



ANNUAL REPORT 2017/18





Farmers in Malawi celebrate their increased incomes from growing and selling sweet potatoes.

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OUR MISSION: TO EMPOWER LOCAL CHANGEMAKERS TO BREAK THE CYCLE OF POVERTY IN THEIR COMMUNITIES

OUR STORY

Action on Poverty is an international development organisation working across Africa, Asia, and the Pacific. For 50 years we have been helping poor and vulnerable communities to lift themselves out of poverty. From helping Timorese families to grow their own nutritious foods, to helping disadvantaged women in Cambodia learn business skills – we target people with their own vision for change, and help them make a difference that lasts.

We are a secular, independent non-government organisation (NGO) that takes a rights-based approach to poverty reduction. This means that we work to address the root causes of poverty and not just its effects. We do this by helping poor communities access the opportunities they deserve, such as training and finance, to transform their lives. We also strive to ensure the benefits of development are shared equally, especially among marginalised groups such as women, people with disabilities, and ethnic minorities.



Code of Conduct: Action on Poverty is a signatory to the Australian Council for International Development (ACFID) Code of Conduct, which is a voluntary, self-regulatory sector code of good practice. As a signatory, we are committed and fully adhere to the ACFID Code of Conduct, conducting our work with transparency, accountability, and integrity.



REPORT FROM THE CHAIR

CHAIR | JOHN KELL

2018 has been a very important year for us as we celebrated 50 years of taking action on poverty. Fifty years is an enormous achievement for any organisation, but it is an especially important one for a small charity like ours, and a credit to our supporters.

There are so many people who have contributed to this achievement that it is not possible to name them. To all of our supporters, employees and former employees, directors and former directors over the last 50 years – thank you. With your continuing support we are looking forward to building the foundations for the next 50 years of Action on Poverty.

We had a lovely party in March to celebrate our 50th Anniversary, and the celebrations will continue with a gala in Hanoi in March 2019. In 2019 we also celebrate 30 years of work in Vietnam, making this a dual celebration. If you are able to join us for the gala, we would love to share the celebration with you.

In 2018 we have had other successes to celebrate. In the last 12 months, our work with the World Mosquito Program (WMP) in eliminating dengue and other mosquito-borne diseases has expanded considerably leading to the establishment of a regional hub in Ho Chi Minh City. We are very proud to be partnering with WMP in this important project. While many people have worked hard to establish the office in Ho Chi Minh City, I would particularly like to acknowledge the contributions made by Christine Pollard and Ta Van Tuan.

Our programs continued to have an enormous impact this year. Highlights include our Women in Action project in Cambodia, which helped vulnerable women in Phnom Penh increase their incomes by up to 75 per cent, and our Community-based Tourism project in Vietnam, which helped ethnic minority groups generate \$57,000 in income.

We also continued our vital work in Africa and the Pacific, where climate change is having a drastic impact on access to water. This year a severe drought impacted farmers in our livelihood projects, particularly in Malawi, Zimbabwe, and Mozambique. Going forward we are placing greater emphasis on improving access to water as the key to growing nutritious food, improving incomes, and creating stronger communities.

Unfortunately, funding for the international aid sector is nothing to celebrate. Latest rankings show Australia slipping from 17th to 19th out of 29 OECD countries. This is especially disappointing in light of a recent newspaper report of credible surveys ranking Australians as the richest in the world. We need to do more to share our wealth and our opportunity with those less fortunate, especially as some of the poorest nations are our closest neighbours and could be strong regional allies.

Finally I would like to thank all the staff and my fellow Board members for their support and contributions throughout the year. While there are many challenges, I have confidence in the great team at Action on Poverty.



REPORT FROM THE CEO

CHIEF EXECUTIVE OFFICER | CHRISTINE POLLARD

This year we celebrated our 50th anniversary and I have been delving back into our early history – and what a rich and fascinating history it is! Founded by Australia's first film star, Betty Bryant, and her husband, the president of MGM Studios in Hollywood, the Foundation for the South Pacific (FSP) sought to improve the lives of those affected by the devastation in the South Pacific from World War Two. Betty and the supporters of FSP saw the great need and this planted a seed of determination to do something really worthwhile, to take action on poverty by working through community partnerships.

Time has passed and much has changed – but that desire to do something really worthwhile to help others remains constant, the beacon we align our actions with, and the inspiration that drives the passion of all of us here at Action on Poverty (AOP).

And so I welcome you to our 2017-18 Annual Report. This year we are proud to have helped over 333,000 people across Africa, Asia, and the Pacific – making hope possible for them and the generations that follow.

In Africa, we helped over 155,000 people to access clean water, and more than 47,000 people to become more food secure. Meanwhile, almost 5,000 people in the Pacific are more resilient to climate change, with improved access to water and training in climate-sensitive agriculture.

In Vietnam, our Community-based Tourism project continued to grow, generating over \$57,000 in income and benefiting over 140 households in Da Bac alone. We also partnered with the World Mosquito Program to establish an Asia hub in Ho Chi Minh City which will help protect the region against mosquito-borne diseases such as dengue, Zika, and chikungunya.

At AOP, we work hand-in-hand with our in-country partners. I would like to take this opportunity to thank them for all they

do. Learning is a two-way street here – we help to strengthen our partners so they can deliver sustainable projects that are responsive to local needs. Meanwhile, we learn so much from our partners and sometimes I marvel at the challenges they encounter, and the ingenuity and grace they use in resolving these challenges.

Our staff and volunteers deserve special mention, always working above and beyond, supporting each other, and ensuring our whole is greater than its parts. This year we bid farewell to Siobhan Clark (Pacific Manager), Sem Mabuwa (Africa Manager), and Tiffany Kellar (Communications and Fundraising Manager) – we thank you for your tireless efforts and wish you the very best in your new endeavours. We were delighted this year to welcome Vi Than, Cameron Marchant and Lisa Dowdall – they are wonderful additions to our team.

Good governance is critical to the overall health of a charity and we are fortunate in this regard with our Board. This year we welcomed a new Board member, Tim Lovitt – another generous giver of his considerable expertise, experience, and time. We can always count on our Board members – such a reassurance given the challenging environments we operate in.

AOP is also very grateful for the level of assistance we receive from our pro bono supporters – these gifts of time and expertise help us to keep our organisational standards high, and reduce our administration and fundraising expenses.

As I reflect on AOP's 50-year journey, what stands out to me is that our purpose has been the same since 1968 – to help vulnerable communities find their own solutions to poverty. We continue to pursue this purpose as we work towards a more equal world where everyone has the opportunity to live with dignity.

155,896
people with improved
water access in Africa



Growing potatoes in Ethiopia



Treating clubfoot in Bangladesh

Bangladesh



Growing victory gardens in Malawi

Ethiopia

Tanzania

Malawi

Mozambique

Zimbabwe



Educating preschool children in Cambodia



Cattle farming in Zimbabwe



This year we reached over
333,000 people

14,260
people improving
their incomes in Asia



Supporting livelihood projects in Vietnam



Bringing clean water to Kiribati



47,478
people in health
programs in the Pacific



Celebrating Action on Poverty's
50th Anniversary

53,749
people with increased
food and water security



OUR VISION

For all people to transcend the injustice, indignity, and inequality of entrenched poverty

OUR MISSION

To empower local changemakers to break the cycle of poverty in their communities

OUR VALUES

As we work towards achieving our mission, we commit to the following core values:

- ▶ upholding the dignity and human rights of every individual
- ▶ dealing truthfully, honestly, and transparently at all times
- ▶ supporting communities to help themselves
- ▶ undertaking activities that address the needs and interests identified by the people with whom we are working
- ▶ being accountable to all our development partners
- ▶ operating with a spirit of collaboration in achieving common objectives
- ▶ maximising the impact of donor contributions
- ▶ respecting the environment
- ▶ providing challenging, supportive, and safe work environments where people can improve their skills and knowledge.

OUR STRATEGIC FRAMEWORK 2017-20

Empowering local changemakers to break the cycle of poverty in their communities



1. PROGRAMS

Support local organisations to undertake innovative and quality programs, which build inclusive, sustainable communities that are better able to tackle poverty and injustice.

