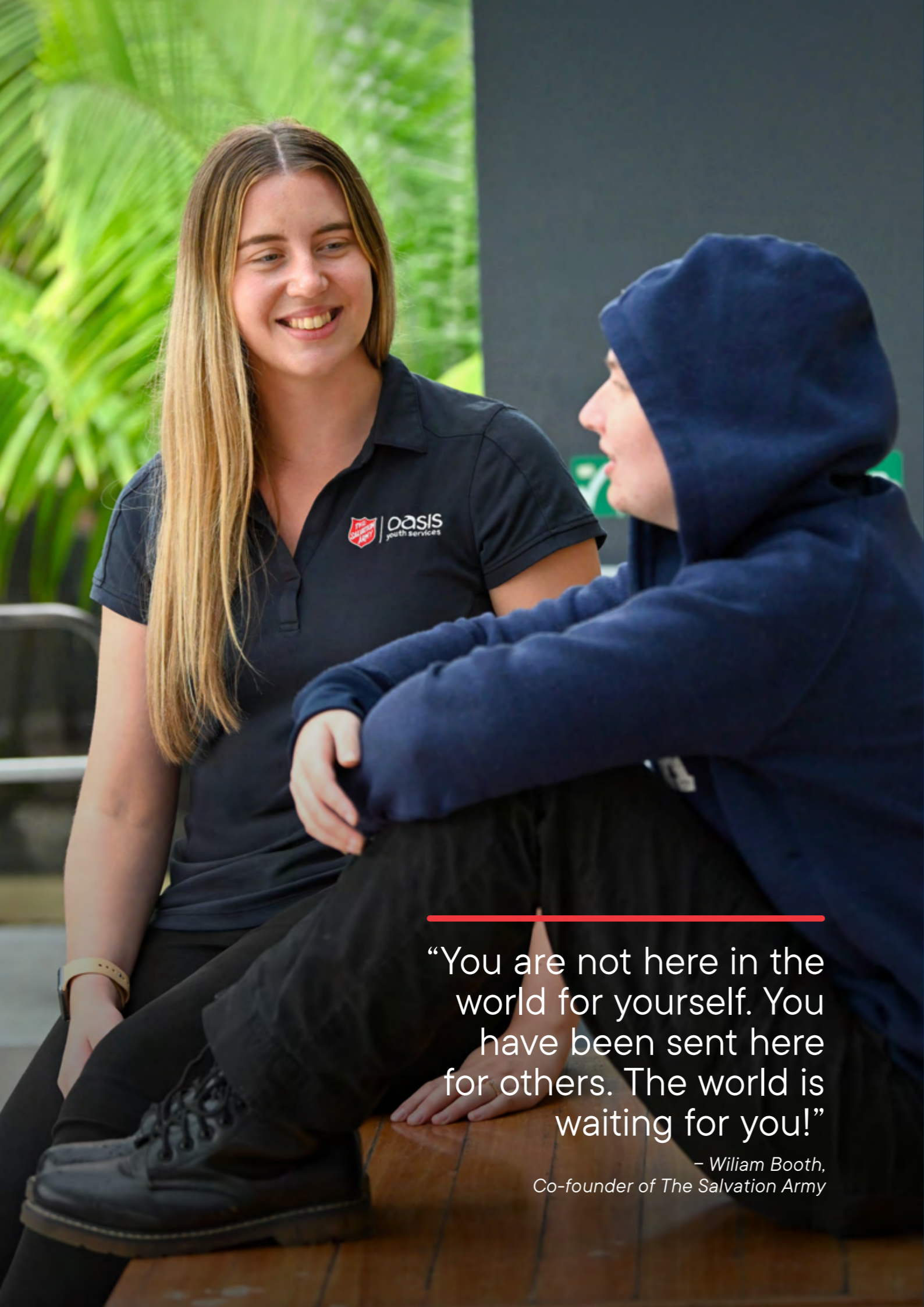




Annual Report 2022

The Salvation Army Australia
(Social Fund)

*Leave no one
in need!*



“You are not here in the world for yourself. You have been sent here for others. The world is waiting for you!”

– William Booth,
Co-founder of The Salvation Army

This report covers the social work of The Salvation Army in Australia. This work is also underpinned by 303 corps (churches/faith communities) across Australia.

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Our Mission and Vision



Mission

The Salvation Army is a Christian movement dedicated to sharing the love of Jesus.

We share the love of Jesus by:

CARING FOR PEOPLE

Being there when people need us most

We offer care and compassion as a sacred encounter with transformative potential

CREATING FAITH PATHWAYS

Taking a holistic approach to the human condition that values spirituality

We graciously share the Good News of Jesus and grow in faith together

BUILDING HEALTHY COMMUNITIES

Investing ourselves in relationships that promote mutual flourishing

We find the wholeness God intends for us in community

WORKING FOR JUSTICE

Tackling the social systems that harm creation and strip away human dignity

We join God's work to build a fairer world where all can thrive

Vision

Wherever there is hardship or injustice, Salvos will live, love and fight, alongside others, to transform Australia one life at a time with the love of Jesus.

The Salvation Army Foundations - Our Vision and Mission

This video is part of a short-animation series aimed to explain who we are and what we are about as The Salvation Army Australia.

Our Values and Commitment to Inclusion and Reconciliation

Values

Recognising that God is already at work in the world, we value:

INTEGRITY

Being honest and accountable in all we do

COMPASSION

Hearing and responding to pain with love

RESPECT

Affirming the worth and capacity of all people

DIVERSITY

Embracing difference as a gift

COLLABORATION

Creating partnerships in mission

Our commitment to inclusion and reconciliation

The Salvation Army Australia acknowledges the Traditional Owners of the land on which we meet and work and pay our respect to Elders, past, present, and future. We value and include people of all cultures, languages, abilities, sexual orientations, gender identities, gender expressions, and intersex status. We are committed to providing programs that are fully inclusive. We are committed to the safety and well-being of people of all ages, particularly children.

As a Movement, we believe inclusivity is achieved by treating all people with dignity, compassion and respect. We deliver programs with cultural sensitivity and work with diverse groups to best understand their needs. This includes people of all cultures, languages, capacities, sexual orientations, gender identities and/or expressions.

This year's theme for National Reconciliation Week was Be Brave, Make Change. Colonel Winsome Merrett, Chief Secretary this year again reiterated The Salvation Army's ongoing commitment to

The Salvation Army Foundations - Our Values and Commitment to Inclusion

reconciliation through our Reconciliation Action Plan. Since its launch in December 2019 the Army has now either embedded or completed 80 of the 89 deliverables of the plan.

Learn more about our commitment to reconciliation at salvationarmy.org.au/about-us/governance-policy/our-commitment-to-reconciliation/

Colonel Winsome Merrett on National Reconciliation Week 2022



Message from The Territorial Commander

As Territorial Commander and Chair of the Board for The Salvation Army Australia, I am pleased to present the 2021-2022 Annual Report for the Social Fund.

Over the past 12 months we have witnessed the true impact the last few years has had on the lives of many Australians.

Many more have turned to The Salvation Army for support as the pandemic compounded experiences of poverty, unemployment and housing stress; coupled with ever-growing economic pressures, causing financial stress and a decline in mental health and wellbeing.

Devastating floods across most of the eastern states further impacted thousands of lives and we continued to support those affected by the Black Summer Fires in recovery.

Over 100 new families reached out to The Salvation Army for support in 2021 due to the impacts of the fires, and we continued to support almost 9,000 of the 13,000 people registered for support since 2020.

As a movement, we are grateful for the role we can play in these situations, in reaching out and supporting *others*.

Our Christian faith is at the heart of who we are and what we do and true to this is the notion of ‘others’, beautifully summed up by The Salvation Army co-founder, Catherine Booth:

“You are not here in the world for yourself, you have been sent here for others. The world is waiting for you!”

It is this focus on others, echoed through our Vision of transforming Australia one life at a time with the love of Jesus that continues to motivate us to live out our Mission of caring for people, creating faith pathways, building healthy communities and working for justice. You will see this demonstrated throughout this report.

I would like to take this opportunity to commend and thank our Chief Secretary, Colonel Winsome Merrett, as well as the broader leadership team, for their hard work and dedication to the operational management of the Australia Territory throughout the year.

Integral to our ability to support so many Australians in need each year are our supporters, government, business, partner service providers and donors. The Salvation Army is immensely thankful for your ongoing support.

As we prepare for 2023 and beyond, the Board and I look forward to new opportunities and challenges that God may place in our path to ensure The Salvation Army can continue to support Australia’s most vulnerable for as long as we are needed.

God bless you,

Robert W. Donaldson (Commissioner)
BSc LTh PGDipBusAdmin MInstD(NZ)
**Territorial Commander and Chair of the Board
Australia Territory**



Message from The Chief Secretary

As Australia faced another tough year with the ongoing COVID-19 pandemic and natural disasters, The Salvation Army was there – caring for people who found themselves lost and broken, creating pathways to faith, building healthy communities, and working for justice to build a fairer world for all.

We continued fulfilling our mission and living our vision: *Wherever there is hardship or injustice, Salvos will live, love and fight, alongside others, to transform Australia, one life at a time with the love of Jesus.*

The past year presented many challenges, but it also provided opportunities for us to give much-needed hope to many. The phrase ‘Thank God for the Salvos’ is one our frontline often hears. It is synonymous with The Salvation Army in Australia and the support we have provided to the community over the past 142 years.

As you read this year’s Annual Report, filled with stories of lives transformed, let us pause and thank God for the people fulfilling our mission and vision to ensure no one is left in need.

Thank you to all our officers, employees, volunteers, soldiers and members of our faith communities for your contribution and practical demonstration of the love of Jesus. Without you, there would be no hope for so many Australians.

I also want to express my gratitude to our incredible corporate partners, donors and other supporters who support us each year in raising funds to keep crucial services running. This year’s Red Shield Appeal again had a very positive result,

a testament to the incredible supporters we have and the amazing team behind the scenes who ensure, year on year, that our appeal runs smoothly.

Our journey of reconciliation and inclusion continues with great progress made on our aim of facilitating reconciliation practices as part of our Reconciliation Action Plan. Our national commitment to inclusion also continues to gain ground to ensure every person, in every engagement they have with The Salvation Army, feels respected and safe.

My sincere gratitude to Commissioner Robert Donaldson, Territorial Commander and Chair of the Board, for his and the Board’s ongoing support over the past 12 months, and our many leaders across the Australia Territory who successfully led their teams during what has been another extraordinary year.

On reflection, the past 12 months have provided both challenges and opportunities to this movement, including increasing our service provision and deepening our engagement and impact in local communities, while also managing the impact of COVID and ongoing natural disasters. I am thankful to God for his continued wisdom and constant presence and the provision of personnel who are so passionately committed to The Salvation Army mission.

God bless you,

Winsome Merrett (Colonel)
B.Sp.Thy., MA Arts (Theological studies) A.Mus.A
**Chief Secretary and Chair of the Executive
Mission Council Australia Territory**

Our Governance

2021-22 Territory Board

The Board is responsible for providing governance oversight to the Australia Territory in accordance with Australian law, all requirements under International Headquarters' Orders and Regulations, and the principles of theology, mission, integrity and compliance.

The Board is also responsible for strategically positioning the territory so that it has a sustainable, major influence on Australian society, and to provide advice and assistance to the Trustees.

The Board is chaired by the Territorial Commander and accountable to the General for its responsibilities.

Board membership for the period 1 July 2021 to 30 June 2022 is as listed:














- Commissioner Robert Donaldson, Chair
- Colonel Geanette Seymour, Alternate Chair (ceased 1 January 2022)
- Colonel Mark Watts (commenced 1 January 2022)
- Richard Grellman AM, Lead Independent
- Greg Couttas
- Desley Hargreaves PSM
- Commissioner Janine Donaldson
- Colonel Winsome Merrett
- Adrian Appo OAM
- Felicity Natoli
- Captain Colin Reynolds
- Captain Lydia Hong (ceased 1 February 2022)
- Captain Leisa Humbley (commenced 1 February 2022)

Due to the COVID-19 pandemic, the Board has been unable to meet in person during the 2021-22 period, with all meetings held virtually.



More about The Salvation Army Australia leadership at salvationarmy.org.au/about-us/leadership-and-structure/australian-leadership



		
Commissioner Robert Donaldson (Chair)	Colonel Geanette Seymour (Alternate Chair, ceased 1 January 2022)	Colonel Mark Watts (Alternate Chair, commenced 1 January 2022)
		
Mr Richard Grellman AM (Lead Independent) (Chair, Professional Standards Committee)	Mr Greg Couttas (Chair, Audit and Risk Committee)	Ms Desley Hargreaves PSM (Chair, Quality and Safety Committee)
		
Commissioner Janine Donaldson	Colonel Winsome Merrett	Mr Adrian Appo OAM
		
Ms Felicity Natoli	Captain Colin Reynolds	
		
Captain Lydia Hong (ceased 1 February 2022)	Captain Leisa Humbley (commenced 1 February 2022)	

Board Committees

AUDIT AND RISK COMMITTEE

The purpose of this committee is to ensure the integrity of the financial statements, the risk management framework and the system of internal controls, such that these align with The Salvation Army's values and meet its legislative and regulatory obligations.

NOMINATIONS COMMITTEE

The purpose of this committee is to fairly and objectively identify and nominate suitably qualified candidates for appointment to the Board.

PASTORAL COMMITTEE

The purpose of this committee is to improve the depth and breadth of the spiritual life of The Salvation Army in Australia; and to guide the movement so that it operates in accordance with its God-given mission to: "Share the love of Jesus by caring for people, creating faith pathways, building healthy communities and working for justice".

PROFESSIONAL STANDARDS COMMITTEE

The purpose of this committee is to define and promote within The Salvation Army a world's best-practice response to allegations of abuse and ensure The Salvation Army is actively enhancing child safety within the Australian community.

QUALITY AND SAFETY COMMITTEE

The purpose of this committee is to define and promote a culture of continuous quality improvement and consumer safety that aligns with The Salvation Army's values and meets its legislative and regulatory obligations.

The Under-35 Board Participant Program



Anthony Eden

Claire Clifton

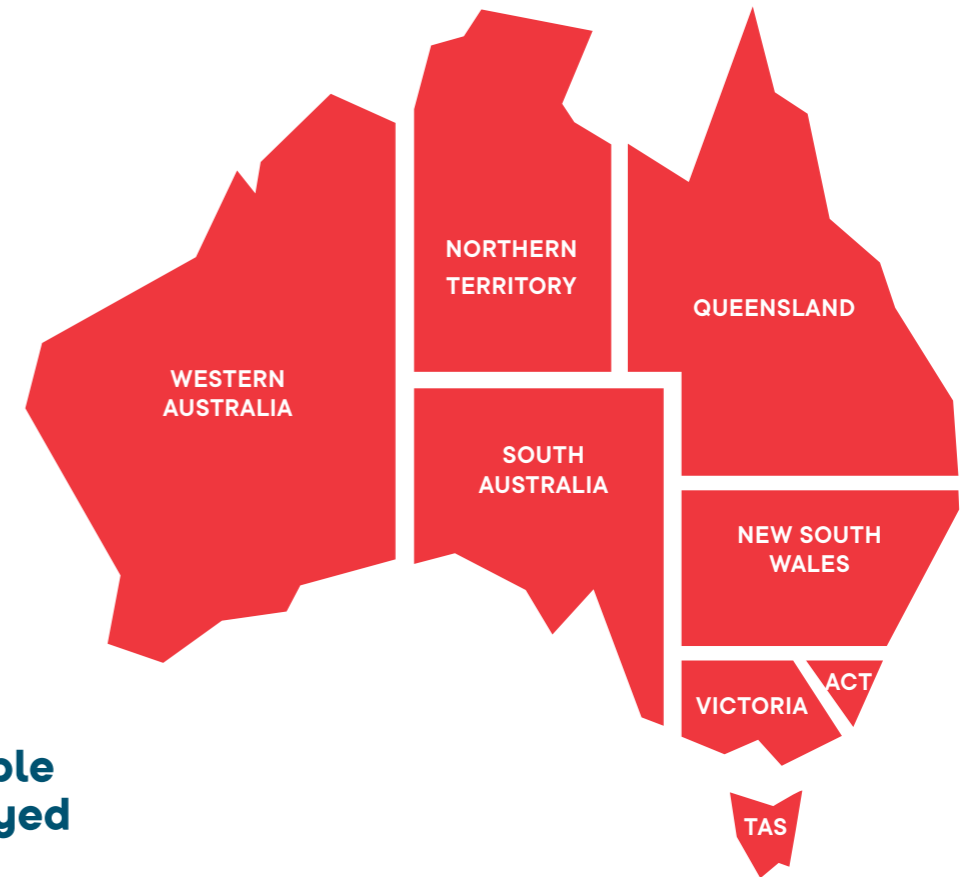
In April 2021, the Board approved the concept of an Under-35 Board Participant Program. This initiative ensures that the under-35 cohort of Salvationists is able to participate in the governance of The Salvation Army in Australia.

On 1 December 2021, the Board approved the appointment of Anthony Eden and Claire Clifton to the Under-35 Board Participant Program.

As participating observers, the Under-35 Board Participants attend all Board meetings with full access to the information being considered at each meeting and any additional communications provided to the Board. This position does not carry a Board vote. However, full participation in all Board discussions is encouraged.



