

STRATEGIC PRIORITY 4
TO BUILD A HIGH-PERFORMING
AND SUSTAINABLE ORGANISATION

**A MEASURED, TESTED
AND STRATEGIC
APPROACH TO
MANAGING OUR
RESOURCES**

OUR PEOPLE

658

team members, with 524 employed in Community Programs and 134 employed in the Recycling Operation

68%

team member engagement score, a seven percentage point increase on our 2013 engagement score¹

We recognise the immense contribution made by our team members towards the success of our work. Our workforce of just over 650 team members in 94 communities across Australia is the beating heart of what we do.

It is through the strong commitment of our people to our goal of improving the educational outcomes of disadvantaged students that we are making progress towards achieving our vision of a better future for young Australians in need.

In the year we themed as ‘scaling-up’, our human resources efforts focused on transforming our culture and building the capability of our people so that we can become an even more effective organisation.

This focus was informed by feedback we received from team members, primarily through our employee engagement survey, which is conducted biennially by Aon Hewitt and was undertaken most recently in October 2015.

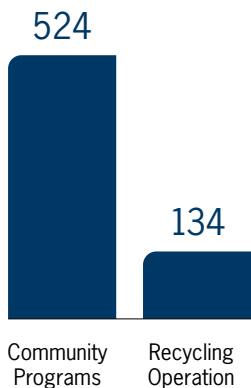
The survey asked team members about their attitudes to the work they do and The Smith Family in general. Our engagement score of 68% was a seven percentage point increase on our 2013 engagement score. This result placed us within Aon Hewitt’s top 25% of organisations with highly engaged team members and 11 percentage points above the Australian/New Zealand average for the not-for-profit sector. There were pleasing increases in areas we had attended to since the last survey, including our performance management and leadership. Our extensive work in the areas of leadership development, change management and cultural change is being received positively by team members.

¹ The Smith Family Employee Engagement Survey, Aon Hewitt, October 2015

TEAM MEMBERS

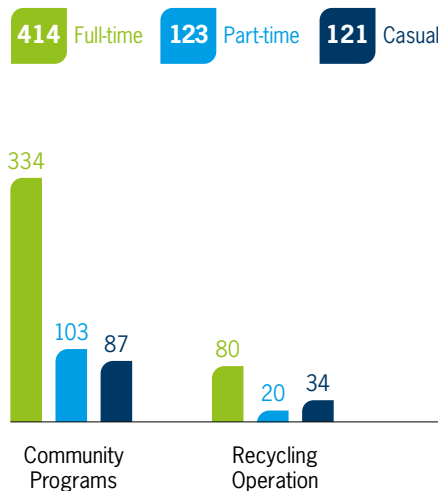
as at 30 June 2016

658



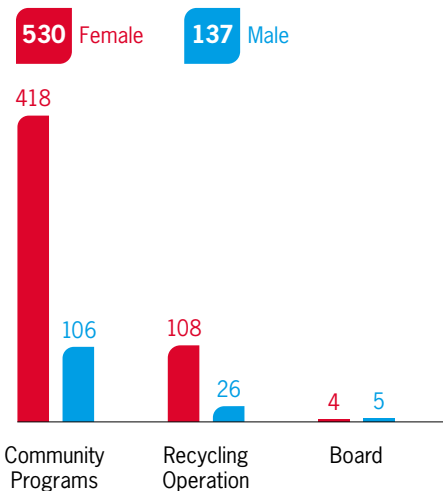
EMPLOYMENT STATUS

as at 30 June 2016



GENDER COMPOSITION (including Board of Directors) as at 30 June 2016

as at 30 June 2016



BUILDING OUR CULTURE AND VALUES

Work continued on transforming the organisation's culture "from good to great", with the development of a culture strategy to guide change over the three years to 2018 and an aligned Culture Transformation Plan for the 2015–16 financial year. These plans outline the context, vision, responsibilities and levers for culture change and a roadmap for how to remain on target to achieve our desired culture.

A key element of the Culture Transformation Plan was the provision of resources on our organisation-wide intranet to support team members with culture transformation. A continued focus on team member values and behaviours resulted in the creation of the Our Values Promise document, the culmination of consultation with all team members and extensive effort from our Culture Forum members.

BUILDING LEADERSHIP CAPABILITY

Our leaders have a significant impact on our culture. During the past year all leaders participated in a new custom-designed 360-degree feedback survey. This gave them the opportunity to receive feedback about strengths and areas for development. Leaders also participated in a blended leadership development program with a focus on leading self, leading others and coaching.

BUILDING TEAM MEMBER CAPABILITY

Providing opportunities for all team members to develop and improve their capabilities is also central to our people strategy. Our team members learn while performing their role, working with others and engaging with formal opportunities. Team members participated in development opportunities such as secondments, buddying and coaching, being part of working groups and communities of practice, giving presentations, and participating in workshops and conferences. A suite of online tutorials helped our team members to understand and use our systems, including our new intranet, and to strengthen our commitment to compliance.

EMBEDDING CHANGE MANAGEMENT FRAMEWORKS

We continued to enhance change management capability within The Smith Family. Mastering Change Workshops were conducted nationally to help team members manage change consistently and more effectively. Change management resources were made available on our national intranet.