- ▶ Our programs reached over 333,000 people this year
- ▶ Undertook six evaluations of projects across Africa, Asia, and the Pacific



2. PARTNERSHIPS

Forge partnerships that add value to our work and contribute to reducing extreme poverty.

- ▶ 100 per cent of partners reported that we add value to their work
- ▶ Established a new partnership with the World Mosquito Program



3. ENGAGEMENT

Inspire Australians to take action on reducing poverty through informed conversations about what their individual roles could be to address this complex challenge.

- ▶ Ran our most successful fundraising appeal ever and increased active donors by 50 per cent
- ▶ Increased our social media following to 4,235



4. SUSTAINABILITY

Progressively strengthen Action on Poverty as an organisation so we can continue to deliver effective development programs and achieve our strategic goals.

- ▶ Increased our unrestricted reserves
- ▶ Staff survey showed that all employees believe our work has a positive impact



THE GLOBAL GOALS
For Sustainable Development

SUSTAINABLE DEVELOPMENT GOALS

THE SUSTAINABLE DEVELOPMENT GOALS ARE THE UNITED NATIONS' BLUEPRINT TO ACHIEVE A BETTER AND MORE SUSTAINABLE FUTURE FOR ALL BY 2030. ACTION ON POVERTY IS COMMITTED TO DOING ITS PART TO TACKLE THE GLOBAL CHALLENGES WE FACE, SUCH AS POVERTY, INEQUALITY, AND HUNGER.



Working with Timor Aid, we helped farmers like Baltazar increase their crop yields and boost household nutrition.

FOOD SECURITY

A household food deficit is one of the most obvious indicators of poverty. This is often linked to a lack of reliable water or low levels of education. We work with food-insecure communities who are not producing enough food, or don't have access to nutritious foods. Our food projects strive to reduce the 'hungry months' between crop seasons, with the ultimate goal of eliminating hunger altogether. We also promote climate-resilient agriculture, as erratic weather patterns are increasingly affecting poor families.

Women, children, and the elderly are often the most vulnerable to malnutrition, especially when resources are scarce. Despite global reductions in malnutrition and stunting, one in three children still suffer from the long-term effects of not eating enough. We work to address both under-nutrition and over-nutrition to ensure everyone in the household has access to a diverse diet, which can prevent long-term health problems.

HIGHLIGHTS

In Africa, we continued to work with smallholder farmers who have limited access to resources and are disadvantaged by

economies of scale. With our partners in Ethiopia, Malawi, and Mozambique, we helped farmers access quality seed, and taught them farming techniques so they can grow potatoes for household consumption. Some farmers achieved a surplus and sold extra potatoes at market, giving them more money to spend on food.

In November 2017, an evaluation found that the project had reduced the 'hungry months' in Ethiopia by 25 per cent, and in some cases eradicated them completely. It also found that incomes had increased by 50 per cent. Similarly, in Mozambique farmers increased their incomes from \$70 to \$240.

To date, this project has established 30 farmers' associations. Women represent 60.5 per cent of members in Mozambique and 57.2 per cent in Malawi. This year, the project distributed disease-free planting material to 4,125 farmers through these associations. We also supported the development of market linkages through online information systems and business marketing platforms such as Bazara in Mozambique. The

We helped 47,285 people in Africa become more food secure



associations signed 13 pre-agreements with for-profit enterprises. The Malawi Farmers' Association signed an agreement with one of the largest companies in the country, Mothers Holdings.

This year we also established demonstration sites and kitchen gardens in Africa and the Pacific. In Malawi, we helped to establish 2,998 'victory gardens', while in Tanzania we trialed a new farming initiative with the Maasai. In Kiribati, we helped communities to grow and consume a wider variety of healthy foods by establishing three community nurseries. In Fiji, we trained women's groups in four villages in how to manage seedling production and distribution, and provided food preparation training.

In Fiji, Kiribati, and Timor-Leste, our food security work has increased the production and consumption of locally-grown, nutritious food. Working with Timor Aid, we helped to build fish ponds and chicken coops to encourage household food diversity. Ninety households in Fiji and 350 people in Kiribati also reported increased incomes through sale of excess produce.

CASE STUDY | MOZAMBIQUE

Atanásio is Prison Director at Tinonganine Open Prison in Maputo Province. He is responsible for the prison's economic activities, including its potato-growing project.

In Mozambique, 70 per cent of the population relies on agriculture for their food and livelihoods, and other work is scarce. According to the Overseas Development Institute, young men often turn to crime, alcohol, or drugs when they can't earn a living.

The Tinonganine project engages prisoners who have completed at least a third of their sentence and demonstrated good behaviour. Our local partner, United Purpose, provides seeds, fertiliser, and training so inmates can supply food for the prison and learn useful skills. This improves their ability to provide for their families when they're released, and reduces their risk of falling back into crime.

"This is the first time we have had the opportunity to produce potatoes," said one participant. "For me it is very good because they sell well. I can get out of here and grow it on my own."

Through this project, prisoners produced almost one tonne of potatoes in 2017. Half of these were eaten in Tinonganine Open Prison, where inmates usually have two meals of rice and beans per day. The rest were shared with other prisons in Maputo.

"Sometimes it is difficult to make the community understand that although they are inmates they are also people who need support to be reintegrated into society and that they are willing to do it in a peaceful way," said Atanásio.

One ex-inmate has already used the skills he learned to find new work with a private company in Boane District.

"He is working there as a potato expert after he informed the company owner that he had gained experience here in the centre," said Atanásio. "These centres are very important for the reintegration of prisoners into society."



THE GLOBAL GOALS
For Sustainable Development



Ada from Timor-Leste used her business training to open a small kiosk in Dili.

LIVELIHOODS AND ECONOMIC EMPOWERMENT

According to the World Bank, around 10 per cent of the world's population lives on less than \$2 per day, compared to 36 per cent in 1990. Although this is remarkable progress, there are still 736 million people trapped in poverty, especially in low income countries.

Many of the people we work with are subsistence farmers who labour from sun-up to sun-down just to survive. We offer training in new livelihoods, provide access to small loans, and support savings groups so poor families can lift themselves out of poverty for good. We focus on empowering women, who invest back into their families and communities, and contribute the most to their nations' growing economies.

HIGHLIGHTS

In Zimbabwe, we helped farmers increase their income by an average of 10 per cent through our cattle fattening program. Working with our local partner, Community Technology Development Trust (CTDT), we taught farmers how to pen-fatten their cattle and helped them access better breeding stock. By selling their cattle at higher prices, farmers were able

to cover household expenses or reinvest in their business.

We also helped butternut farmers in Zimbabwe to start their own peanut butter business and form savings groups. With training in business and finance, these farmers are increasing their income every year, and have saved over \$25,000.

In Malawi, we continued to help farmers access quality potato seed so they can grow nutritious food for family consumption and market sale. Working with United Purpose, we targeted women for agronomic and leadership training. The Diversify Project helped women improve their income through potato farming, while also strengthening their voices in community and household decision-making.

By starting their own businesses and joining savings groups, women from 20 of Phnom Penh's poorest communities increased their incomes by up to 75 per cent. Together, they have saved over \$55,000, and even set up a social fund to help each other in emergencies. An independent evaluation of this project found that women had greater confidence and social standing.

6,744 people improving
their incomes in Asia



In Vietnam, ethnic minority groups made Community-based Tourism (CBT) in Da Bac our most successful livelihood model, creating large revenue streams while ensuring all community members reap the benefits. Over 2,000 tourists visited Da Bac last year, generating over \$57,000 in income and benefiting 140 households in three communes, including 2,670 ethnic minority women.

Meanwhile, 165 other Vietnamese farmers have used our technical training to expand their fishing, vegetable, and livestock businesses. Our bee-keeping project in Hoa Binh generated almost \$3,000 for 10 households after just one year of operation, while our micro-finance programs continued to thrive, with 304 new women accessing loans, bringing total membership to 2,012.

In Timor-Leste, we worked with our local partner, PRADET (Psychosocial Recovery and Development in East Timor), to help 76 women gain greater financial independence by learning how to run a small business.

CASE STUDY | HOAN, VIETNAM

Hoan, 30, lives in Da Bac in northern Vietnam with her husband, mother-in-law, and two children.

Hoan belongs to the Muong people – one of Vietnam's 53 ethnic minority groups. Unfortunately, these groups often suffer extreme poverty, in part due to the remote location of their villages where they have far less access to employment, education, and health care.