Snapshot of Australia Territory 2021-2022



8735 people are employed by TSA



VICTORIA

Employees	2676
Officers*	543
Volunteers^	5465
Total	8684



NEW SOUTH WALES

Employees	2733
Officers*	496
Volunteers^	4976
Total	8205



QUEENSLAND

Employees	1340
Officers*	325
Volunteers^	4384
Total	6049



WESTERN AUSTRALIA

Employees	652
Officers*	120
Volunteers^	2725
Total	3497



SOUTH AUSTRALIA

Employees	577
Officers*	138
Volunteers^	2343
Total	3058



TASMANIA

Employees	400
Officers*	37
Volunteers^	778
Total	1215



AUSTRALIAN CAPITAL TERRITORY

Employees	240
Officers*	34
Volunteers^	257
Total	531



NORTHERN TERRITORY

Employees	117
Officers*	19
Volunteers^	92
Total	228

*Officers both active and retired
^Numbers based on total average

The Salvation Army Australia highlights 2021-2022

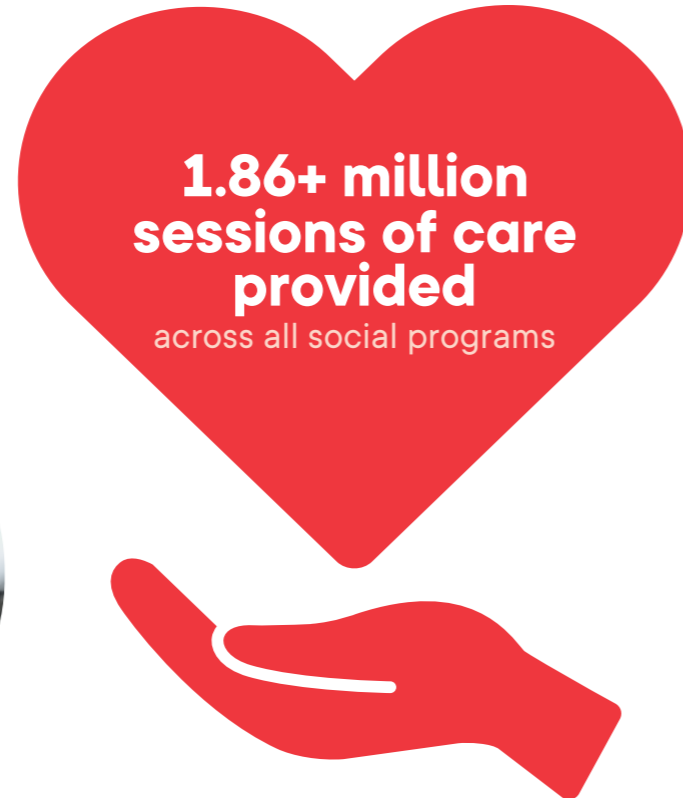


9950+ women and children supported
who experienced family and domestic violence



303 Salvation Army corps (churches)
in the community

1.52+ million meals provided
to people who accessed homelessness services



1.86+ million sessions of care provided
across all social programs



nearly 12,700 people financial counselling provided



provided 1 million+ nights of accommodation
across all social programs



nearly 760,060 crisis beds provided
to people who experienced homelessness

provided \$32 million+ of financial assistance



in cash, gift card, vouchers, etc



317,850+ sessions of care provided
to people who were at risk of or experienced homelessness



assisted 16,790+ households/families
who were impacted by disaster (bushfires, floods, drought, cyclones)



348 Salvos Stores
locations throughout Australia



generated back \$18 million+ profit from Salvos Stores
into The Salvation Army programs



11,374+ people assisted with addiction
to alcohol and other drugs, gambling at rehabilitation services

assisted 50,700+ job seekers
to find employment



86,420+ sessions of care provided to young people



2620+ seniors being cared for
in residential Aged Care facilities



Living Our Mission

In this section of the report you will find examples of how the Mission is lived out every day by mission expressions across Australia. The Salvation Army Mission is a holistic approach to meeting need and addressing hardship and injustice at the local level. It is important to note that every mission expression and department are engaged with all aspects of Mission and the right examples in the diagram on the right are viewed as highlights of each mission intention.

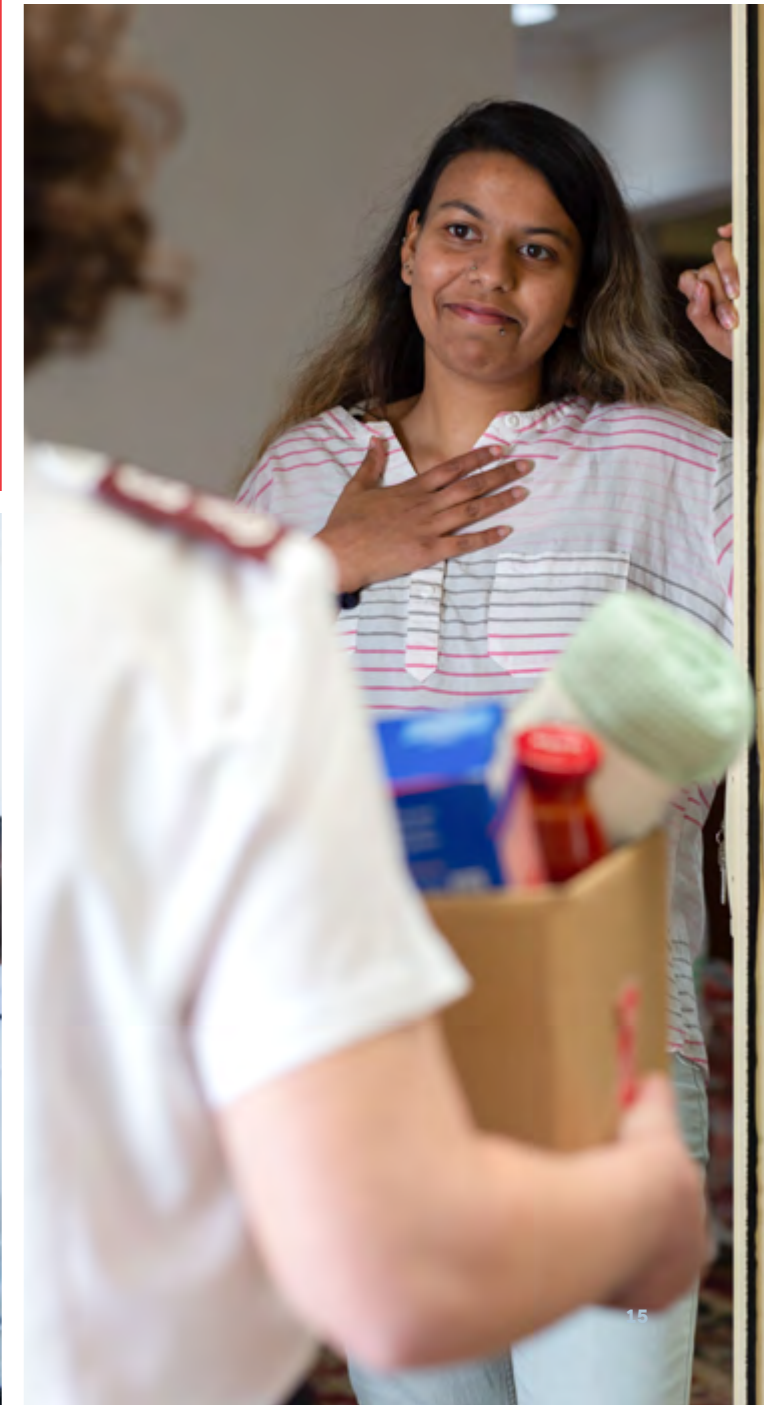


Wherever there is hardship or injustice, Salvos will live, love and fight, alongside others, to transform Australia one life at a time with the love of Jesus.



From our corps and faith communities to our social mission programs, mission enterprises and community engagement services, The Salvation Army is dedicated our Mission of sharing the love of Jesus by:

- Caring for people
- Creating faith pathways
- Building healthy communities
- Working for Justice



- HOME
- OVERVIEW
- OUR LEADERSHIP
- SNAPSHOTS
- LIVING OUR MISSION
- CARING FOR PEOPLE
- CREATING FAITH PATHWAYS
- BUILDING HEALTHY COMMUNITIES
- WORKING FOR JUSTICE
- THANK YOU AUSTRALAI
- FINANCIAL REPORT

Caring for people

Being there when people need us most; we offer care and compassion as a sacred encounter with transformative potential.

The Social Mission area of the Salvation Army Australia is committed to fulfilling the Mission through the provision of quality, non-discriminatory social services. Social Mission focuses on four main areas of need: alcohol and other drugs harm reduction, homelessness, family and domestic violence, and youth.



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LIVING OUR MISSION

CARING FOR PEOPLE

CREATING FAITH PATHWAYS

BUILDING HEALTHY COMMUNITIES

WORKING FOR JUSTICE

THANK YOU AUSTRALIA!

FINANCIAL REPORT

Caring for People: Social Mission



AOD/DV

Bekki finds her way back to the community

After experiencing childhood abuse, Bekki turned to alcohol and drugs in an effort to fill a hole that couldn't be filled.

Through her connection with Salvos Dooralong, Bekki found the time and space she needed to become well and commit to getting clean.

Bekki has now been clean for three years and has found her place in a loving community.



Meet Bekki and learn more about her inspiring story from this YouTube video



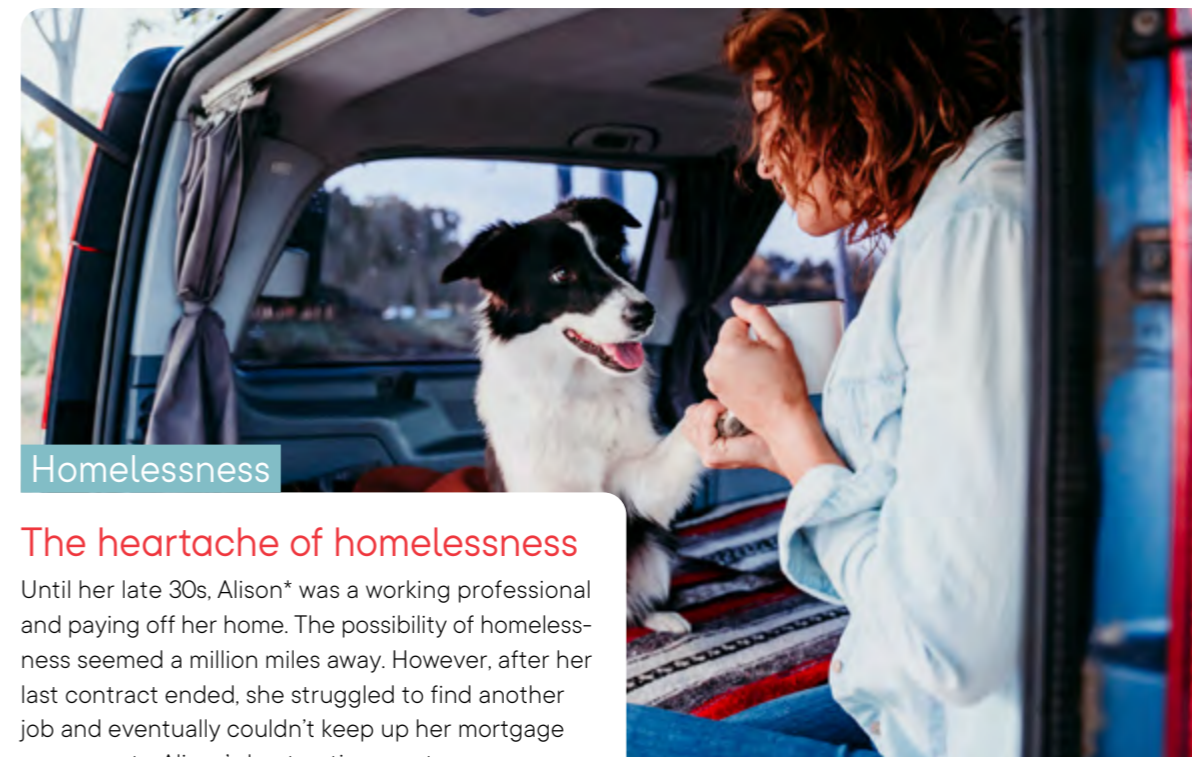
9950+ women and children supported

who experienced family and domestic violence



11,370+ people assisted with addiction

to alcohol and other drugs, gambling at rehabilitation services



Homelessness

The heartache of homelessness

Until her late 30s, Alison* was a working professional and paying off her home. The possibility of homelessness seemed a million miles away. However, after her last contract ended, she struggled to find another job and eventually couldn't keep up her mortgage repayments. Alison's best option was to move interstate to share a rental property with a friend.

Alison's friend unexpectedly moved out, owing her a substantial amount of money. Alison's health began to deteriorate quickly and impacted on her ability to walk. Alison managed to cover both her and her friend's share of the rent for a short time until the owner wanted the property vacated for use as a holiday house. With a beloved pet in tow, she simply could not compete in the highly competitive rental market while living on a Centrelink income.

"I had nowhere to go, so I set up a bed in the back of the car and loaded up the boot," she said. Staying in her car seemed a temporary solution, but days turned into weeks, weeks into months and months into years. It was more than a year before she was able to say to someone, "Yes, I'm homeless."

During COVID, Alison was supported in temporary motel accommodation as part of the state government COVID safety measures. While she gained access to amenities, the inevitable end to her motel stay was ever-present.

Alison kept in contact with the Salvos throughout this period via her case worker, Judy, who helped her find secure accommodation in a private rental. Judy explains that the preference is to have Alison in public housing, where she can live with some certainty and not at the mercy of an insecure private rental market.

*not real name



Read Alison's full story in others.org.au/features/the-heartache-of-homelessness/



nearly 760,060 crisis beds provided

to people who experienced homelessness



1.52+ million meals provided

to people who accessed homelessness services



317,850+ sessions of care provided

to people who were at risk of or experienced homelessness



Youth

The Shed gives youth a place to belong

In 2020, the youth space at Kalgoorlie-Boulder (WA) Corps, better known as 'The Shed', was a vast, empty warehouse on the corps site, but youth leader Cameron Mallory saw its potential.


He had a vision to convert the space into a hub for young people across the Goldfields community.

After a 12-month pilot program and a complete fit-out with a lounge, PlayStation, library, puzzle and games area, The Shed became a sanctuary for young people to come and be together.

"It's become more of a success story than we ever anticipated," shares Cameron. "What we do at The Shed varies from week to week. There is literally something for everyone. One of the things we found was that when young people feel ownership of a space, they have more of a sense of belonging. It's huge in the Salvos that we make sure young people know they belong, that they are loved and cherished."

Since The Shed opened, Cameron and his team have seen substantial personal growth in some teens. One example is Peter*, who Cameron said was almost forced by his parents to come along due to being so reclusive at home. After some time at The Shed, he opened up and is now empowering other teens to socialise.

"For the first hour and a half, Peter was tucked away in the corner [of The Shed] and didn't socialise. We persisted and invited him to come and shoot air

 **4025 young Australians were assisted** through youth services programs

 **more than 86,420 sessions of care provided** to young people

 **50,510+ nights of accomodation provided** to young people who were at risk of or experienced homelessness

hockey. We tried different activities until we found something he wanted to do. Now he's there every week when The Shed opens," said Cameron.

*not real name

 [Read more about The Shed on Others others.org.au/features/the-shed-gives-youth-a-place-to-belong/](https://others.org.au/features/the-shed-gives-youth-a-place-to-belong/)

Caring for People: Aged Care



380 units of Retirement Living apartments



1783+ Residential Aged Care Centre capacity

(number of residents provided for at one time)



more than 97,500 Home Care visits provided

by Salvos Home Care personnel



1870+ TSAAC personnel

including officers in August 2022

The Salvation Army Aged Care (TSAAC)* provide care and support services to older Australians, whether living independently in their own homes, in our Retirement Living communities or Residential Aged Care Centres.

Montrose Aged Care Centre, one of The Salvation Army's 21 residential aged care centres, located in Balmain, NSW, is a 44 single-bed facility catering to vulnerable men in the community. The cohort of residents includes those who may have been homeless or at risk of homelessness, people with mental health issues, challenging behaviours or a history of substance abuse.

"The care provided at the centre is important because there are few places for these men to go," said Centre Manager Trudi Clinton. "Because of the mental health issues and related challenging behaviours that many of our residents have, they're not able to integrate into normal community existence or mainstream nursing home environments which would make them ultimately more vulnerable," reflects Trudi.

The staff play a critical role in our residents' lives, many don't have families or have family members with limited involvement in their care. "That's why it's important we have the right staffing mix here, not only on their clinical skills, but certainly in the heart and soul of the person because we've become substitute family members." she added.

The centre has experienced two COVID-19 outbreaks in the past financial year and in both instances was able to contain them quickly, with no resulting deaths. Montrose Clinical Coordinator Rachel Owusu, who is the centre's Infection Prevention and Control Lead, worked closely with the public health units daily, including weekends, to get advice and feedback during this time.



The Chaplain at the Centre also spent time with the residents chatting over a meal, as this is when the residents are often the most relaxed and open to talking with someone.

For residents who were unable to access the community during outbreak management periods, an extra team of staff members assisted with lifestyle activities alongside National Disability Insurance Scheme (NDIS) staff support. For example, a 10,000 steps challenge encouraged residents to march or walk on the spot to music to promote physical activity and drumming on bongo drums to lower stress and tension. Generally, an art class followed, to maintain the serenity and calmness in the centre. "It's about being creative and working with whatever we can work with," said Trudi.

Additionally, the residents planted vegetables, painted pots for their plants, played board games, and painted canvases in their rooms with staff. They also participated in virtual exercise classes and music lessons.

More recently, the residents set up their own band with a music therapist. "We're assisting these men to do things they might have done once, many years ago, and have not since had the opportunity or the equipment to do it again," said Trudi.

For the management team at Montrose Aged Care Centre, the greatest challenges over the past 12 months have been both the COVID-19 lockdowns in the centre and industry-wide staffing issues. "Having the lockdowns and trying to maintain a calm environment has been incredibly difficult to manage," Trudi said. Both she and Rachel agree that resilience has been the greatest learning with Trudi describing the past year as an 'an endurance race'.

**The Salvation Army's Mission Enterprises deliver Mission and use commerce to generate surpluses for other Salvation Army mission expressions or to maximise enterprise sustainability and impact. These enterprises include: • Aged Care • Employment Plus • Salvos Stores • Salvos Funerals • Salvation Army Housing.*

Caring for People: Salvos Funerals



Genuine Compassion

Salvos Funerals* is a trusted not-for-profit funeral director service, owned and operated by The Salvation Army. Our high-quality, affordable funeral services are a natural extension of the care The Salvation Army provides both in the community and through our aged care centres.

Salvos Funerals is an ethical face of the funeral industry with all profits reinvested into our charitable works.

Since its commencement in 2017, Salvos Funerals has served more than 2000 families and is committed to providing care and comfort to individuals and families in some of the darkest and most challenging times of their life.

Since its inception in Sydney and the New South Wales (NSW) Central Coast, Salvos Funerals has expanded to Melbourne and the Mornington Peninsula, Canberra and, most recently, the NSW Greater Illawarra and Southern Highlands Region.

The team has always worked face-to-face with families, but the last couple of years (during the pandemic) have proven challenging. However, amid this time Salvos Funerals found ways to support families with new initiatives.

One such initiative was offering online forms to ensure paperwork was kept to a minimum and allowed families the time and space they need to grieve.

Another initiative was the partnering in Melbourne and Mornington Peninsula with The Salvation Army's Moneycare program, to extend further support to families struggling not only with grief but also financial constraints. Under the guidance and support of a Financial Counsellor, families can apply for a no-interest loan and have support throughout the repayment process. This empowers families, who normally wouldn't have the means, to farewell their loved one as they would like. Once the pilot is completed in Melbourne and the Mornington Peninsula, this partnership will be expanded across Australia.

Megan Maxfield, Operations Manager, Melbourne, is passionate about Local Mission Delivery (see Creating Faith Pathways on page 26) and connecting families within other areas of the movement. "The community within The Salvation Army is vast and, if we do Local Mission Delivery well and embrace it, linking families into these communities should be second-nature," said Megan.

With team members from Salvos Funerals connecting with local Area Leadership Teams, there have been continuing partnerships with other mission enterprises, community engagements and mission expressions within the movement, finding new ways to come together and support families in times of grief.

Families have been referred to Mainly Music programs, community lunches, pastoral care support, wills and bequests, specific grief support, Salvos Stores, local corps programs and external community groups for ongoing support.

During 2022, Salvos Funerals supported a family internationally. "We were honoured to be asked to serve a family in Sydney who had lost their loved one. We were able to link their wider family in the United Kingdom with the local Salvation Army where a service was live streamed.

Such opportunities, where we can support families in this way with the breadth that The Salvation Army provides, is truly something special," said National Director Malcolm Pittendrigh.

