



THE SALVATION ARMY AUSTRALIA (SOCIAL FUND)

## Annual Report 2021

*Transform Australia  
one life at a time*







**THERE IS  
NO REWARD  
EQUAL TO  
THAT OF  
DOING THE  
MOST GOOD  
TO THE MOST  
PEOPLE IN THE  
MOST NEED.**

~ Catherine Booth,  
Co-founder of The  
Salvation Army

## 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.

## 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

## The Inclusion Statement

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.





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# Contents

Our commitment to inclusion	6
Reconciliation: a continuous journey	7
Messages from Leadership	8
Territory Board	10
Snapshot of Australia Territory	13
Snapshot of our services	14
What this report covers	17
Mission: Portfolio overview	18
Living our mission	20
Mission: Community Engagement	22
Moneycare	24
National Bushfire Recovery	26
Red Shield Defence Services	28
Mission: Social Mission	30
Alcohol and Other Drugs	32
Domestic and Family Violence	34
Homelessness	36
Youth Services	38
Mission: Local Mission Delivery and Resources	40
Mission: Policy, Research and Social Justice	42
Salvation Army International Development	44
Mission Enterprises: Portfolio overview	46
Aged Care	47
Employment Plus	48
Salvos Stores	50
Salvos Funerals	52
Salvation Army Housing	53
Red Shield Appeal	54
Thank You Australia!	56
Financial Report	61



# Our commitment to inclusion

**In 2021, The Salvation Army Australia issued its first national commitment to inclusion by releasing an official statement.**

The Inclusion Statement reinforces The Salvation Army's values and international mission statement: To preach the gospel of Jesus Christ and to meet human needs in his name without discrimination.

"This inclusion statement stands alongside and in alignment with our existing mission, vision, and values\* and publicly declares that we welcome all people in every engagement they have with The Salvation Army, and we are committed to each of them feeling respected and safe," said Colonel Winsome Merrett, Chief Secretary, The Salvation Army Australia.

The statement reads:

**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.**

Alongside this statement, five icons visually represent key groups that often experience isolation, exclusion, or discrimination, or who face barriers in accessing programs and services. Icons are helpful symbols of welcome and say immediately, "We see you. You are welcome here."

The icons have been adapted internally to meet our unique needs and express our commitment to diversity and inclusion.

"With the announcement of the new statement and icons come requirements across [The Salvation Army] to ensure our commitment to inclusion is clear and unwavering," Winsome said.

"Our Code of Conduct provides clear expectations of our behaviours, and we are committed to demonstrating our values of respect, integrity, collaboration, diversity, and compassion.

"I am thankful for all those who have contributed to this inclusion statement and the commitment and intent it communicates to ensure all can find a safe and accepting welcome at The Salvation Army. It enacts our international mission and complements our vision in Australia – to transform Australia, one life at a time with the love of Jesus by serving and supporting all people experiencing hardship and injustice."



## Reconciliation: a continuous journey

**In December 2020, The Salvation Army unveiled its first national Reconciliation Action Plan (RAP) during an Australia-wide web launch.**

The RAP has been a year in the making, building on learnings from information gathered in approximately 100 yarning circles that involved officers, employees, volunteers and Salvationists. It has been guided by The Salvation Army Aboriginal and Torres Strait Islander ministry team and signed off by Reconciliation Australia, as well as The Salvation Army Board.

Uncle Vince Ross, The Salvation Army National Aboriginal and Torres Strait Islander Advisory Council Convenor, said the RAP should be a document that inspires action: "Documents have a place, but unless we can get the relationship on a strong footing, those words mean little," he said. "Aboriginal and Torres Strait Islander peoples have a strong sense of relationships and of coming together. Reconciliation is not something that one person decides to do, it is done with others; it is a continuous journey that requires commitment by all parties."

The Reconciliation Action Plan outlines several actions The Salvation Army commits to taking, in the areas of truth-telling; social justice and advocacy; cultural immersion experiences; returning of artefacts; and Christmas Cheer.

Some of the actions include committing to ensuring

current and future officers be given the opportunity to gain a lived experience of Aboriginal and Torres Strait Islander culture by taking part in a cultural immersion experience.

Others are centred around increasing opportunities for Aboriginal and Torres Strait Islander involvement in The Salvation Army, including creating opportunities for employment and career development and representation in divisional and territorial forums and conferences.

The Salvation Army has committed to ensuring its personnel across Australia have the cultural capacity to create safe spaces for Indigenous peoples, and for reconciliation to be a continuous journey.

Commissioner Robert Donaldson, Territorial Commander, encouraged people to "reach out to local Indigenous communities to open pathways for dialogue. Each of us has a part to play in this important process of reconciliation. Together we seek God's direction and blessing as we move forward in reconciliation, relationship-building and engagement."



VIEW OUR  
RECONCILIATION  
VIDEO ON YOUTUBE

**1: ABORIGINAL INCLUSION ICON**  
This icon was inspired by the colours of the Aboriginal flag. Black represents people, red represents the land and yellow represents the sun. A concentric circle design reflects the 'meeting place' symbol traditionally used in Aboriginal art. The meeting place symbol represents 'community' and therefore The Salvation Army's commitment to an inclusive community. The icon has been approved and endorsed by the Territorial Aboriginal and Torres Strait Islander Team.

**2: TORRES STRAIT ISLANDER INCLUSION ICON**  
The Torres Strait Islander inclusion icon reflects traditional patterns used in artwork and wood carving. It features the colours from the Torres Strait Islander flag: green, which represents land; black, which represents people; and blue, which represents the sea. The traditional headdress – the dhari – is the centrepiece of the icon as a recognisable symbol of the Torres Strait Islander culture. The icon has been approved and endorsed by the Territorial Aboriginal and Torres Strait Islander Team.

**3: CAPACITIES INCLUSION ICON**  
The well-known wheelchair symbol of disability is slowly being replaced with symbols such as this one to recognise the varying types of disabilities and capacities – many of which are unseen.

**4: SEXUAL ORIENTATIONS INCLUSION ICON**  
This is a world-recognisable flag of pride for the LGBTQIA+ community to represent diverse sexual orientations, gender identities, and intersex status.

**5: CULTURES AND LANGUAGES INCLUSION ICON**  
Sometimes called the 'flag of Earth', this symbol depicts the many cultures and languages that make up our one world.





## Message from THE TERRITORIAL COMMANDER

I am privileged to present The Salvation Army Australia's (Social Fund) 2020-21 Annual Report on behalf of the Board.

Over the past 12 months, The Salvation Army has faced many challenges as we responded to significantly increased need within the communities we serve across Australia. The increased need highlighting the important impact of our mission and ministry.

The COVID-19 pandemic, particularly, impacted all areas of The Salvation Army. As a Movement we responded in many ways to ensure the continued service to those most in need. This included, in some instances a reduction in personnel and a significant cut in all non-essential administrative and management activities and events, such as travel, conferences, workshops and training. The JobKeeper payments received was crucial to the Army and enabled us to keep the majority of our workforce in the face of rising demand in services.

We also saw an increase in government funding in key areas like employment services and along with the exceptional generosity of the Australian public, The Salvation Army did record a surplus for the past financial year which will be vital to enable continued services in areas of need.

I would like to commend and thank our Chief Secretary, Colonel Winsome Merrett, and the broader leadership team for their operational management throughout this ongoing crisis.

I also want to thank all our frontline workers, who have been at the heart of The Salvation Army's COVID-19 response since early 2020. I want to thank every Salvo, wherever you are in Australia and whatever you bring to The Salvation Army. As mission deliverers, your dedication, compassion and innovation are valued and appreciated, and I thank God for you.

My deepest gratitude to our supporters, government, business, partner service providers and donors; you are integral to our ongoing mission and ministry. In our last Annual Report, I commented on the significant ongoing change for The Salvation Army to become

a fully integrated national movement in Australia. Despite the challenges the pandemic posed, this work continued with an ongoing review of ministry areas. As a result, significant changes were made to our chaplaincy services. These changes enable The Salvation Army to refocus its chaplaincy footprint to ensure we have the greatest missional impact in the areas of social mission, mission enterprise, and rural and remote ministry.

This year, The Salvation Army announced its first national commitment to inclusion through the release of our Inclusion Statement. The statement stands alongside and in alignment with our existing Mission, Vision and Values statements and declares that we welcome all people in every engagement they have with The Salvation Army, and we are committed to everyone feeling respected and safe. Our full Inclusion Statement is on page 4 of this report.

Earlier this year, the Board was privileged to be able to visit some mission expressions in Sydney. It was good to meet in person for the first time since February 2020 and experience the impact of our mission firsthand. Such significant mission impact would be a challenge if not for the commitment and leadership of my fellow Board members and each committee chair, and I thank them for their ongoing support of the Army.

As we look to 2022 and beyond, The Salvation Army will continue its focus on the future sustainability of the mission through our Local Mission Delivery model to serve holistically and consistently across Australia.

Above all, we thank God for his wisdom and guidance as we strive to live out our mission and share the love of Jesus by caring for people, creating faith pathways, building healthy communities, and working for justice.

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

Bringing hope to people in vulnerable situations is what The Salvation Army does best, and our services that deliver this hope have continued to be in great demand over the past financial year. The COVID-19 pandemic has also continued to challenge how we operate and deliver our mission to thousands of struggling Australians.

Once again, the stories and statistics presented in this annual report will give you some insight into The Salvation Army's response to the increased need across all areas of focus – homelessness, family and domestic violence, drug and alcohol addiction, and youth services. We also continue to see an increase in demand for services relating to poverty relief and financial counselling. With increased demand, our frontline workers have demonstrated strong commitment and creativity to continue serving those most at risk in their communities. They have continued to 'pivot' and turn their hand to innovative ways of mission delivery. We are grateful to God for our frontline Army, who have been inspirational in their service in such challenging times.

