



TEARAUSTRALIA

ANNUAL  
REPORT  
2014 / 2015



## “Now, my heart is for cultivating rice...”

It takes some convincing, but eventually Daw Myint (above, and cover) reluctantly puts down her scythe and takes a break from harvesting her beloved rice paddies. It is harvesting season in Myanmar and Daw Myint is one of the only female rice producers in her community's rice producer group (RPG). Supported and trained by TEAR's partner World Concern Myanmar, she works hard, especially during harvesting season.

For six weeks, Daw Myint and some 15 other rice producers work hard to gather and cultivate the rice that the rest of their community lives on. Before joining the group two years ago, she was one of hundreds of other people fishing the

Delta. But the income was inconsistent and the work unsatisfying. Daw Myint was thrilled when she heard about the opportunity to invest in and become a member of her community's rice producer group.

Today, with a wide smile on her weather-beaten face, Daw Myint explains that she is “very happy with her work” and that she finds “much joy in planting and collecting rice much more than fishing”.

Before she was a member of the RPG, Daw Myint did not have the money or resources to cultivate rice paddies on her own property. Now, she is one of many who benefit from

small loans provided through her community's investment group that enables her to use her own land to grow and produce rice that is then sold to her village and neighbouring communities.

Daw Myint's ambitious drive is off-set by her calm demeanour. As she gazes at her young son and husband, she comments: *“Before, I earned only a small and inconsistent income and my hands were becoming too weak to continue fishing. Now, I earn a consistent income and hope to save money so that my son can receive an education.”*

*Photos and story courtesy World Concern.*

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## Accountability and Accreditations

The work of TEAR Australia is guided by the following memberships, codes of conduct and standards to which we observe and adhere:

- Australian Council for International Development (ACFID) Code of Conduct: [www.acfid.asn.au/code-of-conduct](http://www.acfid.asn.au/code-of-conduct)
- People in Aid Code of Good Practice: [www.peopleinaid.org](http://www.peopleinaid.org)
- Department of Foreign Affairs and Trade (DFAT) accreditation: [www.dfat.gov.au](http://www.dfat.gov.au)
- Micah Network member: [www.micahnetwork.org](http://www.micahnetwork.org)
- Integral Alliance member: [www.integralalliance.org](http://www.integralalliance.org)

TEAR Australia has a process for handling complaints. Should you wish to read our complaints policy, lodge a complaint or give any feedback, please email [feedback@tear.org.au](mailto:feedback@tear.org.au) or phone (03) 9264 7000.

TEAR Australia is committed to full adherence to the ACFID Code of Conduct. Should you wish to lodge a complaint against TEAR Australia's compliance with the Code, please contact ACFID via email at [complaints@acfid.asn.au](mailto:complaints@acfid.asn.au) or phone (02) 6285 1816.

## Mission Statement

TEAR Australia is a Christian development, relief and advocacy organisation responding to global poverty and injustice. Our vision is for a just and compassionate world in which all people have the opportunity to achieve their God-given potential.

We will:

- Inform, challenge and empower Australian Christians to make biblically-shaped responses to poverty and injustice
- Support community-based Christian groups, churches and mission organisations around the world as they work holistically with poor communities in development, relief and advocacy
- Adhere to biblical teaching, and evaluate our work and attitudes in its light
- Maintain a low-cost administration regime in order to maximise the funds allocated to project partners

## Values

As a faith-based Christian organisation, TEAR Australia seeks to adhere to biblical teaching and evaluate our work and attitudes in its light. Consequently, we have made a commitment to the values listed below. These values are embedded in every aspect of the work we do, in Australia and around the world.

- The poor
- The whole person
- Justice
- Prayer
- Relationships
- Participation
- Excellence
- Learn from others
- Collaboration
- Accountability



## NATIONAL DIRECTOR'S REPORT

Dear TEAR Supporters,

As I reflect upon this year, I am truly encouraged to see the many ways that faithfulness is revealed in the work of TEAR. We are blessed by a team of staff who work tirelessly to support our programs here in Australia and in 23 countries around the world. We are surrounded by volunteers who are the heart and soul of TEAR's work in churches, schools, and the wider community across Australia. Our international and Dhumba (Aboriginal and Torres Strait Islander) partners work faithfully at the coalface as they put faith into tangible action through community development programs that work towards a day when everyone can experience a more just and compassionate world. In all of these things we see God's faithfulness to the wider work of TEAR – and we are thankful.

Through our current strategic plan, TEAR is working to increase our voice in the Australian Christian community. While not forgetting our existing supporters, we want to inform, challenge and empower a new generation of people to make biblically-shaped responses to poverty and injustice. This past year, we introduced a variety of new ways to do this - with a particular attention paid to how we communicate effectively into the demographic changes in the Australian Church. These included our Just Leadership seminars, the Justice Conference, the new TEAR Reconciliation Action Kit focused on Aboriginal justice, and the Live on One Planet activity.

In 2014/15 TEAR celebrated receiving the largest annual income in our history. This

is a fantastic encouragement to us – and a tangible expression of the faithfulness of so many of our generous supporters. A significant part of the increase was from donations for the Nepal earthquake response. I was in Nepal shortly after the earthquake visiting communities, and was impressed by the evidence that good development practice provides a foundation for disaster response. While many international aid agencies spent weeks raising funds and developing plans, in contrast our local partners were already starting to respond within the first 24 hours.

I joined them a week after the earthquake and was able to see first-hand the significant devastation but also to meet local self-help groups who were working together to ensure those in greatest need were getting the limited food and tarps that were the first to arrive. In what I thought was the most tangible expression of "loving your neighbour", I saw people whose homes had been destroyed offering the assistance they had received to others in greater need – such as the elderly and widows. This, to me, was a humbling expression of transformational development.

However, this has also been a season tinged with the bitter reality that the Australian Government's aid commitments are heading towards unprecedented lows. It seems that our advocacy gains over the past decade with Micah Challenge and Make Poverty History – two coalitions that TEAR is integrally involved in supporting – have faced historic setbacks. For TEAR Australia, in very real terms, this means reductions in support of

over \$400,000 for the 2015/16 financial year (and we anticipate more cuts next year). This, coupled with unprecedented volatility in the exchange rates and a rapidly weakening Australian dollar, means the increasing faithfulness of supporters like you is critical to the communities with whom we make long-term partnership commitments.

In Hebrews 11 we read about the many people of faith who, in the midst of challenging and volatile situations, pursued justice and righteousness. For TEAR, we not only are encouraged by the Scriptures, we also find encouragement in the faith of people today, who are at the heart and soul of TEAR's work. We are surrounded by examples of faithful people who, in the midst of uncertainty and challenges, inspire us to increase our efforts to build a more just and compassionate world.

Thanks to all of you who partner with TEAR Australia – your faithfulness is foundational to our work of transformation.

Towards Shalom,

A handwritten signature in black ink that reads "Matthew Maury".

**Matthew Maury**  
National Director

# CHAIR'S REPORT



TEAR has an amazing Board: an exhilarating mixture of gender, age and life experience, bringing a variety of perspectives and skill sets, and, at times, of strongly different viewpoints. That is what makes it work so well.

It is a much used expression to say that you feel “privileged” to be involved in the work of TEAR. I recently reviewed one dictionary meaning of the term as “a special opportunity to do something that makes you proud”. That pretty much sums up why I wanted to join the TEAR Board and how I feel about being given the opportunity to serve as its Chair. I feel such a sense of satisfaction and pleasure in the people and work of TEAR – in the extraordinary work that is done by Matthew and TEAR’s staff and in the commitment and passion of TEAR’s Members, volunteers, Ambassadors and all those moved and drawn towards TEAR’s values and mission. I am inspired by TEAR’s Aboriginal and Torres Strait Islander and international partners, large and small, whose work in their own communities of such poverty and need must at times be overwhelming and distressing.

I see each contribution as incredibly significant: Australians active in their support, our partners planning and undertaking community work, and the families and the communities themselves who make the most of the opportunities presented to them. We each have our role to play.

TEAR has an amazing Board: an exhilarating mixture of gender, age and life experience, bringing a variety of perspectives and skill sets, and, at times, of strongly different viewpoints. That is what makes it work so well. Great governance is achieved when the Board takes nothing for granted, when everyone is willing to question and to explore different ways, from different perspectives, to achieve our mission. Three new members

will join our Board this November and we look forward to the contribution they will bring. There have also been losses, both for the Board and for our front-line TEAR staff, and they will be greatly missed.

As a Board, we explore major issues through the lens of biblical principles. We have done this through the assistance of theological leaders and advisors. This year, we have explored what a biblically-based approach to risk encompasses, and how to shape our fundraising around biblical principles.

We are blessed by the generosity and support of so many dedicated TEAR Members, supporters and friends throughout Australia, but the need is never-ending and the difficulties TEAR faces, such as changes in the political and social climate towards supporting the work of global justice and equality, grow more intense, not easier. Meanwhile, our need for regular financial and prayerful support continues to grow. We continue to ask you to walk this path with us and spread the news of our need to your own churches and Christian communities.

What a privilege it is to be able to live out our faith day by day in the work we all do together, working for Tomorrow – the tomorrow of justice, hope and peace in our world.

A handwritten signature in black ink, appearing to read 'Joanna Betteridge'.

**Joanna Betteridge**  
Chair of the Board



## INTERNATIONAL PROGRAM REPORT

Essence is the intrinsic nature or indispensable quality of something.

Over the past year, I have been thinking about the essence of TEAR's International Program. What is the intrinsic nature of the work TEAR has been supporting over the past 44 years?

In June of 2015, Peter Fitzgerald, TEAR's previous International Program Coordinator and long-term staff member, finished his time on paid staff. Peter is well known and highly respected by many of our partners. His commitment to TEAR, and especially his understanding of partnership, has shaped the way we relate to our implementing partners and the individuals and communities they work with. With 28 years of service, Peter significantly helped to shape the essence of TEAR's International Program.

In TEAR's 2008/09 Annual Report, Peter told a short story about people he had observed at Kolkata railway station and how it reminded him of the essence of TEAR's work: *"People living in impossibly difficult circumstances; the absolute wrongness that they should be so cut off from hope and opportunity; the humanity and dignity of the individual person; the profound value of the relationships people share with each other within family and community."*

It is important not to lose sight of these fundamentals as our team goes about the daily work of writing emails to our implementing partners, processing payments, discussing project designs, and following up on evaluations. The indispensable quality of TEAR's work must always be the care, the concern, the love for those cut off from hope and opportunity. Seeking out those who are pushed to the margins in fragile, often dangerous, areas of conflict, is not just a strategy, but is at the core of what TEAR's International Program is all about. It is a core that we believe reflects the love of Christ.

In 2014/15, TEAR was able to allocate \$13,641,256 to 82 partners in 23 countries. This represented a 6.51% decrease on the previous year. The decrease reflects a tightening financial environment for TEAR's work. The decrease has impacted the work of our partners, particularly in the South Asia region. Reducing funds to projects is difficult as we are aware of the serious impact it has on communities.

The International Program Team are thankful for the commitment of almost 50 people with development experience who volunteer their time and expertise to assist in TEAR's project decision-making process. We are fortunate to be able to draw on this wealth of experience and recognise the value it adds to our unique decision-making model.

On behalf of our partners and the communities where they are working, I also want to thank you for your continued support. Many of you gave over and above your regular giving to support our partners' disaster response work in Vanuatu following Cyclone Pam and in Nepal after the tragic earthquake last April. We thank you for your ongoing support of the development work that continues in these locations as well as with our partners across the world.

A handwritten signature in black ink that reads "Phil Wilkerson". The signature is written in a cursive, flowing style.

**Phil Wilkerson**  
International Program Coordinator

# DISTRIBUTION OF INTERNATIONAL PROGRAM FUNDS 2014/15



## AFRICA

Country	Partners	Projects	Development & Humanitarian Assistance
Ethiopia	3	4	\$458,512
Kenya	4	7	\$434,003
Mozambique	2	2	\$240,504
Somalia	1	2	\$182,563
South Sudan	3	3	\$515,649
Sudan	1	1	\$272,286
Tanzania	2	2	\$228,521
Uganda	5	5	\$249,420
Zambia	4	5	\$383,659
Zimbabwe	7	6	\$511,496
<b>TOTAL</b>	<b>32</b>	<b>37</b>	<b>\$3,476,613</b>



## SOUTH ASIA

Country	Partners	Projects	Development & Humanitarian Assistance
Afghanistan	5	16	\$1,778,238
Bangladesh	6	9	\$619,921
India	9	36	\$1,947,095
Nepal	9	32	\$1,667,024
Pakistan	3	3	\$280,989
Sri Lanka	1	2	\$107,124
<b>TOTAL</b>	<b>33</b>	<b>88</b>	<b>\$6,400,391</b>



## SOUTH EAST ASIA & PACIFIC

Country	Partners	Projects	Development & Humanitarian Assistance
Myanmar	2	4	\$585,710
Cambodia	6	8	\$766,243
Indonesia	3	4	\$126,515
Laos	3	6	\$770,438
Vanuatu	1	1	\$63,855
Solomon Islands	1	1	\$73,611
Thailand	1	1	\$27,892
<b>TOTAL</b>	<b>17</b>	<b>25</b>	<b>\$2,414,264</b>

**PARTNERS** }  **PROJECTS**  
 TOTAL **82** } TOTAL **150**

**TOTAL INTERNATIONAL DISBURSEMENTS:**

**\$13,641,256**

### TOTAL PROGRAM ANALYSIS



- Development Program
- International Project Support
- Humanitarian Emergency Grants
- International Fieldworkers

### EMERGENCY HUMANITARIAN GRANTS

**Nepal:** \$316,582      **India:** \$93,671  
**Vanuatu:** \$63,855      **Somalia:** \$72,612

### INTERNATIONAL PROGRAM FUNDING ACCORDING TO SECTORS



## Key international partnerships

TEAR Australia acknowledges the support of the Australian Government's **Department of Foreign Affairs and Trade (DFAT)**. In 2014/15, TEAR received \$5,536,608 from DFAT and these funds were allocated to 21 of our partners who are working to alleviate poverty. TEAR is one of ten Australian Non-Government Organisation Cooperation

Program (ANCP) partner agencies that work to increase the impact and reach of the Australian aid program. We look forward to continuing to work with the Australian Government, ensuring that Australia's aid program achieves effective outcomes for people living with poverty.