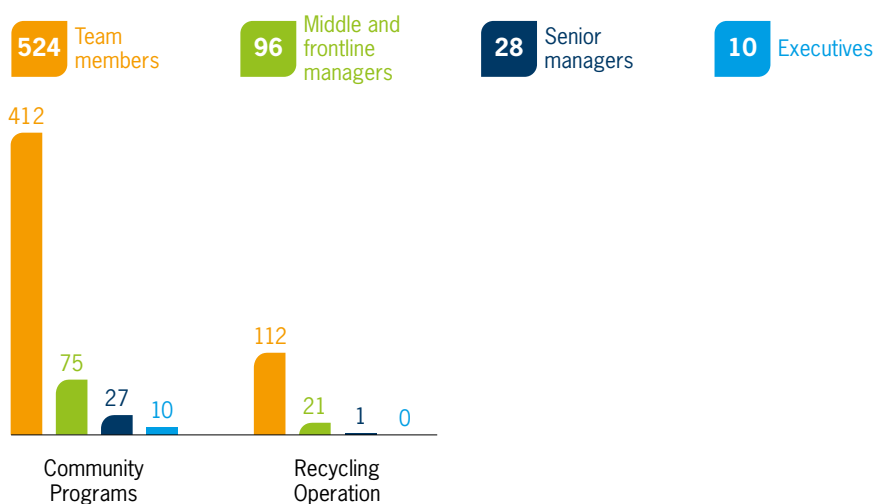
WORK HEALTH, SAFETY AND WELLBEING

The ongoing development of a safety culture has been identified as a priority so that we can continuously improve our approach to safety.

To enhance team member knowledge and awareness of safety, health and wellbeing in the workplace, we introduced regular communications with all team members, and improved our reporting. During the year an audit of our current work health and safety management system, and policies and procedures was conducted. It identified areas of focus for our 2016–17 Work Health Safety Improvement Plan.

BREAKDOWN OF ROLES

as at 30 June 2016



OUR SYSTEMS AND PROCESSES

Continuous improvement in our internal systems and processes is crucial as the results are increased effectiveness and reduced costs.

SYSTEMS

SmithNet, our new intranet, was launched in December to help all team members have a better and more effective day at work. Comprehensive consultation with team members in every state and territory guided its development, with the tool greatly enhancing knowledge sharing, communication and collaboration.

Major upgrades were performed on our primary systems including our Contact Relationship Management system (CONNECT), our website's Content Management System and our data centre's operating system.

We strengthened information security with the implementation of a new vulnerability management system, upgraded firewalls, enhanced server security, a new asset management system and improved security management processes.

A further stage of our Disaster Recovery Plan was implemented in the cloud, which secured access to CONNECT in the event of a significant incident.

ENHANCING OUR WORK WITH FAMILIES

Our Digital Futures for Families and Students project launched during the financial year. Its aim is to harness digital tools and resources for our work with children and families. The project will help refine our approach to breaking down barriers such as technology access, and improve our communication with families. This year we also worked to improve the delivery of key programs such as *iTrack* and *student2student* through enhanced digital capability. This included piloting the digital delivery of *student2student* in partnership with *Chatty Kids*.

IMPROVING OUR DATA CAPABILITY

This year we made further progress on projects which improve our ability to store and retrieve our program-related data. These included:

- An upgrade to CONNECT to enable more of the programs we deliver to be recorded in the system. The upgrade improved data capture and also improved program evaluation and reporting.
- Ongoing work on our Enterprise Information Project, supported by a capacity-building grant of nearly \$1 million from Perpetual Trustees. This project is fundamental to enabling sustainable growth, increasing the effectiveness of our work, and improving outcomes for students and families. When this project is completed, our data management and reporting will be transformed.

OUR RECYCLING OPERATION

Our recycling clothing business has operated for more than 50 years and now has 800 clothing collection bins and 19 retail stores in NSW and the ACT selling new and recycled donated clothing and accessories.

The net proceeds generated from these sales locally and from overseas markets helps to offset our organisational costs, ensuring that more of the funds received through fundraising activities can be spent on programs benefitting the disadvantaged students we support.

In 2015–16, this area of our business generated approximately \$18 million in revenues, yielding a \$1.2 million surplus. The net contribution was down compared with previous years, due in part to changing buying patterns, an increase in costs caused by a rise in non-saleable product in our collection receptacles, and instability in some of our traditional export markets. We implemented a range of strategies, including exploring new overseas markets, expanding our product offerings both locally and offshore, as well as making operational improvements. Continuous improvement initiatives in our operations, focusing on both safety and logistical processes, were a focus in the last year.

This year, 71% of all material collected was reused in some way. This equates to over 8 million kilograms of textiles diverted from landfill, an increase on the previous year. Through a growing partnership with our waste provider, we continued the up-cycling of metal, cardboard and other materials to further reduce the amount of waste sent to landfill. New work with them has seen over 90% of the material we cannot use diverted from landfill to a more environmentally friendly outcome. One innovative example of this is the use of some material as a non-carbon, environmentally friendly fuel source for electricity generation.

We continued our focus on enhancing the retail arm of the business, with research undertaken into new store locations and systems upgrades.

To increase awareness in local communities about the value of clothing donations to The Smith Family, we continued to build stronger connections with *Learning for Life* teams and VIEW Club members in the communities where our stores are located. Joint office locations of the Recycling and *Learning for Life* teams in both the Woden office (ACT) and the Villawood site (Sydney) are practical examples of how this has occurred.