From January to mid-November 2022



464 families served with their funeral needs



470 prepaid funeral contracts in place



No Interest Loans Scheme (NILS) established

Since its commencement in 2017



Salvos Funerals has served 2000+ families

At Salvos Funerals, we're committed to supporting those in grief, regardless of cultural or religious background. We are a community of people passionate about caring for others through times like this. We want to help families choose the style of service that will best suit their needs, sentiments, and beliefs, while also allowing them the time and space to reflect and grieve. It is an honour to support families, simply and practically, with compassion and care.

**The Salvation Army's Mission Enterprises deliver Mission and use commerce to generate surpluses for other Salvation Army mission expressions or to maximise enterprise sustainability and impact. These enterprises include: • Aged Care • Employment Plus • Salvos Stores • Salvos Funerals • Salvation Army Housing.*

Creating Faith Pathways

Taking a holistic approach to the human condition that values spirituality, we graciously share the good news of Jesus and grow in faith together.

We are all invited to experience a life full of love, hope, purpose and fulfilment. It is our mission and ministry to care for the whole person – body, mind and soul. Anyone who is looking for connection, acceptance and a place of belonging will always be welcomed without discrimination.



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LIVING OUR MISSION

CARING FOR PEOPLE

CREATING FAITH PATHWAYS

BUILDING HEALTHY COMMUNITIES

WORKING FOR JUSTICE

THANK YOU AUSTRALIA!

FINANCIAL REPORT

Creating Faith Pathways: Faith Communities



more than 719,400 attendances

on weekday and Sunday church



more than 93,240 attendances

women's ministries group and activities



nearly 1,075 young people attended youth camps



2045+ online worship meetings

(livestream and recorded)



303 corps (churches/faith communities)

715 officers

406 corps officers



VIDEO STORY

Discovering Jesus in Victor Harbor

Isolation and loneliness are two of the main issues experienced in the Victor Harbor (SA) community. With the rising cost of living, many are feeling the strain of making ends meet.

Brunch at the Soul Café and playgroup are the two main connection points Victor Harbor Salvos has created for people to come in, connect with others, have something to eat, and gain a sense of belonging.

The vision for Victor Harbor is to become a community hub to take people on a faith journey. Captain Nathan Hodges explains how he wants the people of his community to discover who Jesus is and the part that he wants to play in their life.



View this YouTube video to learn more about the Victor Harbor Community in South Australia



James Brennan finds his way 'home'

In 2019, I moved to Perth from Bathurst, NSW. When I arrived, I tried to connect to churches in my area, but no matter how hard I tried or how many times I went, I just didn't feel a connection.

But this year, things changed – I felt a call, a need to find a place where I could belong. That's when I was told about a Salvation Army shop no more than 800 metres from my home! About 20 years ago, I had been part of the Salvos in Geraldton, so I was happy to hear of a shop near me, and I went searching.

When I arrived, the shop was closed, but I met an amazing woman of God – Major Naava Brooks. As we talked, she mentioned that she, with Major Jenny Armstrong, were the majors of the Salvos church here. The moment there was mention of a church, I felt drawn to it and needed to go. When I walked through the doors on Sunday, I heard Naava say, "Here he is." I felt welcome.

At first, it was very different – a lot of elderly and the service was very different to what I was used to, so I said I would come back the following week. The sermon was fantastic, I felt more connected, the music was still different to me, but the message was clear. I started to feel like this could become my new home. As I kept coming, I got to meet and become friends with some amazing people.

As the months went by, I grew more invested and connected, and I could feel God bringing me

home. I wanted to offer myself in service, to really be part of my new spiritual home. So, I spoke with Naava to learn about how to become a member. I was given two options, adherent or soldier, and I knew immediately what and how I was to belong to this home – this family of God. I wanted to fully surrender to him, to be the man of God he wanted me to be, so I gave him all of me.

Being a soldier of The Salvation Army means a complete surrender to God in every way, in every part of my life. I now live for him, and I have never been so happy. I feel fulfilled in God, stronger in him, and so grateful he accepts me. For all he has done for me, I could do nothing less in return.

It is in my heart to share the gospel – the Good News that Jesus saves. No matter who you are, Jesus is ready and waiting for you. His love, grace and mercy endure forever and ever. He loves you right where you're at, and to share his love and word with those around me is just fantastic.



Brennan's story can be found on [Others others.org.au/salvation-stories/finding-my-way-home/](https://www.others.org.au/salvation-stories/finding-my-way-home/)



Creating Faith Pathways: Local Mission Delivery

Local Mission Delivery (LMD)

is how the different mission expressions of The Salvation Army collaborate to serve holistically and consistently across the nation. The Mission coupled with the needs of society are too complex for any one expression. LMD means that no part of The Salvation Army can work in silo. The Salvation Army is stronger when our skills, resources and experiences are harnessed to better live out the Mission.



400 corps run community support activities



219 corps run thrift shops



30 community meal restaurants/cafes



VIDEO STORY

Bankstown Salvos: The 'one stop shop' service hub

Providing good company, affordable meals and social services, Bankstown (NSW) Salvos offers a safe place for individuals to journey together and share a sense of belonging.

They address people's needs in a holistic way in order to connect, build relationships and eventually help them to know God and feel the love of Jesus.



View this YouTube video to take a virtual tour of Bankstown Salvos in New South Wales

Getting my life back again

I migrated to Melbourne, Australia from South Africa many years ago. I had been working in social services there so in Melbourne I volunteered as a case manager with the Salvos and was then offered different jobs as soon as I could be employed. These included case manager roles and working for the Salvos Employment Plus.

When I first left South Africa in the late 1990s, my young sons were organised to follow me. I had to go through courts to find them and eventually have them returned to me. It was an extremely long, lonely, and difficult time. I was struggling with my emotions, working two jobs and studying for a learning and development degree. The only way I could deal with my pain and agony was to keep busy. I didn't tell anyone what I was going through, as I was afraid of being looked down on.

I finally got my kids back, and they attended my university graduation. We were so happy to be together.

I got a job with a company working in human resources and payroll. However, there was a lot of bullying, and I was moved on to training and management roles in other areas. One day at work in 2014, I fell, broke my nose, and sustained other injuries, including cognitive and memory issues and a permanent disability. My employer wouldn't grant WorkCover payments, although they did pay my medical bills. I was told to use my superannuation and income protection until I was 65. I had a brain injury and was put into administration roles that didn't suit my aptitudes and abilities.

I was struggling financially, emotionally, and in so many ways. I didn't know what to do, and it seemed like every time I tried something, I couldn't do that either.

Centrelink put me in contact with Tracey, a financial counsellor at The Salvation Army's Moneycare program at Boronia Salvos.

I met with Tracey and explained that I wanted to get back into work and or study and turn my life around. She helped me with my finances, budgeting, and planning. She also introduced me to Majors Allan and Glenda Morrison, the Boronia Salvos officers.

They suggested I become a volunteer, and, after interviews and some COVID-19 delays, I began organising the files and doing some client work in community engagement. It was my first attempt back at my professional life. It was scary as I hadn't



Karin, centre, with Salvos officer Major Allan Morrison, and financial counsellor Tracey.

done it for seven years, but after I got some good outcomes for my first client, it felt like my confidence was coming back.

The Salvos genuinely care and want to help and are always there for people. After my mother died in South Africa, I could only attend her funeral on Zoom and was down about it. The Salvos were lovely. They reached out to me and made me feel loved and special. I can now trust people again.

I am now open to anything and feel stronger with every day that comes. I want to give in a way that helps others. I continue to serve in case management and in the Hub with food parcels, delivery, and emergency relief. I am also getting involved with the church. I just love what I do.

I felt like I belonged with the Salvos, and I am planning to become an official member of the church. My faith is extremely important.

There is still a lot I can do, and I am doing what I want to do with the Salvos. They don't just do things; they make things happen and equip people to get where they want to go.



Karin's story can be found on [Others others.org.au/salvation-stories/getting-my-life-back-again/](https://others.org.au/salvation-stories/getting-my-life-back-again/)



Creating Faith Pathways: Mission Support/Resources



► The Intercultural and All Abilities Team piloted the CALD Emerging Leaders Training in NSW with 10 participants from four different nationalities.

Tomorrow's leaders embrace intercultural training

From July 2021 through to March 2022, the Intercultural and All Abilities Team (Mission Support Department) piloted the Culturally and Linguistically Diverse (CALD) Emerging Leaders Training in New South Whales with 10 participants from four different nationalities.

People from diverse backgrounds across Australia with a passion for serving in The Salvation Army were invited to participate in the nine-month program, delivered through mentorship and online learning.

The training provided a pathway for foundational ministry leadership training that's culturally appropriate, engaging, and able to raise leaders from different cultures to best serve in ministry through The Salvation Army.

"People who have CALD backgrounds have so much to offer and contribute to the Salvos. We want to give them pathways and the opportunity to serve and lead," said Adrian Kistan, General Manager of the Intercultural and All Abilities Team.

A unique aspect of the program is its intercultural focus. "It's not training up people from a cultural group to go back and minister to that particular cultural group," said Adrian.

"The context of Australia is multicultural. So how are participants best equipped to minister to anyone and everyone in Australia, even those outside their cultural background or grouping?"

"Some of our Chinese participants from Bankstown Salvos said that mentorship was the best thing; that it was just amazing to build a relationship with someone outside their cultural comfort area who was able to speak to their lives, encourage them, journey with them. And the bond that they formed as a result of this was just phenomenal."

Adrian and his wife Natalie are also leaders at Auburn Corps, a vibrant multicultural community with over 40 nationalities represented.



Read this story on Others others.org.au/news/2022/07/13/tomorrow-s-leaders-embrace-intercultural-training/





Building Healthy Communities

Investing ourselves in relationships that promote mutual flourishing, we find the wholeness God intends for us in community.

Through our community engagement services, The Salvation Army commits to building healthy communities that will continue to flourish in years to come.

Community Engagement includes a range of services and initiatives that enable mission expressions across Australia to transform communities through practical, emotional and spiritual support.

Community Services include Moneycare, national corps-based social programs and Doorways.

The Community Engagement department also supports mission expressions and community members through Chaplaincy, Strategic Emergency and Disaster Management and Red Shield Defence Services.

Building Healthy Communities: Community Engagement



Cups of tea, conversations and support for farmers

"It's amazing what sitting down with a cup of tea does," said Major 'Rusty' Lawson, Rural Chaplain for the NSW/ACT Division.

In their roles as Salvo Chaplains, Rusty and his wife, Major Dianne Lawson, support members of rural communities, which mainly involves emotional and spiritual conversations.

Most conversations revolve around farming issues, such as the sequence of drought, mice plague, bushfires and the recent floods.

"Our farmers haven't really had a break for seven to eight years," Rusty said. "For example, some time ago, after years of no crops the drought broke, then many farmers had to battle a mice plague that ate their first year's profits and gnawed on farm equipment, which set off fires and invaded living spaces."

This year was particularly wet for many. Cotton crops usually harvested in April were only harvested in August, usually when farmers are planting the next crop. Machines couldn't access the land, so some farmers couldn't plant their winter crops, which means they will miss another season.

Most support involves listening to stories of survival, battling the elements, financial and psychological stressors, and how to keep going.

The chaplains offer to pray with families, and as most mainland Christian churches disappear



Major Rusty Lawson shares a cuppa and chat with Craig Tamswell, a farmer from Goonumbla, NSW.

from the bush, many appreciate the contact, encouragement and support.

Dianne and Rusty follow up after events, either with home visits, phone calls or catching up for a coffee in their local township. They always try to connect people they meet with their local chaplains, Salvo corps, or service.

"It's all about connections," Dianne said. "Phone coverage can be patchy in the bush, and it can be difficult to catch them at home, given the nature of farm work. So, there is a lot of phone tagging, but eventually we catch up."

"We have a lot of time in a vehicle together, so there's a lot of time to talk," Rusty said. "You can't get caught up with the busyness, and can't run on adrenalin all the time, so we take time to reflect and pause, so we can keep going, to help our farming community."



VIDEO STORY

A safe place to belong

Creating a place for the community to come together regardless of circumstances is what Unley Corps, SA, strives to do every day. Their hope is that through the power of connection, community members can experience unconditional acceptance and feel valued for who they are.



Meet Aux-Lieutenant Mark Foyle and Captain Judy Shaw from Unley Corps who work to help members of Unley see their life has meaning and purpose



VIDEO STORY

Support that encompasses all aspects of a person's life

At Bega Salvos, NSW, community members are welcomed with open arms and their needs met at an individual level, particularly through the Doorways program. Linking the individual to the right person, service(s) and organisation to support their unique needs is what Bega Salvos does best.



View this video to meet the people at Bega Salvos

Building Healthy Communities: Strategic Emergency Response



Strategic Emergency and Disaster Management

Floods, fires and COVID-19 ravaged communities right across Australia over the past year. Extreme weather, particularly in South East Queensland and northern New South Wales, devastated entire townships. Businesses and livelihoods were hard hit, first by COVID lockdowns and then by floodwaters destroying everything in their path.

Through the generous support and contributions of our corporate partners and supporters, and the Australian public, The Salvation Army Strategic Emergency and Disaster Management (SEDM) teams were deployed across the country to support the

immediate response of around 10 emergency events, some affecting multiple states simultaneously. The teams were also deployed to fulfil the recovery and rebuilding stages of these emergency events.

2022 flood response

As Australia woke to news of severe flooding in South East Queensland on 22 February, The Salvation Army Emergency Services (SAES) embarked on their first activation by opening an evacuation centre in Dakabin, north of Brisbane. The flood disaster crossed the border into northern New South Wales in a matter of hours, and an appeal was quickly launched to directly support the estimated 25,000 households displaced or devastated by the floodwaters.

In the first fortnight of the flood event, SAES teams served more than 40,000 meals and refreshments in 20 evacuation centres in Queensland and New South Wales. More than 7500 volunteer hours were worked over the duration of the emergency response.

As the water receded and the evacuation centres closed, recovery hubs opened to help residents meet their immediate essential needs (food, clothing and medical supplies), find temporary accommodation and start restoring their homes. At the peak of the early recovery phase in March, The Salvation Army was present in 30 recovery hubs and actively involved in outreach.

Thanks to our generous donors, partners, volunteers and supporters, The Salvation Army distributed \$9,604,808 in financial assistance and in-kind support, issued 34,397 recovery grants and assisted 14,921 people in the affected areas (as of 27 June 2022).

[View SAES teams story supporting those impacted by Lismore floods early in 2022.](#)



COVID-19 response

2021 was the year of prolonged lockdowns in Victoria, New South Wales, Queensland, and Tasmania. The Salvation Army was called upon to help deliver hampers to households where retailers could not reach, plus, special needs hampers and prescription medicine(s) to isolated families.

Victoria was the hardest hit in terms of economic loss for residents. SEDM Specialist Captain Robert Champion said The Salvation Army received around 2000 requests a week for assistance, with 41 per cent of these, during the peak of lockdown, being COVID-related.

“The Salvation Army response was epic. Our SEDM team worked closely with the Doorways teams and local corps [churches] to engage them with local governments and their communities,” Rob said.

“We had corps officers run down to the shops to buy essential items for vulnerable households and they also helped them to set up their internet so they could shop online for groceries.”

THE FOLLOWING* WAS DELIVERED IN THE 2021 COVID-19 RESPONSE:

Victoria	Queensland	New South Wales	Tasmania
\$162,800 distributed to 858 households	716 community members assisted	1473 episodes of care and support	\$23,842 distributed in essential items
300 meals served at a boarding house lockdown	\$140,000 distributed in financial support	\$144,234 in hampers delivered	274 individuals and 86 families assisted

*Figures taken from the 2022 Impact Report

Black Summer Bushfires

The Salvation Army continued to walk alongside bushfire-impacted residents in their second year of recovery. With a focus on rebuilding lives and livelihoods, many families were able to move in to their newly built and furnished homes, and many young people could resume their education or employment, thanks to grants funded by the generosity of donors and supporters.

Major Drew Ruthven, SEDM General Manager, said “While most residents needed support in 2020 and 2021, a small number of people reached out in the second year for the first time since the fires.”

“We had 105 new clients receive help over the past year. Many had tried to go it alone but realised over time they needed help,” he said.

Building Healthy Communities: Salvos Stores

Salvos Stores* is The Salvation Army retail business and has a long history and great culture of community with over 8,000 volunteers working across 348 stores each year.

Over the past three years, Salvos Stores' online store has grown its revenue by 870 per cent, and in the past financial year, Salvos Stores diverted 35.5 million items from landfill - the equivalent of 1,545 40-foot shipping containers.

Salvos Stores is not just a retail business. It's a community of engaged stakeholders, bringing together donors, volunteers and customers as complementary parts of Australia's 'circular economy'. We not only invite people to shop with us, but also to join us on our Mission.

Over the past 12 months, our 348 stores across Australia got back on their feet after a challenging couple of years, and had a lot to celebrate. By the end of the financial year Salvos Stores was able to return the retail network to pre-COVID levels of sales and operating surplus.

Throughout the year Salvos Stores also successfully transitioned the first 10 Salvation Army Thrift and Family stores into the Salvos Stores family (see story below for more details), we invested in our support functions and in the development of our people and launched a retail IT project to unify and improve our national platforms.

Excitingly, we also innovated in the online and marketing spaces. We further developed our online store, selling 239,709 individual items and achieving year-on-year revenue growth of 143 per cent.

Our 'Pre-loved Promise' Christmas campaign focused on reframing the often-maligned term 'regifting'. Our research clearly demonstrated that people are often

happy to receive second-hand gifts but are hesitant to give them. Our solution was to create an original marketing campaign targeting gift recipients rather than the gift-givers. Launched over the Christmas shopping period in November 2021, the goal of this campaign was to inspire people to make 'the Pre-loved Promise' and tell anyone buying Christmas gifts for them that they would love second-hand gifts.

These innovations were recognised across the broader retail sector, and in July 2022 Salvos Stores won the Best Online Retail Marketing at the Online Retail Industry Awards. Recognition such as this continues to allow Salvos Stores to take the lead and ensure charitable retailers are seen as advocates and enablers in the circular economy, making sure **Reuse** is not the forgotten R in **Refuse, Reduce, Reuse and Recycle**.

The greatest achievement of the year was the incredible dedication and commitment shown by Salvos Stores team members. Faced with resourcing challenges, uncertainty around social and health restrictions, and managing risks to their own health and wellbeing, staff and volunteers stayed strong through it all.

Transitioning Thrift and Family Stores

To create a more missionally and financially sustainable future, The Salvation Army combined the strengths of its Thrift, Family and Salvos Stores through the Corps Stores Transition Pilot project.

Since its inception in 2021, 10 Family and Thrift Stores have successfully transitioned to Salvos Stores. Local communities will continue to benefit after the move, with resources raised funding local corps programs.

Additionally, by moving the day-to-day retail operations under the Salvos Stores banner, the corps officers (ministers/pastors) have more time to focus on delivering our Mission in their communities.

The much-anticipated 10th transition store, Salvos Ballina, NSW, opened its doors in July 2022.



We were thrilled to welcome volunteers from the Family Store, as well as an experienced store manager and her entire team from another nearby retailer who had closed the month before we opened.

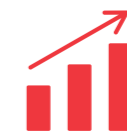
There were plenty of hurdles in getting the store up and running – including major flooding across the Northern Rivers region. But despite the obstacles, the local corps team and Ballina's new Salvos Stores' peers persevered to build up the new store from scratch, turning the previous bank site into the bright and well-stocked Salvos Store we have today.