TEAR Australia is also a member of the **Australian Council for International Development** and participates on a number of its committees.

TEAR is a member of the **Integral Alliance**, a global alliance of 23 Christian relief and development agencies, collaborating together in disaster management and response activities.

## Measuring effectiveness

TEAR's partners do good work in ways that bring about long-term positive changes in communities. There is huge value in this work, not just in bringing about changes in communities, but in providing learning for current and future projects. TEAR is committed to this learning process.

Part of the learning for TEAR and our partners comes from an extensive evaluation program. 41 evaluations were scheduled in 2014/15.

This year, TEAR completed a learning review of 29 of the evaluations completed in 2013. Some key learning points were:

- The involvement of key stakeholders, especially community and government leaders, at project entry is critical to the

success of the project. Thorough stakeholder analysis is important and projects need to consider how to include these stakeholders in the actual design of the project.

- Group-based initiatives are more effective than targeting individuals. Groups provide learning, cooperation, mutual support and, at times, some healthy competition between members that help realize achievements for the whole community.
- It is important to carefully involve men in women's empowerment processes and thought needs to be given to how to deal with the long-term consequences of changing gender relationships.
- Choosing the right staff is critical to the success of a project. Staff need to be selected primarily on their attitudes and values alignment, since technical skills can be built up through training and experience.
- An analysis of the causes of poverty in any given context needs to be done to inform a multi-faceted and integrated approach to dealing with the issues. It is critical to understand how the different elements of poverty inter-relate and how a project can address these effectively.

When Satyawati Adiwasi was assigned by her village committee to become a volunteer health worker, she was apprehensive about the type of care she could offer. Undertaking EFICOR's Mother and Child Health training sessions has been a huge boost to her skills and confidence. Now, she is not only trained, but equipped, supported and mentored to provide household-level care, including advising pregnant and breastfeeding women. She is also the Chair of her village Health, Sanitation and Nutrition Committee. *(TEAR's partner: EFICOR – India)*

### *Village volunteers*



## Everyday hero



Every day, TEAR's partners work with hard-working parents who toil against the odds to provide for their families. Every one of them is an everyday hero.

*For one dad in Pakistan, being a hero is more literal – it's his name! Hero and his wife Gudi, with their six children, are an enterprising family. Hero runs his own motorcycle rickshaw business, doing everything from taxiing passengers (and goats and chickens and groceries), to selling household items from village to village, or even renting out his rickshaw to other drivers. These enterprises have been encouraged and enabled by Gudi, who, a member of a women's Self-Help Group facilitated by TEAR partner SSEWA-Pak,<sup>1</sup> has accessed support, training and credit. Gudi herself runs a small shop from their home. They work hard, but it's difficult to make a living in these marginalised rural Hindu villages.*

*Both Hero and Gudi also had polio when they were children, and now each walks with a limp.*

*Overcoming limited mobility, they have worked hard to improve life for their family with all children, including their daughters, proudly attending the village school.*

*It often floods in this area, and now they're in the process of raising their house. Through TEAR's partner SSEWA-Pak, selected families in the village are building better homes to mitigate the effects of flooding. Hero and Gudi used to live in a flimsy one-room mud house, which would need repairs after every monsoon. With SSEWA-Pak, they have raised the foundations for a new house, and with materials and technical support they are building a much more secure home. Gudi herself is hand-plastering the walls.*

*Hero says: "Life will be more beautiful in this new home and we are so glad and thankful to SSEWA-Pak for this support. We will work hard for the good future of our children and give them opportunity to study in school and make their lives better than ours."*

<sup>1</sup> SSEWA-Pak is the Society for Safe Environment and Welfare of Agrarians in Pakistan.

# HEALTH AND DISABILITY SECTOR REPORT

TEAR Australia is committed to tracking the impact of the international aid and development projects we support. For the 2014 / 15 year, part of this work included a detailed impact report on projects in the Basic Health and Disability Sector. In total, TEAR contributed a \$2,612,050 investment to health projects in 2014/15.

This sectoral analysis incorporates 27 projects that had at least 35% of their activities focused on health care or public health, or on disability.

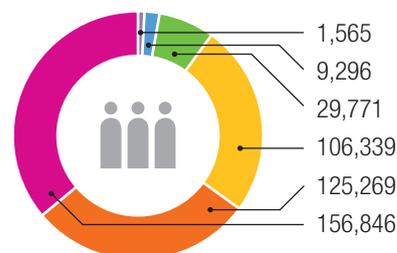
In total, the analysis shows that there have been 429,086 individuals directly benefitting from health projects, and a further 82,936 people participated in activities involving

people with disability.<sup>2</sup> That is a total of 512,022 people directly impacted by 27 health and disability projects over the year.

<sup>2</sup> The figures usually signify individuals who have been impacted through the activities. In some cases it may include groups, or in the case of educational materials it includes the number of people who have received publications, brochures, training materials or heard health education messages.

## Projects focusing on health

20 of the projects focused on health – 7 in Africa, 11 in South Asia and 2 in South East Asia / Pacific Islands. There were 429,086 people impacted through these projects.



Number of people impacted according to categories of activities in health projects

### Community Health Awareness and Training

The largest group of people impacted (156,846) was through community health awareness and training workshops. Experience shows that as one member of a household gains in understanding about health issues, behaviour changes are seen throughout the family. Therefore, it is reasonable to assume that the impact of the health awareness training can be multiplied across other family members, perhaps by a factor of up to six. That would suggest approximately 941,076 people indirectly impacted through this work.

Health issues addressed include infectious diseases, HIV and AIDS, reproductive health, nutrition and child health, domestic violence and harassment.

### Access to Examination, Prevention and Treatment

While TEAR projects rarely provide clinical services, 125,269 people were impacted through improved access or referral to medical examination, preventative screening, or clinical treatment. Many health projects conduct activities, often together with local government, to strengthen the capacity of existing facilities.

### Distribution of Health Education Materials and Resources

These activities include the distribution of health booklets, pamphlets, posters, radio programs and newspaper articles, enabling large numbers of people to hear the message. These resources are used to give facts and dispel myths on a large range of topics from HIV prevention to safe migration to disaster preparedness.

### Water, Sanitation and Hygiene (WASH)

Access to clean water and sanitation facilities is vital to a healthy life. WASH activities aim to create and maintain safe water sources, promote better personal hygiene practices and increase access to toilets and latrines. WASH activities will normally work alongside health awareness training to ensure that there is a combination of theoretical knowledge and an ability to put that knowledge into practice.

### Health Worker Training

Through these projects, 9296 health workers were provided with training to increase their skills and understanding, enabling them to carry out their tasks more effectively. Training of community health workers and peer educators improves access to, and the quality of, health care at the local community level and contributes to strengthening the government health system.

### Support Groups

Support groups for people facing health issues provide social and emotional support, as well as livelihood and income generation activities. Among the support groups, most are formed from people living with HIV and AIDs because of the stigmatisation and community rejection they face.

## Sign up for school

Jawadia is a young teenager in Kandahar and is deaf. The education of all children in her neighbourhood is impaired by the frequent closures of the schools due to security concerns, but Jawadia was never even enrolled. It was only after a year of learning Afghan Sign Language with Serve's disability team that she was ready to attend. Even

then, her family was hesitant, worried that she would be unable to manage. The team eventually convinced them that she could cope, and Jawadia is now in the third year of High School and continues to study hard. (TEAR's partner: Serve – Afghanistan)

## Projects focusing on disability

7 of the projects in the sector focused on disability, all in South Asia. There were 82,936 people impacted through these projects.

### Disability Awareness and Training

#### Workshops and Educational Materials

In the disability sector 76,339 people participated in awareness-raising or education sessions about disability. Again, it can be reasonably assumed that the impact of this number is in fact much greater since it can be multiplied across households and communities as greater awareness leads to changes in attitudes, stigma and acceptance of people with disabilities. These activities promote the inclusion of people living with disability and challenge commonly-held beliefs and negative attitudes towards people with disability and the causes of that disability.

### Examination and Treatment

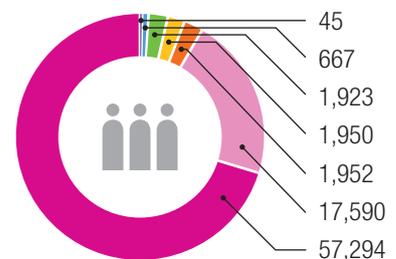
A further 1,952 people with disabilities were provided with access to screening, clinical treatment or examinations. In remote regions of countries such as Nepal and Afghanistan, people with a disability are unable to receive the treatment they need and often have to travel for many days to the nearest hospital where they can be treated.

### Disability Health Worker Training

Existing local health workers such as doctors, nurses and social workers are trained to better support people with disability. Peer educators and community volunteers are also trained to provide care through home visits, referral to medical treatment and to speak out in their communities about the rights of people with disability.

### Advocacy and the Increased Involvement of PWDs

Collective action for people with a disability enables them to seek greater recognition of their rights and entitlements as well as inclusion in community life. Activities include vocational training, sign language translators, assistive devices such as walking and standing frames, sports teams, advocacy to employers, enabling people with a disability to access services that are available to them from the government, such as disability cards, pensions, and transport discounts.



Number of people impacted according to categories of activities in disability projects

### Disability Support Groups

Support groups consisting of people with disability and their families meet regularly to offer a safe space for sharing problems and concerns and to decrease isolation. Many groups are also involved in lobbying and advocacy around legal rights and entitlements. Groups also undertake income generation activities to help families cover the costs of medical care, or provide small business opportunities for their members.

### Capacity Building

45 Disabled People's Organisations were provided with training, mentoring and organisational capacity development to help them grow, mature and become more effective organisations. As these organisations develop, they can improve access to resources and services, increase inclusion within society, and initiate action plans for the benefit of their members.



## *Raising kids*



Deep, deep in the deserts of south-western Sudan, crowded camps of internally-displaced people lie alongside small “host” local communities. TEAR’s partner Tearfund works with both communities to improve livelihood opportunities, water supply and hygiene and sanitation.

Employment opportunities are scarce, but there are opportunities to generate income. Young mother Haja from South Darfur in Sudan is now better able to support her five children with income made from breeding and selling goats. With no husband or family

to support her, Haja was selected by her community to be part of the project, run by Tearfund. She received three female goats, of which one has already given birth and the other two are pregnant. The first kid will be passed on to another vulnerable family in the village and Haja will be able to sell the others when needed to buy essentials like clothes, food and medicine. In the meantime, her children’s nutrition has improved with their regular supply of goat’s milk.

## Financing health



For families in rural Myanmar, health expenses can be a serious financial setback – or even beyond their reach. It can be embarrassing to borrow money from friends and family, and very expensive to borrow from the private moneylenders.

That's why TEAR's partner World Concern Myanmar is helping villages set up their own community health funds. For the families in Ka Ti Pa Ywar Thit Village at least, it's meant a great boost to their health and financial security. The group, which recently added 10 new members to their existing 50, has been growing rapidly as community members have seen the obvious benefits.

One woman, 34-year-old mother of four, Aye Kheing, decided to join the group a couple of years ago because she thought it would be a smart way to keep her family safe in case of any health issues. Soon after she joined the group, Aye Kheing herself developed a severe ear infection. After talking with her family and the rest of the health savings group members, Aye Kheing decided to take out a \$15 loan with a 2% interest rate so she could visit the doctor and receive medication for her ear infection. In total, she was able to take out close to

\$50 in order to cover additional travel costs for doctor visits and recurring prescription costs. Aye Kheing and her husband were able to successfully pay back each loan the following month without any issues.

*"If I wasn't a member of this group," Aye Kheing reflects, "I would have had to borrow money from a friend or money lender and I would have struggled to pay back such high interest rates."*

The health emergency fund in her village requires members to contribute only 20 cents each month and an additional 50 cents registration fee. *"We think about the poorest in our village and want to be able to help them as well,"* health group president, Daw Blata, says in response to the low monthly costs.

When asked about their remarkable success in being able to help provide so many loans to group members and their families, all the leaders agreed that it is their "truthfulness and unity" that make them so successful. Their double pad-locked money box and strict rules about meetings and accountability reveal the honest nature of such a fruitful group.

# NEPAL EARTHQUAKE

When a 7.8 magnitude earthquake struck Nepal on April 25th, TEAR Australia's existing partners responded promptly. Of those partners, whose long-term development programs we support, six were working in, or nearby, areas that were significantly impacted. They responded with immediate relief and have begun to transition into rebuilding and

recovery work. Having been already invested in many of these communities, some of them doing disaster preparedness training, there has been extraordinary commitment displayed by the staff of our partners. Their contribution towards those they serve has been one of solidarity and sacrifice.