Our network of retail stores in NSW and ACT sell new and recycled donated clothing and accessories.

\$1.2m

Recycling Operation surplus returned to The Smith Family in 2015–16 contributing towards The Smith Family's infrastructure costs

800

clothing collection bins

20

business partners donating good-quality, clean wearable clothing

19

retail stores in NSW and the ACT selling new and recycled clothing and accessories

8 million

kilograms of material diverted from landfill in 2015–16 and reused or on-sold through our retail, wholesale and export channels

Our enhanced relationship with VIEW Clubs resulted in many members becoming volunteers in our retail stores. In return, promotional material about VIEW Clubs and its connection to The Smith Family was made available in stores. A national campaign, *One, two, band your shoes for VIEW*, promoted by VIEW Clubs throughout Australia, attracted more than 200 kilograms of paired shoe donations.

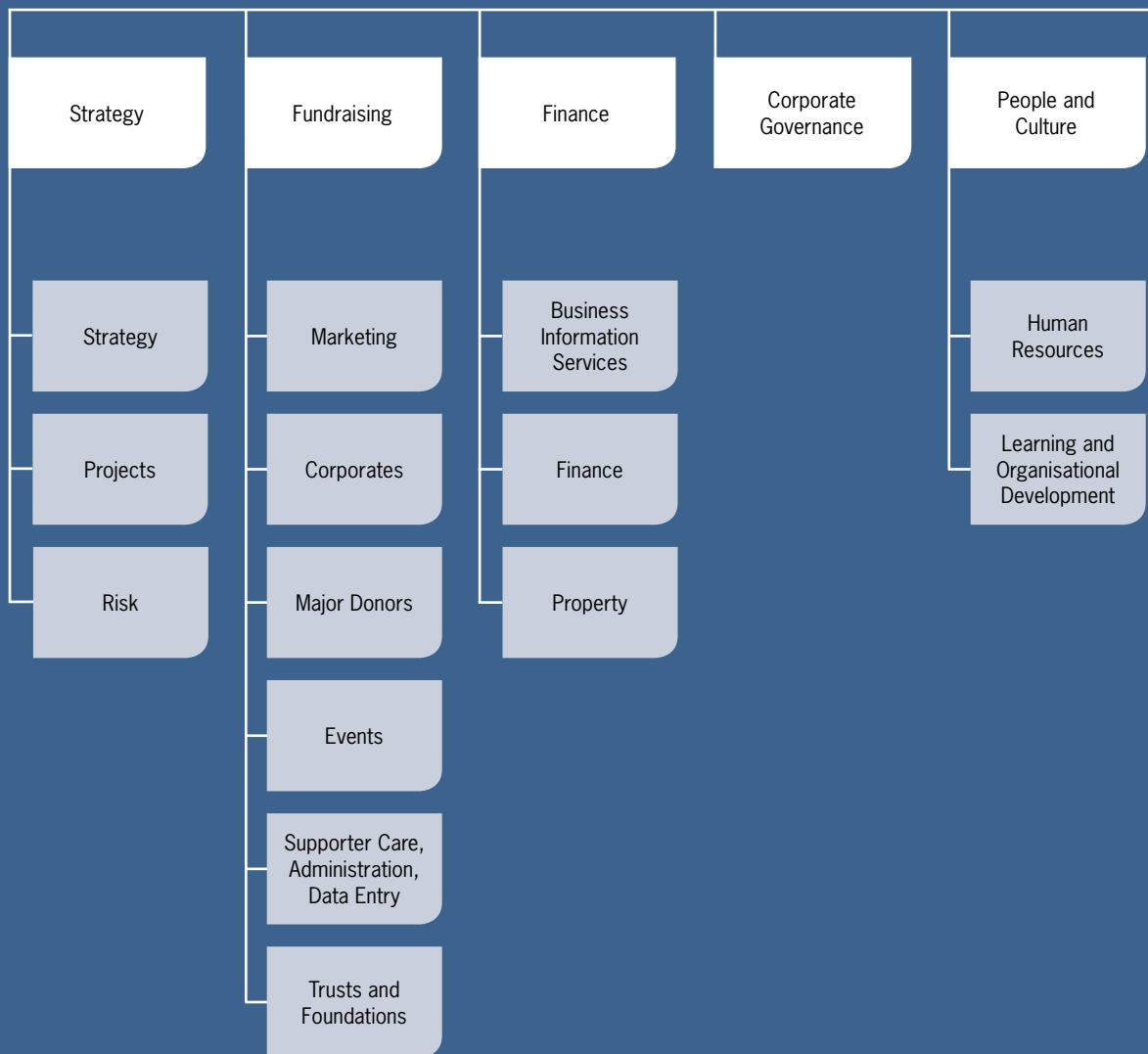
We are grateful for our long-standing partnership with Stewart House. This sees the collection of approximately 140,000 kilograms of clothing donations from over 600 schools each year and is a much appreciated source of intake for our Recycling Operation.