"We're feeling very supported. The [Gold Coast and North Brisbane area] store managers who helped get the store ready are still regularly popping in to visit which has been wonderful," said Ballina Store Manager, Antonette Braitling.

"The new location is great – we're right on the main street so get lots of foot traffic. It's always busy in-store."

Leaning on the knowledge and experience across Salvos Stores means the Ballina team will continue to develop, grow and increase the positive impact they have on their local community. "It's a great atmosphere – everyone is so supportive and respectful."

By joining Salvos Stores, the team can draw on the national processes, brand awareness and



Over the past three years
Salvos Stores' online store has grown its revenue by 870%



In the past financial year
Salvos Stores diverted 35.5 million items from landfill

infrastructure in place to create the modern thrift shopping experience customers have come to know and love.

"Store trade is amazing so far. The team loves it, and customers are raving about the fresh new store. They think it's gorgeous," said Antonette.

The Corps Store Transition Project will continue to work closely with other corps and their communities to support stores transitioning.

**The Salvation Army Mission Enterprises deliver Mission and use commerce to generate surpluses for other Salvation Army mission expressions or to maximise enterprise sustainability and impact. These enterprises include: • Aged Care • Employment Plus • Salvos Stores • Salvos Funerals • Salvation Army Housing.*

Building Healthy Communities: Employment Plus

Employment Plus* embraced the 2021-22 financial year with hopes for a more stable year, but unfortunately further lockdowns continued to take a toll on businesses, job seekers and the communities we work in.

Employment Plus was however better prepared this time. Our systems and processes allowed us to better respond to rapidly changing situations, and our staff adapted to new ways of working.

While many things changed during the year, the demand on our services did not wane. Employment Plus supported 50,723 job seekers across our programs, helping them prepare and search for work, with 15,509 (approximately 31 per cent) finding employment. Additionally, the Employment Plus website experienced unprecedented traffic with increases of more than 200 per cent.

In July 2021 we commenced new employment program Jobs Victoria Employment Services, a small specialist program offered by six locations in metro Melbourne and regional Victoria, with three distinct service streams: Humanitarian, Homelessness, and Youth with mental ill-health. The Humanitarian service,



50,700+ job seekers supported to find employment



9850+ partnerships with employers

a continuation and expansion of the EPlus Local program, has been supporting asylum seekers and refugees, in conjunction with several corps.

The Department of Education, Skills and Employment also commenced tender processes during the year. While we were unsuccessful in securing contracts for the Transition to Work youth employment program, Employment Plus was awarded contracts to deliver the government's new Workforce Australia program from July 2022 in seven employment regions in Queensland, New South Wales, the ACT and Victoria.



In the final months of 2021-22, our attention turned to arrangements for the conclusion of our Transition to Work and job active programs, and the commencement of the Workforce Australia contract. From securing 30 new premises and fitting out each with furniture, new IT hardware and signage, to recruiting and training staff, the transition to the new program has been a significant undertaking.

A dedicated team of staff from across Employment Plus and other departments across the Army put an enormous effort in to ensure we could open the door to our Workforce Australia job seekers on 4 July 2022.

This increase of 16 to 31 co-located offices with mission expressions has also opened up opportunities to work more collaboratively across mission expressions to provide our job seekers and participants with a more holistic service, providing

them with support to address barriers that go far beyond unemployment.

While we have reduced in the number of regions we deliver the Workforce Australia program in, our share of the case load has grown, with Employment Plus having the fourth largest allocation of job seekers in the program.

The opportunities for us to make a difference are significant, and with the introduction of a digital service for job seekers, we can focus our attention more closely on those who need our help the most. After all, that is where we do our best work.

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Michelle's* Story

Michelle, a woman in her early 50s, had her life turned upside down when she discovered her husband was draining money from their business to buy handbags and lingerie for young sex workers.

Until this moment, she was the successful owner/operator of a software development company that was operating both in Australia and offshore. Despite her own success and talents, Michelle was left destitute and on the brink of bankruptcy as her husband took the business to ruin, which left her needing to ask her adult son for money to survive.

Bright, intelligent and articulate, Michelle was now fragile to the core and lacking in confidence. She knew she needed work, but she didn't have the strength to take on the pressure that would typically come from the roles utilising her skills. She had nothing left in the tank.

The Salvation Army Woolloongabba, QLD Employment Plus recruiter, Barbara Wheeler, realised that Michelle needed a very special employer.

"Knowing this candidate was incredibly delicate and hugely overqualified, I was concerned we'd struggle to find the right place for her," Barbara said.

"However, I'd just learned of an admin role with a local manufacturer that has taken on many

of our participants who've lived through challenging experiences. This employer has taken more than 15 placements from Employment Plus.

"While most of the roles were labouring jobs, often by unqualified workers overcoming addiction issues or getting back into the workforce after being in prison, for the first time they needed an administration person.

"We knew from our past placements with them that this employer would have the empathy required to help Michelle get back on her feet. He [the employer] was very welcoming to her and has employed her on the condition that as she gains back her strength and confidence, he'll be able to help her find a more challenging role when she's ready.

"Michelle now works three to four days a week and the employer has benefited enormously from her slick administrative and organisational skills.

"Michelle's last text message to her recruiter was: 'I am feeling blessed.'"

**name has been changed*



Building Healthy Communities: Salvation Army Housing (SAH)



3120+ people provided with housing



900+ people provided with longer-term housing



140+ people assisted with crisis housing



67% people remained accommodated in Salvos Housing for 5 years

Salvation Army Housing*, Salvation Army Housing Victoria and The Salvation Army Community Housing Service (together "Salvation Army Housing") as a National Enterprise are committed to assist individuals experiencing social disadvantage and to establish and maintain safe, affordable, secure tenancies through the management of a range of high-quality housing options.

Salvation Army Housing operates nationally as a community housing organisation that provides homes for individuals and families who are homeless or at risk of homelessness, on low incomes and often with specific support needs.

As of 30 June 2022, Salvation Army Housing managed over 1700 properties throughout Australia providing

long-term housing, transition housing as well as crisis and rooming house tenancies, housing over 3,000 people.

As a not-for-profit organisation, registered charity and a public company limited by guarantee, each Salvation Army Housing entity operates under the auspices of The Salvation Army to address the needs of people at all stages of their life and housing requirements. This includes early intervention to avoid a slide into homelessness, emergency accommodation and crisis response, transition to more stable accommodation and supporting a move to independence.

Salvation Army Housing sits under both the National Regulatory System, (NRSCH), and the Victorian Regulatory System, (VHR), with properties in all states and one territory, the ACT. Salvation Army Housing is fully compliant under both systems.

Salvation Army Housing is in the unique position of having the full potential of The Salvation Army in all aspects to support our tenants.

- Spiritual support,
- Case management
- Rehabilitation services,
- Domestic and family violence service
- Youth services
- Employment service
- Salvos Stores

There is no other Community Housing Provider better placed to offer full wrap around services.

**The Salvation Army Mission Enterprises deliver mission and use commerce to generate surpluses for other Salvation Army mission expressions or to maximise enterprise sustainability and impact. These enterprises include: • Aged Care • Employment Plus • Salvos Stores • Salvos Funerals • Salvation Army Housing.*



Learn more about Salvation Army Housing at www.salvationarmy.org.au/need-help/housing/



For Gemma* the heady days of becoming a first-time parent and dreams of a bright future were quickly shattered when her partner started using 'ice' and became violent.

At a time when her sole focus should have been enjoying motherhood and meeting the physical and emotional needs of her baby, Gemma was forced to prioritise their very survival. With no choice but to escape, Gemma became homeless and lived in fear and instability for five months before being connected with the Salvos.

Gemma's story

We were a happy couple. We had a little house by the water that we brought our newborn baby home to. We were young parents in our early twenties, but we were determined!

Fast forward two months, he was someone I no longer knew and was very afraid of. He would lock us in rooms, accuse me of all sorts of crimes against him, like cheating or stealing his money, he'd physically and verbally abuse and intimidate me, and threaten to run off with the baby constantly.

I wanted so desperately to keep our family together that I insisted he would get better and everything would be normal again soon. But it only got worse and both me and my baby were at risk.

I of course tried to reach out to family as much as possible, but they were not able to offer us housing or any financial support so our options were very limited. Most of the time there was nowhere to go. At our most desperate I remember pulling over in a beach car park.

I wasn't feeling any bit of safety – emotionally and physically – that's why I was sleeping so poorly, or not really at all.

I had been seeing a GP every now and then. I should have gone into detail about my situation sooner but there's a lot of shame ... it's such a hard thing to explain. You're trying your hardest to prove to people that you're a capable parent despite everything taking place.

Eventually I started sharing little bits of information and I did have my GP refer me to family violence intake service who linked me up with The Salvation Army.



I felt really grounded by [Salvos support worker] Sandy's involvement from the very beginning and really validated too. I just grabbed hold of those interactions with her with both hands. It was a life source from the very beginning.

[Getting housing] was pretty miraculous actually. I was on the list for 22 days before something came up. It felt really meant-to-be. I got a TV and a vacuum cleaner and there was a washing machine and all of that stuff already there and Sandy was always calling asking if I needed highchairs, cots, if Lily was good for shoes, things like that.

I was over the moon to have a space that was just ours to unpack. I remember being so excited to have somewhere to mash baby food for Lily. That sounds so silly but just to have a space to do those normal things with her and to have somewhere to put a baby bath, to do that in our own little space.

There were harder moments too, me not realising I was so knee-deep in a lot of post-traumatic stress. I was still watching the windows and double, triple, quadruple checking the locks. I was still very on edge thinking my ex would pop up at any given moment.

I am a completely different person now and I credit so much of that to my environment. It really fostered my growth and recovery from such a safe and secure place. I am currently studying an online course and have been receiving help for my mental health for over a year now, with regular check-ins with Sandy.

I still truly believe that I wouldn't be alive if our case wasn't picked up by the Salvos. My child is a happy, confident and emotionally secure toddler. We are so content where we are and have such a wonderful support network in place. I really do think that being given a safe place that was ours to call home was the difference between our survival and not.

**not real name*

Building Healthy Communities: Salvation Army International Development (SAID)



57,360+ people reached

through SAID's community development projects in FY21-22



52% people reached

live in South Pacific and East Asia (SPEA) Zone (Indonesia, Papua New Guinea, the Philippines and Myanmar)

The Salvation Army International Development (SAID) works globally in specific countries, empowering vulnerable communities to prosper in their economic, social, and spiritual lives.

SAID works in partnership with other Salvation Army territories and commands in two key areas: community development, and supporting The Salvation Army mission work globally through mission support.



To learn more about SAID go to www.salvationarmy.org.au/international-development/about/



The following are some life-changing stories from SAID community projects



PNG

Nada is one of the newer students at Lae Street School and this is his first time engaging with school. Like many others in his situation, Nada found himself spending time with friends on the streets of Lae during the day.

With a goal of one day joining the military, Nada made the decision to begin attending school. Enjoying his studies, with English a particular favourite, teachers say Nada is learning a lot and has great potential. With classmates who are a good influence, and recent participation in youth activities at the local Corps, the trajectory of Nada's life has changed significantly since he began attending Lae Street School.



KENYA

Protus has participated in the ACE project for a year now, learning to save, and has received a loan from the group to start a small business to support his wife and three-year-old child.

In addition to learning business skills, Protus has learned conservation agriculture farming and now grows maize, vegetables, owns a cow and other animals, and is "happy now to grow my own vegetables and not have to buy, and we sell what we don't use." This was made possible through the loan from the VSLA group to increase maize farming.

Protus's motorbike helps him to participate in the project, especially to be able to attend meetings and training sessions. Protus says, "The ACE group has improved my future and invites others to join."

UGANDA

Lilian became sick when she was two years old. Sick for almost six months, Lilian was unable to walk on her own, with her grandmother carrying Lilian on her back or being left to sit in one place for long hours, until Lilian got rare shoes when she was aged four that helped her to walk.

In 2013, Lilian boarded at Home of Joy where her needs could be best met. Here she was introduced to other children by the social worker, with some living with more severe disabilities. Through support and encouragement from her social worker, Lilian is working towards attaining a primary leaving certificate and is undertaking skills training in hairdressing.

Through contact tracing and home visits, Lilian's social worker visited her grandmother, assessing the reintegration process and support for Lilian. Since being reintegrated with her grandmother,



Lilian helps with domestic work and will commence training with a local community hairdressing artisan.

Lilian and her family are "too grateful for the continued love, empowerment for children with disabilities, so I can freely associate with my peers now that am back in the community after I was reintegrated with my grandmother, am helping her with domestic work and we are living a happy life."



Working for Justice

Tackling the social systems that harm creation and strip away human dignity, we join God's work to build a fairer world where all can thrive.

The Salvation Army Policy, Research and Social Justice (PRSJ) area provides support functions in the areas of advocacy and social policy education and empowerment, and advocacy efforts on social justice issues.

Working with mission expressions and in collaboration with the Government Relations team, the PRSJ team identifies social justice issues, explores effective social policy responses and seeks to influence decision-makers to make changes that transform Australia.



OVERVIEW

OUR LEADERSHIP

SNAPSHOTS

LIVING OUR MISSION

CARING FOR PEOPLE

CREATING FAITH PATHWAYS

BUILDING HEALTHY COMMUNITIES

WORKING FOR JUSTICE

THANK YOU AUSTRALIA!

FINANCIAL REPORT

Working for Justice: Policy, Research and Social Justice

Taking stock of social justice

COVID-19 has given us greater insight to how deeply social injustice is embedded in Australia. In the Social Justice Stocktake Report, The Salvation Army wanted to get to the heart of what people are seeing in their local communities and, from there, build a map of social justice priorities across Australia.

Responses were collated from more than 15,000 Australians across every state and territory. The findings revealed that many people felt overwhelmed, even hopeless, when asked how Australia can address the issues they see in their local communities. Some felt they needed the government to act before they could do anything individually. Some despaired that governments (of any level and any political persuasion) don't seem to care enough about the issues and injustices around them every day.

The Salvation Army firmly believes that every social justice issue can be addressed. So, instead of just providing findings, the Stocktake Report aims to help alleviate that sense of hopelessness by outlining practical solutions.

According to the Social Justice Stocktake Report, mental health and housing affordability are consistently the most prevalent social justice issues across Australia. The only exception is in the Northern Territory, where more than 75 per cent of respondents identify alcohol and drug misuse as the major social justice issue in their communities.

A striking fact is that mental health issues and housing affordability often appear to be identified irrespective of other factors, including geography, socio-economic disadvantage, or whether respondents are in lockdown due to the COVID-19 pandemic.

Both housing affordability and homelessness are significant issues in Australia. There were 116,427

people experiencing homelessness in 2016 when the most recent census was carried out. It's estimated that Australia has a shortfall of 524,000 social housing properties, according to parliamentary library estimates. Respondents to The Salvation Army stocktake identify that homelessness, and the kind of housing stress that could lead to homelessness, are ongoing issues in their local community.

Alcohol and drug misuse is an issue in all jurisdictions but is mainly prevalent in regional and remote electorates, particularly in the Northern Territory.

Family violence is also consistently prevalent across Australia. The Australian Institute of Criminology found that the pandemic coincided with the onset of physical or sexual violence or coercive control for many women. For other women, it coincided with an increase in the frequency or severity of ongoing violence or abuse. Family violence has historically remained hidden in our society, so the prevalence of this result might reflect both an increase in the incidence of violence and the concerted efforts by governments and community groups to raise awareness around the issue.

Overwhelmingly, people feel something needs to be done and want to be part of the solution but feel disempowered around finding or implementing solutions. Every social justice issue identified can be addressed, and there are tangible steps we can take together to fight hardship and injustice.



To download the report, scan the QR code or go to salvationarmy.org.au/socialjusticestocktake



- HOME
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- SNAPSHOTS
- LIVING OUR MISSION
- CARING FOR PEOPLE
- CREATING FAITH PATHWAYS
- BUILDING HEALTHY COMMUNITIES
- WORKING FOR JUSTICE
- THANK YOU AUSTRALIA!
- FINANCIAL REPORT

Working for Justice: Government Relations



▶ Left to right: Major Paul Hateley, Commissioners Janine and Robert Donaldson, and former Prime Minister Scott Morrison at the launch of the Kmart Wishing Tree 2021.

Engagement with Government officials:

 **135 conversations**

 **1097 letters**

 **767 emails**

 **173 meetings**

The Salvation Army has a Government Relations Department embedded in Canberra to facilitate good, efficient communications between The Salvation Army and the Federal Government, firstly, and with respective State and territory Governments thereafter.

It is the desire of The Salvation Army to be the trusted and respected voice to all relevant areas of Government having built healthy respectful relationships with all sides of politics.

Being politically impartial, enables The Salvation Army to speak into and influence social justice issues that impact the people in who we serve. On a number of occasions this has resulted in positive changes to legislation and behaviour.

We thank the politicians of Australia for their leadership and service and for their willingness to meet with The Salvation Army to discuss key issues that affect the marginalised within our vast and varied communities.





*Thank you
Australia!*

Red Shield Appeal: Shining a light on domestic violence



Walking with survivors

2022 was a year of hope and apprehension as we navigated life after two years of lockdown. Australians welcomed the return of freedoms but remained vigilant as COVID-19 transmission peaked across the country.

Despite the challenges, Salvos united once again to connect with communities – virtually and in person – to raise funds for the Red Shield Appeal.

Now in its third year, the Digital Doorknock has become a permanent fixture in our Red Shield Appeal calendar alongside our face-to-face community fundraising events. Both modes of fundraising work hand-in-hand to amplify our message of hope and bring people together to advocate and support the most vulnerable members of our communities.

This year's theme focused on family domestic violence

(FDV) and the different forms of abuse that infiltrate households and families. Sexual violence and emotional, physical and financial abuse may look different on the surface, but they all feed on fear and shame. Almost 25 percent of women who didn't report FDV incidents to the police felt in fear of the perpetrator. More than 21 percent of women didn't report incidents because they feel ashamed or embarrassed to do so.¹

FDV isn't an isolated issue. It is a cause of crisis, with many other issues making up an individual's complex needs. With FDV being the way into crisis, connecting with The Salvation Army is the way out of crisis for people experiencing violence and other issues. This way out is only made possible because of the generosity of donors and supporters of the Red Shield Appeal.

Thanks to our supporters, this year's Red Shield Appeal raised a remarkable \$112 million. This is an incredible statement to those facing adversity: They are not alone. Australia sees and hears them. We are here to meet them at their point of need.

This generous support will mean that for thousands of people who come to The Salvation Army every week looking for assistance, they will be provided with services and support tailored to meet their specific needs, helping them find a way back into a full and happy life.

These funds directly support frontline work in the areas of most need: homelessness, financial crisis, addiction, emergency relief and family and domestic violence. These donations become emergency cash, food vouchers, grocery items and safe housing to help individuals and families out of immediate crisis.

Donations also fund services that help break the cycle of poverty, such as training and career counselling to help the long-term unemployed find stable employment, long-term housing to provide adults and their children with stable and safe accommodation, and youth services that support young people facing adversity on their journey to independence.