## *Kamala's safe house*



Kamala is 10 years old and lives with her grandparents, her brother and three younger sisters. When the first earthquake struck, Kamal was playing with her brothers and sisters at home. Not knowing what had happened, the children began crying together. As the children slowly calmed down, several more aftershocks continued to frighten them.

Kamala's grandfather talks about the impact of the earthquake on the children and the community more broadly: *"We depend on agriculture for our livelihood and all family members have to contribute our time and work - whether you're big or small. Before the earthquake, children used to help us in the field, but now they neither leave us or go out and play with their friends."*

*Many children fear the earthquake will return and, if they're separated from their parents, they wouldn't be able to get any help."*

Share and Care Nepal has been working in Kamala's village to provide food, temporary shelter and hygiene kits. The support has helped the family to build some transitional shelter, but, more importantly, to build their confidence and think ahead. Kamala has started to read books again and is slowly getting the confidence to live a normal life. When she talks about living in the temporary shelter she says, *"I just feel safe, relaxed and comfortable in the shelter with my family."*

## *Bharat's classroom*



With the help of the International Nepal Fellowship (INF), children from 25 schools across Gorkha District are continuing their education in Temporary Learning Centres (TLCs). Over a six-week building program, 115 TLCs have been constructed by local volunteers who received training from INF staff in Pokhara. Bharat Niraula, a class 11/12 teacher, said: *"Without these structures we would have nowhere else to teach. They provide a good environment for teaching - they are spacious, cool and well lit."*

Jyoti Chhetri, INF's Security and Disaster Management Coordinator, explains that the task of building the TLCs was not easy. Challenges included accessing remote locations, the uncomfortable climate and work that is physically exhausting. In remote hill country, during monsoon rains, the team transported over 40 tonnes of building equipment - often having to manually carry the loads the final leg of the journey as only some of the schools were reachable by road.

# TEAR-Supported Relief and Recovery (Nepal Earthquake)

Partner Name	Districts	Description of response supported by TEAR
United Mission to Nepal	Mugu, Bhajang, Doti, Rukum, Rupandehi, Dhading, Kathmandu, Sunsari	UMN immediately responded to the earthquakes and has focused its efforts in Dhading District where to date over 9,000 households have been reached with food and non-food items. A further 2,340 households have been reached through partners in Gorkha, Lalitpur, Makwanpur and other districts. UMN has also delivered psycho-social first aid, emergency nutrition and emergency reproductive health care. More than 10,155 households across seven regions in Dhading District are included in UMN's relief program.
Share and Care	Nuwakot, Lalitpur	Soon after the earthquake, Share and Care initiated a Rapid Response Project which has included the distribution of critical food and non-food items to address the immediate shelter, food security, water, sanitation and hygiene needs of households whose homes were destroyed by the earthquake. Share and Care Nepal is reaching 5,692 households across four districts in some of the hardest hit areas of Nepal.
Shanti	Dhading, Lalitpur	Distributed relief materials and now assisting communities to restore small-scale health facilities and latrines.
Centre for Mental Health and Counselling	10 districts including: Dhading, Rasuwa	Providing training in "psychological first aid" and, where needed, trauma counselling.
International Nepal Fellowship	Myagdi, Baglung, Parbat, Banke, Rolpa, Mugu, Bajura	INF distributed relief packages to 2,700 households in Gorkha and Dhading in the three weeks following the disaster, followed by smaller distributions in Myagdi, Kaski and Baglung and Lamjung. Early and unseasonal rains helped the majority of villagers have access to water even though water and sanitation infrastructure was damaged during the earthquake. With the support of local and international staff, INF has worked with community members to construct 115 temporary learning centres in affected regions - providing children with a suitable place to learn while schools and communities are rebuilt.
Asal Chhimekee Nepal (Good Neighbours Nepal)	Pokhara, Nawalparasi	Mobilised Christian community in Pokhara to respond to immediate needs including assembling blankets, food and transporting to affected areas.

## Nepal Earthquake in numbers:



**2.8 million people** affected



**9000 people** killed



**14 districts** most impacted



**800,000 homes** damaged or destroyed



**370,000 children** requiring temporary spaces for school



# FIELDWORKERS REPORT

TEAR's International Fieldworker Program continues to make a significant contribution to TEAR's work, both overseas and in Australia.

The program facilitates three-year placements of Australian volunteers with our partners. Although only a small component of our International Program budget, it enables TEAR to respond to our partners' requests for personnel support in a range of different situations and contexts, with flexibility and innovation. Fieldworkers serve in technical roles in education, health and project evaluation; and also in operational roles in finance, administration and management. TEAR's long-term commitment to our partners is strengthened by this effective collaboration at the grass roots level, with our fieldworkers working alongside local staff.

In complex and high-risk operating environments such as Afghanistan, TEAR has continued to work in cooperation with Interserve Australia. This has allowed us to support the placement of five fieldworkers with our partners in Afghanistan, despite the ongoing security challenges.

In light of a restricted budget in 2014/15, the TEAR Associates Program was initiated to complement the Fieldworker Program. TEAR Associates work with our partners but

are funded by other sending agencies. This provides the opportunity for those who are part of TEAR's Australian constituency, and are challenged to share their skills overseas, to continue as part of the TEAR network, receiving prayer support, encouragement and mentoring.

TEAR Fieldworkers continue to provide a unique perspective of the work of TEAR's partners. This helps inform TEAR's project staff and leadership team, as well as the broader TEAR supporter base. Fieldworkers and Associates, both former and current, contribute to TEAR's publications, are members of TEAR's funding committees, members of the TEAR Board and key speakers at TEAR events and churches around Australia.

This interweaving of fieldworkers, partners, TEAR's International Program Team and TEAR supporters in Australia is a tangible expression of the unity and diversity of the body of Christ, as we work together seeking God's shalom of justice, compassion and peace.

**Judy Powell-Thomas**  
Fieldworkers Coordinator

## Fieldworkers serving in 2014/15:

- Lyn & Darryl Jackson (United Mission to Nepal) – Communications Coordinator; Water and Sanitation Consultant
- Kimberly Fraser (United Mission to Nepal) – Learning and Research Advisor
- Lyn & Tom\* (Afghanistan) – Program Manager; Operational Director
- Sarah & Vince\* (Afghanistan) – Professional Development Trainer; Finance Trainer
- Deborah\* (Afghanistan) – Director
- Joanna Lee (TEAR Associate - Family Impact, Southern Africa) – Project Manager Advisor
- CB Samuel (TEAR Associate - India)

\* Surnames withheld due to security considerations.

## Tom & Lyn



In one of their regular newsletters, Tom and Lyn wrote of the ever-changing and challenging environment in which they work. Giving a picture of what it can feel like to live and work in Afghanistan, they wrote:

*The glimmers of hope, progress, change and development are glimmers; just glimmers. They are surrounded by a sea of uncertainties, set-backs, diversions, and failures. So, as some friends asked the other day: "Why keep trying?" If we don't try, then there will be no glimmers.*

# INDIGENOUS AUSTRALIAN PROGRAM – DHUMBA



The Dhumba program strategically engages two groups of Australians. The first is Aboriginal and Torres Strait Islander Christian organisations with a passion for justice in their communities. The second is Australian Christians who want to get behind these organisations and work for recognition, respect and justice. The Dhumba program has continued to work with both these groups over the past year.

The following list highlights a sample of the rich experiences of our partner organisations over the past year:

- **Arnhem Human Enterprise Development (AHED)** continued its support for Yolgnu entrepreneurs. One client is Yalu Marngithinyaraw, an important women's social enterprise in Galinwin'ku, Northern Territory. AHED staff are providing support for this and other enterprises. Cyclone Lam was a major setback this year when it damaged the office and delayed work.
- **Wontulp-Bi-Buya College** continues to train people for work with their communities. Many are women, like Aunty

Betty, whose story is below. Wontulp has organized governance training for their governing body and have gained some federal government funding.

- **Bir'a Women** is an arm of Dhiyaan Church in Brisbane. Their regular Yarning Circles are providing healing spaces of spiritual and social support for women. They have worked on long-term and intermediate goals and hope to replicate the Circles in another part of Brisbane.
- **Red Dirt Blue Sky** facilitated hairdressing training for young women from the Newman area. Women from Fitzroy Crossing came across to help.
- **Scripture Union Queensland**, at the request of local elders, expanded its work with at-risk young people into the Rockhampton area. A local Aboriginal organisation is helping train staff in cultural awareness.

Meanwhile, our other audience has continued to hear through us about the things that are important to Aboriginal and Torres Strait

Islander peoples. We have encouraged TEAR supporters in Queensland to respond to Youth Justice legislation and supporters in WA to respond to planned homelands closures. Everyone has been encouraged to learn more about the need for constitutional recognition.

Our reconciliation resources have been revised and re-activated through young adults groups, TEAR Action Groups and the forTomorrow Ambassadors, some of whom are Aboriginal. A group of ten people visited Central Australia to learn more about the history of Australia's settlement. Many more have been contacted through blogs and articles.

The program has been expertly guided by the Dhumba Committee whose godly wisdom has provided stability and focus.

**Barbara Deutschmann**  
Indigenous Program Coordinator

## *Aunty Betty, from Mossman in Queensland*



While working with the Murri court (a Magistrates court which sentences Indigenous offenders) in Cairns, Aunty Betty completed two courses through Wontulp-Bi-Buya College. When she moved back to Mossman, her skills were noted by the local magistrate. Aunty Betty noted:

*"The judge isn't happy because he sees the same people. He says to us, you need your own women's group. So we formed the Jun Kurri (Strong Women's Group). And now the judge can, instead of sending a woman to jail, she comes to our women's group."*

By utilizing her skills in community organisation and counselling, Aunty Betty has

recruited and trained other Elder women of the community to work with her in the group to provide much-needed mentoring and support for young women and mothers.

*"We will teach them beading, sewing, painting. But we do this while we're talking to them and giving them one-on-one counselling and mentoring or advice. We pass on our language and culture. We'll teach them what each woman needs to learn. It might be personal hygiene for themselves and their children, or how to make up the house, you know, so they can go on and take responsibility for themselves and their families."*



# AUSTRALIAN PROGRAM REPORT

The role of TEAR's Australian Program is to "challenge, motivate and inspire" Australian Christians to make biblically-shaped responses to poverty and injustice. Considering the dominant social and economic messaging we are confronted with every day, this often means telling an alternative story.

When our culture encourages individualism, materialism or self-progression, we speak up about the power of community, relationships and self-sacrifice. When the dominant narrative is driven by fear, we speak of hope, resurrection and God's restored tomorrow. Our desire is that Australian Christians will prophetically imagine a different ending and be inspired to live out a different way today under Christ's narrative of hope.

This past year, we have focused our efforts on telling the story of women and poverty, and climate change. These two issues are those which greatly affect the work of our partners, with gender-based injustice a key concern in so many of our international projects. These themes have echoed through our educational materials, online engagement, supporter communications and events.

Poverty and injustice are a reality to which we must all respond. Their causes are complex, and so deserve responses which are not simple or one-dimensional. For that reason, we encourage individuals and churches to respond to poverty and injustice through 5 ways: prayer, giving, lifestyle, advocacy and learning.

**Paul Flavel**  
Australian Program Coordinator

## Give

Our fundraising team has worked hard to diversify our income. Whilst appreciating the continued contribution from the Gift Catalogue, the aim is to generate a more sustainable source of income through our Regular Giving Programs. Our team have also trialled new giving options, such as crowd-funding – promoted solely through social media. These new and innovative fundraising methods help us tell the stories of our partners and raise funds to support their work.

The "Plumpy Nut Project" was TEAR's first foray into crowdfunding, and raised more than \$10,000 to provide emergency nutritional supplements to children in Somalia through our partner MEDAIR. Supporters from around Australia gave and fundraised to provide a three-month treatment to children suffering severe malnutrition.

One of the most encouraging ways that people raise money for the work of our partners is through running Useful Gift Shops in their churches, schools and workplaces. This last year saw a significant increase in people running these "shops" with around 425 run nationally. A particularly fun addition to these shops was the appearance of the cardboard goats and chickens that were much loved by shop owners and customers alike.

## Live

Responding to the issue of climate change must start at home, alongside the mitigation projects run by our international partners. We have recognised that the way we live in Australia affects people all over the world. Sadly, those who are suffering the adverse effects of climate change contribute the least to the problem. This is a clear example of injustice.

Increasingly, TEAR Australia is challenging our supporters to reflect on the way that we live, and the implications that this may have for our neighbours everywhere. This year, TEAR launched the "Live On One Planet" challenge as a significant step in this direction. The challenge is based on the sad reality that if everyone lived like an Australian it would take three planets to sustain us.

For one week in October we challenged Australians to live as if we only had one planet. Participants raised money during their challenge to support the climate mitigation projects run by TEAR's partners.

*LOOP is a new fundraising and awareness-raising initiative.*



*Facebook is just one way we're encouraging prayer. This post was based on the Prayer of St Francis.*



*Eugene Cho, author of "Overrated" was guest speaker at The Justice Conference.*

## Pray

Following the Government's disappointing decision to once again make drastic cuts to Australian aid we wondered how best to respond. We had lobbied and advocated and mobilized people to respond, and still we found ourselves with this disappointing result.