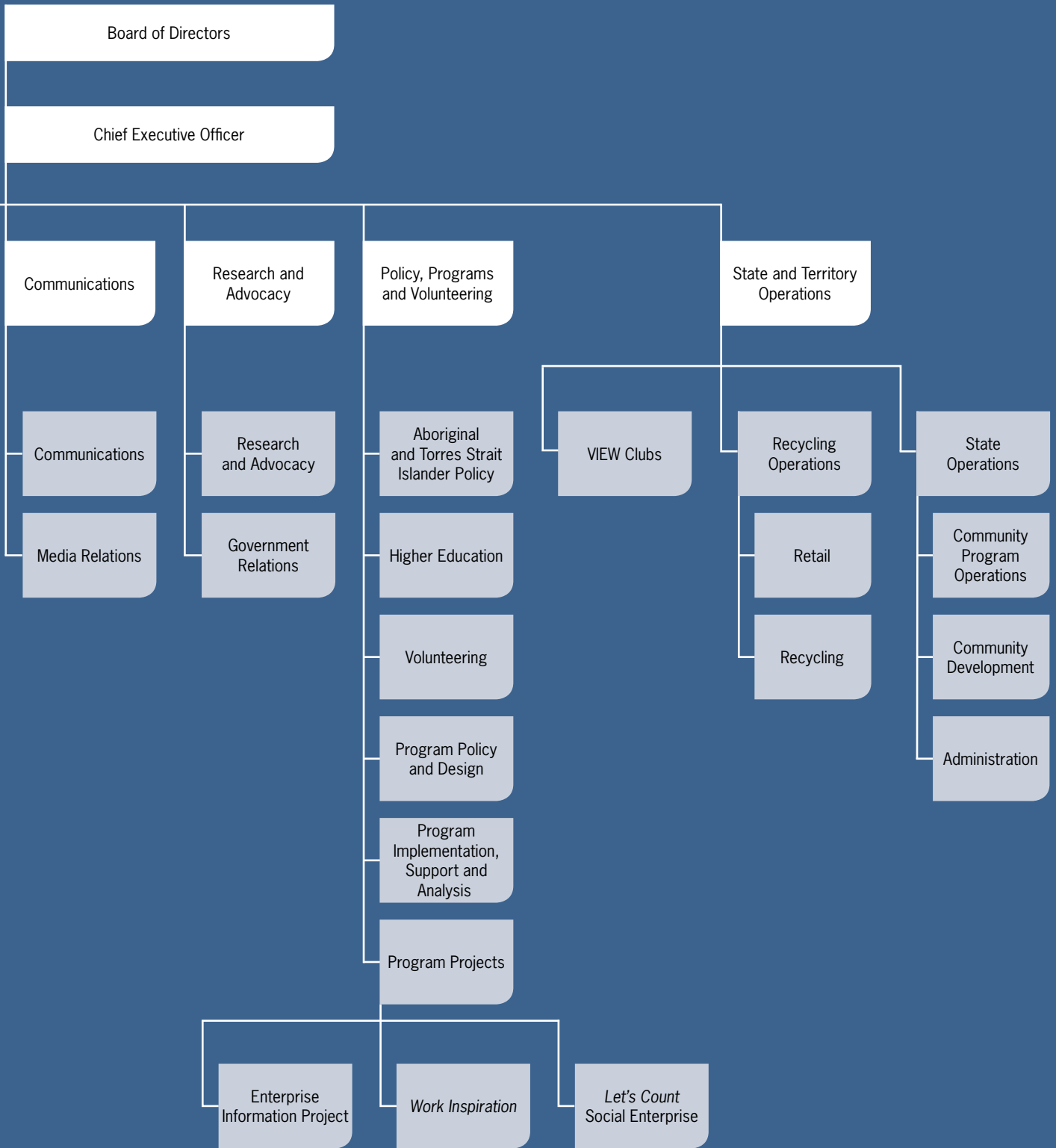


The surplus from sales through our Recycling Operation helps to offset our operational costs.

OUR ORGANISATION

The Smith Family comprises 524 team members employed in Community Programs and 134 team members employed in our Recycling Operation, a total of 658 team members.





BOARD OF DIRECTORS



CHRISTINE N. BARTLETT BSc MAICD

Chairman since May 2016 and Non-executive Director since 2007. Non-executive Director of Mirvac Limited, Sigma Pharmaceuticals, GBST Limited and Clayton Utz; Member, UNSW Australia Business School Advisory Council; former Director of PropertyLook and National Nominees Limited and former Deputy Chairman of the Australian Custodial Services Association; extensive management experience with IBM, Jones Lang LaSalle and NAB.



ARUN K. ABEY BEc BA (Hons) FFSIA

Non-executive Director since 2007. Co-founder and Chairman of ipac securities limited and Walsh Bay Partners Pty Ltd; Strategy Consultant; former General Manager of Strategy and Corporate Social Responsibility for the AXA Asia Pacific Group; extensive experience in investment and economic market research; has written extensively on investment matters in both the press and academic journals and is the co-author of a number of books relating to money and wellbeing.



CHRISTINE CAWSEY AM BA DipEd, MEd Admin

Non-executive Director since 2013. Principal of Rooty Hill High School and Past President of the NSW Secondary Principals' Council; former Member of the Premier's Council for Women; Member of the GWS Giants AFL team board and ACEL board; co-author of *Learning for Leadership – Building a School of Professional Practice*.