Throughout the year, there has been a continued and deliberate intention to live out our vision and mission, strengthen our voice on national issues, focus our efforts and enhance our measurement to ensure our resources have the greatest possible impact. We have continued to grow our partnerships to leverage the strengths of our strategic alliance and empower people beyond their circumstances.

I want to commend and thank all our officers, employees and volunteers for their adaptability, and the care and compassion they provide to the most vulnerable in our community.

Despite the challenges The Salvation Army experienced across the year, our Red Shield Appeal

results remained positive. The funds raised through this annual appeal keeps crucial services running year after year and makes it possible for The Salvation Army to respond to those who need it most. I am incredibly grateful for the amazing support of our corporate partners, donors, and volunteers, combined with all Salvation Army personnel and other agencies who partner with us.

Your continued financial and volunteering support enables The Salvation Army to have the resources required for significant positive impact and to live out 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.**

I want to acknowledge the significant work of our headquarters-based personnel who provide our frontline services with the essential infrastructure and support to enable the transforming ministry of the Army, maximised when it is delivered as a practical expression of the love of Jesus, with compassion and respect.

I thank Commissioner Robert Donaldson, Territorial Commander and Chair of the Board, for his and the Board's support over the past 12 months, and our many leaders across the Australia Territory who successfully led their teams during what has been an extraordinary year.

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**



# The Australia

## 2020-21 TERRITORY BOARD

### GOVERNANCE

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.

Although chaired by the Territorial Commander, the Board is accountable to the General for its responsibilities.

Board membership for the period 1 July 2020 to 30 June 2021 is as listed:

- Commissioner Robert Donaldson, Chair
- Colonel Geanette Seymour, Alternate Chair
- Richard Grellman AM, Lead Independent
- Greg Couttas
- Desley Hargreaves PSM
- Commissioner Janine Donaldson
- Colonel Winsome Merrett
- Adrian Appo OAM
- Felicity Natoli
- Captain Lydia Hong
- Captain Colin Reynolds

Due to the COVID-19 pandemic, the Board has had limited in-person contact during the 2020-21 period, with all meetings other than the April 2021 meeting held online. In April 2021, the Board met in person in Sydney and visited several mission expressions in the NSW/ACT Division including, Rockdale Corps, Sydney Congress Hall and William Booth House.



Commissioner Robert Donaldson (Chair)



Colonel Geanette Seymour (Alternate Chair)



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 Lydia Hong



Captain Colin Reynolds

### 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.





## SNAPSHOT OF THE

# Australia Territory



### NORTHERN TERRITORY

Employees	113
Officers	15
Volunteers	106
<b>Total</b>	<b>234</b>



### QUEENSLAND

Employees	1336
Officers	125
Volunteers	4675
<b>Total</b>	<b>6136</b>



### NEW SOUTH WALES

Employees	2687
Officers	218
Volunteers	5251
<b>Total</b>	<b>8156</b>



### AUSTRALIAN CAPITAL TERRITORY

Employees	244
Officers	16
Volunteers	265
<b>Total</b>	<b>525</b>



### SOUTH AUSTRALIA

Employees	551
Officers	54
Volunteers	2383
<b>Total</b>	<b>2988</b>



### WESTERN AUSTRALIA

Employees	680
Officers	57
Volunteers	2731
<b>Total</b>	<b>3468</b>



### VICTORIA

Employees	2706
Officers	294
Volunteers	6448
<b>Total</b>	<b>9448</b>



### TASMANIA

Employees	406
Officers	23
Volunteers	726
<b>Total</b>	<b>1155</b>



# 2020-21 SNAPSHOT OF *our services*



**1,889,000**

sessions of care across all social programs



**887,500**

crisis beds provided to people who experienced homelessness



**5800**

women and children supported who experienced family and domestic violence



**1,774,800+**

meals provided to people who accessed homelessness services



**12,900+**

people provided financial counselling



**>\$72,709,710**

total amount of financial assistance provided (cash, gift card, vouchers, etc)



**> 21,600**

households/families assisted who were impacted in some way by disaster (bushfires, floods, drought, cyclones, etc)



**34,600+**

people assisted with alcohol and other drugs, gambling addiction and rehabilitation services



**309,800+**

sessions of care provided to people who were at risk of or experienced homelessness



**68,700+**

job seekers assisted to find employment



**> 2450**

people cared for in residential aged care facilities



**348**

Salvos Stores



**\$52,228,700**

amount of profit generated back into Army programs from Salvos Stores



**THE SALVATION ARMY**  
IS A CHRISTIAN  
MOVEMENT,  
UNITED BY FAITH,  
WORKING IN CITIES,  
COUNTRY TOWNS  
AND REMOTE  
COMMUNITIES  
ACROSS  
AUSTRALIA  
TO LEAVE  
NO ONE  
IN NEED.

*What this  
report covers*

The Salvation Army is a Christian movement, united by faith, working in cities, country towns and remote communities across Australia to leave no one in need.

We work with individuals and families nationwide without discrimination to support those facing hardship or injustice.

The Salvation Army (also known as the Salvos) expresses its faith through our charitable work to provide spiritual and social support to those in need.

For over 140 years, Salvos have been helping those doing it tough through our programs and services, op shops and Salvos centres. We assist people experiencing homelessness, addiction or family and domestic violence, needing financial assistance or help with employment, and much more.

This report covers the social work of The Salvation Army in Australia. This work is also underpinned by 278 corps (churches/faith communities) across the country.



VIEW MORE ABOUT THE  
SALVATION ARMY IN AUSTRALIA



**278**

corps  
(churches/faith  
communities)



**755**

officers



**395**

corps officers



**18**

assistant  
corps officers



VIEW AN EXAMPLE OF THE  
MULTICULTURAL MINISTRY RUN  
BY AUBURN CORPS IN SYDNEY



# Mission:

## PORTFOLIO OVERVIEW

As a Christian movement, The Salvation Army is dedicated to sharing the love of Jesus by caring for people, creating faith pathways, building healthy communities and working for justice.

The Salvation Army's Mission portfolio includes Community Engagement; Mission Support; Policy, Research and Social Justice; and Social Mission.

The Salvation Army fulfils its vision through a nationally aligned, locally embedded approach, by offering

operational management of social and community programs and mission support to all aspects of the movement.

The Salvation Army is committed to holistic approaches, which can be seen in fostering strong relationships between our mission expressions, including social, community, Salvos Stores and faith communities with the aim to create a consistent experience for all those we serve, wherever they may seek assistance.

### What does it mean to be 'Living our Mission'?

Three Salvation Army workers talk about how partnering with other mission expression has led to greater missional outcomes.



READ  
THE FULL  
STORY

### Living our Mission video

Learn more about how we live out our commitment of sharing the love of Jesus by caring for people, creating faith pathways, building faith communities and working for justice.



VIEW 'LIVING OUR  
MISSION' VIDEO





# Friendship

## WARMS WINTER FOR WAGGA WAGGA'S HOMELESS

**It can get down to sub-zero temperatures in the south-west NSW regional city of Wagga Wagga. And while many people would say the city doesn't have a homeless population, you will find dozens of people living in cars or sleeping rough if you know where to look.**

One man who does know where to look is Mat George. The Wagga Wagga Salvos member has a strong calling on his life to stand alongside people who feel 'unseen' by the world. In the lead-up to winter last year, he and the then leaders of Wagga Wagga Salvos, Captains Kara and Stewart Hartley, and fellow member Ned Jones began to reach out to people experiencing homelessness in the community.

"A lot of people, unfortunately, think that all homeless people are alcoholics and drug addicts," says Mat. "It's quite the opposite. Trying to afford to pay your rent and pay your electricity and have food and still have some sort of quality of life, just don't all go together ... if you're on Centrelink benefits."

Throughout winter 2020, Mat and the team would stock up the church bus with a full urn, some meals, snacks and clothing and other items from the Wagga Wagga Family Store. They drove the city streets, walking around parks, along the riverside and in other areas they knew of that people experiencing homelessness may take shelter. In the process, they formed friendships with people sleeping rough, living in their cars, camping and couch surfing. They were able to help with material items like swags, bedrolls and warm clothing. But just

as important was the hot cuppa and a chat.

"For me, it's about giving back to the community," says Mat. "Those who feel forgotten and those who feel like no one cares. I like to show them that we actually do care, and we do know you're there. Going out pretty much rain, hail or shine because they're still homeless [in whatever weather]."

There are currently no free shower or laundry facilities in Wagga Wagga, and Mat and the team would love to build a mobile laundry and shower trailer. "We take a warm shower for granted at the end of work and clean clothes. We just throw them in the wash and don't even think twice about it," he says. "These guys are washing their clothes under a tap, and showering is something they don't get to do often because you have to pay money in town at the local pool, which is a few dollars, which could mean dinner."

In the trailer that's being dreamed up would be a slide-out barbecue, so that instead of giving away pre-cooked meals to people, the team could cook up some dinner and sit down and share a meal with their new friends, enabling deeper conversations about life and faith.



The Wagga Wagga Salvation Army street outreach team – (from right) Ned Jones, Mat George and David Hopewell – chat with Errol, a local man experiencing homelessness in the NSW regional city.



READ MORE ABOUT WHAT THE WAGGA WAGGA CORPS IS DOING FOR ITS HOMELESS COMMUNITY ALL YEAR ROUND, 'RAIN, HAIL OR SHINE'.



# Community Engagement

**Community Engagement includes the following: Community Services; Strategic Emergency and Disaster Management; National Bushfire Recovery; and Red Shield Defence Services.**

**The Community Engagement area also supports other mission expressions such as Chaplaincy and Corps Based Social programs.**

**Community Engagement teams work in close collaboration with Divisional Commanders, Area Leadership Teams, Social Mission and Mission Enterprises, including Salvos Stores, Aged Care, EPlus, and Salvos Housing.**

## Community Services

Community Services supports people experiencing hardship to alleviate their difficulties and build capability and resilience for the future. Services include emergency relief and case management, financial assistance and counselling, preventative financial literacy/capability programs, microfinance, parent education and support, referral support and connecting people with other services. These services are delivered through Communities for Children; Corps-Based Social; Doorways; Microfinance; and Moneycare.