I am so grateful to everyone for the success of this year's Red Shield Appeal. It was a massive team effort. Communities right across the country mobilised themselves to shake tins, sizzle sausages and doorknock on virtual doors. This year, we launched a new community fundraising event challenging people to walk 10,000 steps. Not even a stint in hospital could keep Sydney grandfather Lindsay McCormack from rising to this challenge. He walked up and down the hospital's long corridors for 11 days, inspiring thousands of people who followed his journey online.

Lindsay represents so many Aussies who dig deep to support the Salvos. Thank you to Lindsay and every single person who has championed our work. From our individual donors to our corporate partners, celebrities to community members, first-



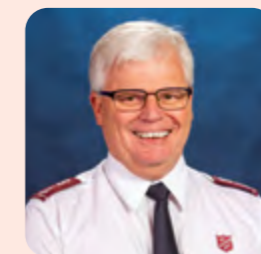
Lindsay's fundraising efforts were music to The Salvation Army's ears after he took 10,000 steps out of his comfort zone each day throughout April to raise money for the Red Shield Appeal.

time donors to our faithful regulars, volunteers and employees – this year's appeal saw so many come together to support those doing it tough. On behalf of The Salvation Army, I want to express my sincere appreciation and gratitude.

The impact of your support is profound. Each year, The Salvation Army assists one person every 17 seconds. Every life transformed is transformed in a deeply personal way, thanks to all of you.

Everyone has a right to live without the threat of hunger, homelessness or violence. Everyone has a right to recover from the physical and mental trauma that ensues. Recovery from crisis comes in many forms, and The Salvation Army is committed to supporting people and walking alongside them through their restoration, transformation and healing one life at a time with the love of Jesus.

Thanks to you, we can continue this walk today and for years to come.



Lieut-Colonel Neil Venables
Secretary for Communications and Business Support
The Salvation Army Australia

¹ ABS Personal Safety Survey 2016 FAMILY AND DOMESTIC VIOLENCE IN AUSTRALIA - Prevalence, impacts and responses. Bankwest Curtin Economics Centre Research Briefing Note 21/2 - 6 December 2021 <https://bceec.edu.au/assets/2021/12/BCEC-Briefing-Note-2021-2-Familyand-Domestic-Violence-in-Australia-1.pdf>

Key Supporter Acknowledgement

Thank you for helping us to give hope where it's needed most. We are empowered by the generous support of the Australian community and a large number of corporate, government, community, family and individual supporters.

COMPANIES AND ORGANISATIONS

7-Eleven	Donegal Nominees Pty Ltd
A A Holdings	Downer Group
Advanced Personnel Management	Dunmarra Pty Ltd
AGL Energy	Electel Resources
Alinta Energy	Fortescue
Amalgamated Property Group	Glencore
Amart Furniture	Hickory Construction
Ampol Australia Petroleum	HopgoodGanim Lawyers
Aurora Energy	Hytek Group
Beyond Bank Australia	IG Design Group
Blundstone Australia Pty Ltd	IVE Group
Boeing	Kmart Australia
Bunnings	Lotterywest
CBRE Residential Projects	Lowes-Manhattan Pty Ltd
Cherry Collectables	Lumo Energy
CRS	McCosker Contracting Pty Ltd
Dale Alcock Homes	McMillan Shakespeare Limited
Dell Technologies	Michael Hill Jewellers
Department of Communities,	Mitsubishi Development Pty Ltd
Disability Services & Seniors	MUFG Bank
Devlin Engineering & Management	Myer Community Fund

COMPANIES AND ORGANISATIONS (CONTINUED)

Newell Brands	Swiss Re Life & Health Australia Ltd
Omni Executive	TechnologyOne Limited
Parramatta National Rugby League Club	The Channel 7 Telethon Trust
Paypal Giving Fund Australia	The Manildra Foundation
Queensland Government	Transurban
Queenscliffe Holdings Pty Ltd	Twin Towns Clubs and Resorts
Real Estate Institute of WA	Victoria Government
Scentre Group	Westpac
South32	Woodside Energy
Steadfast Group	Woolworths
Suncorp Group	Wythenshawe

INDIVIDUALS AND FAMILIES

Beverley Briese	Mark Westbrook & Sue McDonald
Bogdan Folcik	Merle Fletcher-Savage & Tony Lear
Brian Allen	Michael Burgess
Bryant and Louise Macfie	Mick & Deborah Hayward
Carol & Nigel Price	Mr John (AC) & Mrs Shirley Uhrig
David Madson	Mr John & Mrs Ngaire Roberts
David Robinson	Mr Tim Fairfax AC &
David Stanton	Mrs Gina Fairfax AC
Everdina Gaemers	Norman Rydge
Geoff & Louise Barrow	Patricia D. New
Geoffrey Nettle	Peter & Margaret Callan
Janet F. Grimsdale	Peter Routley
Jean M. Williamson	Robert Rich
Jill Tilly	Roger Massy-Greene AM &
John & Lorraine Bates	Belinda Hutchinson AC
John & Penny McBain	Stanley Kilroy
John Brett	Susan Scotford
Lady Primrose Potter AC	William E. Cant
Maree Bengough	

God loves with a great love the man whose heart is bursting with a passion for the impossible.

William Booth, Co-founder of The Salvation Army

TRUSTS AND FOUNDATIONS

ABC Giving Tree Committee	Fielding Foundation
Agnes & HT Andrew Cheung Endowment	Gladstone Foundation
Alexander Foundation	Gloria McKerrow Endowment
Andrew Pratten Charitable Trust	Goldburg Family Foundation
Annie & John Paterson Foundation Ltd	Grafer Foundation
APS Foundation ATF General	Guthrie Family Memorial Fund
Barry Lambert AM – Count Charitable Foundation	Jack Tilburn Endowment
Birchall Family Foundation Trust	John T Reid Charitable Trusts
Bowen Foundation (Inc)	Jozsef Lengyl Foundation Ltd
Brinsmead Hill Family Foundation	Lord Mayor's Charitable Foundation
Bruce Wall Charitable Trust	Lord Mayor's Charitable Trust (Brisbane)
Cameron Family Foundation	Matana Foundation for Young People
Centenary Foundation - Warren Read Endowment	Musgrave Ancillary Fund Pty Ltd
Charles Warman Foundation	Norma Jenkins Family Trust
Colin Bisdee Trust	Path Of Hope Foundation
Collier Charitable Fund	Philandron Foundation
CommBank Staff Foundation	Property Industry Foundation (Qld)
Deloitte Foundation	Queensland Community Foundation
Ebert Family Charitable Fund	Richard and Ruth Wilson Charitable Foundation
Eureka Benevolent Foundation	Stan & Maureen Duke Foundation Ltd

TRUSTS AND FOUNDATIONS (CONTINUED)

Stan Perron Charitable Foundation	The Lionel & Yvonne Spencer Trust
Tasmanian Community Fund	The Manildra Foundation
TG & JM Matthews Foundation	The MAST Foundation
The Busby Family Fund	The McVay Foundation
The Cassidy Bequest Endowment	The O'Halloran Foundation
The Cory Charitable Foundation	The Orloff Family Charitable Trust
The D & X Williamson Family Charitable Fund	The Phillips Foundation
The Dick & Pip Smith Foundation	The Ragdoll Foundation Pty Ltd
The Donald & Joan Wilson Foundation	The Robert C Bulley Charitable Fund
The Dorothy Levien Foundation	The Robin Beveridge Endowment
The Ernest Heine Family Foundation	The Select Foundation
The George W Vowell Foundation Ltd	The Smidt Foundation
The Hugh D T Williamson Foundation	The Sun Foundation Pty Ltd
The Inagh Foundation	The Sylvia & Charles Viertel Charitable Foundation
The John & Betty Laidlaw Legacy	The Theodore & Isabella Wearne Charitable Trust
The John & Margaret Schneider Charitable Trust	The Wheeler Family (NQ) Charitable Endowment
The Judith Neilson Foundation	William Angliss (Victoria) Charitable Fund

Faith and works should travel side by side, step answering to step, like the legs of men walking. First faith, and then works; and then faith again, and then works again—until they can scarcely distinguish which is the one and which is the other.

*William Booth,
Co-founder of The Salvation Army*

The Salvation Army Australia Social Fund Aggregated Financial Report

For the year ended 30 June 2022

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The Salvation Army Australia

William and Catherine Booth – Co-Founders

Brian Peddle – General

Robert Donaldson – Territorial Commander

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salvationarmy.org.au



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WORKING FOR
JUSTICE

THANK YOU
AUSTRALIA!

FINANCIAL
REPORT

Trustees' Report

The Trustees of The Salvation Army Australia Social Fund ("Social Fund") submit the following report, together with the financial statements, on the operations of the Social Fund for the financial year ended 30 June 2022 and the independent auditor's report thereon.

TRUSTEES

The Trustees of the Social Fund at any time during or since the end of the financial year are:

Title	Full Name	Position	Date Appointed	Date Ceased
Commissioner	Robert William Donaldson	Territorial Commander	1 July 2019	
Colonel	Mark Douglas Watts	Governance Advisor - IHQ	1 January 2022	
Colonel	Winsome Joy Merrett	Chief Secretary	11 January 2017	
Lieut-Colonel	Winsome May Mason	Assistant Chief Secretary	1 July 2020	
Lieut-Colonel	Neil Risely Venables	Secretary for Communications and Business Support	7 March 2022	
Captain	Colin Leslie Francis Reynolds	Corps Officer	1 July 2020	
Captain	Stuart Norman McGregor Glover	Secretary for Mission	20 September 2021	
Colonel	Geanette Frances Seymour	Retired Officer & Board Member	1 August 2018	1 January 2022
Colonel	Kelvin Leslie Merrett	Assistant Chief Secretary	1 February 2020	1 March 2022
Lieut-Colonel	Lynette Ann Edge	Secretary for Mission	1 August 2018	20 September 2021

PRINCIPAL ACTIVITIES AND OBJECTIVES

During the year, the principal continuing activities of the Social Fund comprised of:

- Aged Care
- Employment, education and training services
- Legal representation/services
- Housing and homelessness programs
- Family and domestic violence programs
- Community support services
- Humanitarian services
- Overseas aid
- Chaplaincy programs
- Addiction, alcohol and other drugs programs
- Salvos Stores

Legal representation/services were wound down and ceased to operate during the financial year.

The Social Fund provides welfare and social support services across Australia and overseas – in cities, country towns and rural communities. Our work touches every demographic and age group. The Social Fund is involved in national issues while also bringing hope to people who may be experiencing hardship or injustice. We speak about justice, compassion and other issues that support the welfare of others and view them as a whole person – body, mind and spirit.

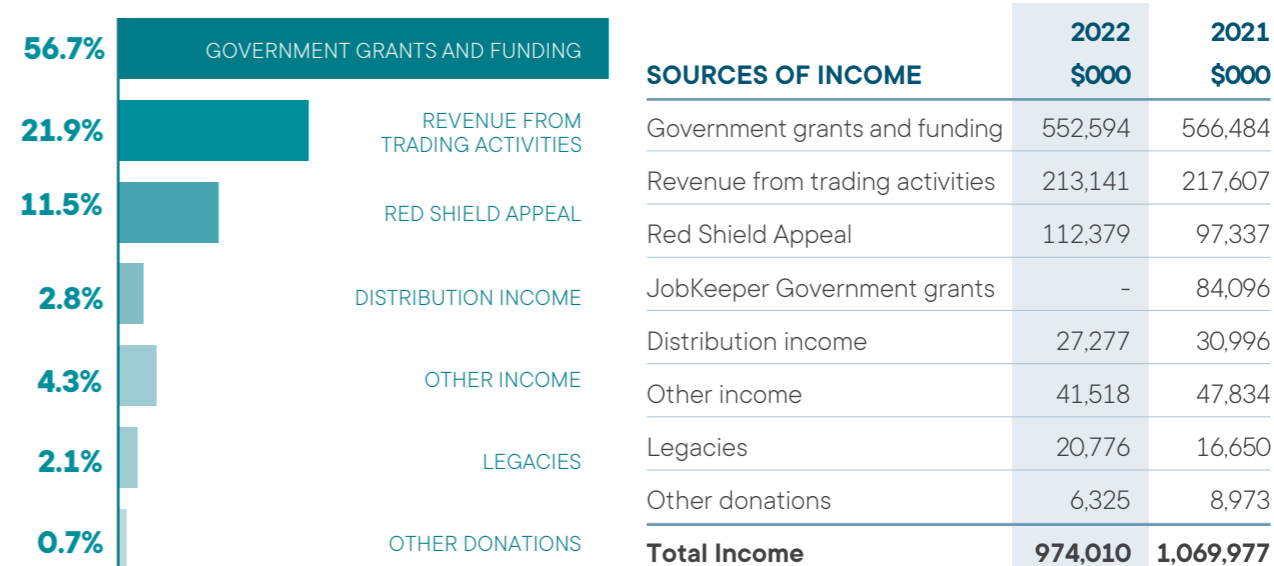
REVIEW OF OPERATIONS

The Social Fund's operating result was a net income after allocations of \$23.5m (2021: \$10.6m net income) whilst total operating expenses were \$1,013m (2021: \$995.1m). In line with The Salvation Army Australia Territory's policies and compliance with donors' restrictions on the use of certain funds, net transfers of \$15.6m from capital funds (2021: \$85.7m to capital funds) were made to various reserves for specific purposes.

	2022 \$000	2021 \$000
Revenue	974,010	1,069,977
Expenditure	(1,013,031)	(973,692)
Net expenditure before Allocations	(39,021)	96,285
Allocations (to)/from Working Capital Fund	15,568	(85,680)
Net income/(Net expenditure) after Allocations (before Other Comprehensive Income)	(23,453)	10,605
Other items	-	(52)
Total Comprehensive Income/(Expenditure) after Allocations	(23,453)	10,553

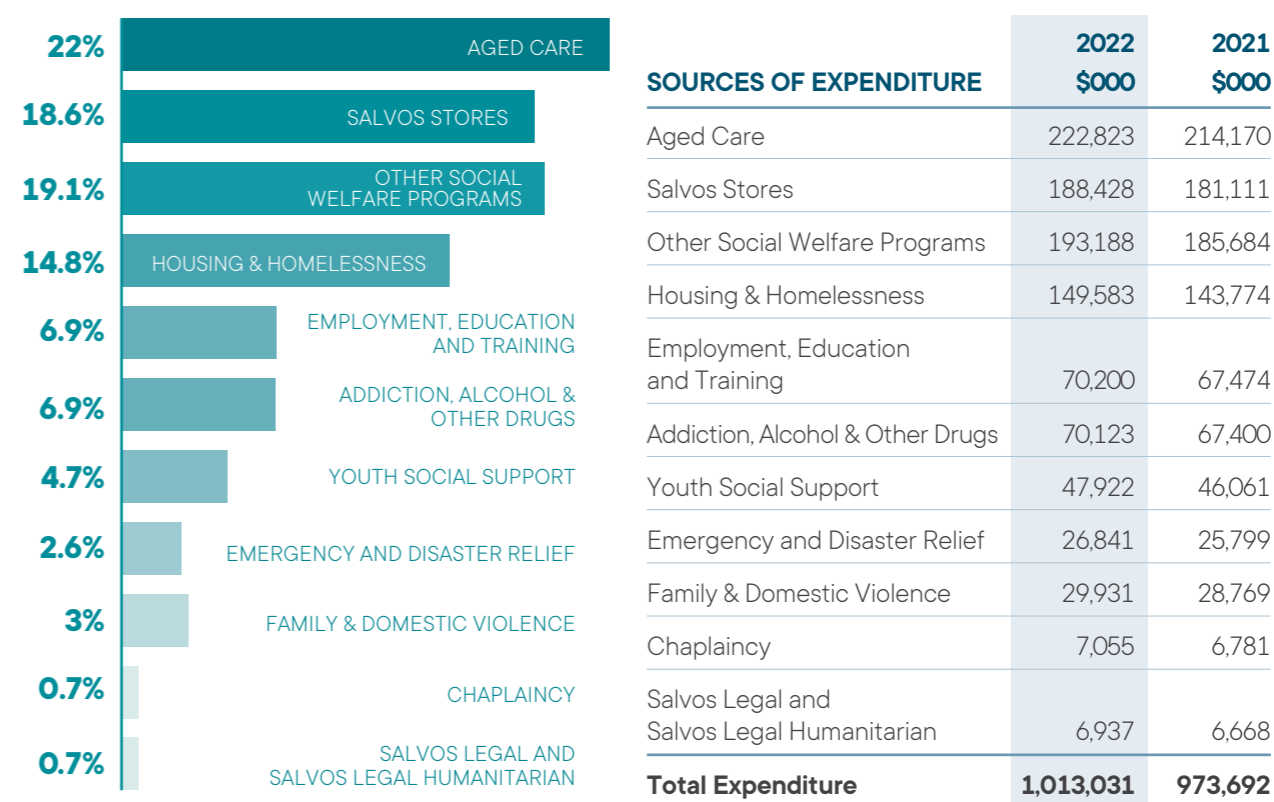
SOURCES OF INCOME

The following is a summary of the main sources of income for the Social Fund.



SOURCES OF EXPENDITURE

The following is a summary of the areas of expenditure within social program category, in relation to social services provided by the various centres operating within the Social Fund in 2022.



The 2022 result included the following:

- The Red Shield Appeal recorded income of \$112.4m (2021: \$97.3m) before fundraising expenses for the year ended 30 June 2022. Recorded within Red Shield Appeal income was \$35.4m donor designated gifts including emergency appeals and disaster relief (2021: \$16.7m). Fundraising expenses incurred were \$22.3m (2021: \$20.6m). No Red Shield Appeal funds are used to cover National Redress Scheme claims.
- Legacy income \$20.8m (2021: \$16.7m) was received during the year. Legacy income received from one year to the next can fluctuate considerably, given the uncertain nature of this type of income. Apart from those bequests that specified particular programs or activities for which the funds have been set aside in reserves until able to be used, additional funding was able to be allocated towards the operational costs of the Social Fund, as well as further funds being set aside for future capital expenditure requirements.
- Salvo's stores performance was impacted by COVID-19 given periods of lockdown contributing to slight reduction in revenue from trading activities of \$3m.

DEVELOPMENTS

During the year, the ongoing effects of COVID-19 continued to impact The Salvation Army. The organisation continued to operate remotely where possible however our retail stores were again forced to close for periods throughout the year and our ability to hold services and run community events was restricted particularly in the states of Victoria and New South Wales. Demand for services for homelessness, financial difficulty and family violence remained high.

The Salvation Army continues to provide community services, assistance and support to the community and its members.

EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Trustees of the Social Fund, to affect significantly the operations of the Social Fund, the results of those operations, or the state of affairs of the Social Fund, in future financial years.

ENVIRONMENTAL ISSUES

The Social Fund is subject to environmental regulations under the law of the Commonwealth and of a State. However, the governing body of the Social Fund believes that adequate systems are in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Social Fund.

INSURANCE OF OFFICERS

The Social Fund has, during the financial year, paid an insurance premium in respect of an insurance policy for the benefit of the Trustees and Officers of the Social Fund. The insurance is in the normal course of business and grants indemnity for liabilities permitted to be indemnified by The Salvation Army Australia Territory under Section 199 of the *Corporations Act 2001 (Cth)*. In accordance with commercial practice, the insurance policy prohibits disclosure of the terms of the policy including the nature of the liability insured against and the amount of the premium.