DR JEFFREY A. HARMER AO BA (Hons) DipEd PhD FAIM FIPAA FANZSOG

Non-executive Director since 2013. Chair of the Private Health Ministerial Advisory Committee; Co-Chair of the Ministerial Council on Child Care and Early Learning; Director of Capital Health Network in the ACT; Director of the Australian Housing and Urban Research Institute; former Secretary of the Department of Families, Housing, Community Services and Indigenous Affairs (2004–2011) and of the Department of Education, Science and Training (2003–2004); former Managing Director of the Health Insurance Commission (1998–2003).



MARK G. JOHNSON BComm FCA CPA FAICD

Non-executive Director since 2012. Non-executive Director of Westfield Corporation, The Hospital Contribution Fund of Australia Ltd, G8 Education Ltd and HSBC Bank Australia Ltd; Chairman of MH Premium Farm Holdings Limited; former Chief Executive Officer of PwC in Australia (2008–2012) and Chairman of PwC Foundation, as well as senior roles over 15 years managing PwC's Assurance and Business Advisory Services line of services, and its Consumer and Industrial Products team and Audit, Technical, Risk and Quality groups; Member of the UNSW Australia Business School Advisory Council.



ADRIAN J. KLOEDEN MSc (Business Studies) BSc (Hons - Forestry) Hon. PhD FAICD

Non-executive Director since April 2016. Chairman of Hancock Victorian Plantations Holdings Pty Ltd, Aquasure Pty Ltd, Infrastructure Partnerships Australia Ltd and Serco Asia Pacific Advisory Board; former Deputy Chancellor and Council Member of Deakin University; former Non-executive Director of Greencap Ltd, Forestry Tasmania and the Committee for Economic Development of Australia (CEDA); extensive experience in senior management roles in a range of companies in Australia and overseas involved in agribusiness, manufacturing, distribution, retail, technology and transport.



JEREMY C. R. MAYCOCK BEng (Hons)
FAICD FIPENZ

Non-executive Director since 2013. Chairman of AGL Energy Ltd (Director since 2006) and Port of Brisbane Pty Ltd; former non-executive Director of Nuplex Ltd; former non-executive Chairman and Director of Arrium Ltd; former Managing Director and CEO of CSR Ltd (2007–2010); inaugural Chairman of Cement Australia Pty Ltd; former Member of the UNSW Australia Business School Advisory Council.



CHRISTINE F. MCLOUGHLIN BA LLB (Hons)

Non-executive Director 2009–2016 and Deputy Chairman 2011–2016. Non-executive Director, Suncorp Group, Whitehaven Coal Ltd, NIB Holdings Limited and Spark Infrastructure Group; Member, Minter Ellison Advisory Council; Inaugural Chairman, Australian Payments Council; former Member of the Aon Advisory Board; former Director of the AMP Foundation, Australian Nuclear Science & Technology Organisation, St James Ethics Centre, Victorian Transport Accident Commission and Westpac's Life & General Insurance entities; background in law, financial services, insurance and telecommunications.



JAMES M. MILLAR AM BComm FCA FAICD

Chairman and Non-executive Director 2011–2016. Non-executive Director of Mirvac Limited, Fairfax Media Limited and Macquarie Radio Network Limited; Chairman, Export Finance and Insurance Corporation and Forestry Corporation of NSW; Trustee, Australian Cancer Research Foundation and Vincent Fairfax Family Foundation; Member, UNSW Australia Business School Advisory Council and Grant Samuel Advisory Board; former CEO of Ernst & Young Oceania Region.



DR LISA J. O'BRIEN MBBS (Hons) MBA
MHRM&C FRACMA

Executive Director since 2011. Non-executive Director of the Community Council for Australia Limited and BUPA ANZ; a medical practitioner registered in New South Wales; Fellow of the Royal Australasian College of Medical Administrators; former CEO, Skin and Cancer Foundation of Australia; founding Member of Lou's Place, a drop-in centre providing respite and support for women in need; over 25 years' experience in health care, community services, bio-medical and information technology sectors.



ROSA STORELLI BEd Grad Dip Stud Welf, MEd
Studies AACE FACEL AFAM MAICD

Non-executive Director since April 2016. Adjunct Professor in the Faculty of Education, LaTrobe University; former Deputy Chancellor and Council Member of the University of Melbourne; former Director of Ormond College and the Invergowrie and Jean Chambers Foundations; former Vice-President of Girls Sport Victoria; independent consultant at the Queensland Education Leadership Institute; Educational Advisor at Sandridge School and at Cashtivity; extensive experience in the education sector over many years, including 15 years as Principal of Methodist Ladies College (Melbourne), and leadership roles at Wesley College and Geelong Church of England Grammar School.

CORPORATE GOVERNANCE

COUNCIL OF GOVERNING MEMBERS

The Council of Governing Members advises and consults with the Board of Directors on the operations of The Smith Family, ensuring that they are in line with the Objects stated in our constitution.

Governing Members are also ambassadors for our work, helping to promote our activities to broader audiences.

The Council forms the voting membership of the organisation and is responsible for the election of directors and for approving the annual accounts. In addition to the Directors of the Company, the members of the Council are:

The Hon. Bruce Baird AM; Barbara Cail AM; Cindy Carpenter; Brian France AM; Professor Ross Griffith; Jane Hemstritch; Tim Holden; John Kelly AM; Chris Leptos AM; James Millar AM; Christine McLoughlin; Greg Ruddock; Richard Turner AM; Terry Walsh; Richard Warburton AO; Emeritus Professor Ken Wiltshire AO; Geoff Willmott; and Gwen Wilton.