## Doorways

Doorways is more than the delivery of emergency relief. It can be viewed as serving community and community members in three ways: early intervention, crisis, and ongoing support.

Doorways is an umbrella of programs and services that The Salvation Army brings to communities across Australia. At its core sits Emergency Relief, Case Management, Referrals (internal and external) and Material Aid. Alongside it are programs including Moneycare, family and parenting education, literacy, Positive Lifestyle, Coach, Community Meals and more. These programs can originate from within Doorways, from corps or another social service.

## Moneycare

Moneycare was established in 1990 in Sydney and has grown into an extensive network with a presence in Queensland, Victoria, New South Wales, South Australia, Western Australia, and the Australian Capital Territory, with plans to extend into Tasmania and the Northern Territory.

Moneycare is a holistic, strengths-based model that seeks to alleviate hardship and build long-term resilience. Moneycare incorporates financial counselling, financial capability services, and financial literacy/

capability training and education. Financial counsellors mainly work with people in financial difficulties or crisis with unmanageable debt. Financial capability workers mainly work with people struggling on low incomes to make the best of what they have.

## Strategic Emergency and Disaster Management

The Salvation Army believes that no one should have to 'go it alone'. When a disaster strikes, the Army is ready to meet people at their point of need. Emergency support workers provide immediate assistance with cash and goods – no long forms to fill out or waiting periods. When a disaster strikes, we know people need help fast. But when the emergency is over, it's not time to pull out. The Army steps up services to meet the needs of the community. The Salvation Army's support is long term, meaning years, not months.

## National Bushfire Recovery

Recovery is often the longest stage of bushfire emergency, where further financial support is required for those severely impacted by the disaster. The unprecedented nature of the 2019-20 Black Summer fires meant that emergency response and recovery activities were often undertaken concurrently. In addition to practical assistance, The Salvation Army provided immediate financial assistance to affected communities.

The Salvation Army has since established a dedicated Bushfire Recovery Team that is nationally coordinated but locally embedded. This ensures we can respond to urgent needs while creating connections with individuals and families to explore longer-term support. This is done by being present at government-established recovery centres/hubs, through corps, dedicated telephone lines and with the support of other Salvation Army services. There is an increase in mental health risks for many who are going through a traumatic and harrowing

experience. The Salvation Army recognises the importance of providing emotional and spiritual support early and throughout disaster recovery.

## Chaplaincy

The Salvation Army's network of Christian chaplains works to support people around Australia who need a helping hand. Our chaplains meet people at their point of need to provide practical, emotional, and spiritual support. This includes one-on-one conversations, spiritual guidance, prayer, worship, education, advocacy, Christian ceremonies, and other supports. They are committed to helping in any way they can, offering the highest level of professional confidentiality. Chaplains also provide referrals to other Salvation Army mission expressions, external services, and other faith groups where appropriate.

## Red Shield Defence Services

The Salvation Army Red Shield Defence Services (RSDS) provides the Australian Defence Force with practical, emotional, and spiritual support in difficult times, times of grief and in the everyday.

Since 1899, Salvation Army officers have travelled with Australian troops to war. Its history has been to provide support for whoever needs it.

The RSDS continues to be a presence in Australian military life, proudly serving those who serve and their families. Supporting units and members, at all levels, on base, in the field, overseas, in peacetime and during hostilities. Where there's a need, The Salvation Army is here to support Australian troops as they serve our country and risk their lives in the line of duty.





# Conversations

## AND CARE AT THE HEART OF FINANCIAL COUNSELLING



Salvation Army Moneycare counsellor Noel Duffin (left) explains that financial counsellors have a range of tools to use that may help alleviate the financial stress of their clients. An essential starting point, he says, is to destigmatise money issues and create an environment where community members feel confident to share their challenges.

“Money problems can strike at any age and for many reasons, but many fear being judged if they talk about their struggles and all too often wait until they are in crisis to seek help.”

At the age of 19, Jack\* secured an apprenticeship with a local electrician. It had been his dream for many years.

With his limited apprentice's pay, he would save to buy tools, one-by-one. However, he also needed transport to get himself to a variety of building sites.

One day, he walked into a car dealership and signed up for a loan for a \$24,000 ute – with an annual interest rate of 21 per cent. Over the next year, Jack managed to keep up his repayments, but his employer could no longer offer full-time work during the second year of his apprenticeship.

### Reaching out

Financial counsellor Noel Duffin explains that by the time Jack approached the Salvos' free Moneycare service, debt collectors were knocking at his door to repossess the car. Jack was under great emotional stress.

“Once we spent time talking with Jack and completed his financials, it was clear that he



couldn't afford his repayments, plus insurance,” Noel says. “We worked together and considered all options as we negotiated with the lender to sell the ute. Jack understood that he would have a financial shortfall once the ute was sold.

“We spoke with the lender about what steps they had taken [initially] to ensure Jack could afford the vehicle. After talking to them, they agreed to waive the outstanding amount. This gave Jack the opportunity for a fresh start, and after about six months, he was able to buy a small run-around vehicle.”

### Giving hope

Noel is one of around 85 (free) financial counsellors, plus 12 financial capability workers, who work at about 80 different Salvos sites across Australia. Over the 2020-21 financial year, more than 12,900 individuals were provided with financial counselling from Moneycare.

Noel says, “There is sadness, but also great joy in this role. It is so satisfying to help lift the burden. When someone opens up about their issues, and we begin to look at solutions, you often instantly see the positive impact.”

\*Name has been changed

## RIISING TO THE CHALLENGE



Fairfield City Corps in Sydney provides care to the community in tangible ways through their weekly fruit and vegetable stalls and the Salvos Moneycare service.

Aux-Lieutenant David Delany says the corps aims to address the different challenges members of their community face.

“They're not only coming for physical food; they're also coming for spiritual food – when people come, we'll listen to their story,” he says. “I'm giving back because God used The Salvation Army to give me life, to restore that hope that was lost – this is what I love.”



VIEW THE FULL STORY  
ABOUT FAIRFIELD CITY  
SALVOS



**12,900+**  
people  
provided financial  
counselling



# One year on:

## REBUILDING BEYOND BRICKS AND MORTAR

### The Salvation Army continues to help rebuild lives from the Black Summer bushfires one year on.

Lea Davis is a Salvos bushfire outreach worker who has been working closely with Tanya Becker after she lost her husband in the Black Summer bushfires on New Year's Day last year. Tanya's husband, Freddy, bravely fought to save their home, which is still standing proudly today.

Lea said Tanya's situation is different to her regular caseload.

"Other people grieve for their loss of possessions, like their home or a business," Lea said.

"Tanya is grieving the loss of her soulmate."

*"The Salvation Army is supporting Tanya at a time when she is emotionally drained and traumatised, having recently experienced the anniversary of her husband's passing."*

Lea connected Tanya to a grant that assisted in funding her husband's funeral costs and she is currently working with Tanya on a second grant to fund outstanding bills and equipment to manage her three-acre property in Genoa, East Gippsland.

While these grants will make a huge difference in helping Tanya get back to her simple but cherished off-the-grid lifestyle that she shared with Freddy for 24 years, Tanya is currently in need of assistance in navigating the legal system; a situation she never thought she would have to face.

Today, Lea is helping Tanya by explaining proceedings in a language she can relate to, as well as connecting Tanya to rural counselling services. Lea also works collaboratively with Tanya's case manager from the local community health service.

Lea said The Salvation Army is supporting Tanya at a time when she is emotionally drained and traumatised, having recently experienced the anniversary of her husband's passing.

"Tanya and I talked about how the Salvos could help her moving forward into a 'new normal' without her husband," Lea said. "But the legal issues Tanya is dealing with today are stopping her from moving on."

Lea previously worked with Salvos Legal, and as a qualified social worker, Lea not



Governor-General of Australia, General David Hurley (left) and his wife, Mrs Linda Hurley (right) spoke to East Gippsland bushfire survivor, Tanya Becker (centre) about the support she has received from The Salvation Army.

only connected Tanya to much-needed grants, she has also counselled Tanya and helped look after her well-being.

"Tanya has handled her situation exceptionally well but when a person goes through something like this and is able to handle it well, they can crash at the end," Lea said.

Working closely with clients to support them practically and emotionally can be overwhelming during a disaster of this scale. Having also worked as a case worker with Uniting Care during the Black Saturday bushfires over a decade ago, Lea recalls being able to manage her own well-being through strategies learned over a number of years to ensure vicarious trauma does not become an issue. "I try not to get too emotionally involved but that can sometimes be hard because you go into this type of work to assist people," Lea said.

"I'm really happy with the supervision offered by The Salvation Army, as we move through the Disaster Recovery as it makes a huge difference to have the ability to discuss various scenarios and hypothesis with someone who is able to shed some light on the complexities within certain cases."

As Tanya's legal proceedings continue, Lea is there to help ensure that no matter the outcome, Tanya can move forward to live the life that her husband fought so hard for her to have.



**7000+**  
number of  
households/families  
assisted who  
were impacted by  
bushfires



**12,500+**  
assurances/  
episodes of  
care provided to  
households/families  
who were impacted  
by bushfires



**6100**  
instances of  
financial assistance  
distributed to  
people impacted  
by bushfires



# Salvos give

## VETERAN GUNNER ANOTHER SHOT AT LIFE

**The cycle of homelessness has been broken for a veteran gunner, thanks to The Salvation Army Red Shield Defence Services (RSDS) in Brisbane and RSL Queensland.**



Red Shield Defence Services representatives at Gallipoli Barracks in Brisbane, Captain Robert Mills (left) and Major Lauriee Arthur (right), delivered furniture to the new home of former soldier Gavin Ellis (on truck) with the help of Salvos Veteran Support Worker Johnathon Dyer.