ROUNDING OF AMOUNTS

Amounts in this report have been rounded off to the nearest thousand dollars except where otherwise indicated.

AUDITOR

KPMG continues as the Social Fund's auditor at the date of this report.

LEAD AUDITOR'S INDEPENDENCE DECLARATION

The Lead auditor's independence declaration is set out on page 100 and forms part of the Trustees' report for the financial year ended 30 June 2022.

Signed in accordance with a resolution of the Trustees:



Neil Venables

Secretary for Communications
and Business Support
TRUSTEE



Winsome Merrett

Chief Secretary
TRUSTEE

Dated at Melbourne this 16th day of November 2022

Aggregated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2022

	Note	2022 \$000	2021 \$000
Revenue	2	905,215	991,147
Distribution income		27,277	30,996
Other income		41,518	47,834
Total revenue and other income		974,010	1,069,977
Employee expenses		(570,439)	(555,563)
Depreciation expenses	6, 8	(68,359)	(73,675)
Computer expenses		(13,295)	(12,361)
Welfare/Jobseeker expenses		(74,284)	(118,008)
Building/Occupancy expenses		(108,205)	(108,410)
Motor Vehicle expenses		(9,740)	(10,570)
Rollover accommodation bond credits		(546)	(162)
Amenities and supplies		(44,723)	(43,949)
Professional fees expenses		(20,364)	(19,701)
Financing expenses		(5,663)	(6,153)
Fair value (loss)/gain		(32,768)	21,407
Other expenses from ordinary activities		(64,645)	(46,547)
Total operating expenses		(1,013,031)	(973,692)
Operating net (expenditure)/income		(39,021)	96,285
Other comprehensive income			
Other items		-	(52)
Total comprehensive (loss)/income for the year		(39,021)	96,233

The accompanying notes on pages 72 – 98 form part of these financial statements.

Aggregated Statement of Financial Position

For the year ended 30 June 2022

	Note	2022 \$000	2021 \$000
ASSETS			
Current Assets			
Cash and cash equivalents		38,631	37,115
Trade and other receivables	4	14,985	26,693
Prepayments		2,815	3,633
Other financial assets	5	8,044	8,023
Inventories		4,072	5,065
Non-current assets held for sale		3,084	1,438
Total Current Assets		71,631	81,967
Non-Current Assets			
Trade and other receivables	4	30,490	30,380
Other financial assets	5	647,044	684,708
Property, plant and equipment	6	722,951	707,416
Right-of-use assets	8	188,648	202,505
Total Non-Current Assets		1,589,133	1,625,009
TOTAL ASSETS		1,660,764	1,706,976
LIABILITIES			
Current Liabilities			
Lease liabilities	8	39,214	41,009
Trade and other payables	9	79,068	83,574
Employee benefits	10	40,495	39,996
Provisions	11	12,982	13,974
Interest free loans	12	220,865	215,170
Total Current Liabilities		392,624	393,723
Non-Current Liabilities			
Lease liabilities	8	141,344	151,132
Employee benefits	10	7,381	7,816
Provisions	11	23,885	19,754
Interest free loans	12	8,272	8,272
Total Non-Current Liabilities		180,882	186,974
TOTAL LIABILITIES		573,506	580,697
NET ASSETS		1,087,258	1,126,279
CAPITAL FUNDS			
Working Capital fund		1,000	24,453
Property contributions fund		610,540	602,739
Reserves		314,260	338,260
Trusts and special purpose funds		77,295	77,863
Legacies		84,163	82,964
TOTAL CAPITAL FUNDS		1,087,258	1,126,279

The accompanying notes on pages 72 – 98 form part of these financial statements.

Aggregated Statement of Cash Flows

For the year ended 30 June 2022

Note	2022 \$000	2021 \$000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash receipts in the course of operations*	1,039,763	1,146,878
Cash payments in the course of operations	(986,829)	(1,055,887)
Interest paid	(5,663)	(6,153)
Interest received	27,277	30,996
Net cash provided by/(used in) operating activities	74,548	115,834
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for investments	(79,049)	(44,547)
Receipts from disposal of investments	83,923	-
Payments for property, plant and equipment	(51,890)	(46,285)
Proceeds from sale of property, plant and equipment	7,960	16,133
Net cash provided by/(used in) investing activities	(39,056)	(74,699)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of lease liabilities	(40,006)	(39,675)
Proceeds from residents' accommodation bonds and other deposits received	61,743	61,298
Repayment of residents' accommodation bonds and other deposits	(55,713)	(55,220)
Net cash provided by/(used in) financing activities	(33,976)	(33,597)
Net increase/(decrease) in cash and cash equivalents held	1,516	7,538
Cash and cash equivalents at beginning of year	37,115	29,577
Cash and cash equivalents at end of financial year	38,631	37,115

*Cash receipts in the course of operations includes \$101,876k for 2021 financial year in relation to the Federal Government JobKeeper Program. No amounts were received in 2022 as the Federal Government ceased these payments.

The accompanying notes on pages 72 – 98 form part of these financial statements.

Aggregated Statement of Changes in Equity

For the year ended 30 June 2022

	Working Capital Fund \$000	Property Contribution Fund \$000	Reserves \$000	Trusts and Special Purpose Fund \$000	Legacies \$000	Total \$000
2021						
Balance at 1 July 2020	13,848	597,575	248,422	98,431	71,770	1,030,046
Operating net income	96,285	-	-	-	-	96,285
Other comprehensive income	-	-	(52)	-	-	(52)
	110,133	597,575	248,370	98,431	71,770	1,126,279
Net transfers and allocations within other capital funds	(85,680)	5,164	89,890	(20,568)	11,194	-
Balance at 30 June 2021	24,453	602,739	338,260	77,863	82,964	1,126,279
2022						
Balance at 1 July 2021	24,453	602,739	338,260	77,863	82,964	1,126,279
Operating net expenditure	(39,021)	-	-	-	-	(39,021)
Other comprehensive income	-	-	-	-	-	-
	(14,568)	602,739	338,260	77,86	82,964	1,087,258
Net transfers and allocations within other capital funds	15,568	7,801	(24,000)	(568)	1,199	-
Balance at 30 June 2022	1,000	610,540	314,260	77,295	84,163	1,087,258

The accompanying notes on pages 72 – 98 form part of these financial statements.



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For the year ended 30 June 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Salvation Army is a not-for-profit organisation and has been operating in Australia since 1880.

The Salvation Army Australia is domiciled in Australia and the address of the organisation's registered office is:

The Salvation Army Australia
95-99 Railway Rd,
Blackburn VIC 3130

The Salvation Army Australia Social Fund ('Social Fund') includes the following operations:

- The Salvation Army (Victoria) Property Trust (ABN 64 472 238 844) established pursuant to *The Salvation Army (Victoria) Property Trust Act 1930*;
- The Salvation Army (Tasmania) Property Trust (ABN 94 917 169 560) established pursuant to *the Salvation Army (Tasmania) Property Trust Act 1930*;
- The Salvation Army (South Australia) Property Trust (ABN 13 320 346 330) established pursuant to *The Salvation Army (South Australia) Property Trust Act 1931*;
- The Salvation Army (Western Australia) Property Trust (ABN 25 878 329 270) established pursuant to *The Salvation Army (Western Australia) Property Trust Act 1931*;
- The Salvation Army (Northern Territory) Property Trust (ABN 65 906 613 779) established pursuant to *the Salvation Army (Northern Territory) Property Trust Act 1976*;
- The Salvation Army (New South Wales) Property Trust (ABN 57 507 607 457) established pursuant to *The Salvation Army (New South Wales) Property Trust Act 1929*;
- The Salvation Army (Queensland) Property Trust (ABN 32 234 126 186) established pursuant to *the Salvation Army (Queensland) Property Trust Act 1930*;
- The Salvation Army (Victoria) Property Trust atf The Salvation Army (VIC) Social Work (ABN 18 730 899 453);
- The Salvation Army (Tasmania) Property Trust atf The Salvation Army (TAS) Social Work (ABN 23 860 168 024);
- The Salvation Army (South Australia) Property Trust atf The Salvation Army (SA) Social Work (ABN 45 781 882 681);
- The Salvation Army (Western Australia) Property Trust atf The Salvation Army (WA) Social Work (ABN 92 646 174 644);
- The Salvation Army (Northern Territory) Property Trust atf The Salvation Army (NT) Social Work (ABN 34 413 960 392);
- The Salvation Army (New South Wales) Property Trust atf The Salvation Army (NSW) Social Work (ABN 46 891 896 885);
- The Salvation Army (Queensland) Property Trust atf The Salvation Army (QLD) Social Work (ABN 22 035 976 360);
- The Salvation Army (Australia) Redress Limited (ABN 94 628 594 294);
- Salvos Legal Limited (ABN 14 147 213 214);
- Salvos Legal (Humanitarian) Limited (ABN 36 147 212 940);
- The Salvation Army (Australia) Self Denial Fund (For Overseas Aid) (ABN 52 609 689 893);
- The Salvation Army Aust Self Denial Fund (For Overseas Aid) (ABN 15 562 601 404);
- The Salvation Army Community Housing Service (ABN 47 152 257 728);
- Salvation Army Housing (ABN 59 608 346 934); and
- Salvation Army Housing (Victoria) (ABN 85 133 724 651).

In the opinion of the Trustees, having regard to the not-for-profit nature of The Salvation Army, the terms profit and loss have been substituted with the terms 'net income/(expenditure)' as these terms are considered more appropriate given the nature of the Social Fund, as an entity.

The financial report was authorised for issue by the governing body of the Social Fund on 16th November 2022.

(a) Statement of compliance

These special purpose aggregated financial statements are prepared for the Australian Charities and Not-for-profit Commission and comply with all of the recognition and measurement principles of Australian Accounting Standards except that the aggregated operations that comprise the Social Fund do not constitute a group for the purpose of AASB 10 Consolidated Financial Statements. The financial statement disclosures comply with the requirements of 'GPFS-Tier 2 SD' in accordance with 'AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities' adopted

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

by the Australian Accounting Standards Board (AASB), *the Australian Charities and Not-for-profit Commission Act (ACNC) 2012* (Cth) and the Australian Charities and Not-for-profit Commission Regulations 2013 (Cth).

(b) Basis of preparation

The financial report is presented in Australian dollars which is the functional currency of all operations. The financial statements have been prepared on the historical cost basis except for financial instruments and loansreceivable which are measured at fair value.

All amounts in the financial report have been rounded to the nearest thousand dollars except where otherwise indicated. In preparing these aggregated financial statements, management has made judgements, estimates and assumptions that affect the application of the Social Fund's accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Going concern

Notwithstanding a 'current asset versus current liabilities' deficiency of \$320,993k, the financial statements have been prepared on a going concern basis. The deficiency is primarily caused by the requirement under Australian Accounting Standards to classify all accommodation bonds (\$220,865k) as current liabilities, as there is no unconditional right to defer payment for 12 months if residents were to depart an aged care centre. Based on past experience, the Social Fund believes that not all accommodation bonds will need to be refunded within the next 12 months. The Social Fund has a large investment portfolio which is classified as non-current however is highly liquid and can be called upon if required.

Despite the continued uncertainty presented by COVID-19, the Social Fund expects to be able to continue satisfactory operations. Accordingly the financial statements have been prepared on a going concern basis.

Basis of aggregation

(i) Aggregation of operations and activities

The aggregated financial statements incorporates the assets and liabilities and the results of social programs, Salvo Stores, Salvation Army Housing, Salvos Legal, Salvos Legal Humanitarian, Salvos Funerals and The Salvation Army Employment Plus Program.

(ii) Loss of control

When the Social Fund loses control of an entity, it derecognises the assets and liabilities and any related Non-Controlling Interest (NCI) and other components of equity. Any resulting gain or loss is recognised in the Aggregated Statement of Profit or Loss and Other Comprehensive Income. Any interest retained is measured at fair value when control is lost.

(iii) Transactions eliminated on aggregation

Intra-group balances and transactions, and any unrealised income and expenses arising from intragroup transactions, are eliminated in preparing the aggregated financial statements.



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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Property, plant and equipment

(i) Property, plant and equipment at cost

Items of property, plant and equipment are stated at cost, or if donated, at fair value of the asset on the date received less accumulated depreciation. Capital gifts are shown as revenue. Property that is being constructed for future use is classified as 'Buildings under construction' and stated at cost until construction is complete, at which time it is reclassified as 'freehold buildings' or 'leasehold property'. Upon disposal of freehold properties, the income or expenditure on disposal is recorded as income or expenses.

(ii) Depreciation

With the exception of freehold land, depreciation is charged to the Aggregated Statement of Profit or Loss and Other Comprehensive Income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. Depreciation commences from the date of acquisition or, in respect of constructed assets, from the time an asset is completed and ready for use.

The estimated useful lives in the current and comparative periods are as follows:

- | | |
|--|-------------------|
| • Buildings | 50 years |
| • Plant and Equipment (excluding motor vehicles) | 3 years |
| • Motor Vehicles/Trucks/Airplanes/Helicopters | 4 to 20 years |
| • Leasehold Improvements | Term of the lease |

The residual value, the useful life and the depreciation method applied to an asset are reassessed annually.

(iii) Land and buildings held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to dispose. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets or employee benefit assets which continue to be measured in accordance with the Social Fund's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for distribution and subsequent gains and losses on remeasurement are recognised in net income or expenditure.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

(iv) Asset sales

The gain or loss on disposal of all property, plant and equipment is determined as the difference between the carrying value of the asset at time of disposal and the net proceeds on disposal.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial instruments

(i) Financial assets

Financial instruments are recognised initially on the date that the Social Fund becomes party to the contractual provisions of the instrument. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. On initial recognition, the Social Fund classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Social Fund changes its business model for managing financial assets.

Amortised cost

The Social Fund's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the Aggregated Statement of Financial Position. Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment. Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Financial assets at fair value through profit or loss (FVTPL)

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

The Social Fund's financial assets measured at FVTPL comprise of managed funds and loan receivables in the Aggregated Statement of Financial Position.

Impairment of financial assets

Impairment of financial assets, held at amortised cost, has been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Social Fund has determined the probability of non-payment of these financial assets and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in financing expenses. Once these financial assets are determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

(ii) Financial liabilities

The Social Fund measures all financial liabilities initially at fair value less transaction costs, and subsequently, financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Social Fund comprise trade payables, interest free loans and lease liabilities.

Notes to the Financial Statements

For the year ended 30 June 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Measurement of fair values

A number of the Social Fund's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Social Fund has an established control framework with respect to the measurement and disclosure of fair values. This includes management that has overall responsibilities for all significant fair value measurements, including Level 3 fair values, and reports directly to the Trustees. The carrying amounts and fair value of the Social Fund financial assets, measured or disclosed at fair value are determined using a 3-level hierarchy, being:

- Level 1: Quoted prices (unadjusted) in active markets for identical markets that the entity can access at the measurement date
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the assets either directly or indirectly
- Level 3: Unobservable inputs for the assets

The unlisted units in managed investment funds are level 2 financial assets and their carrying value approximates their fair market value.

Loan receivables include refundable loans from 99 year leases that The Salvation Army purchased from independent living units to accommodate residents from one of its Independent Living Units to make way for an aged care development. The loan receivables are recognised at fair value net of a management fee payable over a maximum of 10 years and incorporate any fair value adjustment in relation to a terminal value. The terminal value results in The Salvation Army sharing in any capital gain or loss.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank and cash in transit balances with an original maturity of 3 months or less from the acquisition date that are subject to an insignificant risk of change in their fair value.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Accommodation Bonds and Resident Loans

(i) Rollovers

Prior to 1 August 2002, the practice of the Social Fund was to 'rollover' an independent living unit (ILU) resident's ingoing refundable accommodation deposit when that resident moved from an ILU into low care/hostel accommodation on the same site. As part of the sale of various aged care centres on 1 July 2005, the Social Fund retained responsibility, under certain conditions, to fund part/all of any future accommodation bonds charged to ILU residents who had resided at such centres prior to 1 August 2002, when they moved into low care/hostel accommodation on the same site. The majority of any funds released under this 'rollover' policy will be repaid to the Social Fund when the residents vacate the aged care centre.

An assessment was made at balance date by the Social Fund as to the present value of estimated future payments under this rollover policy, and estimated receivables representing funds to be returned to the Social Fund, when the residents vacate the aged care centre, with any adjustment recorded through the Aggregated Statement of Profit or Loss and Other Comprehensive Income.

Various assumptions have been included in the calculation of the present value of these estimated receivable and payable balances, including 10-year government bond rate of 3.69%pa (2021: 1.49%pa) decrement rate assumption of 20%pa (2021: 20%pa), refundable accommodation deposit percentage increase rate of 3%pa (2021: 3%pa) refundable accommodation deposit levels and the estimated inflows and outflows for residents eligible for assistance.

(ii) Refundable/Amortisable Accommodation Bonds

Many residents of aged care centres pay a refundable and amortisable accommodation bond to the Social Fund. The refundable portion is in the form of an interest free loan repayable in full.

(iii) ILUs and Resident Loans

Resident loans are non-interest bearing liabilities to residents of independent living units (ILUs). The loans represent the initial payments made by residents to The Salvation Army to gain entry to an independent living unit net of the accrued deferred management fee. The loans are payable to a resident on the termination of the resident's occupation rights to the independent living unit.

Notwithstanding the expected term of an occupancy is several years, the resident has the option to cancel the residency agreement at any time. As this option constitutes a demand feature, the liability is not discounted. Liabilities to ILU residents are stated net of deferred management fees recoverable.

Additionally, Warringah Place is one of The Salvation Army's resident funded ILUs. Residents of Warringah Place are Registered Interest Holders under the *Retirement Villages Act 1999 (NSW)*. The ILUs are issued under long term leases and residents share in capital gains and losses.

The lease refurbishment contribution is calculated as either 2.5% of the original lease premium for each year of the lease to a maximum of 10 years or 10% of the original lease premium for each year of the lease to a maximum of 30%, and accounted for as refurbishment contribution receivable.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. No value is assigned to donated goods where the value of the item is of nominal or low value.

Inventory is assessed on a regular basis, and slow moving or damaged items are provided for within a provision for stock obsolescence.

(i) Impairment of non-financial assets

The carrying amounts of the Social Fund's assets, other than inventories and financial instruments, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists the assets recoverable amount is estimated and is compared to the assets carrying value. An impairment loss is recognised if the carrying value of the asset exceeds the recoverable amount.

(j) Employee benefits

(i) Defined contribution superannuation funds

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the Aggregated Statement of Profit or Loss and Other Comprehensive Income as incurred.

(ii) Wages, salaries, annual leave and non-monetary benefits

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the Social Fund expects to pay as at reporting date including related on-costs.

(iii) Long-term service benefits

The Social Fund's net obligation in respect of long-term service benefits, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to high quality corporate bonds at the reporting date which have maturity dates approximating the term of the Social Fund's obligations. Remeasurements are recognised as income or expenditure in the Aggregated Statement of Profit and Loss and Other Comprehensive Income as incurred.