It became clear to us that the best response was simply to pray. The revised version of the Prayer of St Francis was one way we encouraged our faithful supporters to pray. This was shared via Facebook, email news, and through Target.

## Learn

Much of the education work is delivered by our team of committed staff and volunteers based right around Australia. These staff and volunteers deliver sermons and short talks, run workshops and simulation games, lead prayers and training days. This face-to-face contact is fundamental to TEAR's relational and very personal engagement approach. TEAR continues to enjoy a staff team full of very gifted communicators who are available to speak in churches and at conferences and meetings to challenge and inspire Australian Christians to live holistic lives in response to the gospel.

## The Justice Conference

After more than a year in preparation, in April 2015 TEAR convened the inaugural Justice Conference in Australia. The Justice Conference is a global movement which has grown to become one of the largest international gatherings on social and biblical justice. The vision is to reach tens of thousands of people over the next decade through annual gatherings across the world, which educate, inspire and connect a generation to a shared concern for the vulnerable and oppressed. This is motivated by the driving value of the theology of justice – that an understanding of God should compel love for others and engagement in justice.

Held in Melbourne, the event was sold out and engaged 500 attendees. TEAR was privileged to partner with 25 other organisations for the event, and draw together a wide range of Christian speakers.

Attendees came from every state and territory in Australia and representatives from all major denominations met together to discuss the idea that "love is a thread - justice is the fabric". The 2015 conference set an exciting precedent for the progression of The Justice Conference movement in Australia.

One participant noted: *"I was struck the first night by the humility and sense of unity in the room. I have been a Christian since my*

*late teens and have experience worshipping across denominations. I have been to all sorts of conferences but the Justice Conference managed to transcend the evangelical/justice/contemplative divide. And incorporate rich theology/practical testimony/worship wrapped in a reality that anyone could touch. A work of the Spirit indeed."*

## Just Leadership

TEAR Australia has developed a wealth of experience around the practice of good faith-based development. Seeking to share this experience with churches who may be interested or engaged in developing their own practical responses to global poverty, TEAR ran a series of workshops called "Just Leadership". The Masterclasses on relief and development were designed for ministers and those in church leadership and addressed questions such as: *What is a helpful response to global poverty? What makes for good development? How do we avoid doing harm in our desire to do good?*

In 2014, we ran four seminars in NSW, Victoria and WA. For three of these we were privileged to have Joel Edwards (former head of Micah Challenge International and the Evangelical Alliance in the UK) exploring the intersection of biblical justice and leadership.



These icons help indicate which advocacy actions are appropriate for different levels of involvement.



'Craftivism' is a new strategy for direct political advocacy.

## Advocate

### We want to see: Policies Changed

We know that the voice of Christians is one of the most powerful tools at our disposal when it comes to speaking out on poverty and injustice. We have done this through Micah Challenge and Make Poverty History which combine the power of coalition, and facilitate ways for TEAR supporters to be involved in change.

After 10 years focused around the achievement of the Millennium Development Goals, the first phase of the Micah Challenge campaign concluded in December 2014. In the latter part of that year, the focus was on Shine the Light (around tax justice) and the G20 event in Brisbane. In 2015, TEAR has been active in helping shape the future of the organisation, including its vision, support base, brand and new name: Micah.

Make Poverty History has also undergone significant shifts. Its current focus is entirely on the Campaign for Australian Aid, which is a joint campaign with Micah, launched in February 2015. During the year, the Government cut Australian aid by a staggering \$11 billion, the deepest cuts in Australia's history.

Campaign for Australian Aid aims to shift the hearts and minds of Australians in support of more and better aid, which in turn grows political pressure to fund aid. The strategy for the Campaign draws on the latest research and successful case studies internationally on how to shift debates, activate altruistic values and harness people power. It prioritises key and marginal electorates, mobilising, skilling and resourcing grassroots groups. This is coordinated across the country.

### We do this through: A Movement of Christians Seeking Justice

TEAR Australia recognises that the most effective way for us to seek big system change is to empower and equip a grassroots movement of Christians seeking change.

We have sought to improve our engagement with supporters around advocacy by producing distinctive TEAR advocacy materials that embrace creativity and options for different levels of engagement, from those with time to "dip their toe in", to "knee deep" activities and those ready to "dive right in". This recognises that people are at different stages in their justice journey and capacity, and we want to effectively engage and equip all people in advocacy and grow the movement.

A highlight was craftivism as a creative way to highlight to politicians people's care about aid. These origami flowers were sent by church members to their Member of Parliament to emphasise that investing Australian aid in women's development was money well spent. The flowers joined hundreds more arriving in MP's mailboxes, forming a memorable message about the importance of aid. Some TEAR supporters have even delivered their craft in person, with a bunch of flowers. Combining crafts with a political message is not only memorable to the politician, it gets people together to learn and talk about the issue during the process of creating.

Another approach taken by TEAR was our "Church leaders in defence of aid" initiative in the lead up to the May budget and aid cuts. We produced a video and kit for church leaders and social media campaign to highlight that aid cuts are an issue of biblical justice and that it is morally bankrupt to balance the books of our nation on the backs of the poor.

TEAR continues to resource and work with our grassroots TEAR Groups around the country, who faithfully seek justice locally and with their MPs. We are particularly resourcing a group of campaigners in the Deakin electorate through the Campaign for Australian Aid.

## campaign for *Australian Aid*

Church leaders in defence of aid



“Let’s not remain silent about balancing our federal budget on the backs of the poorest of the poor, many of them our nearest neighbours. Defending the poor is a fundamental biblical command, as is loving your neighbour. We need to speak up.”



REV DR MICHAEL FROST

Vice Principal | Morling Theological College, Sydney

*This was one of the images circulated through social media to generate support in defence of aid.*

## Calls of the Campaign for Australian Aid

The three calls of the Campaign for Australian Aid are to see Australia play its part in achievement of the Sustainable Development Goals (a set of 17 goals) which take the place of the Millennium Development Goals:

### 1) Keep our promise

Australia’s leaders agree to a bi-partisan commitment, and a robust plan, to reach the promised level of aid by 2030 and restore the Australian aid budget.

### 2) Work with purpose

The Australian Government focuses aid in areas where we can have the biggest impact, breaking down the barriers of poverty for the world’s poorest and most vulnerable communities, and works with other governments to do the same.

### 3) Commit to progress

The Australian Government commits to a program of accountability, reporting to parliament on the size, effectiveness, impact and plans for the Australian aid program.



*Jo Knight, TEAR's Advocacy Coordinator, tries out the Australian Aid photo booth at The Justice Conference.*



## PEOPLE AT TEAR

The work of People at TEAR is to support both paid staff (56 people) and volunteers (more than 850) so that TEAR's mission is fulfilled. Some highlights for this year include:

### Leadership Development

Over the past few years TEAR has been on a journey to build the leadership capacity of staff. This year the Leadership Team took part in a 360 degree leadership process which sought opinions from their supervisor, peers and others so as to grow in their personal leadership. This broad range of feedback was supported with coaching from external leadership coaches to encourage practical outcomes from the learning.

### Disability Inclusion

Earlier in the year all TEAR staff engaged with Disability Inclusion training led by a trainer from CBM. Since that time TEAR has developed a Disability Inclusion Policy and formed a Disability Action Working Group involving staff from across teams. This group has taken ownership of TEAR's Disability Action Strategy which aims to live out TEAR's commitment to including people with a disability.

### Learning

TEAR aims for a learning culture which challenges staff to grow and share in their knowledge. This year 84% of TEAR staff engaged with some form of learning and development. Learning and development takes many forms and is relevant to the individual's role, TEAR's capacity requirements, the individual's personal skill set and aspirations.

### Moving Together

The theme for the Staff Gathering, held in August 2014, was "Listening: to God, to our partners, to our supporters, to one another". These annual gatherings provide opportunities to learn from experts in our field, strengthen inter-departmental relationships, plan together, and spend time in prayer and worship.

**Susan Vulling**  
People at TEAR Coordinator

## TEAR Working Groups

These groups help TEAR Australia live out its values. Most groups have around six members, and seek to have balanced representation from different teams, genders, levels of position, and office locations.

### Risk Committee

Helping TEAR identify and manage risks in a way that mitigates against damage to TEAR's relationships, supporters, staff, and partners.

### Spiritual Life

Helping TEAR nurture spiritual components including prayer, devotions and theological reflection.

### People at TEAR

Building a healthy culture to make TEAR a great place to work.

### Disability Inclusion

Helping promote and encourage a disability-inclusive organisational environment.

### Gender

Helping TEAR live out its values for gender justice in every aspect of its work.

### Reconciliation Action Plan

Helping TEAR form, shape and facilitate the implementation of the Reconciliation Action Plan.

### Creativity and Innovation Hub

Helping TEAR foster an environment that enables people to create and innovate.

### Complaints and Learning

Helping TEAR respond to, and learn from, the feedback we receive.

### Environment

Helping TEAR live out its values around environmental stewardship.

*TEAR Australia acknowledges that we have an impact on the environment whilst carrying out our aid and development objectives. We strive to minimize this impact as much as possible while remaining committed to efficiency, effectiveness and excellence in our work.*

# ENVIRONMENTAL RESPONSIBILITY

In order to improve our environmental accountability, TEAR staff and volunteers refer to the TEAR Environment Policy and the Strategic Plan's Environmental Stewardship section. As a key element of this framework, over the past year, staff teams have been selecting and pursuing their own practical annual environmental stewardship goals and objectives.

Significant environmental stewardship objectives achieved by these teams in 2014/15 include upgrading infrastructure in the TEAR National Office with the installation of solar panels (provided by a generous donor)

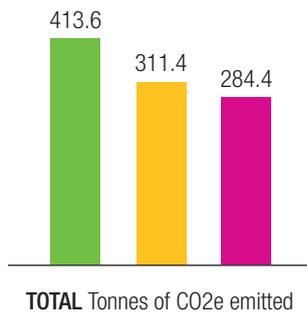
and energy efficient lighting, and implementing a schedule for the environmental screening of TEAR's international projects. Progress in achieving environmental stewardship objectives is monitored by the TEAR Environment Working Group.

TEAR also monitors our annual organisational carbon footprint. All carbon emissions attributable to TEAR operations in 2015-2016 will be offset via certified Voluntary Carbon Standard carbon credits. For the second year, these carbon credits have been obtained through TEAR Australia's support for the New

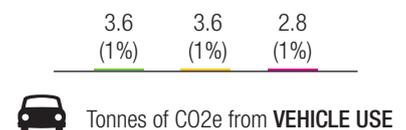
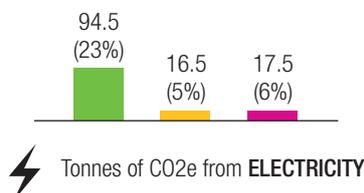
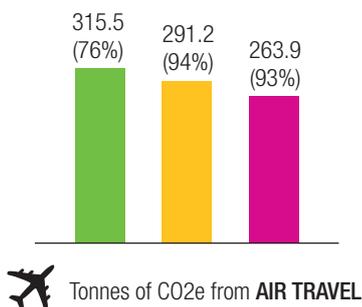
Lao Stove Project developed by the Group for the Environment, Renewable Energy and Solidarity (GERES). This project supplies fuel-efficient cooking stoves to Cambodian households, thus reducing household wood fuel requirements and carbon emissions.

## TEAR Australia Carbon Inventory

2012-2013 2013-2014 2014-2015



*N.B. The average Australian household produces around 18 tonnes of CO2e per year.*



# TEAR AUSTRALIA BOARD



## Ms Joanna Betteridge

BA, LLB, LLM, GAICD, Acc M LEADR

Appointed: 2010

Responsibilities: Board Chair (from November 2014); Board Executive Chair

Number of meetings attended: 5/5

*Joanna Betteridge, Principal of Betteridge Legal Consulting, is a lawyer practising in employment and safety law. She has significant board governance experience in a range of sectors including health, welfare, broadcasting and not-for-profit. Joanna is also a Senior Fellow and Lecturer for Monash University in its Law Faculty post-graduate program.*



## Mr David Bartlett

FCA, BEc, Med, GradDipCS, Cert Gov, JP

Appointed: 2013

Responsibilities: Risk, Audit and Finance Committee Chair

Number of meetings attended: 4/5

*David is a Partner at Resolve Consulting Chartered Accountants. He has 20 years' experience in the not-for-profit sector in CFO roles as well as strong board governance experience as Company Secretary and Chairman of numerous organisations in the community, mission and education sectors.*



## Mr Brett Gresham

B.Eng (Civ), M Lit Dev Stud

Appointed: 2010

Responsibilities: Board Deputy-Chair; IPAC Executive Chair; Board Executive Member

Number of meetings attended: 5/5

*Brett manages the Australian Volunteers for International Development program (funded by DFAT) as well as being owner and director of a small business. A civil engineer, he has extensive experience working internationally in development and project management.*



## Ms Helen Beazley

BA, Grad Dip (Ed), M Ed, M Com Devt

Appointed: 2007

Responsibilities: Membership Committee Member; IPAC Executive Member

Number of meetings attended: 5/5

*Helen has a background in government policy, community-based capacity building, administrative and consultative work. She is employed by QLD Lutheran Community Care in its Communications Team and is volunteer Administrative Co-ordinator for Servants to Asia's Urban Poor.*



## Mr Matthew Maury (National Director)

BA (Hons), MBA (Dev Studies), GAICD

Appointed: 2009

Responsibilities: Board Secretary; Executive Committee Member; Risk, Audit and Finance Member; Membership Committee Member