RSDS Senior Representative Major Lauriee Arthur (left) and Captain Robert Mills (right) present Gavin Ellis with a camouflage Bible.

Gavin Ellis says he now has a “normal house in a normal street” on Brisbane’s northside.

Salvos Housing and RSL Queensland’s Veteran Support Program (homelessness and crisis accommodation) played a major role in assisting Gavin, but it was The Salvation Army Red Shield Defence Services that stepped up to physically get Gavin into his new one-bedroom apartment.

Johnathon Dyer, The Salvation Army Veteran Support Worker in Queensland, said Gavin was one of the program’s many success stories. He said the RSDS at Gallipoli Barracks helped collect household furniture and bedding to furnish Gavin’s apartment with Salvos Stores also donating furniture and providing vehicles and labour to move the items.

Gavin, who has an 11-year-old and a four-year-old, said his immediate future looked brighter now that he had a roof over his head.

“We [RSDS] are always looking for opportunities to link in with other mission expressions and enjoy the collaboration of other [Army] services when we are all working toward the same goal,” Johnathon said.

Between November and Christmas last year, more than 100 people were moved from temporary crisis accommodation into long-term, community-based housing around Brisbane – donations from the community assisted the Salvos to turn “empty houses into homes”.

“Gavin, who has an 11-year-old and a four-year-old, said his immediate future looked brighter now that he had a roof over his head.”



# Social Mission

**The Salvation Army's Social Mission teams provide quality, non-discriminatory social services through four primary areas of need: Alcohol and Other Drugs; Homelessness; Family Violence; and Youth.**

## Alcohol and Other Drugs (AOD)

The Salvation Army's Alcohol and Other Drugs (AOD) services are dedicated to creating a platform and pathways for people to build their lives in meaningful and purposeful ways.

Harm reduction is the overarching framework of our AOD services. Our primary purpose is to prevent and reduce harm to both individuals and the wider community and support the reduction and cessation of use.

The services range from primary health interventions to tertiary-level treatment programs. Regardless of the service, the Army aims to promote full and healthy lives for our program participants, their families and communities.

During the 2020-21 financial year, over 34,640 people sought assistance through these services. The Army remains committed to offering evidence-based, best-practice supports with passion and commitment to those seeking our assistance, always respecting their autonomy and dignity.

## Family and Domestic Violence (FDV)

The Salvation Army believes in every person's right to be safe, empowered, and free from violence.

Specialist programs are available to families and individuals experiencing and recovering from family violence, modern slavery, and forced marriage. We hold to account those who choose to use violence or abuse human rights through support and integrated interventions.

The Salvation Army's DFV services focus on prevention, restoration and healing using evidence-based theories and frameworks, working towards communities that are safe and free from violence and challenges systemic gendered attitudes. Through these services, we offer refuge, children's and parenting services, counselling, support, men's behaviour-change programs, accommodation, and advice to families and individuals who are experiencing, or who have experienced, family violence.

Through these programs and services, over 5800 of women and children who experienced family or domestic violence were supported.

## Homelessness

The Salvation Army is the largest provider of homelessness services across the country.

We offer a range of specialist services to adults and families with accompanying children who are at risk of or experiencing homelessness in every state and territory of Australia. These include supported accommodation, case management, assertive outreach support, brief intervention, prevention, and diversion programs, and coordinated intake and assessment, all in collaboration with and referral to other specialist services.

In 2020-21, The Salvation Army provided 309,800 sessions of care provided to people who were at risk of or experienced homelessness.

The Salvation Army is committed to breaking the cycle of homelessness for the people we serve through evidence-based, client-led practice frameworks.

## Youth Services

The Salvation Army's Youth Services includes a range of programs for young people, their families and the community.

We deliver intentional avenues for young people to explore opportunities, build support networks, and access, participate and contribute to their communities. Our programs include housing and homelessness, driver training, education, employment and training, social and community activities, specialist therapeutic responses and youth justice programs.

More than 4,900 young Australians were supported through these programs in 2020-21.

We understand that a safe space for growth is created when people feel believed in, valued, listened to, and respected. The Salvation Army's programs and centres are safe and supportive environments where individuals, especially young people are free to be themselves.





# Offering people hope

## IS OUR MISSION

### Captain Brad Whittle shares about his role as the manager of The Salvation Army Townsville Recovery Services Centre.

The Townsville Recovery Services Centre in North Queensland focuses on people who have alcohol and other drugs issues.

It's holistic in many ways. We want people to learn how to live again – how to relate to people and invest in their mental, emotional, physical, spiritual health, and relational well-being.

Nobody sets out to become addicted. It's about breaking down stigma; to be gracious and understanding and realise that everyone has a story. It's not just about the need, but people's

“It's holistic in many ways. We want people to learn how to live again – how to relate to people and invest in their mental, emotional, physical, spiritual health, and relational well-being.”

readiness for change, often precipitated by crisis and pain. There are different levels of trauma, people managing anxiety-related disorders or depression, conflict, social isolation, and legal issues.

Hope is like oxygen to the soul. When you see people come and reach out for help, they really are starved of hope. They're desperate, and they're just looking for a way out from where they are.

As they engage with the supports that we provide here, social isolation reduces and there's decreased levels of anxiety and depression. Their capacity to make better choices and their relational worldview is changed over time as well.

It is overwhelming to see people's courage, resilience and perseverance. They don't always see that in themselves. As they begin to experience hope in the present and the future, they start to reframe how they feel about themselves and really build into their God-given potential.

It's humbling to be part of people's journey every day as they discover this hope that only comes from God. This hope, this soul-giving oxygen, enables them to breathe again and stand and walk in the new life that Jesus brings.

Captain Brad Whittle in his role as a Salvation Army officer at the Townsville Recovery Services Centre.





# The hidden faces

## OF FAMILY VIOLENCE

**Captain Melanie Cop is a Salvation Army officer and family violence chaplain. She visits women in refuges, safe houses, and those the Salvos support in local communities. In the 2020-21 financial year, the Salvos in Australia assisted more than 5800 women and children and provided more than 63,000 sessions of care to those at risk of, or experiencing, family and domestic violence (FDV). Salvos services include crisis, emergency, transitional and long-term housing, counselling, casework, outreach, and support.**

"Everyone has a story," Melanie says. "Some of the stories I hear are of triumph and overcoming, some are of sorrow and loss, and then there is everything in between. Women share stories with me of some of their darkest and most terrifying experiences – stories that keep them awake at night and bring terror in the shadows.

"I listen to these stories without judgement. Tears may flow, and I hold their hand, but the most valuable thing I can do is to be present. We want to provide hope, safety and care, but tragically, not all stories have a happy ending."

One of the refuges where Melanie works is a short-term stay centre. It's the first point of call for women literally fleeing their homes and needing emergency care.

"The DFV team works with the police, hospitals, motels – whatever is needed – to make sure the women are safe," Melanie explains. "The team arrange paperwork, crisis payments, and longer-term accommodation. We look after the women physically and emotionally. We are there alongside them.



Captain Melanie Cop, family violence chaplain.



Captain Melanie Cop (right) enjoys meeting people as an officer, which can include helping the Emergency Services when required.

"Longer-term support may include being with a family in court, attending the police station with them to make a statement, or escorting them to appointments. Other days I might organise a birthday party, picnic, or back-to-school supplies. Each day is different.

"As chaplain, I offer spiritual care through prayer or study or offer a faith connection best suited to the person's faith or belief."

Melanie shares that her work is "both amazing and emotionally exhausting at the same time". "I love being part of a journey and contributing in a positive way to that journey. It's really important to me to see that the women are empowered, and not just enabled, and to see them grow in their own strength. It's such a privilege to see them come from introverted and timid to confident and happy, to see that transition or the potential in each of the victim-survivors. I really do have the best job in the world."

*"It's really important to me to see that the women are empowered, and not just enabled, and to see them grow in their own strength."*





## MARGARET FINDS HER FAMILY AND A PLACE

*to call home*

Before Margaret\* became homeless, she lived a happy life with her daughter, who meant the world to her. Tragically, Margaret's relationship with her partner turned violent and her life took a terrible turn. Seven years ago, Margaret was beaten so badly by the man she loved that it left her with brain damage and memory loss. Fearing for her life after the attack, Margaret had no choice but to escape and flee her home with nothing, leaving behind the daughter she loved.

In those seven years, Margaret lived on the streets and in a tent. Her badly affected memory meant she couldn't remember where her daughter lived or how to contact her. During all that time, her daughter had been desperately searching for her too.

The Salvos met Margaret when a park ranger found her tent in a city park, damaged by an overnight storm. Margaret, an elderly lady, emerged from the tent, somehow uninjured. The pain of all she suffered was written across her face.

The park ranger contacted the Salvos, who quickly arranged a hot meal and immediate care for Margaret. The team then hunted down phone numbers until they found Margaret's daughter. When mum and daughter talked, there were tears, especially when Margaret learned she had grandchildren she'd never seen.

The Salvos team packed Margaret's few belongings into a van, along with late Christmas presents for the grandchildren, then drove Margaret three hours to the country town where her family lived. Reunited, Margaret is no longer homeless and no longer alone. This true story of transformation is one of many that Salvos personnel and officers are all too familiar with. This financial year, more than 37,000 people experiencing homelessness received support and our staff played a role in meeting many of those people at their point of need.

*\*Name has been changed*



**37,000+**

people who  
experienced  
homelessness



**887,500**

crisis beds provided  
to people who  
experienced  
homelessness



**309,800+**

sessions of care provided  
to people who were at  
risk of or experienced  
homelessness



## MORLEY THE MERRIER FOR *energetic youth ministry*

*“We provide a place where all our leaders believe in our young people and encourage them to be the best version of themselves.”*

The Morley Corps youth ministry team in Perth engages with more than 300 kids every month. The team is led by Youth Pastor Davis Bode, with assistance from Community Case Managers Jodie Egan, who recently relocated from Karratha, and Michael Dawson. Together, the dynamic trio approaches holistic ministry with energy – and it's palpable, even when you're watching their youth group antics online.