Like other Muong women in Da Bac, Hoan had lots of different jobs to make a living. Her main source of income was from catching and selling shrimp from Hoa Binh Lake, but she was struggling to earn enough to feed her family.

Hoan was trying to make her own shrimp traps, which involved splitting bamboo sticks by hand. Shrimp traps must be made of smooth bamboo using good weaving techniques. But without the correct equipment and training, Hoan was unable to make strong traps, and had to resort to buying traps from traders – a huge expense for her small-scale business.

We helped Hoan and other women in her village learn to weave their own traps using a bamboo-splitting machine. The machine splits and smooths bamboo sticks in seconds. With help from the machine, Hoan can now weave up to 30 traps per day and save thousands of dollars every year. She earns extra income from selling her traps to other shrimp catchers.

The women also discovered that using native bamboo increased the life span and efficiency of each trap. Their traps last twice as long as those they used to purchase from traders.

"I usually collect bamboo as I herd the cows so that we have the material even on rainy days," said Hoan. "Thanks to the money saved from trap weaving and selling, our family has extras to support our children in education and invest in other farming practices as well."





Martha from Malawi uses her Ecosan latrine to turn human waste into fertiliser for her crops.

WATER AND SANITATION

Billions of people around the world still struggle to access clean water and sanitation. According to the UN, 30 per cent of people don't have access to safe drinking water, while a staggering 60 per cent lack basic sanitation such as toilets or latrines.

Climate change is also creating erratic rainfall, with drought increasingly common across Africa, Asia, and the Pacific. Rural families not only struggle to find drinking water, but also face the challenge of sourcing water for agriculture so they can feed themselves and earn a living.

This year, we helped to install water points and purification systems, trained water point committees to look after their water infrastructure, and educated communities about hygiene and sanitation. We focused on reducing the burden on women to fetch water, and encouraged women to join water point committees to take control over their most important resource.

HIGHLIGHTS

In Malawi, we worked with Evidence Action to install chlorine dispensers so communities in Zomba can easily purify their drinking water. We also conducted spot checks to ensure the

water is of drinking quality. Village elders were educated about the importance of clean water, and encouraged others to adopt the practice. Since it began, this project has brought safe drinking water to 190,550 Malawians, reducing cases of water-borne disease.

We also helped families to build their own latrines in Malawi. Working with United Purpose, we trained local drama groups to perform acts with important health and hygiene messages. These groups spread awareness of the Ecosan latrine to remote villages. The Ecosan latrine is a sustainable and cost-effective sanitation solution that doesn't require water, and can be used to turn human waste into valuable nutrients for agriculture. This means people no longer have to dig pit latrines, which are often washed away in the wet season, or resort to open defecation.

In June 2018, we ran a public appeal to raise money for drought-stricken farmers in southern Africa. With contributions from everyday Australians, we raised almost \$30,000 to go towards an irrigation system in Zimbabwe and a water system for a hospital in Malawi.

155,896 people in
Africa have better access
to clean water



In Fiji, we helped 151 households in Navakasiga District access water and sanitation through our Drinking Water Safety and Security Program. Since then, there have been no new cases of typhoid. The program was so successful that the Fijian Government adopted it as its national water and sanitation policy, ensuring safe water supply for rural communities.

In Kiribati, we helped to install 35 hand water pumps in remote villages on Aranuka and Marakei Islands. This means that 75 per cent of households on the islands have access to water at their homes, rather than travelling to a well in the village. This has been crucial for ensuring that families can grow their own nutritious produce in kitchen gardens, and therefore don't have to rely on expensive and unhealthy imported foods. We also helped to train four water point committees to maintain and repair the water pumps.

CASE STUDY | BIBIANA, KIRIBATI

Bibiana is a single mum living on one of Kiribati's low-lying islands with her 30-year-old son, who has a disability.

Rising sea levels are a major threat to their community. Higher tides and frequent storms cause coastal flooding and push salt water inland, which contaminates wells and makes it very hard to grow vegetables. Drought is also having a negative impact in vulnerable communities. This means that people in Kiribati have far less than the World Health Organization's standard of 50 litres per person per day.

Some people in Bibiana's village were walking hundreds of metres every day to fetch water for drinking, cooking, and cleaning. The community also struggled to grow their own food in the poor soil – a common problem in remote Pacific islands, where there is a high rate of diabetes and other non-communicable diseases due to reliance on imported, processed foods.

Working with our local partner, the Foundation for the Peoples of the South Pacific Kiribati, we helped Bibiana's community purchase materials to build their own hand-water pumps that bring water from the wells straight to their homes. Villagers provided their own labour, digging trenches for the water pipes – a herculean task in the tropical heat.

We helped Bibiana to customise her water system using a simple bottle and hose, so she now has reliable irrigation to grow vegetables. With free seeds from the community nursery and training in how to make her own compost, Bibiana's crops are thriving. She also attended cooking classes to improve nutrition and diversity in her diet.

With a reliable water source, Bibiana harvested 22 cabbages in her first crop, most of which she ate with her son. She also sold some to neighbours for \$2 each. She is very pleased with the results of her hard work, and her son enjoys the fish, pumpkin, and cabbage soup she has learned how to cook.



THE GLOBAL GOALS
For Sustainable Development



We're working with the World Mosquito Program to protect communities in Vietnam from mosquito-borne diseases.

HEALTH

Access to affordable health care is a basic human right, however, many poor families can't afford to visit doctors and often face terrible decisions about whether to pay for medicine or put food on the table.

According to a joint report from the World Bank and the World Health Organization, 800 million people spend 10 per cent of their household budget on health care. For 100 million of these, health expenses push them into extreme poverty and force them to live on less than \$2 a day.

We work with health care providers, public health institutions, governments, researchers, and other NGOs to improve access to health care, including mental health services, and protect communities against diseases such as dengue. Meanwhile, our water, sanitation, and food security projects aim to boost health and nutrition, and our livelihood projects help families earn higher incomes so they can pay for health care when necessary.

HIGHLIGHTS

In Bangladesh, an estimated 3,500 children are born with

congenital clubfoot deformity every year. Left untreated, clubfoot deformity causes a significant lifetime disability and affects a person's ability to earn an income. Many people with clubfoot are forced to resort to menial labour or begging.

In partnership with the Glencoe Foundation, we treated 806 children under the age of three, or 1,165 clubfeet, through our Walk for Life program. We trained 344 doctors, physiotherapists, nurses, and community health workers on the Ponseti method, a non-surgical technique recognised as the gold standard for clubfoot treatment.

We also ran clubfoot awareness campaigns in 41 communities to reduce the social stigma around clubfoot and increase referrals to Walk for Life clinics. This means fewer mothers face shame and discrimination for having children with clubfoot, and children are able to access treatment instead of remaining trapped in a lifetime of disability and poverty.

We completed the All Ears Cambodia project this year after conducting diagnostic hearing tests with 1,739 patients, and fitting 348 patients with hearing aids. We also conducted 104

344 health workers trained in clubfoot treatment in Bangladesh



ear health education sessions, increasing awareness among 3,126 Cambodians.

In Timor-Leste, we worked with Maluku Timor to deliver life-changing health care to some of the most vulnerable communities, focusing on Tuberculosis screening and preventative treatment, and training of health care workers.

We worked with PRADET (Psychosocial Recovery and Development in East Timor) to provide safe shelter and counselling for 76 women who have experienced domestic violence and sexual abuse. PRADET trained women in business skills to empower them to earn their own incomes and lead more independent lives. We also ran campaigns to raise awareness of the impact of domestic violence, reaching 380 people.

This year, we partnered with the World Mosquito Program to protect communities in Vietnam from mosquito-borne diseases. Together, we established an Asia hub in Ho Chi Minh City to support projects in the region and contribute to core global operations. This project uses *Wolbachia*, a safe and natural bacteria, to reduce the threat of diseases such as dengue, Zika, and chikungunya. For the first time, the project released mosquitoes carrying *Wolbachia* in mainland Vietnam.

CASE STUDY | SABA, BANGLADESH

Afia and Nafis have been married for six years and have two young children. Afia raises the kids while Nafis earns a living by driving a rickshaw.