(k) Provisions

A provision is recognised in the Aggregated Statement of Financial Position when the Social Fund has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

Cash flows in the Aggregated Statement of Cash Flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(m) Revenue and other income

(i) Other donations

Donations are recognised as revenue in the Social Fund to allow it to further its objectives where the Social Fund receives cash in exchange for no consideration. Where donations contain specific performance obligations, the revenue is recognised over time as work is performed. Where a donation does not have a specific condition, it is recognised as income when received.

(ii) Legacies

Legacies are recognised when the Social Fund receives the legacy. Revenue from legacies comprising bequests of shares or other property are recognised at fair value, being the market value of the shares or property, at a point in time, when the Social Fund becomes legally entitled to the shares or property.

(iii) Red Shield Appeal

The Salvation Army Red Shield Appeal is an annual appeal. The amounts received and corresponding fundraising expenses are reflected in the financial report in the same year as the appeal. Red Shield Appeal monies are recognised as revenue where the Social Fund acquires or receives an asset (including cash) in exchange for no consideration, in order to further its objectives. In circumstances where there are sufficiently enforceable rights and/or sufficiently specific performance obligations, revenue is deferred initially as a liability and is then recognised as obligations or conditions are fulfilled.

(iv) Government grants

The Social Fund's social program activity is supported by grants received from the federal, state and local governments. Grants can be received on the condition of specified services being delivered, or conditions being fulfilled. Such grants are initially recognised as a liability called prepaid government funding and revenue is recognised as services are performed or conditions fulfilled. Revenue from grants, where there is a lack of enforceable rights and obligations and/or sufficiently specific performance obligations, is recognised when the organisation obtains control of the funds.

(v) Resident contributions and patient fees

Resident fee income is recognised over time as the service is delivered to the resident. Accrued resident income represents an estimate of fees due from residents not billed at balance date.

(vi) Government funding - fee for service

Revenue from employment administration services is recognised on a percentage completion basis overtime. Revenue from employment outcomes is recognised at a point in time when the unconditional right to receive the outcome fee is earned.

Notes to the Financial Statements

For the year ended 30 June 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Revenue and other income (continued)

(vii) Revenue from trading activities

Revenue from the sale of goods comprises revenue earned (net of returns, discounts and allowances) from the sale of goods for resale and gifts donated for resale. Sales revenue is recognised when the control of goods passes to the customer.

(viii) Distribution income and Fair value adjustment - investments

Distribution income comprises interest and dividends. Fair value adjustment - investments comprises the net gain on financial assets at FVTPL. The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

Interest income is recognised using the effective interest method. Dividend income is recognised in income or expenditure on the date on which the Social Fund's right to receive payment is established.

(ix) Contributions in Kind

No amounts are included in the aggregated financial statements for services donated by volunteers, or donated goods that have a low or nominal value.

(n) Expenses

Borrowing costs are expensed as incurred, and lease interest expense associated with lease liabilities, is included in financing expenses.

(o) Accounting estimate and judgments

The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i) Key sources of estimation uncertainty

Note 11 contains information about the provision for National Redress, and Note 1(g)(i) contains information about rollover receivable and payable balances.

(p) Leases

(i) Determining whether an arrangement contains a lease

At inception of a contract, the Social Fund assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Social Fund uses the definition of a lease in AASB 16 Leases along with the application guidance provided in the Standard.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Leases (continued)

(ii) Recognition

Lease terms

Property leases that are not peppercorn arrangements typically have a maximum term of up to 10 years from commencement, including the first renewal option. Property leases normally include provisions for annual increases in rental payments to reflect changes in fixed percentage increases and/or changes in the consumer price index (CPI).

Motor vehicle leases are typically for a maximum period of 5 years, and are expected to run their full terms.

(iii) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease, which is the date on which the lessor makes the leased asset available to the Social Fund. The right-of-use asset is measured at cost, which comprises the initial present value amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Where the Social Fund does not expect to obtain ownership of the leased asset at the end of the lease term, right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the Social Fund expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is recognised over its estimated useful life. Right-of-use assets are subject to impairment. In addition, the right-of-use asset is periodically adjusted for any reassessments and modifications of the lease liability.

(iv) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments that are not paid at the commencement date and are to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Social Fund's incremental borrowing rate. Lease payments comprise fixed payments (including any in-substance fixed payments), plus any variable lease payments that depend on an index or rate (initially measured using the index or rate as at the commencement date), less any lease incentives received, plus any amounts expected to be paid under residual value guarantees, plus the exercise price of a purchase option when the exercise of the option is reasonably certain to occur, plus any anticipated termination penalties.

The Social Fund has determined its incremental borrowing rates based on rates it would otherwise currently pay in respect to debt facilities for similar assets, adjusted to reflect the terms of the particular lease and the nature of the underlying leased asset.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in one or more of the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, and/or to income or expenditure if the carrying amount of the right-of-use asset is fully written down.



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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Leases (continued)

(iv) Lease liabilities (continued)

Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

Extension and termination options are a feature of most of the property leases agreements that the Social Fund is a lessee party to. All extension and termination options held are exercisable only by the Social Fund and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension and termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. Decisions around lease term and the likelihood of extending a lease (where an extension option is available) are based on the class of asset, nature of the lease and the number of years remaining on the initial lease term. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the Social Fund as lessee.

When the Social Fund renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;
- in all other cases where the renegotiations increase the scope of the lease, the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount; and
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference immediately recognised in income or expenditure. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

(v) Lease exemptions and elections

AASB 16 provides the option to elect, on an asset class-by-asset class basis, not to separate payments in respect to non-lease components (such as outgoings) from lease component payments, and measure the associated right-of-use asset and lease liability based on all of the payments under the agreement. The Social Fund has not applied this practical expedient and therefore has excluded any material nonlease component payments from the measurement of its right-of-use assets and lease liabilities.

The Social Fund has elected to apply incremental borrowing rates by class of asset. Classes include property and vehicles.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Leases (continued)

(v) Lease exemptions and elections (continued)

Peppercorn leases principally enable the Social Fund to further its objectives where a 'peppercorn' amount is paid as consideration to a lessor. The AASB issued AASB 2018-8 Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities, which allows not-for-profit entities to elect to measure 'peppercorn' or concessionary leases at cost, rather than fair value. Peppercorn leases are incorporated within the 'Property' class of right-of-use lease assets.

The Australian Accounting Standards Board issued AASB 2020-4 Amendments to Australian Accounting Standards - COVID-19-Related Rent Concessions (Amendment to AASB 16) in June 2020. This amendment introduced an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of COVID-19. A lessee that applies the practical expedient is not required to assess whether eligible rent concessions are lease modifications, and accounts for them in accordance with other applicable guidance. In April 2021, AASB 2021-3 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions beyond 30 June 2021 was issued to extend the practical expedient to rent concessions that reduce only lease payments originally due on or before 30 June 2022. The Social Fund has elected to apply the practical expedient to all of the COVID-19 related rent concessions it has obtained as lessee. For rent concessions in leases that do not qualify for the practical expedient, the Social Fund assesses whether there is a lease modification.

(q) New Accounting Standards and Interpretations

New standards adopted during the year

A number of new standards, amendments to standards and interpretations are effective from 1 July 2021 but they do not have a material effect on the Social Fund.

New standards not yet adopted

A number of new standards are effective for annual periods beginning on or after 1 July 2022 and earlier application is permitted, however, the Social Fund has not early adopted the new or amended standards in preparing these aggregated financial statements.

None of these are expected to have a significant effect on the financial statements of the Social Fund.

(r) Income Tax

The Social Fund is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.



OVERVIEW

OUR LEADERSHIP

SNAPSHOTS

LIVING OUR MISSION

CARING FOR PEOPLE

CREATING FAITH PATHWAYS

BUILDING HEALTHY COMMUNITIES

WORKING FOR JUSTICE

THANK YOU AUSTRALIA!

FINANCIAL REPORT

Notes to the Financial Statements

For the year ended 30 June 2022

2. REVENUE

	2022 \$000	2021 \$000
Government grants	381,875	401,669
Government funding - fee for service	90,373	85,565
Resident contributions and patient fees	80,346	79,250
Revenue from trading activities	213,141	217,607
Red Shield Appeal donations	112,379	97,337
JobKeeper Government grants	-	84,096
Legacies income	20,776	16,650
Other donations	6,325	8,973
Total Revenue	905,215	991,147

3. AUDITORS' REMUNERATION

	2022 \$	2021 \$
Audit services - KPMG Australia	831,166	923,986
Other services - KPMG Australia	80,271	83,234
Total Auditors' Remuneration	911,437	1,007,220

4. TRADE AND OTHER RECEIVABLES

	2022 \$000	2021 \$000
Current		
Accommodation Bond Rollovers	1,208	1,499
Sundry debtors	13,777	25,194
Total Current Trade and other receivables	14,985	26,693
Non-Current		
Accommodation Bond Rollovers	6,918	10,667
Loan Receivable - Independent Living Units	7,044	3,693
Independent Living Unit - Lease Refurbishment Contribution	10,757	10,133
Sundry debtors	5,771	5,887
Total Non-Current Trade and other receivables	30,490	30,380

5. OTHER FINANCIAL ASSETS

Current

Short term deposits

2022 \$000	2021 \$000
8,044	8,023

Non-current

Unlisted units in managed investment funds

647,044	684,708
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Unlisted units in managed investment funds are those where the Social Fund invests its surplus cash with General Fund who in turn invest those funds with third parties. Accordingly, the nature of the Social Fund's investments in this regard is unlisted units in a managed investment fund operated by the General Fund.

The General Fund typically on-invests the Social Fund's capital principally in third party managed investments associated with Australian equity market indices and Australian property as well as a small portion of the overarching portfolio in Australian equities 7.6% (2021: 6%) and fixed interest securities 3.1% (2021: 2.6%).

The returns earned by the Social Fund are influenced by the investment returns of the General Fund and passed back to the Social Fund on a pro-rata basis, based on the Social Fund's contribution to each investment made by the General Fund.

6. PROPERTY, PLANT AND EQUIPMENT

Freehold Land and Buildings

Freehold land at cost

2022 \$000	2021 \$000
106,456	113,692
766,706	724,738
(232,151)	(220,934)
641,011	617,496

Buildings at cost

Accumulated depreciation

Leasehold Improvements

At cost

Accumulated depreciation

27,613	30,756
(25,932)	(29,449)
1,681	1,307

Buildings under construction - at cost

38,985	52,812
--------	--------

Motor vehicles

At cost

Accumulated depreciation

10,994	11,273
(9,680)	(9,262)
1,314	2,011

Plant and equipment

At cost

Accumulated depreciation

108,977	93,541
(69,017)	(59,751)
39,960	33,790

Total property, plant and equipment

722,951	707,416
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Notes to the Financial Statements

For the year ended 30 June 2022

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Freehold Land and Buildings \$000	Buildings under construction - at cost \$000	Plant and Equipment \$000	Motor Vehicles \$000	Leasehold Improvements \$000	Total \$000
Year ended 30 June 2021						
Balance at the beginning of year	622,372	41,334	28,425	4,342	1,851	698,324
Additions/Transfers in	19,460	32,551	11,768	3,131	448	67,358
Transfers out	(1,438)	(21,073)	-	-	-	(22,511)
Disposals	(8,807)	-	(38)	(4,264)	(25)	(13,134)
Depreciation	(14,091)	-	(6,365)	(1,198)	(967)	(22,621)
	617,496	52,812	33,790	2,011	1,307	707,416

	Freehold Land and Buildings \$000	Buildings under construction - at cost \$000	Plant and Equipment \$000	Motor Vehicles \$000	Leasehold Improvements \$000	Total \$000
Year ended 30 June 2022						
Balance at the beginning of year	617,496	52,812	33,790	2,011	1,307	707,416
Additions/Transfers in	46,319	36,185	16,664	909	1,216	101,293
Transfers out	(3,698)	(50,012)	-	-	-	(53,710)
Disposals	(3,913)	-	(706)	(669)	(11)	(5,299)
Depreciation	(15,193)	-	(9,788)	(937)	(831)	(26,749)
	641,011	38,985	39,960	1,314	1,681	722,951

7. COMMITMENTS

The Social Fund is constantly engaged in planned and ongoing construction projects requiring the commitment of significant funds.

	2022 \$000	2021 \$000
Cost to complete Buildings under construction	60,705	35,976

8. LEASES

Right-of-use assets

	Property \$000	Motor Vehicles \$000	Total \$000
Cost			
At 1 July 2020	208,623	8,075	216,698
Additions	11,127	6,466	17,593
Reassessments and modifications	55,362	(3,740)	51,622
Disposals	(2,863)	(1,428)	(4,291)
At 30 June 2021	272,249	9,373	281,622
Additions	3,618	1,629	5,247
Reassessments and modifications	25,065	311	25,376
Disposals	(13,312)	(1,453)	(14,765)
At 30 June 2022	287,620	9,860	297,480
Accumulated depreciation			
At 1 July 2020	33,221	3,169	36,390
Depreciation	49,187	1,867	51,054
Reassessments and modifications	(4,423)	(4)	(4,427)
Disposals	(2,775)	(1,125)	(3,900)
At 30 June 2021	75,210	3,907	79,117
Depreciation	38,741	2,869	41,610
Reassessments and modifications	(538)	(14)	(552)
Disposals	(9,933)	(1,410)	(11,343)
At 30 June 2022	103,480	5,352	108,832
Net carrying amount			
At 30 June 2021	197,039	5,466	202,505
At 30 June 2022	184,140	4,508	188,648

Notes to the Financial Statements

For the year ended 30 June 2022

8. LEASES (CONTINUED)

Lease liabilities

	Property \$000	Motor Vehicles \$000	Total \$000
At 1 July 2020	159,591	4,917	164,508
Additions	11,127	6,466	17,593
Interest expense	5,614	102	5,716
Lease liability payments	(42,053)	(3,338)	(45,391)
Reassessments and modifications	51,408	(1,283)	50,125
Disposals	(92)	(318)	(410)
At 30 June 2021	<u>185,595</u>	<u>6,546</u>	<u>192,141</u>
Included in the financial statements as:			
Current liabilities	38,071	2,938	41,009
Non-current liabilities	147,524	3,608	151,132
At 30 June 2021	185,595	6,546	192,141
Additions	3,618	1,629	5,247
Interest expense	4,770	261	5,031
Lease liability payments	(41,516)	(3,521)	(45,037)
Reassessments and modifications	26,292	318	26,610
Disposals	(3,391)	(43)	(3,434)
At 30 June 2022	<u>175,368</u>	<u>5,190</u>	<u>180,558</u>
Included in the financial statements as:			
Current liabilities	36,724	2,490	39,214
Non-current liabilities	138,644	2,700	141,344
	<u>175,368</u>	<u>5,190</u>	<u>180,558</u>

8. LEASES (CONTINUED)

Amounts recognised in Cash Flows from Financing Activities in Aggregated Statement of Cash Flows:

	Property \$000	Motor Vehicles \$000	Computer Software \$000
30 June 2021			
Lease liability payment	(36,439)	(3,236)	-
30 June 2022			
Lease liability payment	(36,745)	(3,259)	-

Amounts recognised in Cash Flows from Operating Activities in Aggregated Statement of Cash Flows:

	Property \$000	Motor Vehicles \$000	Computer Software \$000
30 June 2021			
Interest payment	(5,614)	(102)	-
30 June 2022			
Interest payment	(4,770)	(261)	-

Refer to Note 16 for further information on financial risk management, and maturity analysis covering contractual maturities representing undiscounted contractual cash flows of all lease liabilities recognised.

Leases with significantly below-market terms and conditions ('Peppercorn')

The Social Fund has the right to use a number of properties for no or nominal rental payments in order to further the entity's not-for-profit objectives. The lease terms for these properties range from 1 - 92 years. The Social Fund is permitted to continue to use the properties provided that The Salvation Army's status as a not-for-profit entity does not change and that it continues to operate for the benefit of the community.

The Social Fund elected to measure the right of use asset arising from these leases at cost, which is based on the associated lease liability. The carrying amounts attributable to Peppercorn leases were as follows:

	2022 \$	2021 \$
Right of use assets	2,020	87,461
Accumulated depreciation	(505)	(72,121)
Total lease liability	1,548	15,399

Notes to the Financial Statements

For the year ended 30 June 2022

9. TRADE AND OTHER PAYABLES

	2022 \$000	2021 \$000
Current		
Sundry creditors and accruals	42,789	53,333
Prepaid government funding for social programs	36,279	30,241
Total Current Trade and other payables	79,068	83,574

10. EMPLOYEE BENEFITS

	2022 \$000	2021 \$000
Current		
Annual leave	27,570	27,061
Long service leave	12,925	12,934
	40,495	39,995
Non-Current		
Long service leave	7,381	7,816

The Social Fund contributed \$44,466,085 (2021: \$42,762,755) on behalf of employees to the superannuation plans of their choice, in accordance with superannuation guarantee legislation.

11. PROVISIONS

	2022 \$000	2021 \$000
Current		
Accommodation bond rollovers	689	1,044
National Redress	12,293	12,930
Total Current Provisions	12,982	13,974
Non-Current		
Accommodation bond rollovers	3,241	5,480
National Redress	19,477	13,081
Make good of leased premises	1,167	1,193
Total Non-Current Provisions	23,885	19,754

The Salvation Army Australia has publicly expressed it is deeply regretful of any incident of historical abuse perpetrated.

The *National Redress Scheme for Institutional Child Sexual Abuse Act 2018 (Cth)* (National Redress Scheme) was assented to on 21 June 2018, and is in direct response to the Royal Commission into Institutional Responses to Child Sexual Abuse. On 9 October 2018, the Minister for Families and Social Services accepted the Social Fund's application to join the National Redress Scheme.

11. PROVISIONS (CONTINUED)

This Act establishes the National Redress Scheme for Institutional Child Sexual Abuse which provides redress to survivors of past institutional child sexual abuse.

The participating institutions are:

- (a) all Commonwealth institutions; and
- (b) any State institution that is declared to be a participating institution; and
- (c) any Territory institution that is declared to be a participating institution; and
- (d) any non-government institution that is declared to be a participating institution.

Participating institutions that are determined by the National Redress Scheme to be responsible for the abuse of a person are liable for the costs of providing redress to the person. Those institutions are also liable for contributing to the costs of the administration of the scheme. The National Redress Scheme is responsible for recovering those costs from those institutions through funding contributions, which those institutions are required to pay on a quarterly basis.

The provision for National Redress has been based on the assessment by The Salvation Army Australia Territory's legal representatives, historical experiences and information made available as part of the Royal Commission into Institutional Responses to Child Sexual Abuse and consists of five components:

1. Claims settled previously where the historical payment made to the claimant may be reassessed by the National Redress Scheme and an additional payment is considered probable;
2. Claims known but yet to be settled which will be assessed by the National Redress Scheme and a payment is considered probable;
3. Unknown claims yet to be received, which may be lodged by claimants to the National Redress Scheme and a payment is considered probable;
4. Civil claims known but yet to be settled which are being finalised by nominated legal firms and a payment is considered probable; and
5. Unknown civil claims yet to be received by nominated legal firms.

The estimation of the cost of unknown claims yet to be lodged under the National Redress Scheme or through known or unknown civil cases against The Salvation Army is inherently judgmental and consequently, the provision for

National Redress represents a 'best estimate' at reporting date. As additional information comes to light, and the uncertainty is resolved, the Social Fund will reassess the provision.