“The young people we engage with just want somewhere to belong,” says Davis. “We provide a place where all our leaders believe in our young people and encourage them to be the best version of themselves.”

Youth ministry at Morley seems to operate 24/7. It includes a Friday night youth program (Morley YTH), case management, school engagement, and school holiday and breakfast programs. It's a lot of work, and the trio estimate they reach up to 400 young people. And the best part is they are seeing lives changed.

“One of the biggest struggles we had this past year was facing the isolation caused by COVID-19. Thankfully, we have had such great support from the Territorial Youth and Young Adult Department,” says Michael.

By connecting with young people online or over the phone, the Morley youth team experienced growth, even in lockdown. “Young people are already on their phones, so we as a team thought, ‘Why not put good content, that gives life, into the palm of their hands?’,” says Davis. “We decided to take our Friday night YTH online, and during this period, we were able to have our ‘Summer YTH Experience’, where we engaged



Community Case Managers Michael Dawson and Jodie Egan prepare breakfast as part of the Morley youth team's Schools Program.

with over 400 young people throughout the week, and over 500 people of other ages, too.” Case management plays a pivotal role. Michael and Jodie focus on an early-intervention model to advocate for young people experiencing homelessness, mental health and identity issues, and family estrangement. Clients are referred to them through local high schools, and they always invite them into the Morley YTH community.

“We try to look at it from a holistic viewpoint by engaging with the family and providing support where possible (e.g. financial counselling or the COACH family mentoring program). We help the young person build positive connections outside of school, to set goals, and achieve them, and we instil hope,” says Michael.

This year, the team engaged with three schools. Aiming to meet the unique needs of each community, Davis, Michael and Jodie offer a breadth of options to students – breakfast programs at Kiara and Hampton Senior High Schools, a recess table tennis program at John Forrest High School, and lunchtime soccer games. They also support Year 7 students through orientation and assist with major mental health events like R U OK? day.

“We may never see the end product, but we truly feel honoured to be a part of [these young people's] journey – to plant a seed of love and hope in their lives that can potentially grow into something amazing later in their life, where they can then be a positive impact on those around them,” says Michael. “We are seeing them become strong and confident young people.”



**> 4900**

**young Australians  
were supported  
through youth  
services programs**



**100,000+**

**number of sessions  
of care provided to  
young people**



**53,800**

**number of bed  
nights provided  
to young people  
who were at risk  
of or experienced  
homelessness**



# Local Mission Delivery and Resources

There are many mission expressions across Australia that help The Salvation Army serve and connect with people. Every mission expression has an important role to play, and they work together to ensure the Army is effective in its mission.

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 and the needs of society are too complex for any one expression. LMD means that no part of The Salvation Army can work in silos. The movement is stronger unified as skills, resources, and experiences are harnessed to better live out the Army's mission.

How do people come to be at a Salvation Army corps or faith community? Are we connecting people to faith communities? Are our people growing and engaging in mission?

In June-July, a Connecting People Questionnaire was completed by over 3500 Salvos and provides a snapshot of The Salvation Army in 2021. One of the findings is that 47 per cent came to be at their Salvos faith community because they were invited by a friend or family member, and another 15 per cent were invited by a chaplain or Salvos staff member. 65 per cent of our people in faith communities are engaged in activities that reach out to the wider community and are ready to share their faith with others. The questionnaire indicated that in the past 12 months, 28 per cent of these have built relationships with others at a corps/church-based ministry, 21 per cent have built relationships with people attending for Doorways or Moneycare and 15 per cent have built relationships with people at a social mission centre.

The findings also highlight the opportunities we have to build meaningful relationships with community members who come to the Salvos looking for financial support (via Doorways and Moneycare) and seeking support through our homelessness, family violence,

AOD, addiction, and youth services. In 2021, 7 per cent indicated they had come to Doorways or Moneycare services before coming to the faith community and another 7 per cent indicated they had come to a social mission service (AOD, addiction, youth, family violence, homelessness).

  
**65%**  
of our people in faith  
communities are engaged  
in activities that reach out  
to the wider community  
and are ready to share  
their faith with others

  
**47%**  
came to be at their Salvos  
faith community because  
they were invited by a  
friend or family member

## LOCAL MISSION DELIVERY IN ACTION

In Bega, on the NSW South Coast, mission expression leaders from across the region make it a priority to attend the SalvoConnect session each week at the corps. This includes the volunteer team leader, Doorways case worker, Moneycare financial counsellor, and the corps officers.

Esther\*, a local community member, started attending SalvoConnect, met the team, and began to build a relationship with them. After several conversations over coffee, she accepted an invitation to take part in the Positive Lifestyle Program. It was such a great experience for her that she brought her friend to also take part in the program.

After Esther's friend had been there a while, our

case worker found out that she was being impacted by financial challenges and introduced her to our Moneycare financial counsellor.

During her sessions with the financial counsellor, the woman asked questions about spirituality and was connected with a corps officer in her area. She is now a follower of Jesus, attending church when possible and part of a small group learning more about Jesus.

This collaboration across mission expressions is Local Mission Delivery in action – transforming the life of one person at a time with the love of Jesus.

*\*Name has been changed*



## TOWNSVILLE RIVERWAY RECOVERY MISSION

The Salvation Army cares for people holistically, helping people discover who they are through their faith journey.

Townsville Riverway Recovery Mission demonstrates how Local Mission Delivery allows people to come as they are, being met with acceptance and connection with the community through faith.

Daniel, a Riverway member, says, "I've never been

judged or looked down upon by The Salvation Army. They've always greeted me with open arms. They're caring to the needs of other people here."



**VIEW THE FULL STORY  
FROM TOWNSVILLE  
RIVERWAY RECOVERY  
MISSION**



# Policy, Research and Social Justice

**Policy, Research and Social Justice (PRSJ) provides support functions in advocacy and social policy, research and outcomes measurement, and the contract services related to the delivery of mission activities and data collection services.**

**Through Policy and Advocacy, The Salvation Army coordinates social policy development, social justice education, and empowerment and advocacy efforts on social policy issues. We work with corps and service areas to identify social justice issues, explore effective social policy responses and seek to influence decision-makers to make needed change that transforms Australia.**

**The Salvation Army also leads development of research, evaluation, and outcomes/impact measurement to provide evidence and insights about the people the movement supports, its practices, and its impact on the community. These insights inform best-practice service delivery, policy and advocacy, and can be utilised to promote the ongoing work of the Army.**

## KEY RESEARCH AND SUBMISSIONS (JULY 2020 TO JUNE 2021)

### Research Report: The Stronger Communities project: The Salvation Army National Outcomes Measurement

The Stronger Communities project aims to measure how The Salvation Army is progressing in 'transforming Australia one life at a time'. The report sought to know how many people are making progress, or sustaining positive outcomes because of their engagement with a Salvation Army service and with the organisation. Community members' progress and outcomes are measured against four Stronger Communities Outcome Domains: Well-being and Spirituality; Individual Capability; Life Circumstances; and Social Connectedness. Most key service areas are developing and/or implementing their outcomes measurement tools at a national level.



FOR MORE INFORMATION, PLEASE SEE *THE SALVATION ARMY IMPACT REPORT 2021*, PAGE 10-13.

### Research Report: Making ends meet – Red Shield Appeal 2021

For those already struggling, the COVID-19 pandemic has further exacerbated experiences of poverty, hardship and housing stress, particularly for low-income earners and recipients of government benefits. As a result, many have turned to community support services for help. The Salvation Army has observed new and emerging groups of people who typically would have managed through hard times. Since April 2020, there has been an influx of international students, temporary visa holders, younger cohorts aged 18-24 years, and those renting and residing in unstable accommodation.

This research project explored the impact and challenges of the COVID-19 pandemic on the financial situation and mental well-being of community members and their families. The information collated provides valuable insights and understanding of the effects of COVID-19 for our clients, and the financial implications of living on restricted incomes. It emphasises the financial stress and difficulties people experienced to afford their rent and essentials, such as household bills and enough food for themselves and their families.



VIEW *MAKING ENDS MEET – RED SHIELD APPEAL 2021* REPORT HERE

### Submission: Indigenous Voice to Parliament

Aboriginal and Torres Strait Islander Elders and advocacy groups have been very clear on the need for a constitutionally enshrined 'Voice' to parliament (most notably, but not exclusively, through the Uluru Statement from the Heart). Constitutional recognition is needed to ensure the Voice leads to justice and equality and builds trust in the process.

The Salvation Army is a strong supporter of the Uluru Statement. In this submission to the government's consultation, the Army reiterated its longstanding position that the Indigenous Voice to parliament must be constitutionally enshrined. The submission amplified the voices of Aboriginal and Torres Strait Islander-led groups, honoured the wisdom and patience of Aboriginal and Torres Strait Islander Salvationists, and drew on the process and outcomes of the yarning circles undertaken as part of the Reconciliation Action Plan.



FOR MORE INFORMATION, PLEASE SEE *THE SALVATION ARMY SUBMISSION – INDIGENOUS VOICE CO-DESIGN INTERIM REPORT*



### Submission: Increasing the JobSeeker Payment

The Salvation Army has been a leading voice in discussing the need for an increase to the JobSeeker rate for many years. This submission presented new and concrete evidence from specially commissioned research. It provided deeply human descriptions of the hardship experienced and tied to qualitative data around the experience of people the Army works with.

The submission was one part of a wider campaign around JobSeeker that is ongoing. The evidence in the submission was used as the basis for forming partnerships within the sector, media activity and direct advocacy with MPs and Senators.



FOR MORE INFORMATION, PLEASE SEE *THE SUBMISSION FINAL REPORT* ON THIS LINK

### Resource: The Pathway to Social Justice

As part of its social justice education and empowerment practice, The Salvation Army produced the Pathway to Social Justice as part of Anti-Poverty Week advocacy.