This young couple already had a three-year-old girl when Afia fell pregnant with her second child, Saba. Afia faced tremendous pressure from her in-laws to deliver a boy. The family was dismayed when Saba, a girl, was born with bilateral clubfoot – both her feet were turned inwards.

In Bangladesh, many people believe that clubfoot is God's punishment for the mother's wrongdoing. Afia blamed herself for Saba's clubfoot, while Nafis wondered how they would be able to afford treatment on his rickshaw driver's salary, if such treatment even existed.

"I was scared for my daughter's future," said Afia. "I believed my child would have to suffer a miserable life with no cure."

Although she faced taunts from the community, Afia didn't give up. She went to the hospital, where staff referred her to a Walk for Life clinic.

After talking with a physiotherapist and seeing other children in special shoes and casts, Afia agreed to begin Saba's treatment using the Ponseti method. This uses casting and bracing to gradually bring the feet into the correct position.

Now two-and-a-half years old, Saba can walk, run, and play like other children. She still wears braces while she sleeps, but her parents are thrilled to see their daughter so happy and healthy.

Afia makes sure to bring Saba back to the Walk for Life clinic for regular check-ups, where doctors track her progress and ensure the family is adhering to the treatment protocol.





We helped Mr Hoi grow his fishing business in Hoa Binh, Vietnam, which is less vulnerable than agriculture to flooding.

ENVIRONMENT AND CLIMATE CHANGE

Although wealthy, developed nations are the most responsible for climate change, poor communities bear the biggest burden. Despite their low carbon footprint, the communities we work with across Africa, Asia, and the Pacific are all experiencing the devastating impacts of climate change, from rising sea levels in Kiribati to drought in Zimbabwe.

We help communities to diversify their livelihoods so they are better equipped to deal with climate shocks, and help them prepare for natural disasters.

HIGHLIGHTS

We worked with low-lying nations in the Pacific that are highly vulnerable to climate change from rising sea levels, and reliant on climate-sensitive industries such as agriculture and fishing.

This year, we supported the Foundation of the Peoples of the South Pacific (FSPI) to implement a climate change project through the United States Agency for International Development's Pacific-American Climate Fund. This project integrated indigenous knowledge of climate change in the Pacific with western science. With our technical support, FSPI trained 33 local champions in how to gather and record

indigenous knowledge on responding to health issues caused by climate change. Communities then created 17 action plans to inform local and national responses to climate threats.

In Timor-Leste, Kiribati, and Fiji we helped to train vulnerable communities in climate-sensitive agriculture, and to install or repair clean water systems for drinking and irrigation.

Building on a pilot project last year, we continued to work with the Cambodian Organization for Children and Development (COCD) to train communities in Pursat Province in responding to climate change. We trained 30 facilitators in how to deliver climate change and disaster management workshops. These facilitators then held risk mapping sessions with 350 participants and created seven risk maps, which can be integrated into community development plans. Forty local leaders from the community, government, and development sectors also met to discuss their communities' approaches to climate change and share their learning.

In Vietnam, rural households are especially vulnerable to climate shocks and exposed to natural disasters such as tropical storms and flooding. Salt water intrusion is destroying

1,500 people planned for climate change in Cambodia



“I now know how to grow crops in a way which adapts to the consequences of climate change.”

rice paddies, leaving farmers struggling to earn a living. We helped farmers adapt to climate change by offering technical and financial assistance so they can transition to new livelihood models that are less vulnerable to climate shocks, such as weaving baskets and running kiosks.

CASE STUDY | MRS SREY, CAMBODIA

Mrs Srey, 39, lives with her four children in a remote village in Pursat Province, where most people earn an income through farming. Her family didn't have enough rice to eat after their crops were destroyed by pests and drought, and were surviving on less than \$3 a day.

Cambodia is extremely vulnerable to climate change because of its reliance on agriculture. People with limited resources such as Mrs Srey are at risk of falling deeper into poverty.

Mrs Srey's whole village has been severely impacted by climate change. The village chief reported long periods of drought during the rainy season, followed by a storm that caused flash flooding. During the drought, children were unable to go to school because of the extreme heat. Many also contracted diarrhoea after drinking from unsafe water sources.

Mrs Srey's village lacked strong infrastructure. Poor roads and bridges were easily damaged, especially during erratic weather events, which meant people had difficulty transporting their crops for sale.

We teamed up with the Cambodian Organization for Children and Development (COCD) on a climate change resilience and adaptation project to help villages across Pursat Province protect themselves.

Mrs Srey participated in training with district agricultural officers to learn climate-sensitive farming techniques. "I now know how to grow crops in a way which adapts to the consequences of climate change, and I hope now to increase my crop yields."

Mrs Srey contributed to the village's climate assessments and disaster plans, which were taken up by the local government. She also joined simulation exercises that put the disaster plans into action.



THE GLOBAL GOALS
For Sustainable Development



Women from Mangakiki in the Solomon Islands participated in advocacy and savings groups as part of the Bridging the Gap project.

GOVERNANCE

We believe that change begins at the grassroots level. We build relationships between vulnerable communities, local NGOs, government, civil society, and service providers as the basis for long-term change.

Using a wide range of social accountability tools and tactics, we help people identify and meet their own development goals. From helping villagers in the Solomon Islands to lobby government authorities, to training Vietnamese citizens in monitoring public projects – we empower vulnerable communities to advocate for themselves.

HIGHLIGHTS

We partnered with the Solomon Islands Development Trust to help four villages form advocacy groups and develop Village Action Plans (VAPs) as part of our Bridging the Gap project. Three hundred villagers presented their VAPs to 19 government officials at a forum in Mangakiki, and forged relationships with other NGOs and service providers to develop projects addressing their development priorities – water, sanitation, nutrition, and domestic violence prevention.

The project helped women to achieve greater decision-making power in the community, with three women elected to village advocacy groups, and five women taking up office bearer roles in newly established savings clubs. We also enrolled young people in a Youth at Work program focusing on entrepreneurship, and helped water-insecure communities to rehabilitate their water points and sanitation facilities.

In Vietnam, we launched a new online tracking system. This system allows communities to easily send feedback on public projects to authorities, and created a real-time dialogue mechanism for citizens and government. This year, more than 100 community representatives and government officers used the new technology.

We conducted social accountability training with 1,723 representatives from civil society and community-based organisations, and trained 437 government officials in policy and service delivery to promote economic growth. We also held 16 meetings between citizens and government to ensure public policies and projects align with community needs.

“I have joy doing my job because my voice carries weight.”



We helped 955 people raise their voices in Asia and the Pacific

CASE STUDY | HUE, VIETNAM

Hue is the head of the Community Investment Supervision Board (CISB) in her commune in Hoa Binh Province. Her job is to monitor and ensure the quality of public investments, such as roads and community houses.

The Board is comprised of people elected by their community to speak up for their interests. However, Hue found it difficult to be assertive when she lacked the knowledge and training for the job.

We invited Hue and her colleagues to join our governance training. Through this program, Hue learned about the roles and responsibilities of the CISB, and received practical training in how to monitor and report on public works. We also published a CISB Handbook to help Hue do her job, and launched an online reporting platform to improve communication between communities and government authorities.

Hue says she is now more confident when monitoring public projects.

With the training under her belt, she knows how to read project plans and identify any issues.

For example, Hue recently analysed plans for a water project and noticed a design flaw that would impact water quality. She negotiated with the investor and secured the necessary adjustments to the design. Thanks to her, the commune now has clean water for everyday use.

Hue is well-respected in the community, where people value the positive changes that she helps bring about.

“I have joy doing my job because my voice carries weight,” said Hue. “Many people support our monitoring work, not only our community but also the investors. When all conflicts are cleared, their job can be done quickly. Through monitoring, our people, including me, can benefit from the better, higher quality of projects.”



THE GLOBAL GOALS
For Sustainable Development



We worked with Community Technology Development Trust (CTDT) in Zimbabwe to hold 'look and learn' events for cattle farmers.

PARTNERSHIPS

We work with a global network of partners to ensure that our development work is inclusive, sustainable, and cost-effective. Our partners are both large and small – but all are united in their vision of a world without poverty.

For example, this year, we partnered with the World Mosquito Program to establish an Asia hub in Ho Chi Minh City which will help protect the region from mosquito-borne diseases such as dengue, Zika, and chikungunya. Meanwhile, we also continued to work with small NGOs, such as Solomon Islands Development Trust, to ensure they can meet local development needs.