BOARD OF DIRECTORS

The Board of Directors is the decision-making body of The Smith Family, responsible for governance and management. The Board assumes the company's fiduciary and legal obligations. Its roles and responsibilities are governed by the constitution and a comprehensive Board charter.

The Board comprises up to 10 honorary non-executive directors and the Chief Executive Officer, each offering a range of skills in addition to their Board-level experience in various sectors.

Former Chairman James Millar AM retired from the Board at the end of April 2016 and Director Christine Bartlett was appointed Chairman in May 2016. Adrian Kloeden and Rosa Storelli joined the Board in April 2016. Christine McLoughlin retired as a Director in June 2016.

Management conducts a detailed induction process with new directors to ensure that they have a comprehensive understanding of the organisation, our strategy and programs. This ensures each director is able to contribute constructively from the outset.

Regular Board evaluations are a means of ensuring that the Board continues to deliver effectively on its responsibilities. The evaluation in 2014 revealed positive results against a range of criteria but highlighted a need for the Board to show greater diversity in terms of both skills and geographic spread, matters which have been addressed in making two new appointments in 2016.

MEETINGS HELD AND MEETINGS ATTENDED

Director	Board of Directors		Corporate Governance		Finance, Audit and Risk		People and Culture		Endowment Fund	
	Number held	Number attended	Number held	Number attended	Number held	Number attended	Number held	Number attended	Number held	Number attended
A. K. Abey	7	6			3	3			2	2
C. N. Bartlett	7	7			1	1	2	2	1	1
C. Cawsey	7	5								
J. A. Harmer	7	6	4	3						
M. G. Johnson	7	6			3	2			2	1
A. J. Kloeden	3	3					1	0		
C. F. McLoughlin	7	6					2	2		
J. C. R. Maycock	7	6	4	4						
J. M. Millar	5	5	4	4	2	2	2	1	1	1
L. J. O'Brien	7	7	4	4						
R. Storelli	3	3								

BOARD COMMITTEES

The Board has four sub-committees:

The Corporate Governance Committee conducted a recruitment process to replace two directors who retired during the year with candidates that reflected the Board's concern to achieve a broader skills base and geographic spread.

The Endowment Fund Committee was established in 2016 to oversee the investment policy and mandate for funds received into the newly established Children's Future Education Fund. Over time, earnings will provide a secure revenue stream to fund student scholarships and community development work in *Learning for Life*.

The Finance, Audit and Risk Committee continued to focus on enhancing the investment policy and mandate to ensure that financial resources are safeguarded while earning acceptable returns, and that sufficient funds are available to meet requirements.

The strategic and operational risk assessment undertaken initially in 2012 to quantify the risks to the achievement of the organisation's five-year strategy was subject to a detailed review during the year, as were the mitigation strategies implemented to address the identified risks.

Following an extensive review of data security, PCI compliance and disaster recovery plans in 2014, and taking into account emerging cyber security risks, related activity to address key concerns continued throughout the year.

The People and Culture Committee

provided advice on remuneration policies and practices, and ensured compliance with statutory and regulatory requirements with particular emphasis on work health and safety requirements. It also reviewed progress on strategies to ensure a high performing organisation.

OTHER GROUPS

In addition to the formal committees of the Board, several other groups operate within the organisation.

The **National Council of VIEW** leads the overall development of VIEW and administers policy development. The National President is Gwen Wilton, whose two-year term commenced in January 2016, and she is supported in her role by two National Vice-Presidents, Toni Thomas and Gloria Walter.

Other members of the National Council are Cecilia Bayliss, Patricia Brooks, Barbara Cameron, Jeanette Cassidy, Kathie Diskin, Elizabeth Doorey, Ellen Gray, Barbara Gullotta, Eila Harding, Barbara Hyslop, Lynette Masters, Patricia McRae, Jan Roberts, Annette Schlafrig, Annette Thiedeke, Sunnie Watts and Yvonne White.

ADVISORY GROUPS

A number of advisory groups provide advice to the Chief Executive Officer and senior management on particular issues and projects. These are:

The **Advisory Group on Issues Concerning Aboriginal and Torres Strait Islander Peoples**, chaired by Leah Armstrong, with Dr Jeff Harmer, Emily Knights, April Long, John Rawnsley, Leanne Smith and Lidia Thorpe. Four new members were brought on this year: Shawn Davis-Abra, Jayde Geia, Peter Farmer and Jason Masters.

The **Information Systems Advisory Group**, chaired by Doug Snedden, with David Boyle, Ray Fleming, David Isaacs, Richard McLaren and Julian Wee.

The **Principals Advisory Group**, chaired by Board director Christine Cawsey, with members Tammy Anderson, Norm Hart, Rob Nairn, Anthony Rodaughan, Shireen Thomas, Lorna Woodley and Dennis Yarrington. New members this year were Anne Denham, Rob Knight and Monique Pflugst. During the year Sue Beynon and Stan Hagias concluded their membership.

The **Recycling Operation Advisory Group**, chaired by Greg Ruddock, with Bill Brown, Dennis Price and Mark Ward.