Number of meetings attended: 5/5

*Matthew is TEAR Australia's National Director. For over 20 years he has worked in a variety of positions with Christian development agencies, ranging from grassroots community development to senior management. His experience involves work with poor and marginalised communities in Africa, Asia, Latin America and the Middle East.*



## Ms Jane Furniss

BA, LLB (Hons), M Int Devt

Appointed: 2013

Responsibilities: Board Executive Member

Number of meetings attended: 4/5

*Jane has a background in international law, development and governance. She has worked as a lawyer in Australia and Asia and has board and senior management experience in international development, advocacy and education sectors.*



**Dr Elizabeth Hill**

PhD, BEc (Soc. Sc) (Hons), Grad Cert  
Community Adult Education

Appointed: 2011

Responsibilities: Membership Committee Chair; Risk,  
Audit and Finance Committee Member

Number of meetings attended: 5/5

*Elizabeth is a Senior Lecturer in Political Economy at the University of Sydney. Her teaching and research focuses on issues of international development with particular reference to the employment experience of women.*



**Mr Peter Noble**

BA, LLB, M Intl & Com Dev

Appointed: November 2014

Responsibilities: Risk, Audit and Finance Committee  
Member

Number of meetings attended: 3/3

*Peter is the Executive Officer of the Bendigo-based not-for-profit service ARC Justice, delivering community legal and housing advocacy services. He is founder of the Loddon Campaspe Community Legal Centre and recipient of the 2008 Law Institute of Victoria Community Lawyer of the Year Award and a 2012 Clayton Utz Fellowship.*



**Mr Greg Manning**

BE (Hons 1), M Dev Studs

Appointed: 2012

Responsibilities: IPAC Executive Member

Number of meetings attended: 5/5

*Greg has a background working in India with a number of TEAR's partners, and in Australia for the Micah Network's HIV Forum. He is currently a bus driver in Brisbane, exploring the application of the lessons he learnt in India to his life in Australia.*



**Ms Mikaela Belling**

BIGS

Appointed: February 2015

Responsibilities: Associate Board Member; IPAC  
Executive Member

Number of meetings attended: 1/1

*Mikaela is completing a Masters of Human Rights Law and Policy at the University of New South Wales and has volunteer experience with the TEAR network in Sydney and the House of Welcome supporting refugees and asylum seekers living in South-West Sydney.*



**Ms Brooke Prentis**

BCom, BA, Grad Dip ICAA, CA

Appointed: 2012

Responsibilities: Risk, Audit and Finance  
Committee Member

Number of meetings attended: 5/5

*Brooke is an Aboriginal Christian and is a descendant of the Waka Waka nation of Queensland. Brooke is a Chartered Accountant and senior finance professional in Brisbane. She has 13 years' experience in the corporate and not-for-profit sector in accounting roles and working with organisations to improve their financial governance. Brooke remains very involved in working with and alongside Aboriginal and Torres Strait Islander peoples and communities through ministry.*



**Ms Elaine Stops**

BA, Grad Dip Psy (Hons)

Appointed: 2013

Responsibilities: Associate Board Member; Risk, Audit  
& Finance Committee Member

Number of meetings attended: 5/5

*Elaine is completing a Master of Laws (Juris Doctor) at Monash University. She has volunteer experience with the TEAR Communications Department, Oaktree, World Vision and Make Poverty History.*

# AUDIT REPORT



SAWARD DAWSON  
chartered accountants  
[www.sawarddawson.com.au](http://www.sawarddawson.com.au)

**TEAR AUSTRALIA**  
ABN 85 085 413 832

**Independent Audit Report to the members of TEAR Australia**

**Report on the Financial Report**

We have audited the accompanying summarised financial report of TEAR Australia, comprising the summary statement of financial position as at 30 June 2015, the summary income statement, statement of changes in equity for the year then ended, and related notes, which was derived from the financial report of TEAR Australia for the year ended 30 June 2015. We expressed an unmodified auditor's opinion on that financial report in our auditor's report.

**Board's Responsibility for the Summarised Financial Report**

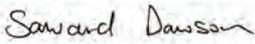
The board is responsible for the preparation and presentation of the summarised financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations), the *Australian Charities and Not-for-Profits Commission Act 2012* and the disclosure requirements set out in the ACFID Code of Conduct.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the summarised financial report based on our procedures, which were conducted in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements.

**Auditor's Opinion**

In our opinion, the information reported in the summarised financial report is consistent, in all material respects, with the financial report from which it was derived. For a better understanding of the scope of our audit, this auditor's report should be read in conjunction with our audit report on the financial report.

  
**Saward Dawson Chartered Accountants**

  
**Tim Flowers**  
Blackburn

Dated 16 September 2015



20 Albert Street / PO Box 256  
Blackburn Victoria 3130  
T: 03 9894 2500 F: 03 9894 1622  
[contact@sawarddawson.com.au](mailto:contact@sawarddawson.com.au)

PRINCIPALS: Bruce Saward FCA Joshua Morse CA  
Peter Shields CA Tim Flowers CA ASSOCIATE: Cathy Braun CA  
CONSULTANT: Cliff Dawson FCA

Liability limited by a scheme approved under  
Professional Standards Legislation



Member of Russell  
Bedford International

## Board Declaration

The Board of TEAR Australia declares that the accompanying concise financial report is presented fairly in accordance with applicable Australian Accounting Standards and is consistent with the Company's 30 June 2015 financial report. In respect to the 30 June 2015 financial report of TEAR Australia, the Board declares that:

The financial statements and associated notes comply with Accounting Standards and the requirements of the Australian Council for International Development Code of Conduct (ACFID).

The summary reports have been prepared in accordance with the 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](http://www.acfid.asn.au)

The financial statements and notes give a true and fair view of the financial position as at 30 June 2015 and performance of the Company for the year then ended; and in the Board's opinion, there are reasonable grounds to believe that TEAR Australia will be able to pay its debts as and when they become due and payable. This statement has been made in accordance with a resolution of the Board made on 16 September 2015.



**Joanna Betteridge**  
Chair



**Brett Gresham**  
Vice-Chair

# FINANCE AND ADMINISTRATION REPORT



Thanks largely to the faithful and generous support of donors, total income received in the year ended 30 June 2015 was the highest ever for TEAR Australia.

Donations received during the year increased by 4.8%. This increase can be attributed to the passionate response from donors to two tragedies that occurred in which TEAR's partners were able to assist with relief and rehabilitation – Cyclone Pam in Vanuatu and the Nepal Earthquake. Over \$1.4M was received from supporters to these two appeals.

TEAR is honoured from time to time with the receipt of funds through legacies and bequests. These funds are greatly appreciated and assist TEAR in keeping to commitments made with implementing partners. As in the previous year, TEAR received over \$500,000 through legacies and bequests in 2014/15.

Australia's Federal Government, through the Department of Foreign Affairs and Trade, continues to support aid and development work through agencies such as TEAR. In the past year, this amount increased slightly from the previous year to \$5.5M. Unfortunately, funding for the upcoming year has been cut by over \$430,000 as part of the Government's overall cut to the foreign aid budget.

A portion of funds committed to overseas partners is purchased through a hedging strategy. As the value of the Australian dollar fell against the US dollar over the course of the year, cash held in TEAR's US dollar account, when revalued at year-end, resulted in a foreign exchange gain of \$191,000. This amount is included as part of "Other Income".

Expenditure growth remained low. However, there was a winding back of disbursements to overseas partners which meant that there was a slight increase in the percentage spent

on fundraising and administration. While the proportion of funds that go to TEAR's core work is extremely high, there is still a strong emphasis on good governance, efficiency and effectiveness to ensure that the funds are making a difference to those who are in need, now and into the future.

TEAR will be facing significant challenges in the coming year. With the large cut in annual DFAT funding, and the fall in value of the Australian dollar, TEAR will be reliant more than ever on the faithfulness and generosity of supporters in maintaining commitments to our implementing partners who are working alongside the world's poor.

*For a copy of the full financial statement for the year to 30 June 2015, please contact the TEAR Office on 1800 244 986 or go to [www.tear.org.au](http://www.tear.org.au)*

The following accounts are included in the Financial Reports for the Annual Report. If you would like a further explanation of the accounts, please contact TEAR.

## Funds to International Programs

These are funds invested into development and aid programs run by TEAR's implementing partners and fieldworkers around the world.

## Program Support Costs

These are the expenses incurred by TEAR in overseeing the aid and development program. Investing in good monitoring and evaluation helps ensure the funds entrusted to TEAR are used effectively, with the aim to maximise the long-term benefits of community development and relief work.

## Community Education

These are expenses related to education work within Australia. This includes education staff salaries, advocacy campaigns, and the production and distribution of TEAR's educational resources.

## Fundraising Costs

These are the expenses relating to maintaining and growing TEAR's financial support. This includes the production of the Gift Catalogue and the processing of the orders/donations.

## Accountability and Administration

These are expenses such as bank fees, administration and executive staff salaries, computer and software expenses, governance expenses, and support for international development networks.

## Domestic Program Expenditure

This is the support and funding for the development program within Australian Aboriginal and Torres Strait Islander communities.



**Ashley Humphreys**  
Finance and Administration Coordinator

# Statement of Financial Position

As at 30 June 2015

	2015	2014
<b>ASSETS</b>	<b>\$</b>	<b>\$</b>
<b>Current Assets</b>		
Cash and cash equivalents	3,869,918	5,852,052
Financial assets	4,963,117	2,925,230
Trade and other receivables	192,823	18,657
Inventories	6,316	1,635
Other current assets	25,749	24,670
<b>TOTAL CURRENT ASSETS</b>	<b>9,057,924</b>	<b>8,822,244</b>
<b>Non-Current Assets</b>		
Property, plant and equipment	2,603,936	2,616,948
Financial assets	1,089,843	871,792
<b>TOTAL NON-CURRENT ASSETS</b>	<b>3,693,779</b>	<b>3,488,740</b>
<b>TOTAL ASSETS</b>	<b>12,751,703</b>	<b>12,310,984</b>
<b>LIABILITIES</b>	<b>\$</b>	<b>\$</b>
<b>Current Liabilities</b>		
Trade and other payables	67,705	296,003
Provisions	566,181	528,956
<b>TOTAL CURRENT LIABILITIES</b>	<b>633,886</b>	<b>824,959</b>
<b>Non-Current Liabilities</b>		
Provisions	59,120	37,324
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>59,120</b>	<b>37,324</b>
<b>TOTAL LIABILITIES</b>	<b>693,006</b>	<b>862,283</b>
<b>NET ASSETS</b>	<b>12,058,697</b>	<b>11,448,701</b>
<b>EQUITY</b>	<b>\$</b>	<b>\$</b>
Financial assets revaluation reserve	79,417	15,837
Property revaluation reserve	400,000	400,000
Foreign currency reserve	134,220	(190,205)
General reserve	4,900,000	4,900,000
Committed funds reserve	6,545,060	6,323,069
Retained surplus	-	-
<b>TOTAL EQUITY</b>	<b>12,058,697</b>	<b>11,448,701</b>

See the summary on page 25 for an explanation of the account categories.

# Income Statement

## For the year ended 30 June 2015

	2015	2014
REVENUE	\$	\$
Donations and gifts	11,276,230	10,763,971
Bequests and Legacies	505,209	517,265
Grants		
Department of Foreign Affairs & Trade	5,536,608	5,488,199
Other Australian Agencies	-	-
Other Overseas Agencies	-	-
Investment Income	253,522	245,535
Other Income	228,351	24,677
<b>TOTAL REVENUE</b>	<b>17,799,921</b>	<b>17,039,647</b>

EXPENDITURE	International Aid and Development Programs Expenditure	\$	\$
International programs			
Funds to international programs		12,511,609	13,269,518
Program support costs		1,129,647	1,321,746
Community education		1,602,891	1,529,549
Fundraising costs			
Public		668,551	474,931
Government, multilateral and private		27,160	24,500
Accountability and Administration		1,293,272	1,115,947
<b>Total International Aid and Development Programs Expenditure</b>		<b>17,233,130</b>	<b>17,736,191</b>
<b>Domestic Programs Expenditure</b>		<b>344,800</b>	<b>334,247</b>
<b>TOTAL EXPENDITURE</b>		<b>17,577,930</b>	<b>18,070,438</b>

<b>EXCESS/(SHORTFALL) OF REVENUE OVER EXPENDITURE</b>	<b>221,990</b>	<b>(1,030,791)</b>
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NOTE: During the financial year, TEAR Australia had no transactions in the Political or Religious Adherence Promotion category, or Non-Monetary Income and Expenditure categories.

See the summary on page 25 for an explanation of the account categories.

## Table of Cash Movements for Designated Purposes

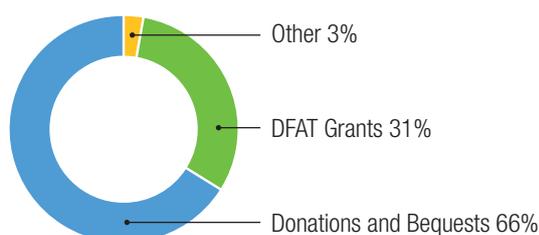
### For the year ended 30 June 2015

	Cash available at beginning of year \$	Cash raised during year \$	Cash disbursed during year \$	Cash available at end of year \$
Total for other purposes	5,852,052	18,326,871	20,309,005	3,869,918
Total	5,852,052	18,326,871	20,309,005	3,869,918

NOTE: No individual project received greater than 10% of the international aid and development revenue earned during the financial year.