Working with our partners, this year we:

- ▶ helped 1,539 farmers in the Pacific to grow nutritious vegetables for family consumption
- ▶ reduced food insecurity by four months for 243 farmers in Timor-Leste
- ▶ improved access to fresh water and nutritious food through kitchen gardens for 640 people on two islands in Kiribati
- ▶ helped women from 20 of Phnom Penh's poorest villages improve their income by up to 75 per cent
- ▶ selected three households as new homestays for our Community-based Tourism project in Vietnam, designed two new trekking routes, and established a musical performance group with 22 members from Dao and Muong ethnic minority groups
- ▶ renovated a primary school for 165 primary school students and educated another 468 at preschools in Cambodia
- ▶ helped 70 households in Zimbabwe improve their income by growing potatoes
- ▶ trained 800 Maasai in sustainable farming practices in Tanzania
- ▶ treated over 1,600 marginalised adults and children for deafness or ear disease in Cambodia.



CASE STUDY | MR TRUONG, VIETNAM

Mr Truong is a 79-year-old retiree living in Nha Trang City in southern Vietnam, and has many years of experience as a medical professional.

Unfortunately, his family has suffered terribly from dengue fever for many years, including three of his grandchildren.

"They had high and persistent fevers," he said.

"The doctors had to give them intravenous medication and they were very sick."

According to the World Health

Organization, dengue morbidity has increased steadily since 2000, and in Vietnam over 85 per cent of all dengue cases and 90 per cent of all deaths due to dengue occur in the south. Morbidity is particularly high in children under 15.

Action on Poverty in Vietnam is partnering with the World Mosquito Program (WMP) to help protect communities like Truong's against mosquito-borne diseases. The WMP uses safe and natural bacteria called *Wolbachia* to reduce the threat of Zika, dengue, and chikungunya outbreaks.

The WMP introduces *Wolbachia* into *Aedes aegypti* mosquitoes. *Wolbachia* carrying mosquitoes have a reduced ability to transmit viruses to people. Once *Wolbachia* carrying mosquitoes are released, they breed with wild mosquitoes. Over time, the percentage of mosquitoes carrying *Wolbachia* grows until it remains high without the need for further releases.

In March 2018, the WMP commenced its first releases of *Wolbachia* carrying mosquitoes on mainland Vietnam. The project is located in Vinh Luong, a community north of Nha Trang in southern Vietnam.

The WMP encourages communities to become actively involved in its work in all international project sites, and only undertakes release activities with community support. Truong is a vocal supporter of the WMP's *Wolbachia* method, giving community members information about the project.

"The WMP's *Wolbachia* method is very beneficial," said Truong. "After the WMP's mosquito release, my family can feel safe and we have trust in the method."

Following the Vinh Luong releases, WMP staff are continuing to monitor and evaluate the mosquito population to ensure that mosquitoes with *Wolbachia* are successfully establishing in the local mosquito population.

OUR PARTNERS

All Ears Cambodia

Blue Dragon Children's Foundation

Cambodian Organization for Children and Development

Cambodian Volunteers for Community Development

Cambodian Women's Crisis Center

Community Technology Development Trust

Community Research and Development Services

Comprehensive Community Based Rehabilitation in Tanzania

Evidence Action

Face to Face

Foundation of the Peoples of the South Pacific International

Foundation for the Peoples of the South Pacific Kiribati

Glencoe Foundation

HIAM Health

Maluk Timor

Matesabroad Foundation

Partners in Community Development Fiji

Psychosocial Recovery and Development in East Timor

Solomon Islands Development Trust

Timor Aid

United Purpose

Vita

Walk for Life

World Mosquito Program





Kerrie van Loon, Christine Pollard, and Rosalind Reeves trek Da Bac in Vietnam as part of our Community-based Tourism project.

INSPIRING AUSTRALIANS

We strive to inspire Australians (and people around the world) to take action on poverty, and are lucky to have a network of passionate volunteers and fundraisers who stand with us in our fight for equality.

This year, our supporters gave generous donations, volunteered their time and expertise, and fundraised for our overseas projects.

HIGHLIGHTS

In November 2017, eight Australians embarked on a six-day trek through beautiful Da Bac in Vietnam to visit our development projects and see the difference they're making first-hand. The trekking group visited three villages and observed how tourism is helping ethnic minority groups to earn sustainable incomes.

In March 2018, we celebrated our 50th Anniversary with a special event at the offices of Hicksons Lawyers in Barangaroo. Supporters old and new came together to mark the milestone and reflect on our achievements thus far. From a small organisation bringing humanitarian aid to the Pacific,

Action on Poverty has become a fully-fledged development agency that has expanded into Africa and Asia. We have come a long way because of the hard work of everyday Australians.

We continue to be thankful for the skills and generosity of our talented volunteers. Camille Norsa provided marketing support, helping us grow our social media following to 4,235 people across Facebook, Twitter, and Instagram. We were also lucky to welcome three interns from Boston University's Study Abroad program. Olivia Kohn, Allison Herman, and Ruth Messele brought great energy and ideas to our Sydney team. Meanwhile, our Vietnam team worked with Ross Chandler to develop marketing materials for Community-based Tourism projects, and with Jessie Morgan and Ruairidh MacDonald on maternal health research through Macquarie University's Professional and Community Engagement program.

We received generous pro bono support from a number of business professionals. These included Darius Turner from Community Engagement Consulting, who provided strategic advice and helped us develop new Key Performance Indicators; Hunt and Hunt Lawyers, who provided free legal

CASE STUDY | ROSS, AUSTRALIA

“It's incredible to see a small organisation making such a big impact.”



advice; 180 Degrees Consulting UNSW, who helped us to develop our Partnership Model Value Proposition; and Sparro, who managed our Google advertising.

We held two fundraising appeals to raise money for different but equally vital causes. Our Christmas 2017 Appeal raised \$6,000 for a literacy program at Srey Sanctuary in Cambodia. This appeal will help women who have experienced domestic violence, sexual abuse, and human trafficking to learn to read and write. Thanks to an additional gift of \$6,000 from our corporate partner, Norman Disney and Young, and fundraising from long-time supporter, Astrid Chapman, construction is now underway on a literacy classroom where women can learn to read and write.

In June 2018, we raised almost \$30,000 to fund much-needed water projects in Malawi and Zimbabwe – our most successful appeal ever. These funds will go towards irrigation projects for struggling farmers who are facing drought in Zimbabwe, and for clean water at a hospital in Malawi.

This year we welcomed Ross Chandler to our Vietnam office as Community-based Tourism (CBT) Marketing Volunteer. Here is Ross's story in his own words.

I was introduced to Action on Poverty (AOP) by the staff at Australian Volunteers International in Hanoi. My partner, Emily, was on the Australian Volunteers program, and I was accompanying her. I was looking for a way to keep myself busy and gain some more practical experience in the fields of marketing and tourism. I'd previously spent a year in Cambodia and six months in Thailand, studying and volunteering for a number of NGOs. I was keen to apply what I had already learned to help develop a tourism project and gain further knowledge of the industry in Asia.

The AOP team in Hanoi welcomed me with open arms. It felt great to be working alongside so many passionate people. My work specifically involved the Da Bac CBT project, so I found myself working with a small group in charge of the newly established social enterprise. It was exciting to see that the Da Bac CBT had already reached a level of financial sustainability—a very difficult achievement for community-based tourism projects that often require long-term funding. My role was to further assist in marketing activities, creating a variety of marketing materials, updating the Da Bac CBT website, and planning and strategising for the future.

It's no surprise that one of the best parts about volunteering for AOP was visiting Da Bac. I was lucky enough to visit on two occasions, staying in all three villages and taking part in many of the leisure activities on offer. On the first night of my first visit, I joined the community for a huge dinner party with some fantastic local food. Everyone was so proud of what they had already achieved through the CBT, and were very thankful to the AOP team. Each member of the community went around and visited each table, introducing themselves to visitors and welcoming them to the village. Of course, each introduction involved a shot of rice wine! A tip for future visitors: they prefer it to be a fresh, full shot each time.