The message is one of hope and action and focuses on the proposition that Australia should be a place where:

- everyone's basic needs are met;
- everyone is welcome and included; and
- everyone can have hope for the future.

The report focuses on how Australia can transform and provide practical steps for the nation, the community, and individuals to help Australia move closer to being free from hardship and injustice.



FOR MORE INFORMATION, PLEASE SEE *PATHWAY TO SOCIAL JUSTICE REPORT*



# The Salvation Army International Development

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.

## BUILDING BETTER LIVES

A Salvation Army sponsorship program in the Philippines is making a significant difference to the lives of many families in the South-East Asian country.

The Espinosas\* are one such family. They are part of SIKAP, a Salvation Army International Development initiative that helps transition children and families out of individual child sponsorship and empower them to support their own livelihoods.

SIKAP stands for Sponsorship Isang Kaagapay Program and aligns with the United Nations Development Goals.

Young Henrico Espinosa is reaping the rewards of his parents' involvement in the project. In the past, Henrico's father had inconsistent work, and the family struggled to make ends meet. Since joining SIKAP, Henrico's father has gained regular work in the fishing industry, which has helped boost their income and savings. The money management training from the project has been beneficial for the family in learning the

importance of savings and avoiding unnecessary financial pressure from impulsive spending, complementing the regular income.

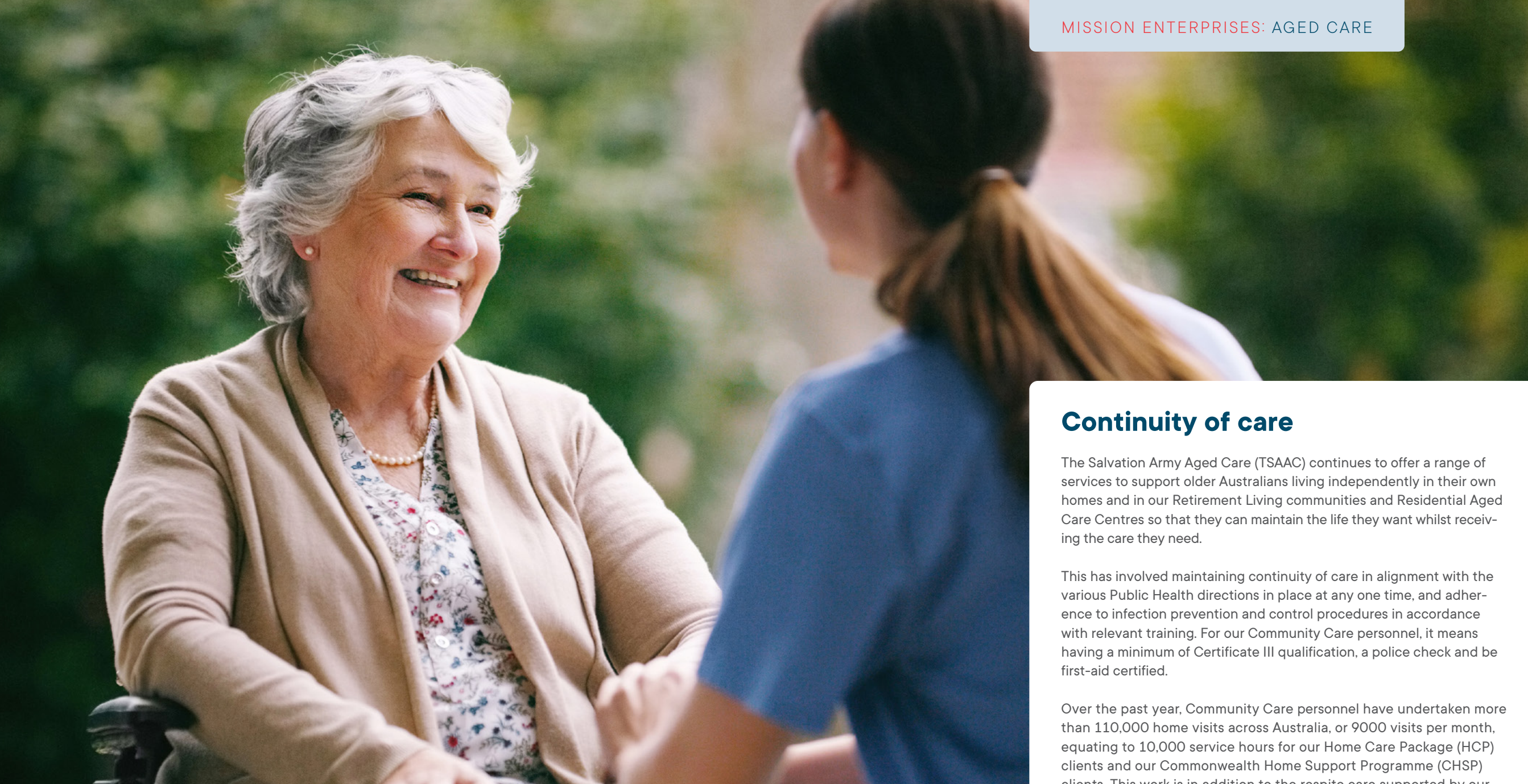
Henrico is now more settled at school, particularly as the project encourages better social interaction between other families and children. After he finishes his schoolwork, Henrico is often seen helping his father with fresh catches off the boat or at the fishing farm, sorting out the best fish for sale at the market.

\* Name changed



VIEW A COPY OF  
SAID 2021 ANNUAL  
REPORT HERE





# Mission Enterprises:

## PORTFOLIO OVERVIEW

**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

### Continuity of care

The Salvation Army Aged Care (TSAAC) continues to offer a range of services to support older Australians living independently in their own homes and in our Retirement Living communities and Residential Aged Care Centres so that they can maintain the life they want whilst receiving the care they need.

This has involved maintaining continuity of care in alignment with the various Public Health directions in place at any one time, and adherence to infection prevention and control procedures in accordance with relevant training. For our Community Care personnel, it means having a minimum of Certificate III qualification, a police check and be first-aid certified.

Over the past year, Community Care personnel have undertaken more than 110,000 home visits across Australia, or 9000 visits per month, equating to 10,000 service hours for our Home Care Package (HCP) clients and our Commonwealth Home Support Programme (CHSP) clients. This work is in addition to the respite care supported by our personnel at Burrangiri Aged Care Respite Centre in the Australian Capital Territory, which has 15 overnight beds and a day capacity of 20 people. Over the past 12 months, Burrangiri has seen increased demand, with more than 4000 overnight bed days delivered and 2100 attendances at the specialised day respite program.

Healthlink, The Salvation Army Aged Care's Allied Health clinic in South Australia, provides a broad range of therapeutic and direct health services to older Australians living in the community. The services, available to both individuals and groups, focus on recovery, restoration and reablement. The aim is to enhance overall well-being and help older people live independently in their homes and within their communities.

As the demand for support of the vulnerable and elderly people in their own homes continues to grow, the Community Care team is responding to this need through expanding the Community Care workforce and the areas in which it operates. The team was pleased to receive feedback in a recent survey, which indicated that in terms of client satisfaction, The Salvation Army Aged Care's Community Care services exceed the industry benchmark at 91 per cent compared to 89 per cent for industry.



# 1783

**Residential aged care centre capacity (number of residents provided for at one time)**



# 380

**Retirement living apartments**



# 110,000

**home visits across Australia by Community Care personnel**



# 2100

**TSAAC personnel including volunteers and officers in August 2021**



Getting the job done

Throughout the 2020-21 financial year, The Salvation Army's Employment Plus network continued to respond to challenges and rapidly changing situations as a result of the COVID-19 pandemic.

While the impacts of the pandemic were already being felt in the lead-up to July 2020, we began the financial year with a great deal of lingering uncertainty regarding how the virus and restrictions would impact our economy, unemployment, employment prospects, and our operations. We saw a significant increase in demand on our employment services – in September 2020, when our caseload volume was at its peak, the number of job seekers Employment Plus was supporting had almost doubled since the beginning of the pandemic.


By the commencement of the 2020/2021 financial year, the pandemic and associated restrictions had seen unemployment rise considerably. At this stage, more than 1.4 million Australians were unemployed and collecting the JobSeeker allowance, with an additional 1.6 million Australians receiving the JobKeeper payment. Employment Plus commenced the financial year with a total active caseload of 39,060 job seekers across all our employment programs – a significant increase from our caseload of 23,300 just 12 months earlier. As the year went on, the number of job seekers needing support fluctuated as restrictions changed in different states and territories across the country, and more job opportunities opened up in those areas with fewer restrictions.


During the financial year, Employment Plus supported a total of 68,704 job seekers, helping them prepare




and search for work, with 20,901 (approximately 30 per cent) finding employment or enrolling in education. This was a significant increase from the previous year when we supported 61,741 job seekers and helped 12,480 obtain employment or further their education.

With the volume of job seekers sent to Employment Plus from Centrelink growing significantly across the year, an additional 75 frontline staff were employed to assist in managing the workload.

  
**1.4 million**  
Australians were unemployed at the start of the financial year

  
**68,700+**  
job seekers were supported by Employment Plus

  
**30%**  
of job seekers supported found employment or enrolled in education



MOLLY'S STORY

Opportunity wasn't something Molly\* had come across very often by the time she reached her 50s.

A single mother, Molly had dedicated the past two decades to caring for her son while also enduring mental health battles. As a result, Molly faced a barrier that's all too familiar to many older job seekers Employment Plus comes across. With no work experience and having never properly learnt to read or write, Molly felt any attempts to find a job would be in vain.

When the Employment Plus team in the Hunter region of NSW met Molly in 2016, the first thing they saw was a kind-hearted woman who would be a valued team member to any employer who was willing to give her a chance. But they also understood that they had some work to do before she could get there.

The Employment Plus team ensured that Molly felt supported at every step. They connected her with our Training Plus team, who assisted her in creating a resume and cover letter and worked with her to develop interview skills. Molly also completed a training program to help boost her employability skills before being connected with the team's recruiter, who helped her apply for suitable jobs.