Claims settled during the year amounted to \$12,034,938 (2021: \$14,822,269).

Any negative change in assumptions about the number of claims or settlement value of such claims will result in additional settlement payments beyond that which is provided. There can be no certainty as to the number of National Redress or civil claims which will be received in relation to the National Redress Scheme.

Notes to the Financial Statements

For the year ended 30 June 2022

12. INTEREST FREE LOANS

	2022 \$000	2021 \$000
Current		
Accommodation Bonds	220,865	215,170
Total Current Interest free loans	220,865	215,170
Non-Current		
Secured Loans	7,672	7,672
Unsecured Loans	600	600
Total Non-Current Interest free loans	8,272	8,272

Accommodation Bonds

These balances are repayable to residents of aged care centres upon their vacating of the centres. When taking up residence at aged care centres, government legislation allows for residents to pay a refundable and an amortisable entry contribution to the Social Fund.

The refundable portion is in the form of an interest-free loan repayable in full, while the amortisable portion is amortised over five years and recognised as income.

These balances are required to be used for the benefit of aged care residents. The Salvation Army is required to ensure sufficient liquidity to enable it to repay the bonds as required.

As there is no unconditional right to defer payment for 12 months, these liabilities are recorded as current liabilities. Based on past experience, the Social Fund believes that not all accommodation bonds may need to be refunded within a given year.

Secured Loan

This balance represents loans provided by government bodies towards the construction/purchase of social centres, secured against the properties. The loans are only repayable to the government bodies under certain default or closure circumstances. It is not foreseen that such circumstances will exist within the next 12 months.

Unsecured Loan

These balances represent loans provided by government bodies towards the construction of aged care centres. The loans are only repayable to the government bodies under certain default or closure circumstances. It is not foreseen that such circumstances will exist within the next 12 months.

13. RECONCILIATION OF NET INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES

	2022 \$000	2021 \$000
Net expenditure	(39,021)	96,285
Adjustments for non-cash items		
- depreciation	68,359	73,675
- property donated	(7,794)	-
- project write-offs	10,340	10,477
- provision for National Redress	18,207	9,540
- investment fair value adjustments	32,768	(21,407)
- net gain on disposal of property, plant and equipment	(20,804)	(5,509)
- other	387	(25,659)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	11,598	25,640
- (increase)/decrease in prepayments	818	(1,001)
- (increase)/decrease in inventories	993	(1,070)
- increase/(decrease) in trade and other payables	(4,506)	(36,955)
- increase/(decrease) in employee benefits	64	(184)
- increase/(decrease) in provisions	3,139	(7,487)
- increase/(decrease) in other liabilities	-	(511)
Cashflows from operations	74,548	115,834

14. RELATED PARTIES

Key management personnel compensation

Key management personnel compensation comprised the following:

	2022 \$000	2021 \$000
Short-term employee benefits	1,157	1,221
Post-employment benefits	121	58
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
	1,278	1,279

Compensation of the Social Fund's key management personnel includes salaries, allowances and contributions to superannuation or a post-employment defined benefit plan.

Key management personnel include officers of the Social Fund who receive remuneration in accordance with established Salvation Army guidelines. In addition, officers also receive medical benefits, accommodation and use of a motor vehicle at no cost as part of their officership, in accordance with established Salvation Army guidelines. No additional remuneration is received by these officers for acting in their capacity as key management personnel, within the Social Fund. There are no other transactions with key management personnel.

Notes to the Financial Statements

For the year ended 30 June 2022

14. RELATED PARTIES (CONTINUED)

Related party transactions with General Fund

The Social Fund's operations are supported by General Fund's treasury and investment pool distributions. General Fund also incorporates a portion of Social Fund's head office and departmental costs which, by way of transfer pricing, are charged to Social Fund. Social Fund's purchase of goods, services and contributions to projects from other income sources contained within General Fund.

	2022 \$000	2021 \$000
Social Fund's purchase of goods, services and contributions to projects from:		
The Salvation Army Australia General Fund	163,789	162,103
Social Fund's receipt of goods, services and contributions to projects from:		
The Salvation Army Australia General Fund	37,533	68,260
Amounts owed by The Salvation Army Social Fund to:		
The Salvation Army Australia General Fund	-	6,065
Amounts owed to The Salvation Army Social Fund by:		
The Salvation Army Australia General Fund*	631,297	667,833

*Contained within non-current investments (disclosed in Note 5 under 'Unlisted units in managed investment funds') of which \$631,297k (2021: \$667,833k) is a related party investment held within General Fund, as a portion of the total investment balance.

Related party transactions with other Salvation Army Territories

The Salvation Army Social Fund provides and receives funds for goods, services and contributions for projects, with other Salvation Army Territories across the world:

	2022 \$000	2021 \$000
Purchase of goods, services and contributions to projects		
The Salvation Army Caribbean Territory	-	1
The Salvation Army Eastern Europe Territory	78	4
The Salvation Army India Northern Territory	331	205
The Salvation Army India Western Territory	2	-
The Salvation Army Indonesia Territory	-	171
The Salvation Army International Headquarters	863	1,124
The Salvation Army Kenya East Territory	231	332
The Salvation Army Kenya West Territory	113	403
The Salvation Army Malawi Territory	761	693
The Salvation Army Netherlands, Czech Republic and Slovakia Territory	5	-
The Salvation Army New Zealand, Fiji, Tonga and Samoa Territory	74	31
The Salvation Army Pakistan Territory	17	6
The Salvation Army Papua New Guinea & Solomon Islands Territory	504	64
The Salvation Army Philippines Territory	-	121
The Salvation Army Rwanda and Burundi Command	26	13

14. RELATED PARTIES (CONTINUED)

	2022 \$000	2021 \$000
The Salvation Army Singapore, Malaysia and Myanmar Territory	52	65
The Salvation Army South America West Territory	11	-
The Salvation Army Sweden and Latvia Territory	3	-
The Salvation Army South Africa Territory	-	62
The Salvation Army Sri Lanka Territory	-	8
The Salvation Army Tanzania Territory	317	167
The Salvation Army Uganda Territory	133	151
The Salvation Army USA Eastern Territory	2	-
	3,523	3,621
Recipient of goods, services and contributions to projects		
The Salvation Army Caribbean Territory	-	10
The Salvation Army New Zealand, Fiji, Tonga and Samoa Territory	52	130
	52	140
Amounts owed by The Salvation Army Social Fund		
The Salvation Army Kenya West Territory	1	-

15. CONTINGENT LIABILITIES

Sale of aged care centres on 1 July 2005

On 1 July 2005, the Social Fund completed the sale of 15 of its 19 sites catering for aged care hostels and nursing homes, as well as retirement living units to Retirement Care Australia (RCA). In addition, TriCare acquired the Hayville retirement village in Box Hill, Melbourne. The business sale agreements included various warranties from the Social Fund to the purchasers, whereby under certain circumstances, they may seek financial compensation from the Social Fund.

At 30 June 2022, the Trustees are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required. However, funds have been set aside to an 'aged care divestment contingency reserve' to cover these amounts.

Capital grant funding

The Social Fund received \$16,209,000 from the Housing Authority in Western Australia between 2012-2015 as part capital funding towards the provision of a homeless accommodation and support facility in Northbridge, Perth, Western Australia.

Under certain default or closure circumstances, the project agreement requires the Social Fund to repay these capital funds to the Housing Authority over a 30-year term, with the amount repayable reducing by 3.33% per annum upon the anniversary of the date of the project commissioning. As at 30 June 2022, the amount repayable would have been \$12,205,106 (2021: \$12,625,536) and there were no events that required any repayment.

National redress provision

Note 11 contains details of contingencies and uncertainties associated with the National Redress Provision.

Notes to the Financial Statements

For the year ended 30 June 2022

16. FINANCIAL RISK MANAGEMENT

The Social Fund has exposure to the following risks from their use of financial instruments, including exposures arising as a result of investments made by the General Fund on behalf of the Social Fund.

- Credit risk
- Market risk
- Liquidity risk

This note presents information about the Social Fund's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. The Trustees of the Social Fund consider the Social Fund's risk exposure to be within the risk appetite set by the Trustees, from their use of financial instruments. Further quantitative disclosures are included throughout this financial report.

The Social Fund has a proportion of its total assets in cash at bank and deposits at call. Management of the Social Fund regularly monitor the returns obtained on interest bearing deposits.

Credit risk

Credit risk is the risk of financial loss to the Social Fund if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Social Fund's receivables and cash and cash equivalents.

Financial Assets

The majority of the Social Fund's financial assets are held with General Fund which controls and invests funds with major financial institutions. The Social Fund does hold a portion of investments directly with major financial institutions that have a high credit rating.

Trade receivables

The Social Fund's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. The Social Fund operates in the Australian region. The Social Fund has a concentration of transactions with reputable organisations, financial institutions and the Australian government, including the various Commonwealth and State departments, accordingly limiting its credit risk.

The Social Fund has established a credit policy under which the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all counterparties requiring credit over a certain amount. The Social Fund does not require collateral in respect of financial assets.

The Social Fund has established an allowance for impairment that represents an estimate of expected credit losses not incurred in respect of trade and other receivables and investments. The main component of this allowance are a specific loss component that related to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

Refer to the Aggregated Statement of Financial Position "Cash and cash equivalents", Note 4 "Trade and other receivables" and Note 5 "Other financial assets" for the carrying amount of the Social Fund's financial assets representing the maximum credit exposure. As at 30 June 2022 receivables 30 days past due are immaterial.

16. FINANCIAL RISK MANAGEMENT (CONTINUED)

Exposure to credit risk

The carrying amount of the Social Fund's financial assets represents the maximum credit exposure. The Social Fund's maximum exposure to credit risk at balance date was as follows:

	2022 \$000	2021 \$000
Cash and cash equivalents	38,631	37,115
Short term deposits	8,044	8,023
Receivables	45,475	57,073
Unlisted units in managed investment funds	647,044	684,708
Total	739,194	786,919

Trade and other receivables

The ageing of the Social Fund's receivables at the reporting date was:

	2022 Gross \$000	Impairment \$000	2021 Gross \$000	Impairment \$000
Not past due	45,475	-	57,073	-
Past due 0-30 days	-	-	-	-
Past due 31-120 days	-	-	-	-
	45,475	-	57,073	-

Market risk

Interest rate risk

Management of the Social Fund ensures that a portion of its interest rate risk exposure is at fixed-rates.

Other market price risk

The Social Fund is exposed to market price risk which arises from unlisted units in managed investment funds held and operated by General Fund. The Social Fund invests its surplus cash with General Fund who in turn invest those funds with third parties. The market price risk is carried by the Social Fund who are subject to fluctuations in the market price as any gains or losses are passed back on a pro-rata basis from the General Fund. The primary goal of the Social Fund's investment strategy is to maximise investment returns whilst preserving investment capital and as such, the General Fund manage the investments with regard to this and closely monitor market indices.

Management is assisted by JANA Investment Advisers, Crestone Wealth Management and Mercer in this regard.

Exposure to market risk

Management monitors movements in rates of return on a regular basis and ensures that returns are at market levels. No derivative contracts are used to manage market risk.

Profile

At the reporting date, the market profile of the Social Fund's financial instruments includes 26.5% Australian equities, 21% Global equities, 10.7% Fixed income and 41.8% Diversified debt.

Notes to the Financial Statements

For the year ended 30 June 2022

16. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk

The Social Fund's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquid assets to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Social Fund's reputation. Management of the Social Fund aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the succeeding 60 days. The Social Fund's investments in unlisted unit trusts are readily convertible to cash within acceptable notice periods.

Exposure to liquidity risk

Liquidity risk is the risk that the Social Fund will not be able to meet its financial obligations as they fall due. The Social Fund's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Social Fund's reputation.

Management of the Social Fund monitors its cash flow requirements and ensures that it has sufficient cash on demand to meet expected operational expenses.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying Amount \$000	Contractual Cash Flows \$000	Within 1 year \$000	1-5 years \$000	Over 5 years \$000
30 June 2022					
Trade and other payables	(42,789)	(42,789)	(42,789)	-	-
Interest free loans	(229,137)	(229,137)	(220,865)	-	(8,272)
Lease liabilities	(180,558)	(264,193)	(43,449)	(92,919)	(127,825)
	<u>(452,484)</u>	<u>(536,119)</u>	<u>(307,103)</u>	<u>(92,919)</u>	<u>(136,097)</u>
30 June 2021					
Trade and other payables	(53,333)	(53,333)	(53,333)	-	-
Interest free loans	(223,442)	(223,442)	(215,170)	-	(8,272)
Lease liabilities	(192,141)	(220,516)	(45,797)	(100,272)	(74,447)
	<u>(468,916)</u>	<u>(497,291)</u>	<u>(314,300)</u>	<u>(100,272)</u>	<u>(82,719)</u>

17. EVENTS AFTER THE END OF THE REPORTING PERIOD

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Trustees of the Social Fund, to affect significantly the operations of the Social Fund, the results of those operations, or the state of affairs of the Social Fund, in future financial years.

Trustees' Declaration

In the opinion of the Trustees of The Salvation Army Australia Social Fund ("Social Fund"):

- (i) The accompanying aggregated financial statements and notes set out on pages 72 - 98 are drawn up so as to present fairly the financial position of the Social Fund as at 30 June 2022 and the results of its operations and its cash flows for the year then ended;
- (ii) The aggregated financial statements and notes set out on pages 68 - 98 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - (i) presenting fairly in all material respects the Social Fund's financial position as at 30 June 2022 and of its performance, for the financial year ended on that date.
 - (ii) comply with Australian Accounting Standards - Simplified Disclosure Requirements except that the aggregated entities that comprise the Social Fund do not constitute a group for the purposes of AASB 10 Consolidated Financial Statements, and the Australian Charities and Not-for-profits Commission Regulation 2013; and
- (iii) There are reasonable grounds to believe that the Social Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Trustees:



Neil Venables

Secretary for Communications and Business Support
TRUSTEE



Winsome Merrett

Chief Secretary
TRUSTEE

Dated at Melbourne this 16th day of November 2022



Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To: the Trustees of The Salvation Army Australia Social Fund

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2022 there have been:

- i. no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.



Chris Sargent

Partner

Melbourne

16 November 2022

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Independent Auditor's Report

To the Trustees of The Salvation Army Australia Social Fund

Opinion

We have audited the **Aggregated Financial Report** of The Salvation Army Australia Social Fund (the Aggregated Entity).

In our opinion, the accompanying Aggregated Financial Report of the Aggregated Entity is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- i. giving a true and fair view of the Aggregated Entity's financial position as at 30 June 2022, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards* to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013 (ACNCR)*.

The **Aggregated Financial Report** comprises:

- i. Aggregated statement of financial position as at 30 June 2022.
- ii. Aggregated statement of profit or loss and other comprehensive income, Aggregated statement of changes in equity, and Aggregated statement of cash flows for the year then ended.
- iii. Notes including a summary of significant accounting policies.
- iv. Trustees' declaration.

The **Aggregated Entity** consists of the Registered Entities being

- The Salvation Army (Victoria) Property Trust,
- The Salvation Army (Tasmania) Property Trust,
- The Salvation Army (South Australia) Property Trust,
- The Salvation Army (Western Australia) Property Trust,
- The Salvation Army (Northern Territory) Property Trust,
- The Salvation Army (New South Wales) Property Trust,
- The Salvation Army (Queensland) Property Trust,
- The Salvation Army (Victoria) Property Trust at The Salvation Army (VIC) Social Work,
- The Salvation Army (Tasmania) Property Trust at The Salvation Army (TAS) Social Work,
- The Salvation Army (South Australia) Property Trust at The Salvation Army (SA) Social Work,
- The Salvation Army (Western Australia) Property Trust at The Salvation Army (WA) Social Work,
- The Salvation Army (Northern Territory) Property Trust at The Salvation Army (NT) Social Work,
- The Salvation Army (New South Wales) Trust at The Salvation Army (NSW) Social Work,
- The Salvation Army (Queensland) Property Trust at The Salvation Army (QLD) Social Work,
- The Salvation Army (Australia) Redress Limited,
- Salvos Legal Limited,
- Salvos Legal (Humanitarian) Limited,
- The Salvation Army (Australia) Self Denial Fund (for Overseas Aid),
- The Salvation Army Aust Self Denial Fund (for Overseas Aid),
- The Salvation Army Community Housing Service,
- Salvation Army Housing,
- Salvation Army Housing (Victoria).

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Aggregated Financial Report* section of our report.

We are independent of the Aggregated Entity in accordance with the auditor independence requirements of the *ACNC Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Aggregated Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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OVERVIEW

OUR LEADERSHIP

SNAPSHOTS

LIVING OUR MISSION

CARING FOR PEOPLE

CREATING FAITH PATHWAYS

BUILDING HEALTHY COMMUNITIES

WORKING FOR JUSTICE

THANK YOU AUSTRALIA!

FINANCIAL REPORT



Emphasis of matter – basis of preparation and restriction on use and distribution

We draw attention to Note 1 to the Aggregated Financial Report, which describes the basis of preparation.

The Aggregated Financial Report has been prepared for the purpose of fulfilling the Trustees' financial reporting responsibilities under the ACNC Act 2012. As a result, the Aggregated Financial Report and this Auditor's Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Our report is intended solely for the Trustees of the Aggregated Entity and should not be used by any other party. We disclaim any assumption of responsibility for any reliance on this Auditor's Report, or on the Aggregated Financial Report to which it relates to any person other than the Trustees of the Aggregated Entity.

Other information

Other Information is financial and non-financial information in The Salvation Army Australia Social Fund's annual reporting which is provided in addition to the Aggregated Financial Report and the Auditor's Report. The Trustees are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Trustees Report.

Our opinion on the Aggregated Financial Report does not cover the Other Information and, accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Aggregated Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Aggregated Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report, we have nothing to report.

Responsibilities of Management for the Aggregated Financial Report

Management are responsible for:

- i. Preparing the Aggregated Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC and ACNCR.
- ii. Determining that the basis of preparation described in Note 1 to the Aggregated Financial Report is appropriate to meet the requirements of the ACNC. The basis of preparation is also appropriate to meet the needs of the trustees.
- iii. Implementing necessary internal control to enable the preparation of an Aggregated Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- iv. Assessing the Aggregated Entity's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Aggregated Entity and the Registered Entities or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the Aggregated Financial Report

Our objective is:

- i. to obtain reasonable assurance about whether the Aggregated Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Aggregated Financial Report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism throughout the audit.

We also:

- i. Identify and assess the risks of material misstatement of the Aggregated Financial Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal control relevant to the Audit 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 Aggregated Entity's and the Registered Entities' internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- iv. Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Aggregated Entity's and the Registered Entities' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Aggregated Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Aggregated Entity and the Registered Entities' to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the Aggregated Financial Report, including the disclosures, and whether the Aggregated Financial Report represents the underlying transactions and events in a manner that achieves true and fair presentation.

We communicate with the Trustees of the Aggregated Entity and Registered Entities regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chris Sargent

Partner

Melbourne

16 November 2022

**ANNUAL REPORT 2022
THE SALVATION ARMY
AUSTRALIA (SOCIAL FUND)**



**The Salvation Army
Australia
Communications
Department**

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