I'll always look back on my time at AOP fondly. I look forward to keeping in touch with my friends there and following the work they continue to do. It's incredible to see a small organisation making such a big impact. Their achievements thus far are not only a testament to the way AOP approaches development, but also to the Da Bac community's initiative and motivation to make the CBT project a success.



Members of a farmers' co-operative in Ethiopia show off the potatoes in their dark storage facility.

EVALUATIONS

We are committed to ensuring our work is effective by conducting regular evaluations of our projects, in addition to holding learning events and participating in communities of practice.

This year, we conducted six evaluations. Evaluations are essential for assessing the progress, efficiency, achievements, and value-for-money of each project, as well as lessons learned. However, they are also valuable opportunities to share knowledge and learning. For example, our evaluation in Ethiopia brought together partners from Zimbabwe and Malawi to share insights, ideas, and experiences.

CAMBODIA

In Cambodia, we reviewed our Women in Action project. This project empowers women in 20 villages in Phnom Penh to become self-sufficient by promoting access to education for girls and entrepreneurship for women. The evaluation found that women had increased their incomes by 65 to 75 per cent, and improved their living conditions, savings, and support for their children's education as a result.

This evaluation found that although the project was designed as a multi-year project, it tended to operate on an annual basis, which at times limited the potential gains. The evaluation also recommended providing top-up loans for women who would like to expand their business, and focusing on 'training the trainer' so women can improve each other's capacity for business and finance.

VIETNAM

An evaluation of our work in Vietnam found that, between 2014 and 2018, our projects reached 7,601 people, 67 per cent of them women. All households participating in livelihood projects, such as bee-keeping and fish farming, reported increased incomes. The review also found that women enjoyed improved status and income, while there was greater business aptitude among communities. Overall, the project had created more job opportunities and stronger local economies.

Some key lessons learned from this evaluation were: to invest more in ecological sustainability and adaptation for livelihood models; to support market access for farmers and

co-operatives producing items such as tea and honey at high volume; and to strengthen our relationship with local governments. These lessons will inform the development of new strategies for each project site.

BANGLADESH

In Bangladesh, our Walk for Life project has improved the quality of life for over 21,000 children. During the evaluation, focus groups reported increased awareness of clubfoot. Mothers of children with clubfoot have greater dignity and self-esteem due to the reduced stigma associated with our awareness-raising campaigns. The evaluation also found that diverse funding sources and government partnership ensure the project's sustainability.

Ongoing adherence to the treatment protocol is a concern, with some parents failing to bring their children back for appointments after they begin to walk. Increased focus on patient follow-up, especially through use of a new interactive SMS service, can help with addressing patient drop-out.

SOLOMON ISLANDS

An evaluation of our Bridging the Gap project found that our relationship with local NGOs ensures that development work takes place at the grassroots level and therefore best meets communities' priorities. By working with the Solomon Islands Development Trust (SIDT), the project strengthens civil society and empowers communities to preserve their identity and autonomy. This evaluation recommended that we continue to support SIDT, focus on staff development, and establish stronger local monitoring processes to build on the success so far.

TIMOR-LESTE

Our Timor-Leste evaluation was delayed due to elections in June 2018, but revealed that some communities have experienced significant improvements in access to nutritious foods for household consumption. A lack of access to water is holding back advances in other villages. Increased focus on irrigation is needed to aid agriculture, while focusing on one geographic area would allow resources to be used more effectively. This has been addressed for programming in 2018-19.

ETHIOPIA

We conducted an evaluation of our potato project in Ethiopia – part of a regional project focused on improving food security and economic empowerment for African farmers. The evaluation found that the project is highly effective and relevant, with a strong emphasis on building the capacity and skill set of farmers, especially women, and partnering with government to ensure sustainability.

The evaluation recommended that farmer training and support continue, while focusing on food preparation for a diverse diet is a pathway to engage more women in the project. It also found that bacterial wilt was a major set-back to be avoided at all costs. Developing market linkages and value chains is key to the project's long-term success, since farmers will be motivated to continue to grow potatoes as a good income stream.

CASE STUDY | SOLOMON ISLANDS

We work with the Solomon Islands Development Trust (SIDT), a small, indigenous NGO based in Honiara, to empower communities to advocate for their own development needs through the Bridging the Gap (BTG) project.

BTG helps villagers create action plans, form advocacy groups, and hold village forums so they can lobby their governments for essential services such as clean water, schools and health care.

In West Guadalcanal Province, three communities combined their advocacy efforts to lobby for a new health clinic. Using skills learned from BTG, they worked with the Provincial Health Authority to secure a new clinic with solar power, a delivery ward, two in-patient wards, an out-patient area, and housing for two nurses.

The village advocacy committee is very proud of this achievement, and says that their new clinic comes from both the practical skills and the increased self-determination they gained through the BTG project.

An independent evaluation found that AOP's relationship with SIDT was key to the success of the project. Our partnership model builds the capacity of local NGOs to ensure sustainable change from the grassroots level. "The partnership between AOP and SIDT enables an indigenous NGO to develop and strengthen Solomon Island civil society in the face of the increasing influence of foreign donor objectives via international NGOs," said Dr John Donnelly, author of the evaluation.

"The Bridging the Gap program has been very successful in helping to empower communities to become more able to engage with the systems of the modern nation state . . . while maintaining their local identity and priorities."





L-R David Brett, Jeanneste Sutanto, Denis Wolff, Tim Lovitt, Jock Harkness, John Kell. Not pictured: Angeline Low, John Rock.

OUR ORGANISATION

BOARD

Mr John Kell (Chair)

Partner, Hicksons Lawyers

Dr Angeline Low (Director)

Philanthropist

Prof Jock Harkness (Director)

Microbiologist, St Vincent's Hospital

Mr David A Brett (Director)

International Development Consultant

Mr Denis Wolff (Director)

Senior Contract Development Officer,
Transport for NSW

Mrs Jeanneste Sutanto (Director)

Senior Manager PwC

Mr John Rock (Director)

Retired Sales and Marketing Consultant

Mr Tim Lovitt (Director)

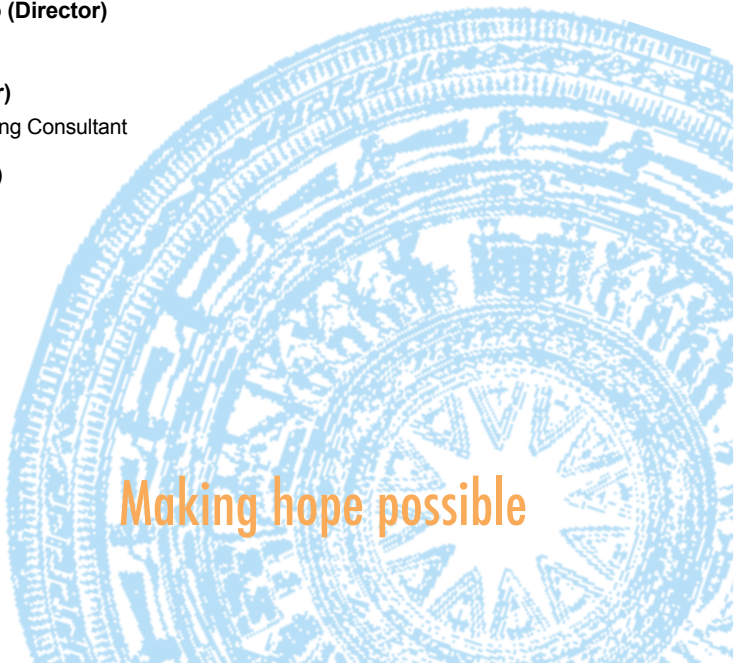
Principal, Iani Group

SENIOR EXECUTIVE TEAM

Christine Pollard CEO and Finance Director

Christine Murphy International Programs Director

Ta Van Tuan Vietnam Country Director



Making hope possible



50 YEARS OF ACTION ON POVERTY

This year, Action on Poverty celebrates 50 years of life-changing work.

In the 1960s a small group of friends came together to support charitable work in the Pacific. They were led by an Australian movie star, Betty Bryant, and an Australian Marist Brother, Father Stan Hosie.

After marrying the head of MGM Studios, 'Red' Silverstein, Betty moved to the United States. Her passion and connection with the film stars of the day enabled the fledgling Foundation for the South Pacific to gain a high profile and grow rapidly from its base in New York.