The following year, at the age of 53, Molly began working. The team at Employment Plus had found her a job working as a cleaner and provided further assistance to her and her employer by providing Molly

with work clothes and a wage subsidy. Molly continued in the role for a few months before finding work at a local fish and chip shop. Settled in a new job much closer to home, Molly happily continued working for another three years.

Then the COVID-19 pandemic hit.

Molly lost her job in mid-2020 and once again found herself at our Employment Plus office. But with a few years of work experience under her belt and buoyed by the confidence of having the team at Employment Plus in her corner once again, Molly was far more hopeful this time around. And with good reason. After helping Molly update her resume and providing her with assistance to get to work and register her car, the team found Molly a job with another local takeaway shop just one month later, in July 2020. She continues to work there today.

Over the past five years, Molly and the team at Employment Plus have worked together to build a partnership of respect and trust. And while this has helped her to find the confidence and hope that she had been missing, more than anything, it has made her feel that she isn't alone. And sometimes, that means everything.

\* Name has been changed for privacy reasons.





## Adapting to change

The opening line of Charles Dickens' *A Tale of Two Cities* provides an appropriate description of Salvos Stores' overall experience in 2020-21 – "It was the best of times, it was the worst of times ..."

This famous phrase reflects the dramatic difference in trading conditions Salvos Stores has had to navigate since the beginning of the COVID-19 pandemic. While there have been large periods when many stores have been required to close, we have also seen a benefit through higher levels of retail spending in communities that have experienced relatively low levels of infection.

The biggest challenge, however, has constantly been adapting to changing restriction levels. It has been incredibly tough on leaders, staff, volunteers, donors, and customers – often separated from family, friends and work by a border, region, or the definition of a Local Government Area.

Through it all, Salvos Stores staff and team members have chosen to serve our mission faithfully. They have chosen to adapt and thrive in chaos. They have chosen to reach out, connect and support each other. And they have chosen to continue to strive toward our future. Thanks to our incredible team, we have continued to operate our stores safely in every state and territory when restrictions allow.

Salvos Stores has continued to move forward, opening 21 new stores across Australia. This included two

exciting concept stores where we've been piloting an entirely new national brand look and feel and customer experience. Another significant development is the scaling up of our online store to become the largest and most sophisticated digital op-shop of any Australian charity. This is a massive paradigm shift for charity retail and has involved engaging our teams to learn new skills, list thousands of unique items and generate much-needed revenue to continue powering The Salvation Army's programs through lockdowns.

As we look towards a more 'COVID-normal' year ahead, Salvos Stores will continue to be focused on growing the positive social and environmental impact Australians can have by engaging with our stores. Next year, we are excited to improve further our eCommerce and Retail IT platforms, partner with more Salvation Army Thrift and Family Stores, and refresh our store network with our new 'Change for Tomorrow' branding.

Once our stores completely reopen, we look forward to welcoming all our team members and volunteers back and working together safely and sustainably. This means we will continue to ensure our team's well-being through cleaning and safety procedures and by encouraging all team members to consider vaccination as the key to getting back to our best.

As we look beyond the inevitable challenge of living with COVID-19, Salvos Stores remains well prepared following a turbulent year.



“Salvos Stores has continued to move forward, opening 21 new stores across Australia. This included two exciting concept stores where we've been piloting an entirely new national brand look and feel and customer experience.”



**\$52,228,700**

profit generated  
back into Army  
programs



**9572**

Salvos Stores  
volunteers



**348**

Salvos Stores



**2.283  
million**

Salvos Stores  
volunteer hours



## Expansion of care

Salvos Funerals is a trusted not-for-profit service owned and operated by The Salvation Army and has emerged as one of Australia's "fastest growing start-ups". Salvos Funerals contributes to the ongoing work of the Salvos in the community and continues this care provided to Australians during their time of need.

The Salvation Army's care for families and individuals experiencing the loss of a loved one has grown, with Salvos Funerals expanding from NSW into Victoria.

Salvos Funerals has served more than 1700 families since it began in 2017 in Sydney and the NSW Central Coast. Late in 2020, it began offering cremation-only services in Melbourne. From autumn 2021, it began to provide a full range of funeral services across metropolitan Melbourne and the Mornington Peninsula.

Overseeing the initial expansion into Melbourne is Senior Funeral Planner and Funeral Sector Advisor Marc Allison, who says he is looking forward to bringing the service to his hometown.

Marc, who helped start The Salvation Army's newest enterprise, is no stranger to the funeral industry. Coming from a family that has been serving grieving families for 160 years, he has devoted himself to the service full-time for 13 years. In that time, he says he has learnt much about the process of grief and the importance of a funeral service in adjusting to life without a loved one.

"One of the most apt descriptions I've found is that the death of someone close to you is like losing a limb – it's not going to grow back. You need to adapt to a new normal," says Marc. "Funerals can help us to pause and reflect on who and what we have lost. They bring people together to grieve, comfort one another and find hope. And for Christians, there is greater comfort still in meditating afresh on the hope that we have in Christ."

Marc sees his role as providing 'genuine compassion that comes from the love of Christ'. In practice, this means – when people allow it – he will pray with them. He says this is often the most poignant moment of his time with a family, even for those who are not religious.

National Director of Salvos Funerals Malcolm Pittendrigh says operating a funeral service during 2020 was challenging, but like all industries, changes were made to continue to provide the best possible care.



"[We were] meeting families online using the latest technology and designing forms that made the paperwork easier to administer remotely."

During the height of COVID-19 restrictions, he said most families using Salvos Funerals opted for a no-service, no-attendance, direct-cremation option due to the cap on large gatherings.

"COVID has been extremely hard on grieving families – with so many unknowns and variable restrictions on what was permissible," said Malcolm. "Providing a plausible alternative provided much comfort to families that would have normally opted for a traditional service with large numbers of family and friends. This also provided greater flexibility in terms of the timing of the memorial service [and] was a cheaper alternative for families as well."

The move into the Melbourne market is an exciting step for the enterprise – providing further opportunities to connect with and support the community and generate extra income to maintain vital Salvos social programs and services.

At the time of writing, plans are in place to expand Salvos Funerals into new areas of Australia, where The Salvation Army has a strong presence.

## Wrap-around support

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 providing homes for individuals and families who are homeless or at risk of homelessness, are on low incomes, and those with specific support needs.

As at 30 June 2021, Salvation Army Housing managed over 1600 properties throughout Australia providing long-term housing, transition housing as well as crisis and rooming house tenancies, to approximately 1628 tenants.

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.

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 is on 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, and Salvos Stores. There is no other Community Housing Provider better placed to offer full wrap-around services.



[VIEW A COPY OF SALVATION ARMY HOUSING 2020-21 ANNUAL REPORT HERE](#)



**900+**

**people provided with longer-term housing**



**670**

**people provided with transitional housing**



**240+**

**people assisted with crisis housing**



**3 years**

**average length of stay (long-term)**





## CREATING HOPE TOGETHER – *whatever it takes!*

When the COVID-19 pandemic hit in early 2020, The Salvation Army embraced technology and launched the Red Shield Appeal Digital Doorknock. Since then, the appeal has continued to grow and adapt to a changing environment. In 2021, for the first time in its history, the Doorknock involved a mix of online and traditional fundraising. Local corps communities around the country took up the challenge to raise funds with renewed enthusiasm, and our supporters and partners responded with overwhelming generosity.

It was heartening to see many people gathering at Red Shield Appeal events and fundraisers out connecting with the community. Victoria, however, was hit with another snap lockdown, postponing the Doorknock weekend in the state for a second year. The pandemic also forced a last-minute postponement of the Sydney appeal launch. Despite these challenges, 30,000 dedicated volunteers helped raise valuable funds for much-needed programs and services. Enthusiastic supporters from all corners of the globe also signed up to the Digital doorknock. Celebrities and everyday Australians used their donation page as a platform to help raise awareness, and The Salvation Army is forever grateful for the fun, creative and practical ways in which people came together to raise money.

For 56 years, the Red Shield Appeal has been calling on the generosity of people to donate what they can to help vulnerable community members. This year, the campaign focused on a homelessness crisis bigger than many ever imagined, and our supporters responded generously, trusting The Salvation Army to be missionally effective. The demand for the Army's services and programs and the number of people needing support has risen significantly. Given the

economic climate and challenges ahead, the Army expects this demand to increase.

The Red Shield Appeal raised \$97 million in 2021. These funds directly support frontline work in the areas of most need: financial crisis, family and domestic violence, addiction, emergency relief and homelessness. These donations become food vouchers, bill assistance, financial counselling, and grocery items for individuals and families struggling to make ends meet. Notably, the positive impact is far-reaching and tailored to individual needs, so every life transformed is transformed in a deeply personal way.

The appeal's success is a collaborative effort. I am so grateful to everyone for enthusiastically embracing the true spirit of the appeal by sharing stories, taking the time to learn about the plight of others, and being a champion for the most vulnerable in your communities. From our individual donors to our corporate supporters and partners, celebrities to community members, first-time donors to our faithful regulars, volunteers and employees – this year's appeal saw so many come together to support Aussies doing it tough. On behalf of The Salvation Army, I want to express my sincere appreciation and gratitude.

While there continue to be people in need, Salvos will live, love and fight, alongside others, to transform Australia one life at a time with the love of Jesus – and we are incredibly grateful to have you beside us. Thank you. We could not do it without you.