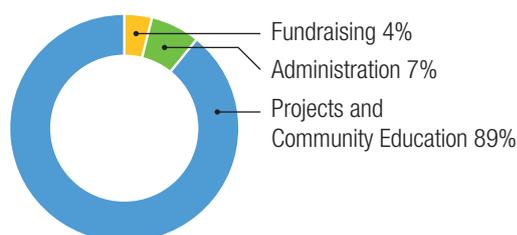
## Percentages of total income received for the financial year

Source of Income	2015	2014
Donations and Bequests	66%	66%
DFAT Grants	31%	32%
Other	3%	2%
<b>Total</b>	<b>100%</b>	<b>100%</b>



## Percentages of total expenditure for the financial year

Disbursements	2015	2014
Projects and Community Education	89%	91%
Fundraising	4%	3%
Administration	7%	6%
<b>Total</b>	<b>100%</b>	<b>100%</b>



The percentage for Projects and Community Education includes the Funds to International Programs (71%), Program Support Costs (7%), Domestic Programs Expenditure (2%) and Community Education (9%).

## Statement of Changes in Equity

For the year ended 30 June 2015

	Retained Surplus \$	Foreign Currency Reserve \$	General Reserve \$	Committed Funds Reserve \$	Financial Assets Revaluation Reserve \$	Property Revaluation Reserve \$	Total \$
<b>Balance at 30 June 2013</b>	-	206,595	5,600,000	6,653,858	-	-	12,460,453
Surplus(Deficit)	(1,030,791)						(1,030,791)
Transfers to and from reserves	1,030,791		(700,000)	(330,789)	-	-	-
Gains on Revaluation of Land and Buildings					-	400,000	400,000
Net Fair Value Gains on Available-For-Sale Financial Assets					15,837		15,837
Net unrealised gains on Foreign Exchange Contracts		(396,800)					(396,800)
<b>Balance at 30 June 2014</b>	-	(190,205)	4,900,000	6,323,069	15,837	400,000	11,448,701
Surplus(Deficit)	221,990	-	-	-	-	-	221,990
Transfers to and from reserves	(221,990)	-	-	221,990	-	-	-
Gains on Revaluation of Land & Buildings	-	-	-	-	-	-	-
Net Fair Value Gains on Available-For-Sale Financial Assets	-	-	-	-	63,580	-	63,580
Net unrealised losses on Foreign Exchange Contracts	-	324,425	-	-	-	-	324,425
<b>BALANCE AT 30 JUNE 2015</b>	-	134,220	4,900,000	6,545,059	79,417	400,000	12,058,697

NOTE: There are no adjustments or changes in equity due to, for example, adoptions of new accounting standards.

# FREQUENTLY ASKED QUESTIONS

TEAR Australia is a Christian relief, development and advocacy agency responding to the needs of poor communities around the world. Our motivation comes from our belief that God loves all people, and in Christ offers them the opportunity of a new life. We believe that God is just, and has particular care for the poor and those who suffer as victims of injustice.

We work in partnership with other Christian groups, including churches, relief and development agencies and community-based organisations, which are working with the poor in their communities. We seek to build effective relationships with these partners, grounded in mutual respect, trust and accountability.

Priority is given to those programs that strive to involve the most marginalised and exploited members of each community, regardless of their religious or political beliefs.

## What does “TEAR” stand for?

Established in 1971 by the Australian Evangelical Alliance, TEAR Australia was originally called “The Evangelical Alliance Relief Fund”. As we are now an independent organisation, the letters are no longer used as an acronym. Rather, we use the by-line “Transformation Empowerment Advocacy Relief”.

## Does TEAR fund proselytizing?

No. TEAR’s policy is to finance the relief, development and advocacy activities of organisations who are motivated by their faith in Christ, and by their desire to demonstrate the depth of God’s commitment to justice, to mercy, to the poor. We do not fund proselytizing activities, but we rejoice and celebrate when

we know of people whose lives have been wonderfully and beautifully enriched by the embrace of God in Christ. But we will not support any attempt to misuse relief and development activities to manipulate people into the church. We believe such attempts lack integrity, result in poor development, and dishonour the One who is our motivation.

## How much of my donation reaches the project?

Of TEAR Australia’s overall income, 7% covers administrative costs, 4% is spent on fundraising, and 89% is spent on the international and domestic development programs, and empowering people within Australia to respond to poverty and injustice.

## How do I know the money gets there?

All projects are audited by accountants and reviewed by TEAR project workers. TEAR is also audited by registered company auditors and is fully accredited with the Department of Foreign Affairs and Trade. TEAR is a signatory to the ACFID (Australian Council for International Development) Code of Conduct, representing our commitment to ethical standards in governance, financial management and public accountability.

## How is a project designed?

TEAR Australia’s partner organisations are responsible for the design of the program or project. Although it is not the task of TEAR staff to assume responsibility for the design process, they do negotiate adjustments and revisions to project design with partners, prior to submitting funding applications. In this way, TEAR’s International Program Team seeks to

add value to the design process and provide assistance to our partners in thinking through the issues involved. In some cases, TEAR Fieldworkers will also be involved in working with partners during the design phase.

## How is a project selected?

Projects are selected on the basis of the following strategic objectives. They should:

- focus on the poorest and most marginalised people;
- give priority to the rights, interests, needs and capacities of the people they serve;
- address both the symptoms and the causes of poverty and marginalisation;
- produce tangible, lasting improvement in the lives of the people they serve;
- strengthen skills within communities, civil society and government to address their own development priorities.

## How are projects evaluated?

An evaluation process is built into the initial design of every project, and is regularly conducted during implementation of the program. Regular reflections and evaluation by the community and local staff members, technical evaluation by experts, and the observations of TEAR staff are used to keep the project on the path to achieving its goals. As projects reach their completion, or reach a new stage, often an external consultant is employed to facilitate the reflection and learning process.



*See page 10 for the encouraging story of how families in Tabaldiya village, south-western Sudan, are improving livelihood opportunities, water supply and hygiene and sanitation.*

## THANK YOU!

As part of the TEAR movement, you are supporting our partners to walk alongside communities on the long road out of poverty. We thank you for your generosity, your prayer, your time, your action, your heart for the poor and your thirst for justice.

### State Offices:

**NSW, ACT and NT**  
Suite 413/410 Elizabeth St  
Surry Hills 2010  
T: (02) 9212 4499  
E: nsw@tear.org.au

**SA** 111 Franklin St  
Adelaide 5000  
T: 0468 352 585  
E: sa@tear.org.au

**WA** PO Box 87  
Subiaco 6904  
T: 08 6262 2823  
E: wa@tear.org.au

**QLD** PO Box 488  
Narangba 4504  
T: 07 3888 0571  
E: qld@tear.org.au

**VIC and TAS**  
PO Box 164  
Blackburn Victoria 3130  
1/4 Solwood Lane  
Blackburn Victoria 3130  
T: (03) 9264 7000  
vic@tear.org.au

### TEAR Australia National Office:

PO Box 164  
Blackburn Victoria 3130  
1/4 Solwood Lane  
Blackburn Victoria 3130

ABN 85 085 413 832  
ACN 085 413 832

Toll free: 1800 244 986  
T: 03 9264 7000  
F: 03 9877 7944

E: tearaust@tear.org.au  
W: www.tear.org.au

**Integral:**



**TEAR Australia**  
**ABN: 85 085 413 832**

Financial Statements  
For the Year Ended  
30 June 2015

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## **Directors' Report For the Year Ended 30 June 2015**

The Directors submit the financial report of TEAR Australia (the Company) for the financial year ended 30 June 2015

The names of each person who has been a director during the year and to the date of this report are:

Anastasia Davy (Chair)	Term Ended November 2014
Joanna Betteridge (Chair)	Voted in as Chair from November 2014
Brett Gresham (Vice Chair)	
Matthew Maury (Secretary)	
David Bartlett	
Helen Beazley	
Jane Furniss	
Elizabeth Hill	
Greg Manning	
Peter Noble	Appointed November 2014
Brooke Prentis	

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

### **Principal Activities**

The principal activities of the Company during the financial year were responding to global poverty and injustice around the world.

### **Short-term and Long-term objectives**

The company's short-term objectives are to:

- Educate Australian Christians about poverty and injustice and give them practical ways to respond.
- Fund development projects in partnership with local Christian agencies.
- Mobilise Christians to participate in advocating political, church and business leaders around campaigns achieving poverty alleviation goals.
- Achieve success in MDG targets and campaigns in partner countries.

The company's long-term objectives are to:

- Eliminate poverty and injustice in partner communities around the world.
- Mobilise Australian Christians to live more justly and sustainably.

### **Strategies**

To achieve its stated objectives the company has adopted the following strategies

- Partnering with 90 agencies in 25 countries to implement development projects
- Working with advocacy coalitions focused on achieving policy change on poverty and justice issues
- Various supporter education and mobilisation strategies targeting Australian Christians
- Multiple fundraising campaigns and initiatives
- Church engagement work

### **Key Performance Measures**

The company measures its own performance through the use of both quantitative and qualitative benchmarks. These benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved

- Project by project outcomes and impact indicators - ranging from water, health, income, education, food security
- Donations and Income raised to support poverty alleviation projects
- Number of supporters involved with advocacy campaigns
- Number of churches engaged with TEAR's work
- Number of TEAR Groups active across Australia

**Information on Directors**

Anastasia Davy (Term Ended November 2014)

Qualifications BA, Masters (Int & Comm. Dev.)  
 Experience Board Member since 2006. Policy Advisor at Department of Human services.  
 Special Responsibilities Board Chair, Executive Committee Chair, floating portfolio on other subcommittees

Joanna Betteridge (Voted in as Chair November 2014)

Qualifications BA, LLB, LLM, GAICD, Acc M LEADR  
 Experience Board Member since 2010. Principal of employment and safety law firm Betteridge Legal Consulting. Lecturer at Monash University.  
 Special Responsibilities Board Chair, Executive Committee Chair

Brett Gresham

Qualifications B.Eng (Civ), M.Lit. Dev Stud.  
 Experience Board Member since 2010. Background in international development and project management. Former TEAR fieldworker in Afghanistan.  
 Special Responsibilities Board Deputy Chair, International Program Allocations Committee Chair, Executive Committee

Matthew Maury

Qualifications BA (Hons), MBA (Dev Studies), GAICD  
 Experience Board Member since 2009. TEAR Australia's National Director. 20 years experience with Christian development agencies.  
 Special Responsibilities Board Secretary, Executive Committee, Risk, Audit & Finance Committee, Membership Committee Member

David Bartlett

Qualifications FCA; BEc; MEd; GradDipCS; Cert. Governance; JP  
 Experience Board Member since 2013. Partner at Resolve Consulting Chartered Accountants with extensive Non-Profit Executive and Board experience  
 Special Responsibilities Risk, Audit & Finance Committee Chair

Helen Beazley

Qualifications BA, Grad Dip (Ed), M.Ed., M.Com Devt.  
 Experience Board Member since 2007. Background in community sustainability, government policy and capacity building projects.  
 Special Responsibilities Membership Committee Chair, International Program Allocation Committee, Executive Member

Jane Furniss

Qualifications BA, LLB (Hons), M. Int Devt  
 Experience Board Member since 2013. Experience in International law, development and governance. Board & senior management experience in development, advocacy & education sectors.  
 Special Responsibilities Board Executive Member

Elizabeth Hill

Qualifications PhD, BEc (Soc.Sc) (Hons), Grad Cert Community Adult Education  
 Experience Board Member since 2011. Lecturer in Political Economy at The University of Sydney. Former TEAR fieldworker in India.  
 Special Responsibilities Membership Committee Chair, Risk, Audit & Finance Committee

Gregory Manning

Qualifications BE (Hons 1) MDevStuds  
 Experience Board Member since 2012. Worked with Micah Network Australia in HIV prevention and education. Former TEAR fieldworker in India.  
 Special Responsibilities International Program Allocation Committee

Peter Noble

Qualifications BA LLB (UQ), MIntl & Community Dev (DU)  
 Experience Board Member since 2014. Executive Officer of the Benidgo based not-for-profit service ARC Justice.  
 Special Responsibilities Risk, Audit & Finance Committee

Brooke Prentis

Qualifications BCom, BA, Grad.Dip ICAA, CA  
 Experience Board Member since 2012. Accountant with experience in the corporate and not-for-profit sector including Aboriginal and Torres Strait Islander organisations.  
 Special Responsibilities Risk, Audit & Finance Committee

**Meetings of Directors**

During the financial year six meetings of directors were held. Attendances of each director were as follows:

Name	Number eligible to	
	attend	Number attended
Anastasia Davy (Chair ended Nov 2014)	2	2
Joanna Betteridge (Chair Nov 2014)	5	5
Matthew Maury (Secretary)	5	5
Brett Gresham (Vice Chair)	5	5
David Bartlett	5	4
Helen Beazley	5	5
Jane Furniss	5	4
Elizabeth Hill	5	5
Gregory Manning	5	5
Peter Noble	3	3
Brooke Prentis	5	5

The company was incorporated under the Corporations Act 2001 on 12 December 2012 as a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the entity. At 30 June 2015 the total amount that members of the company are liable to contribute if the company is wound up is \$117. (2014: \$109).