Betty and Stan were eager to put an Australian face on their Foundation. In 1968, their organisation was renamed the Australian Foundation for the Peoples of the South Pacific and registered in Sydney. The Foundation was run from a donated office, and had no paid staff for the first 20 years of its operation. Slowly the Foundation expanded, taking on its first part-time employee in the early 1990s when we began to support work in Asia. We were the first Australian agency to be recognised by the Vietnamese Government in 1996.

In the late 1990s we won a grant from the Australian Government to trial our work in Zimbabwe, which marked yet another chapter in our growth.

In the past 50 years, we have grown from modest beginnings to become a fully-accredited international aid organisation. To date, we have worked in a wide range of development sectors in 28 countries – a significant achievement for a small, independent Australian organisation.

In 2018, we are celebrating our history with a new name that reflects the broad range of work we now do all over the world: Action on Poverty.

Our growth is testimony to the power of a good idea and the value of partnership. Thank you to all the supporters who have walked with us on our 50-year journey. But most important of all, of course, are the people we serve – those who, by circumstances of birth, do not enjoy the same opportunities we take for granted. We look forward to continuing our work together as we strive for a more equal world.

FINANCIAL STATEMENTS

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
REVENUE		
Donations and gifts		
- Monetary	\$1,454,068	\$6,275,434
- Non-monetary	\$61,745	\$55,139
Grants		
- Department of Foreign Affairs and Trade	\$2,206,808	\$1,920,745
- Other Australian	\$1,015,743	\$278,263
- Other overseas	\$39,054	\$219,958
Commercial activities income	\$17,157	\$5,726
Investment income	\$7,714	\$7,221
Other income	\$32,324	\$202
Revenue for international political or religious adherence promotion programs	0	0
TOTAL REVENUE	\$4,834,613	\$8,762,688

NOTE 1: ANNUAL FINANCIAL REPORT

This financial report is derived from the company's annual statutory report for the year ended 30 June 2018 which is available upon request.

NOTE 2: REPORTING STANDARDS

The following financial reports have been prepared in accordance with the presentation and disclosure requirements set out in the ACFID Code of Conduct. For further information on the Code, please refer to the ACFID Code of Conduct Implementation Guidance available at www.acfid.asn.au.

NOTE 3: NON-MONETARY EXPENDITURE can be broken down as follows

Professional pro bono legal support	\$25,650
Professional pro bono consulting support	\$4,050
Professional pro bono fundraising support	\$5,662
Professional pro bono IT support	\$12,000
Volunteers - admin support - 40 hours	\$1,475
Volunteers - fundraising support - 502.4 hours	\$12,908
TOTAL	\$61,745

	2018	2017
EXPENDITURE		
International aid and development programs expenditure		
- Funds to international programs	\$4,555,666	\$7,964,714
- Program support costs	\$427,166	\$482,015
Fundraising costs		
- Public	\$134,988	\$133,981
- Government and multilateral and private	\$14,192	\$12,470
Accountability and administration	\$271,543	\$294,005
Non-monetary expenditure	\$61,745	\$55,139
Total international aid and development programs expenditure	\$5,465,300	\$8,942,324
International political or religious adherence promotion programs expenditure	0	0
Commercial activities expenditure	\$7,044	0
TOTAL EXPENDITURE	\$5,472,344	\$8,942,324
SURPLUS/(DEFICIT)	(\$637,731)	(\$179,636)
Other comprehensive income	0	0
TOTAL COMPREHENSIVE INCOME	(\$637,731)	(\$179,636)

DEFINITIONS

WHERE OUR SUPPORT COMES FROM

Donations and gifts: Monetary and non-monetary contributions from the Australian public, trusts, and foundations.

DFAT grants: The Australian Government's overseas aid program.

Other Australian grants: Grants from all Australian institutions other than DFAT.

Other overseas grants: All grants sourced from non-Australian institutions.

Investment income: Income from interest and other income earned on investment assets.

Other income: Fundraising events, sponsorships, foreign exchange gains.

Commercial activities income: Gross income from activities such as fundraising, events (including raffles), and retail activities.

WHERE THE MONEY GOES

Funds to international programs: Funds actually remitted overseas to aid and development projects.

International projects – program support costs: Direct costs of project management in Australia including salaries of program staff in Australia, project design, monitoring and evaluation.

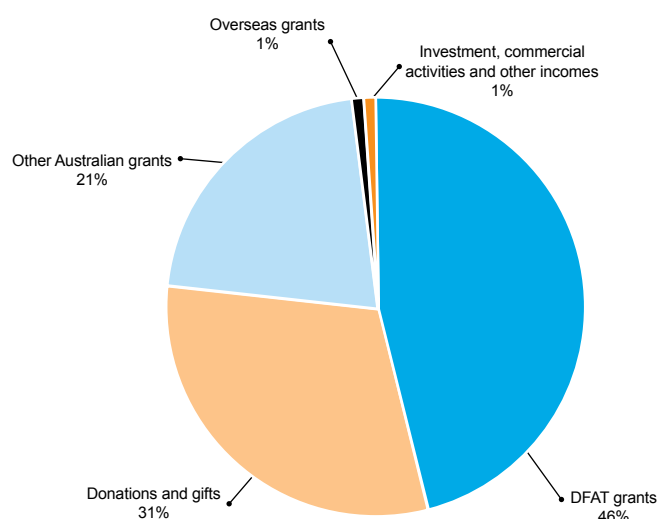
Fundraising – public: All costs related to the purposes of raising funds from the public including salary costs of fundraising staff and production and mailing of fundraising materials.

Fundraising – government, multilateral and private sector: Personnel and related costs involved in the preparation of funding submissions and reporting against grants.

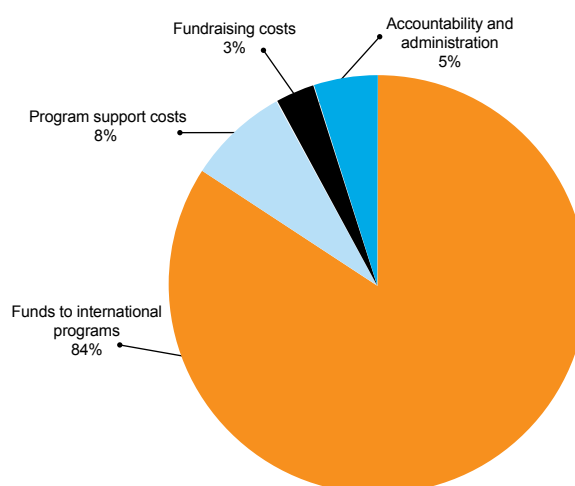
Accountability and administration: Related to the overall operational capacity of AOP, such as audit fees, personnel, IT, finance and administration costs, insurance premiums, and membership to peak bodies.

Commercial activities: Expenditure incurred from activities such as fundraising, events (including raffles), and retail activities.

REVENUE



EXPENDITURE



NOTE 4: HOW PIE CHARTS ARE DERIVED

Pie chart category income and expenses percentages are derived from AOP's Statement of Comprehensive Income categories (excluding donations in-kind). AOP's Statement of Comprehensive Income follows the ACFID format with financial definitions for each category.