The **Strategic Advisory Group**, chaired by Dr Lisa O'Brien, with Arun Abey, Christine Bartlett, Warwick Bray, Tony Davis, Adam Lewis and Peter Stumbles.

The Smith Family is a company limited by guarantee. Its ABN is 28 000 030 179.

Its status as a Public Benevolent Institution (PBI) was confirmed in July 2005 by the Australian Taxation Office as part of its registration requirements for all non-profit entities, as was the organisation's status as an Income Tax Exempt Charity and a Deductible Gift Recipient. The organisation enjoys certain other tax concessions and exemptions consistent with its status as a PBI which relate to Goods & Services and Fringe Benefits Taxes.

The Smith Family is registered with the Australian Charities and Not-for-Profits Commission and as required by law in each state and territory where it raises funds as follows:

New South Wales

Registration number CFN 11049 – renewable in 2019

Queensland

Registration number CP 4163 – registration is ongoing subject to meeting certain annual financial reporting requirements

South Australia

Registration number 778 – renewable annually in January

Tasmania

Registration number 170 – registration is ongoing

Victoria

Registration number 10290 – renewable in 2018

Western Australia

Registration number 20352 – renewable annually

Australian Capital Territory

Registration number L19000133 – renewable in 2020

FIVE-YEAR FINANCIAL SUMMARY

(Figures in \$'000s)

	2011-12	2012-13	2013-14	2014-15	2015-16
Total income including					
Commercial activities and VIEW Clubs net contributions	84,208	94,670	100,847	106,274	107,856
INCOME					
Fundraising					
Donations and corporate support	39,975	41,510	43,618	46,692	52,349
Bequests	3,983	3,741	3,366	4,813	11,131
VIEW Clubs net contribution	843	783	1,099	1,028	1,198
Government funding	17,434	24,376	26,138	22,589	19,367
Commercial operations net contribution	2,396	2,886	3,295	2,425	1,403
Investment and other income	1,285	2,504	3,386	9,239	2,170
Total Income	65,916	75,800	80,902	86,786	87,618
EXPENDITURE					
Policy and programs	(53,770)	(60,655)	(61,896)	(61,760)	(61,383)
Fundraising	(10,178)	(10,499)	(13,032)	(16,585)	(17,770)
Promotion and profiling	(2,625)	(2,460)	(2,131)	(1,806)	(2,309)
Administration	(1,866)	(1,887)	(1,681)	(1,725)	(1,870)
Total Expenditure	(68,439)	(75,501)	(78,740)	(81,876)	(83,332)
Surplus/(Deficit)	(2,523)	299	2,162	4,910	4,286

OTHER RESULTS AND INDICES

Recycling Operation and other commercial activities					
Sales and other revenue	16,453	17,210	19,091	17,357	17,911
Expenditure	(14,057)	(14,324)	(15,796)	(14,932)	(16,508)
Commercial activities net contribution	2,396	2,886	3,295	2,425	1,403
VIEW Clubs of Australia					
Revenue	5,078	5,329	5,248	5,583	4,928
Expenditure	(4,235)	(4,546)	(4,149)	(4,555)	(3,730)
VIEW Clubs net contribution	843	783	1,099	1,028	1,198

The net contribution from The Smith Family's Recycling Operation contributes towards offsetting Administration costs.

VOLUNTEERING

The Smith Family receives substantial contributions by way of pro bono support from corporate partners and volunteers, the value of which is not reflected in the financial statements. Volunteering contributions are valued based on the level of skill required by various volunteering positions.

	2011-12	2012-13	2013-14	2014-15	2015-16
Volunteer hours	343,908	417,603	463,853	516,750	398,978
Value of volunteering contribution	\$10.5 m	\$12.2 m	\$13.4 m	\$14.8m	\$11.9m

FUNDRAISING

Fundraising costs as a percentage of fundraising income	16.6%	15.1%	17.8%	22.4%	21.4%
Fundraising, promotion and profiling costs as a percentage of fundraising income	20.9%	18.6%	20.7%	24.8%	24.2%

FIVE-YEAR FINANCIAL PERFORMANCE COMPARISON

INCOME

Since 2011–12, net operating income has grown by an average of 7.4% each year, from \$65.9 million to \$87.6 million in 2015–16. For commentary on our overall financial performance for the 2015–16 year, see page 4.

Donations and corporate support	Income in 2011–12 from individual donations and corporate support was \$40 million. By 2015–16 that had risen to \$52.3 million, representing average annual growth of 7%.
Government funding	The Smith Family received \$17.4 million in government funding in 2011–12. In 2015–16 that figure was \$19.4 million, an average annual growth of 2.7%. See page 17 for 2015–16 commentary.

EXPENDITURE

Overall expenditure has increased from \$68.4 million in 2011–12 to \$83.3 million in 2015–16.

Policy and programs	Over the years, as our revenue has grown, we have been able to extend the reach of our work. Expenditure on community programs has increased on average by 3.5% per year, from \$53.8 million in 2011–12 to \$61.4 million in 2015–16.
Fundraising	Fundraising expenditure increased from \$10.2 million in 2011–12 to \$17.8 million in 2015–16, an average annual growth of 14.9%. The underlying increase in expenditure reflects our investment in regular giving initiatives and in our digital, corporate and major donor fundraising activities.
Administration	Expenditure on administration support in 2015–16 of \$1.9 million remained in line with 2014–15 as a percentage of funds raised at 2%, down from 3% in 2012–13.