**Auditors Independence Declaration**

The auditors independence declaration for the year ended 30 June 2015 has been received and can be found on page 4 of the financial report.

Signed in accordance with a resolution of the Members of the Board:

Board member: .....  
  
Joanna Betteridge (Chair)

Board member: .....  
  
Brett Gresham (Vice Chair)

Dated: 16<sup>th</sup> day of September 2015

**TEAR AUSTRALIA**  
ABN 85 085 413 832

### **Auditors Independence Declaration**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 there have been no contraventions of any applicable code of professional conduct in relation to the audit.

*Saward Dawson*

**Saward Dawson**  
Chartered Accountants

*Tim Flowers*

**Tim Flowers**

Blackburn

**STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED  
30 June 2015**

	Note	2015	2014
Revenue from Operating Activities	2	17,799,920	17,039,647
Funds to Overseas Projects		(12,511,609)	(13,269,518)
Australian Indigenous Projects		(344,800)	(334,247)
Other Projects Expenses		(1,129,647)	(1,321,746)
Community Education		(1,602,891)	(1,529,549)
Fundraising - Public		(668,551)	(474,931)
Fundraising - Government		(27,160)	(24,500)
Administration		(1,293,272)	(1,115,947)
<b>Surplus/(Deficit) for the Year</b>		<b>221,990</b>	<b>(1,030,791)</b>

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED  
30 June 2015**

	Note	2015	2014
<b>Surplus/(Deficit) for the Year</b>		221,990	(1,030,791)
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>		-	-
Net Gain on Revaluation of Land and Buildings		-	400,000
<b>Items that may be reclassified to profit or loss</b>			
Net Changes in the Fair Value of Available for Sale Financial Assets		63,580	15,837
Changes to Unrealised Gain/(Loss) on Foreign Exchange Contracts:			
Current Year Gains / (Losses)		134,220	(190,205)
Reclassified to Statement of Profit or Loss		190,205	(206,595)
<b>Other Comprehensive Income for the Year</b>		-	-
<b>Total Comprehensive Income for the Year</b>		<b>609,995</b>	<b>(1,011,754)</b>

**STATEMENT OF FINANCIAL POSITION AS AT  
30 June 2015**

	Note	2015	2014
<b>Current Assets</b>			
Cash and Cash Equivalents	6	3,869,918	5,852,052
Financial Assets	7	4,963,117	2,925,230
Trade and Other Receivables	8	192,823	18,657
Inventories	9	6,316	1,635
Other Current Assets	10	25,749	24,670
<b>Total Current Assets</b>		<b>9,057,924</b>	<b>8,822,244</b>
<b>Non-Current Assets</b>			
Property, Plant & Equipment	11	2,603,936	2,616,948
Financial Assets	7	1,089,843	871,792
<b>Total Non-Current Assets</b>		<b>3,693,779</b>	<b>3,488,740</b>
<b>TOTAL ASSETS</b>		<b>12,751,703</b>	<b>12,310,984</b>
<b>Current Liabilities</b>			
Trade and Other Payables	12	67,705	296,003
Provisions	13	566,181	528,956
<b>Total Current Liabilities</b>		<b>633,886</b>	<b>824,959</b>
<b>Non-Current Liabilities</b>			
Provisions	13	59,120	37,324
<b>Total Non-Current Liabilities</b>		<b>59,120</b>	<b>37,324</b>
<b>TOTAL LIABILITIES</b>		<b>693,006</b>	<b>862,283</b>
<b>NET ASSETS</b>		<b>12,058,697</b>	<b>11,448,701</b>
<b>EQUITY</b>			
Financial Assets Revaluation Reserve	15	79,417	15,837
Property Revaluation Reserve	15	400,000	400,000
Foreign currency reserve	15	134,220	(190,205)
General reserve	15	4,900,000	4,900,000
Committed funds reserve	15	6,545,060	6,323,069
Retained Surplus	16	-	-
<b>TOTAL EQUITY</b>		<b>12,058,697</b>	<b>11,448,701</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED**  
**30 June 2015**

	Note	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Donations Received		11,276,230	10,763,971
Bequests and Legacies Received		505,209	517,265
Operating Grants Received		6,090,269	6,037,019
Other Income Received		249,018	12,011
Payments to Suppliers & Employees		(5,203,648)	(4,896,726)
Distributions to Overseas Partners & Fieldworkers		(12,856,409)	(13,603,764)
Interest & Dividends Received		206,145	267,824
<b>Net Cash Provided by (used in) Operating Activities</b>		<b>266,814</b>	<b>(902,400)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Available for Sale Financial Assets		(138,625)	(901,906)
Proceed from Sale of Available for Sale Financial Assets		14,497	457,091
Proceeds from Sale of Property, Plant & Equipment		-	745
Redemption (placement) of Held to Maturity Financial Assets		(2,071,036)	2,538,881
Purchase of Property, Plant & Equipment		(53,784)	(31,328)
<b>Net Cash Provided by (used in) Investing Activities</b>		<b>(2,248,948)</b>	<b>2,063,483</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Net Cash Provided by (used in) Financing Activities</b>		-	-
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>(1,982,134)</b>	<b>1,161,083</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>5,852,052</b>	<b>4,690,969</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	6, 18	<b>3,869,918</b>	<b>5,852,052</b>

**TEAR Australia**  
**ABN 85 085 413 832**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED**  
**30 June 2015**

	Note	Retained Surplus	Property Revaluation Reserve	Foreign Currency Reserve	General Reserve	Committed Funds Reserve	Financial Assets Revaluation Reserve	Total
<b>Balance as at 30 June 2013</b>		-	-	<b>206,595</b>	<b>5,600,000</b>	<b>6,653,858</b>	-	<b>12,460,453</b>
Deficit for the Year		(1,030,791)	-	-	-	-	-	(1,030,791)
Transfers to and from Reserves		1,030,791	-	-	(700,000)	(330,789)	-	-
Gains/(Losses) on Revaluation of Land & Buildings		-	400,000	-	-	-	-	400,000
Net Fair Value Gains/(Losses) on Available-For-Sale Financial Assets		-	-	-	-	-	15,837	15,837
Net unrealised Gains/(Losses) on Foreign Exchange Contracts		-	-	(396,800)	-	-	-	(396,800)
<b>Balance as at 30 June 2014</b>		-	<b>400,000</b>	<b>(190,205)</b>	<b>4,900,000</b>	<b>6,323,069</b>	<b>15,837</b>	<b>11,448,701</b>
Surplus for the Year		221,990	-	-	-	-	-	221,990
Transfers to and from Reserves	15, 16	(221,990)	-	-	-	221,991	-	-
Gains/(Losses) on Revaluation of Land & Buildings		-	-	-	-	-	-	-
Net Fair Value Gains/(Losses) on Available-For-Sale Financial Assets		-	-	-	-	-	63,580	63,580
Net unrealised Gains/(Losses) on Foreign Exchange Contracts		-	-	324,425	-	-	-	324,425
<b>Balance as at 30 June 2015</b>		-	<b>400,000</b>	<b>134,220</b>	<b>4,900,000</b>	<b>6,545,060</b>	<b>79,417</b>	<b>12,058,697</b>

The accompanying notes form part of these financial statements

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2015**

### **Note 1: Summary of Significant Accounting Policies**

#### **Basis of Preparation**

TEAR Australia applies the Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010–2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-For-Profit Commission Act 2012. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on the same date that the directors' declaration was signed.

#### **Accounting Policies**

a. **Income Tax**

No current or deferred income tax assets or liabilities have been raised by the Company as it is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

b. **Inventories**

Inventories are measured at the lower of cost and net realisable value.

c. **Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, accumulated depreciation and impairment losses.

**Freehold Property**

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2015**

### **Note 1: Summary of Significant Accounting Policies (Contd.)**

comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset

Freehold land and buildings that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

#### **Plant and Equipment**

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down to its estimated recoverable amount and impairment losses are recognised in either the statement of profit or loss or as a revaluation decrease if the impairment relates to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer Note 1(f)).

Plant and Equipment contributed at no or nominal cost are valued and recognised at the fair value of the asset on the date it was acquired.

#### **Depreciation**

The depreciable amount of all fixed assets (excluding freehold land) is depreciated on a straight line basis over their useful lives to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

<u>Class of Fixed Asset</u>	<u>Depreciation Rate (%)</u>
Buildings	2.5
Office Furniture and Equipment	5 - 17
Computer Systems	25-34
Motor Vehicles	15

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained surpluses.

d. **Leases**

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2015

### Note 1: Summary of Significant Accounting Policies (Contd.)

#### e. **Financial Instruments**

##### **Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are recognised immediately as expenses in the statement of profit or loss.

##### **Classification and subsequent measurement**

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in the statement of profit or loss.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

##### **(i) Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in the statement of profit or loss through the amortisation process and when the financial asset is derecognised.

##### **(ii) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

##### **(iii) Available-for-sale financial assets**

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2015**

### **Note 1: Summary of Significant Accounting Policies (Contd.)**

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into the statement of profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

#### **Impairment**

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in the statement of profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to the statement of profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

#### **Derecognition**

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged or cancelled, or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the statement of profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 June 2015**

**Note 1: Summary of Significant Accounting Policies (Contd.)**

**f. Impairment of Assets**

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

**g. Employee Benefits**

**Short-term employee benefits**

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on Australian corporate bonds with terms to maturity that match the expected timing of cash flows.

**Other long-term employee benefits**

The company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in the statement of profit or loss classified under employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 June 2015**

**Note 1: Summary of Significant Accounting Policies (Contd.)**

**Retirement benefit obligations**

*Defined contribution superannuation benefits*

All employees of the company receive defined contribution superannuation entitlements, for which the company pays the fixed superannuation guarantee contribution (currently 12% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the company's statement of financial position.

**h. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

**i. Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**j. Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

**k. Revenue**

Non-reciprocal grant revenue is recognised in the statement of profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Donations and bequests are recognised as revenue when received.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 June 2015**

**Note 1: Summary of Significant Accounting Policies (Contd.)**

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax.

**l. Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received by the company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**m. Foreign Exchange Gains/Losses**

The company incurred gains and losses on foreign exchange through both the revaluation of foreign currencies held as assets at 30 June 2015 and on payments made in foreign currency. All realised gains or losses are recorded in the income statement at date of transaction, gains or losses on assets held are recorded respectively as an income or expense transactions are included respectively as a reduction or increase in the transaction value item, gains or losses on and accounted for with the original transaction.

The company uses forward purchasing contracts to assist with planning overseas commitment levels and to insulate against currency downturns.

The unrealised gains or losses on open contracts at year end are held in equity reserves.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 June 2015**

	<b>2015</b>	<b>2014</b>
<b>Note 2: Revenue</b>		
Operating Activities		
Donations	11,276,230	10,763,971
Legacies & Bequests	505,209	517,265
DFAT Grants	5,536,608	5,488,199
Other Income	228,351	24,677
Non-operating Activities		
Interest Received	219,610	235,596
Other Investment Income	33,912	9,939
Total Revenue	<u>17,799,920</u>	<u>17,039,647</u>
<b>Note 3: Surplus/(Deficit) from Ordinary Activities</b>		
<b>Expenses</b>		
Depreciation of Property, Plant & Equipment	(66,796)	(66,794)
Net gain on Disposal of Property, Plant & Equipment	-	608
Rental Expense	(23,033)	(22,898)
Total	<u>(89,829)</u>	<u>(89,084)</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 June 2015**

**Note 4: Key Management Personnel Compensation**

**Key Management Personnel**

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel. The Key Management Personnel during the year were:

Matthew Maury	National Director
Barbara Deutschmann (0.6 EFT)	Indigenous Program Coordinator
Peter Fitzgerald (finished Dec 2014)	South Asia Team Leader
Ashley Humphreys	Finance & Administration Coordinator
Paul Flavel	Australian Program Coordinator
Susan Vulling (0.6 EFT)	Human Resources Coordinator
Phil Wilkerson	International Program Coordinator
Coby Hallas (0.857 EFT)	Communications Coordinator

The totals of remuneration paid to key management personnel (KMP) of the company during the year are as follows:

	Salary & Fees	Superannuation	Bonus	Non-cash Benefits	Total
<b>2014</b>	460,244	69,182	-	128,400	<b>657,826</b>
<b>2015</b>	457,824	65,638	-	118,649	<b>642,111</b>

**Note 5: Auditors' Remuneration**

	Note	2015	2014
Fees for auditing financial report		12,755	15,170
Other Services		-	-

**Note 6: Cash and Cash Equivalents**

Cash at bank and on hand		3,869,918	5,852,052
		<u>3,869,918</u>	<u>5,852,052</u>

**Note 7: Financial Assets**

CURRENT			
Held to Maturity Financial Assets	7a	4,963,117	2,925,230
		<u>4,963,117</u>	<u>2,925,230</u>

NON CURRENT			
Held to Maturity Financial Assets	7a	438,497	405,348
Available For Sale Financial Assets	7b	651,346	466,444
		<u>1,089,843</u>	<u>871,792</u>

a. Held to Maturity Investments			
Government and Fixed Interest Investments	19	5,401,614	3,330,577
		<u>5,401,614</u>	<u>3,330,577</u>

b. Available for Sale Financial Assets			
Shares in listed corporations at fair value:			
Balance at the beginning of the year		466,444	-
Purchases		138,625	901,906
Disposals		(17,303)	(457,091)
Fair Value Remeasurement gains/(losses)		63,580	21,629
Balance at the end of the year	19	<u>651,346</u>	<u>466,444</u>

**Note 8: Trade and Other Receivables**

Debtors		58,603	18,657
Unrealised Foreign Currency Gains		134,220	-
	19	<u>192,823</u>	<u>18,657</u>

The Company forward purchases US dollars and at balance day has open contracts requiring re-valuation at year end. In financial year 2015 due to weakening exchange rates unrealised gains were booked as an asset. In financial year 2014 with stronger exchange rates unrealised losses were booked as a liability refer note 12.