BALANCE SHEET AS AT 30 JUNE 2018

	2018	2017
ASSETS		
Current assets		
Cash and cash equivalents	\$1,322,270	\$2,334,352
Trade and other receivables	\$573,459	\$16,193
Other current assets	\$8,000	0
TOTAL CURRENT ASSETS	\$1,903,729	\$2,350,545
Non-current assets		
Other financial assets	\$51,551	\$11,681
Property, plant and equipment	\$10,855	\$14,818
TOTAL NON-CURRENT ASSETS	\$62,406	\$26,499
TOTAL ASSETS	\$1,966,135	\$2,377,044

	2018	2017
LIABILITIES		
Current liabilities		
Trade and other payables	\$155,049	\$22,994
Current tax liabilities	\$74,960	\$3,061
Employee provisions	\$66,737	\$43,598
TOTAL CURRENT LIABILITIES	\$296,746	\$69,653
NON-CURRENT LIABILITIES		
Employee provisions	\$8,983	\$6,984
Total non-current liabilities	\$8,983	\$6,984
TOTAL LIABILITIES	\$305,729	\$76,637
NET ASSETS	\$1,660,406	\$2,300,407
EQUITY		
Reserves	\$1,600	\$3,870
Retained earnings	\$1,658,806	\$2,296,537
TOTAL EQUITY	\$1,660,406	\$2,300,407

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	Restricted funds	Unrestricted funds	Harold Webber Memorial Fund	Pre-incorporation reserve	Total
Balance at 1 July 2016	\$1,815,802	\$660,371	\$2,270	\$1,600	\$2,480,043
Adjustments or changes in equity	0	0	0	0	0
Other comprehensive income for the year	0	0	0	0	0
Excess of revenue over expenditure	(\$224,801)	\$45,165	0	0	(\$179,636)
Other amounts transferred to or from reserves	0	0	0	0	0
Balance at 30 June 2017	\$1,591,001	\$705,536	\$2,270	\$1,600	\$2,300,407
Adjustments or changes in equity	0	0	0	0	0
Other comprehensive income for the year	0	0	0	0	0
Excess of revenue over expenditure	(\$699,352)	\$59,351	0	0	(\$640,001)
Other amounts transferred to reserves	\$2,270	0	(\$2,270)	0	0
Balance at 1 July 2018	\$893,919	\$764,887	0	\$1,600	\$1,660,406

NOTE 5:

The difference of \$2,270 between the deficit of \$637,731 in the Income Statement and the deficit of \$640,001 shown above as the excess of revenue over expenditure relates to a movement of \$2,270 from the Harold Webber Memorial Fund into restricted funds during 2017/18.

FINANCE DIRECTOR'S REPORT

Action on Poverty (AOP) had a deficit of \$637,731 for the 2017-18 financial year. Total revenue decreased by 45 per cent from \$8,762,688 in 2016-17 to \$4,834,613 in 2017-18. Total expenditure also decreased this year by 39 per cent from \$8,942,324 in 2016-17 to \$5,465,300 in 2017-18.

AOP's donations in 2017-18 were down by \$4,821,367 from \$6,275,434 in 2016-17 to \$1,454,068 in 2017-18.

During 2017-18, AOP had several partners exit the Action on Poverty Partnership Program (APP) as they had achieved their own Deductible Gift Recipient status – this explains the significant drop in donations (and hence total income).

AOP's relationship with DFAT remained an essential partnership for ongoing funding with support from the Australian NGO Cooperation Program (ANCP). Based on support from the Australian public, the ANCP grant of \$2,206,808 from DFAT helped AOP to undertake development activities across Africa, Asia, and the Pacific.

AOP's other Australian grants increased from \$278,263 in 2016-17 to \$1,015,743 in 2017-18 – this figure is expected to increase significantly during 2018-19.

During 2017-18, AOP applied funds of \$4,555,666 to deliver overseas aid programs across Africa, Asia and the Pacific. This represents a decrease of \$3,409,048 from the previous year. This difference is explained by the exit of APP partners mentioned previously.

Administration and fundraising expenses for 2017-18 (\$427,767) were consistent with 2016-17 (\$440,456). AOP received \$61,745 of pro bono and volunteer support in 2017-18, increasing from \$55,139 in 2016-17.

AOP's restricted funds dropped from \$1,591,001 at 30 June 2017 to \$893,919 at 30 June 2018. Unrestricted funds grew from \$705,536 at 30 June 2017 to \$764,887 at 30 June 2018.

CASE STUDY | MRS KEUORN, CAMBODIA

Mrs Keuorn was working in the rice paddies all day to earn a living for her family. Together with her husband and two children, she lived in a hut, and spent her spare time growing cucumbers, pumpkins, watermelons, and morning glory in the garden to earn extra income.

Five years ago, Mrs Keuorn heard about a savings group from our local partner, the Cambodian Women's Crisis Center. The savings groups encourage women to pool their resources, and allow them to take out micro-loans with low interest so they can start their own enterprises.

Mrs Keuorn was one of the first to join the group, together with 20 other people from her village. Because these people were her neighbours, they trusted each other to contribute savings regularly.

Mrs Keuorn began to save 5,000 riels every month, or about \$1.70. She also took out a small loan of \$170 to buy seeds and machinery, and started her own business growing and selling vegetables.

"With the money I borrowed, I doubled my vegetable yields as well as doubled my income," said Mrs Keuorn.

She then took out a second loan of \$350 to expand her business with more crops. With the extra income, she paid off her loans and built a new house made out of concrete – a lifelong dream that means her family no longer has to live in a hut.

Although Mrs Keuorn says that she can no longer do much work due to her age, she is very happy to help other people achieve success through savings.

"The reason I am still a member of the savings group is to help other group members get loans and receive some interest," she said. "I am happy to share the little money I have with other families so that they have some budget to expand their work."



**Report of the Independent Auditor on the Summary Financial
Statements of Action On Poverty Limited "AOP"**

The accompanying summary financial statements as set out on pages 30 to 33, which comprises the summary statement of financial position as at 30 June 2018, the summary statement of comprehensive income, summary statement of changes in equity and table of cash movements for the year then ended, are derived from the audited financial report of AOP for the year ended 30 June 2018. We expressed an unmodified audit opinion on that financial report in our report dated 12th November 2018. That financial report and the summary financial statements do not reflect the effects of events that occurred subsequent to the date of our report on that financial report.

The summary financial statements do not contain all the disclosures required by Australian Accounting Standards. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial report of AOP.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited financial report prepared in accordance with Australian Accounting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with Auditing Standard ASA 810 *Engagements to Report on Summary Financial Statements*.

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Opinion

In our opinion, the summary financial statements derived from the audited financial report of AOP for the year ended 30 June 2018 are consistent, in all material respects, with that audited financial report, prepared in accordance with Australian Accounting Standards.



Owen Houston Registered Company Auditor No 4548
Dated: 12th November 2018

Liability Limited by a scheme approved under Professional Standards Legislation

COMPLIANCE AND REGULATION

Like all Australian charities and not-for-profits, Action on Poverty (AOP) operates in a highly regulated environment, and complies with a range of laws, regulations, licences, and codes of conduct to demonstrate accountability to the community and our stakeholders.

AUSTRALIAN COUNCIL FOR INTERNATIONAL DEVELOPMENT (ACFID)



ACFID is the peak body for aid and development NGOs, and its Code of Conduct upholds the highest standards of ethics, effectiveness, and accountability. AOP is a member of ACFID and a signatory of the ACFID Code of Conduct. For further information on the Code, please refer to the ACFID Code of Conduct Guidance Document available at www.acfid.asn.au.

AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION (ACNC)



The ACNC is the independent national regulator of charities. AOP is registered with the ACNC and complies with financial and organisational reporting obligations and governance standards. Please refer to www.acnc.gov.au for details of these obligations and standards.

THE AUSTRALIAN TAXATION OFFICE (ATO)

The ATO has given AOP Deductible Gift Recipient (DGR) status as an Overseas Aid Fund, granted AOP exemption from Income Tax, and provided concessions for Fringe Benefits Tax and GST.

DEPARTMENT OF FOREIGN AFFAIRS AND TRADE (DFAT)



Australian Government

Department of Foreign Affairs and Trade

DFAT is responsible for managing the Australian Government's official overseas aid program. AOP is a fully accredited and trusted recipient of funds from DFAT. The DFAT accreditation process is thorough, robust, and undertaken every five years. It involves a detailed assessment of AOP systems, operations, management capacity, governance, and linkages with the Australian community against a set of agreed criteria.

FUNDRAISING

Many Australian states and territories require charities to obtain fundraising licences to raise funds within their borders. AOP is licensed to fundraise in all states and territories, and complies with the requirements associated with these licences, including annual reporting to particular states.

OUR SUPPORTERS

INSTITUTIONAL

Department of Foreign Affairs and Trade
Irish Aid
Monash University

OTHER DONORS

Charitable Aid Foundation
The Charitable Foundation

The Dick and Pip Smith Foundation
English Family Foundation
The Glencoe Foundation
The Jan Morrison Endowment
The Nelumbo Trust Fund
NDY Charitable Trust
The Penn Foundation
The Trustee for the Safe Childhoods

Foundation


PRO BONO SUPPORT

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Darius Turner
Hunt & Hunt Lawyers
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