OTHER RESULTS AND INDICES

Sales and other revenue	Revenue from our recycling and other commercial activities has grown by an average of 2.4% per year from \$16.5 million in 2011–12 to \$17.9 million in 2015–16. Revenue in 2015–16 was, however, down on the previous year due mainly to a fall in the value of export sales.
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VOLUNTEERING

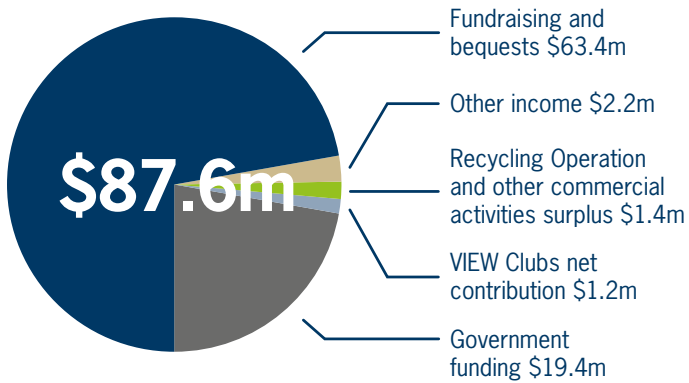
Estimated value of volunteering contribution	The estimated value of the contribution of volunteers for 2015–16 is \$11.9 million compared to \$10.5 million in 2011–12.
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FUNDRAISING

Fundraising costs as a percentage of fundraising income	Fundraising costs as a percentage of income increased from 16.6% in 2011–12 to 21.4% in 2015–16 with the significant increase in the past two years resulting from our investment in new long-term regular giving initiatives. For further fundraising commentary, see page 17.
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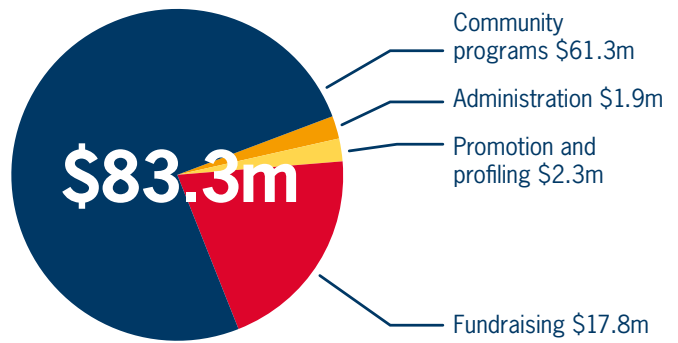
WHERE WE OBTAINED OUR FINANCIAL RESOURCES

2015–16

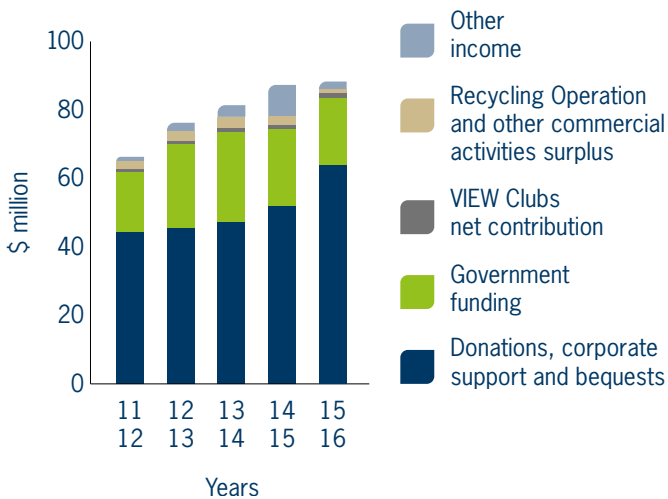


HOW WE APPLIED OUR FINANCIAL RESOURCES

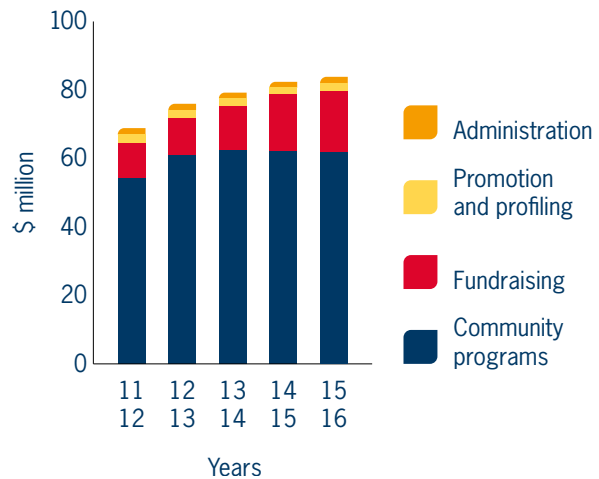
2015–16



Five-year comparison



Five-year comparison



KEY INCOME STREAMS

Fundraising

\$40.9m

from individuals through public contributions

\$11.5m

from corporate partners, universities, and trusts and foundations

\$1.2m

net contribution from VIEW Clubs of Australia

Other

\$1.4m

from our Recycling Operation and from other commercial activities

\$19.4m

from government support

\$11.1m

from bequests