**Credit Risk:**

The Company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. There are no indicators of impairment on receivables at year end and no provision for doubtful debts has been raised.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 June 2015**

	Note	2015	2014
<b>Note 9: Inventories</b>			
Stock of Publications at cost		6,316	1,635
<b>Note 10: Other Current Assets</b>			
Prepayments		25,749	24,670
<b>Note 11: Property, Plant &amp; Equipment</b>			
<b>Plant &amp; Equipment</b>			
Office Furniture & Equipment at Cost		131,267	129,859
Accumulated Depreciation		(109,117)	(94,097)
		<u>22,150</u>	<u>35,762</u>
Computer Systems at Cost		361,083	324,286
Accumulated Depreciation		(300,638)	(270,662)
		<u>60,445</u>	<u>53,624</u>
Motor Vehicles at Cost		44,000	44,000
Accumulated Depreciation		(43,105)	(39,527)
		<u>895</u>	<u>4,473</u>
<b>Land &amp; Buildings</b>			
Freehold Land at Cost		1,500,000	1,500,000
Independent Valuation increment		400,000	400,000
Total Land	20	<u>1,900,000</u>	<u>1,900,000</u>
Buildings at Cost		737,934	722,356
Accumulated Depreciation		(117,488)	(99,267)
	20	<u>620,446</u>	<u>623,089</u>
Total Land & Buildings		<u>2,520,446</u>	<u>2,523,089</u>
Total Property, Plant & Equipment		<u>2,603,936</u>	<u>2,616,948</u>

The freehold land and buildings were independently valued at 30 June 2014 by Lawrence Commercial Valuers. The valuation was based on the fair value less cost to sell. The valuation resulted in a \$400,000 revaluation being recognised for the year ended 30 June 2014 according to stated accounting policies. The valuation was applied solely against the land value of the property as no significant improvements have been made to the property since the previous valuation.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 June 2015**

Reconciliation of the carrying amounts of each class of asset at the beginning and end of the previous and current financial year is set out below.

	Land	Buildings	Furniture & Fittings	Computers	Motor Vehicles	Total
<b>Balance at 1 July 2013</b>	<b>1,500,000</b>	<b>641,148</b>	<b>52,099</b>	<b>49,745</b>	<b>9,560</b>	<b>2,252,552</b>
Additions	-	-	-	31,328	-	31,328
Revaluation increments/ (decrements)	400,000	-	-	-	-	400,000
Disposals	-	-	-	(137)	-	(137)
Depreciation and Amortisation	-	(18,059)	(16,337)	(27,312)	(5,086)	(66,794)
<b>Balance at 30 June 2014</b>	<b>1,900,000</b>	<b>623,089</b>	<b>35,762</b>	<b>53,624</b>	<b>4,473</b>	<b>2,616,948</b>
Additions	-	15,578	1,408	36,797	-	53,783
Revaluation increments/ (decrements)	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Depreciation and Amortisation	-	(18,221)	(15,020)	(29,977)	(3,578.25)	(66,796)
<b>Balance at 30 June 2015</b>	<b>1,900,000</b>	<b>620,446</b>	<b>22,150</b>	<b>60,445</b>	<b>895</b>	<b>2,603,936</b>

	Note	2015	2014
<b>Note 12: Trade and Other Payables</b>			
Current			
Trade creditors & accruals		50,435	86,315
Micah Network funds received in advance		7,722	11,587
Current tax liabilities		9,548	7,896
Unrealised foreign currency losses		-	190,205
	19	<b>67,705</b>	<b>296,003</b>

The Company forward purchases US dollars and at balance day has open contracts requiring re-valuation at year end. In financial year 2014 with stronger exchange rates unrealised losses were booked as a liability. In financial year 2015 due to weakening exchange rates unrealised gains were booked as an asset refer note 8.

	2015	2014
<b>Note 13: Provisions</b>		
<b>Employee Benefits</b>		
Balance at the beginning of the year	566,280	577,664
Additional provisions raised during the year	345,786	293,280
Amounts used	(286,765)	(304,664)
Balance at the end of the year	<b>625,301</b>	<b>566,280</b>
Current	566,181	528,956
Non-current	59,120	37,324
	<b>625,301</b>	<b>566,280</b>

Provision for employee benefits represents amounts accrued for annual leave and long service leave. The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 June 2015**

**Note 14: Capital & Leasing Commitments**

Non-cancellable operating leases contracted for but not recognised in the financial statements

Payable - Minimum lease payments:

Not later than 12 months

later than 12 months but not later than five years

later than 5 years

	<b>2015</b>	<b>2014</b>
	8,220	8,220
	23,975	32,195
	-	-
	<b>32,195</b>	<b>40,415</b>

The lease commitment is a non-cancellable operating lease for photocopiers contracted for but not capitalised in the financial statements with a five-year term. Increases in lease commitments may occur in line with the consumer price index (CPI). The lease has been active from 1 June 2014.

**Note 15: Reserves**

**a. Property Revaluation Reserve**

The Property Revaluation Reserve records the revaluations of non-current assets. Where revaluations are deemed to represent profits of a permanent nature, amounts may be shifted to the statement of profit or loss.

**b. Foreign Currency Reserve**

The Foreign Currency Reserve holds movements in currency valuations as at balance date for outstanding Forward Exchange Contracts designated as hedges.

**c. General Reserve**

TEAR's Reserve, Foreign Exchange Exposure and Investment Policy provides for potential needs such as essential funding commitments after a sudden or prolonged downturn in income receipts, or to meet a critical need of an overseas partner. As at 30 June 2015 this reserve was \$4.9M and forms part of financial assets.

**d. Committed Funds Reserve**

TEAR Australia has moral funding commitments to implementing partners for aid and development projects over the coming year. These are in excess of the current reserves therefore TEAR continues to be reliant on future donations from supporters to fulfil these commitments.

Committed Funds Reserve also includes donations received for specific projects that have not been expended as at 30 June.

	<b>2015</b>	<b>2014</b>
Donations received for specific projects but not expended as at 30 June	924,925	14,301

This figure includes \$907,768 received for the Vanuatu Cyclone and Nepal Earthquake Appeals that had not been forwarded to partners as at 30 June. These funds will be distributed for rehabilitation work to field partners as per project budget timetables.

**e. Financial Assets Reserve**

The financial assets reserve records revaluation increments and decrements (that do not represent impairment write downs) that relate to financial assets that are classified as available for sale.

**Note 16: Retained Surplus**

For improved disclosure, Retained Earnings are segregated into separate reserves. The balance of retained earnings is shown under Retained Surplus. As the balance of equity is absorbed into the Committed Funds Reserve, the Retained Surplus is nil.

**Note 17: Related Party Transactions**

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

During the financial year no transactions were made to Related Parties.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 June 2015**

<b>Note 18: Cash Flow Information</b>	<b>2015</b>	<b>2014</b>
<b>Reconciliation of Cash</b>		
Cash at bank and on hand	3,869,918	5,852,052

**Note 19: Financial Instruments**

The Company's financial instruments consist of deposits with banks, short-term investments, accounts receivable and payables. The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the policies to these financial statements, are as follows:

<b>Financial Assets</b>		<b>2015</b>	<b>2014</b>
Cash	6	3,869,918	5,852,052
Held to maturity financial assets	7a	5,401,614	3,330,577
Available for Sale	7b, 20	651,346	466,444
Trade and other receivables	8	192,823	18,657
<b>Total financial assets</b>		<b>10,115,701</b>	<b>9,667,730</b>
<b>Financial Liabilities</b>			
Trade and other payables	12	67,705	296,003
<b>Total financial liabilities</b>		<b>67,705</b>	<b>296,003</b>

**Note 20: Fair Value Measurements**

The company has the following assets, as set out in the table below, that are measured at fair value on a recurring basis after their initial recognition. The company does not subsequently measure any liabilities at fair value on a recurring basis and has no assets or liabilities that are measured at fair value on a non-recurring basis.

<b>Recurring Fair Value Measurements</b>	<b>Note</b>	<b>2015</b>	<b>2014</b>
<i>Financial Assets</i>			
Available-for-sale financial assets			
- shares in listed corporations	7,20(i)	651,346	466,444
		651,346	466,444
<i>Property Plant and Equipment</i>			
Freehold Land	11, 20(ii)	1,900,000	1,900,000
Freehold Buildings	11, 20(ii)	620,446	623,089
		2,520,446	2,523,089

(i) For investments in listed shares, the fair values have been determined based on closing quoted bid prices at the end of the reporting period.

(ii) For freehold land and buildings, the fair values are based on the external independent valuation performed in 2014.

**Note 21: Table of Cash Movements for Designated Purposes**

	<b>Cash available at beginning of year</b>	<b>Cash raised during year</b>	<b>Cash disbursed during year</b>	<b>Cash available at end of year</b>
Total for other purposes	5,852,052	18,326,871	20,309,005	3,869,918
<b>Total</b>	<b>5,852,052</b>	<b>18,326,871</b>	<b>20,309,005</b>	<b>3,869,918</b>

No individual project received greater than 10% of the international aid and development revenue earned during the financial year.

The accompanying notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 June 2015**

**Note 22: Additional information and declarations to be furnished under the Charitable  
Fundraising (NSW) Act 1991**

**Public fundraising appeals conducted during financial year**

- o General donations through Useful Gifts catalogue, regular giving, major & general donations, and emergency appeals

**Statements showing how funds received were applied to charitable purposes**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Gross revenue from public activities	11,781,439	11,281,236
Less: Public fundraising costs	(668,551)	(474,931)
Net Public Funds	<u>11,112,889</u>	<u>10,806,305</u>
Gross Government, overseas, multilateral & corporate grants	5,536,608	5,488,199
Less: Government, multilateral & corporate fundraising costs	(27,160)	(24,500)
Net Government, overseas, multilateral & corporate funds	<u>5,509,448</u>	<u>5,463,699</u>
Other revenue	481,872	270,210
Net funds raised	<u>17,104,209</u>	<u>16,540,214</u>
Overseas project disbursements	12,511,609	13,269,517
Domestic project disbursements	286,775	270,572
Program support costs	1,187,673	1,385,421
Community education costs	1,602,891	1,529,548
Total funds disbursed towards the objectives of the Company	<u>15,588,948</u>	<u>16,455,059</u>
Accountability and administration expenses	1,293,272	1,115,946
Operating surplus/(deficit)	<u>221,990</u>	<u>(1,030,791)</u>

**Percentages**

Total cost of public fundraising/gross public fundraising income	5.7%	4.2%
Surplus from public fundraising/gross public fundraising income	94.3%	95.8%
Funds disbursed towards objectives/total expenditure	88.7%	91.1%
Funds disbursed towards objectives/total revenue received	87.6%	96.6%

## **Director's Declaration For the Year Ended 30 June 2015**

In accordance with a resolution of the directors of TEAR Australia, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 1 to 22, are in accordance with the Australian Charities and Not-For-Profit Commission Act 2012 and:
  - a. comply with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Australian Charities and Not for Profits Commission Regulation 2013;
  - b. give a true and fair view of the financial position of the company as at 30 June 2015 and of its performance for the year ended on that date;
  - c. the provisions of the Charitable Fundraising Act (NSW) 1991 and Regulations and the conditions attached to the authority have been complied with for the year ending 30 June 2015; and
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Chair   
Joanna Betteridge

Vice Chair   
Brett Gresham

Dated this 16<sup>th</sup> day of September 2015

**TEAR AUSTRALIA**  
ABN 85 085 413 832

## Independent Audit Report to the members of TEAR Australia

### *Report on the Financial Report*

We have audited the accompanying financial report of TEAR Australia, which comprises the statement of financial position as at 30 June 2015, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### *Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

**TEAR AUSTRALIA**  
**ABN 85 085 413 832**

## **Independent Audit Report to the members of TEAR Australia**

### *Auditor's Opinion*

In our opinion, the financial report of Tear Australia has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- i. giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

### **Report on the requirements of the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulations 2008**

We have audited the financial report as required by Section 24(2) of the NSW Charitable Fundraising Act 1991. Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulations 2008.

Because of the inherent limitations of any assurance engagement, it is possible that fraud, error or non-compliance may occur and not be detected. An audit is not designed to detect all instances of non-compliance with the requirements described in the above-mentioned Acts and Regulations as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with these requirements are undertaken on a test basis. The audit opinion expressed in this report has been formed on the above basis.

*Auditor's Opinion*

In our opinion:

- a) the financial statements show a true and fair view of the financial result of fundraising appeals conducted during the year;
- b) the accounting and associated records have been properly kept during the year in accordance with the Charitable Fundraising Act 1991 and the Regulations;
- c) money received as a result of fundraising appeals conducted during the year has been properly accounted for and applied in accordance with the Charitable Fundraising Act 1991 and the Regulations; and
- d) at the date of this report, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

**Seward Dawson Chartered Accountants****Tim Flowers**  
Partner

Blackburn

Date: 16 September 2015