**Lieut-Colonel Neil Venables**  
Secretary for Communications  
The Salvation Army Australia



VIEW THE RED SHIELD  
APPEAL 2021 IMPACT



VIEW PRIME MINISTER  
SCOTT MORRISON'S VIDEO  
ON HIS SUPPORT FOR THE  
2021 RED SHIELD APPEAL



# 56 years

**Red Shield Appeal  
has been running in  
Australia**



# 30,000

**volunteers helped  
raised valuable  
funds for much-  
needed programs  
and services**



# \$97 million

**raised through  
the Red Shield  
Appeal in 2021**





# Thank you Australia!

**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.**

ACT Government, Community Services  
ACT Government Health Directorate  
Federal Attorney-General's Department  
Federal Department of Foreign Affairs and Trade  
Federal Department of Education, Skills and Employment  
Federal Department of Health  
Federal Department of Home Affairs  
Federal Department of Human Services (Centrelink)  
Federal Department of Industry, Innovation and Science  
Federal Department of Social Services  
Federal Department of the Prime Minister and Cabinet  
Federal Department of Veterans' Affairs  
Federal NDIS Quality and Safeguards Commission  
NSW Department of Education  
NSW Department of Health and Human Services  
NSW Commissioner for Fair Trading  
NSW Department of Communities and Justice  
NSW Department of Planning and Environment  
NSW Department of Premier and Cabinet  
NSW Department of Transport, Roads and Maritime Services  
NSW Department of Industry  
NSW Health, Health Administration Corporation  
NSW Health, Mid North Coast Local Health District

NSW Health, South Eastern Sydney Local Health District  
NSW Multicultural NSW  
NSW Resilience NSW  
NSW Campbelltown City Council  
NSW Central & Eastern Sydney PHN  
NSW City of Sydney  
NSW Health South Western Sydney PHN  
NSW Liverpool City Council  
NSW Port Stephens Council  
NSW Singleton Council  
NSW Snowy Monaro Regional Council  
NSW Went West  
NT Department of Chief Minister Executive Officer  
NT Department of Children and Families  
NT Department of Health  
NT Department of Infrastructure, Planning and Logistics  
NT Department of Local Government, Housing and Community Development  
NT Health Network Northern Territory PHN  
NT Territory Families  
QLD Department of Children, Youth Justice and Multicultural Affairs  
QLD Department of Communities, Housing and Digital Economy  
QLD Department of Corrective Services

QLD Department of Education  
QLD Department of Employment, Small Business and Training  
QLD Department of Fire and Emergency Services  
QLD Department of Housing and Public Works  
QLD Department of Justice and Attorney General  
QLD Department of Transport and Main Roads  
QLD Office of Liquor and Gaming Regulation  
QLD Health  
QLD Brisbane City Council  
QLD Bundaberg Regional Council  
QLD Gladstone City Council  
QLD Hinchinbrook Shire Council  
QLD Moreton Bay Regional Council  
QLD Noosa Shire Council  
QLD North Queensland PHN  
QLD Queensland Independent Schools  
QLD Toowoomba Regional Council  
QLD Townsville City Council  
QLD Western Queensland Primary Care Collaborative  
SA Department of Education  
SA Department of Health and Wellbeing  
SA Department for Human Services  
SA Department of Premier and Cabinet  
SA Housing Trust  
TAS Department of Communities  
TAS Department of Mental Health and Wellbeing  
TAS Department of Premier and Cabinet  
TAS Primary Health Tasmania Limited  
TAS Tasmania Community Fund Board (Crown in Right of Tasmania)  
TAS Health Organisation South  
VIC Department of Education and Training  
VIC Department of Health  
VIC Department of Justice and Community Safety  
VIC Department of Premier and Cabinet

VIC Department of Transport  
VIC South Eastern Melbourne Primary Health Network  
VIC Boroondara City Council  
VIC Cardinia Shire Council  
VIC City of Casey  
VIC City of Greater Geelong  
VIC City of Port Phillip  
VIC Glen Eira Council  
VIC Goulburn Valley Health  
VIC Greater Geelong City Council  
VIC Hume City Council  
VIC Knox City Council  
VIC Melbourne City Council  
WA Department for Child Protection and Family Support  
WA Department of Communities  
WA Department of Fire and Emergency Services  
WA Department of Health  
WA Mental Health Commission  
WA Housing Authority  
WA Primary Health Alliance (WAPHA)  
WA City of Subiaco  
WA City of Gosnells  
WA City of Rockingham

## Companies and organisations

7-Eleven  
ABC Giving Tree Committee  
Advertising Federation Of Australia  
Alinta Energy  
Amgen Australia Pty Ltd  
Amway  
Aurora Energy Pty Ltd  
Beyond Bank Australia  
Bunnings Group Limited



Catalina’s (Rose Bay) Pty Ltd

Cherry Collectables

CIMIC Admin Services Pty Ltd

Collingwood Football Club

CRS Pty Ltd

Dankav Pty Ltd

Dell Technologies

Devlin Engineering and Management Pty Ltd

Dunmarra Pty Ltd

Electel Resources Pty Ltd

Elphinstone Group (Aust) Pty Ltd

Everyday Hero

Fortescue Metals Group Limited

HBF Health Insurance

Hopgood Ganim Lawyers

IG Design Group Australia

Infinite Light

Isuzu UTE Australia Pty Ltd

JMAC Marine & Industrial Pty Ltd

Kmart Australia Ltd

Lotterywest

Lumo Energy

Mineral Resources

Musgrave Ancillary Fund Pty Ltd

Myer Community Fund Ltd

Myer Pty Ltd

Newcrest Mining Limited

Northrop Grumman

Programmed Facility Management FM

Real Estate Institute of WA

Reckitt

Rio Tinto Limited

Ritchies Stores Pty Ltd

Solomon Islands Government

Steadfast Group Ltd

Talento Holdings Pty Ltd

Technology One Ltd

TOMRA Collection Solutions

Transurban

Vietnamese Buddhist Group Of WA

Vietnamese Community In Australia

Westpac

William Buck (Vic) Pty Ltd

Woodside Energy Ltd

Woolworths Limited

Individuals and families

Andrew Lear

Bart J. Currie

Dick and Pip Smith

Dorothy Hancock OAM

Dr David Wadley

Dr Michael Burgess

Dr Varoe Legge

Eric Haar

Everdina Gaemers

Frank & Rosie O’Halloran

George Lefroy AM & Joan Lefroy AM

Harry Schroder

Ian Dodgshun

Jillian Lees

JL & FL Lyons

John A. Uhrig & Shirley Uhrig

John & Ngaire Roberts

Keith Oliver

Lady Primrose Potter AC

MHW Allsopp

Mick & Deborah Hayward Norman Rydge

Owen Benn

Peter Robinson Peter Turner

Roger Massy-Greene AM & Belinda Hutchinson AC

Ross Williams Russell Glenn

Scovell Gardner Family

Stephen & Anita Champion Susan Scotford

Tim Fairfax AC & Gina Fairfax William Atkinson

TRUSTS AND FOUNDATIONS

Alcoa Of Australia (Foundation)

Annie & John Paterson Foundation  
Ltd APS Foundation

Bowen Foundation (Inc) Brazil Family Foundation

Brinsmead Hill Family Foundation

Bruce Wall Charitable Trust

Centenary Foundation - Jean Myhill Boxsell

Centenary Foundation - Warren Read Endowment

Colin Bisdee Trust

Collier Charitable Fund

Community Enterprise Foundation

Dolarac Pty Ltd

Eureka Benevolent Foundation

Evolhope Pty Ltd

Gloria McKerrow Endowment

Goldburg Family Foundation

Lord Mayor’s Charitable Foundation

Lord Mayor’s Charitable Trust (Brisbane)

Matana Foundation for Young People

Mutual Trust Foundation

Path Of Hope Foundation

Philandron Foundation

Property Industry Foundation Sydney

Queensland Community Foundation

Ragdoll Foundation Pty Ltd

Stan and Maureen Duke Foundation Ltd

Stan Perron Charitable Foundation

The Busby Family Fund

The Cassidy Bequest Endowment

The Cory Charitable Foundation

The D & X Williamson Family Charitable Fund

The Donald & Joan Wilson Foundation

The Doxa Social Club Inc

The Eddy Dunn Endowment

The Ernest Heine Family Foundation

The George W Vowell Foundation Ltd

The Haggarty Foundation

The Hugh D T Williamson Foundation

The John & Betty Laidlaw Legacy

The John & Margaret Schneider Charitable Trust

The Manildra Foundation

The MAST Foundation

The McVay Foundation

The Orloff Family Charitable Trust

The Robert C Bulley Charitable Fund

The Robin Beveridge Endowment

The Rock Private Ancillary Fund

The Russell Endowment

The Select Foundation

The Sun Foundation Pty Ltd

The Sylvia & Charles Viertel Charitable Foundation

The Theodore & Isabella Wearne Charitable Trust

The Wheeler Family (NQ) Charitable Endowment

William Angliss (Victoria) Charitable Fund

Wood Family Foundation

WORKPLACE GIVING

Good2Give

Latitude Financial Services



# Aggregated financial report

## The Salvation Army Australia

### Social Fund

For the year ended 30 June 2021

#### CONTENTS

Trustees' Report	62-65
Aggregated Statement of Profit or Loss and Other Comprehensive Income	66
Aggregated Statement of Financial Position	67
Aggregated Statement of Cash Flows	68
Aggregated Statement of Changes in Capital Funds	69
Notes to the Financial Statements	70-89
Trustees' Declaration	90
Auditor's Independence Declaration	91
Independent Auditor's Report	92-94

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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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101 Queen Victoria Street, London, EC4V 4EH

#### Australia Headquarters

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## 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 2021 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
Commissioner	Robert William Donaldson	Territorial Commander	1st July 2019
Colonel	Winsome Joy Merrett	Chief Secretary	11th January 2017
Colonel	Kelvin Leslie Merrett	Assistant Chief Secretary	1st February 2020
Colonel	Geanette Frances Seymour	Board Member	1st August 2018
Lieut-Colonel	Winsome May Mason	Secretary for Business Support	1st July 2020
Lieut-Colonel	Lynette Ann Edge	Secretary for Mission	1st August 2018
Captain	Colin Leslie Francis Reynolds	Board Member	1st July 2020

### 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

No changes in these activities occurred 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.

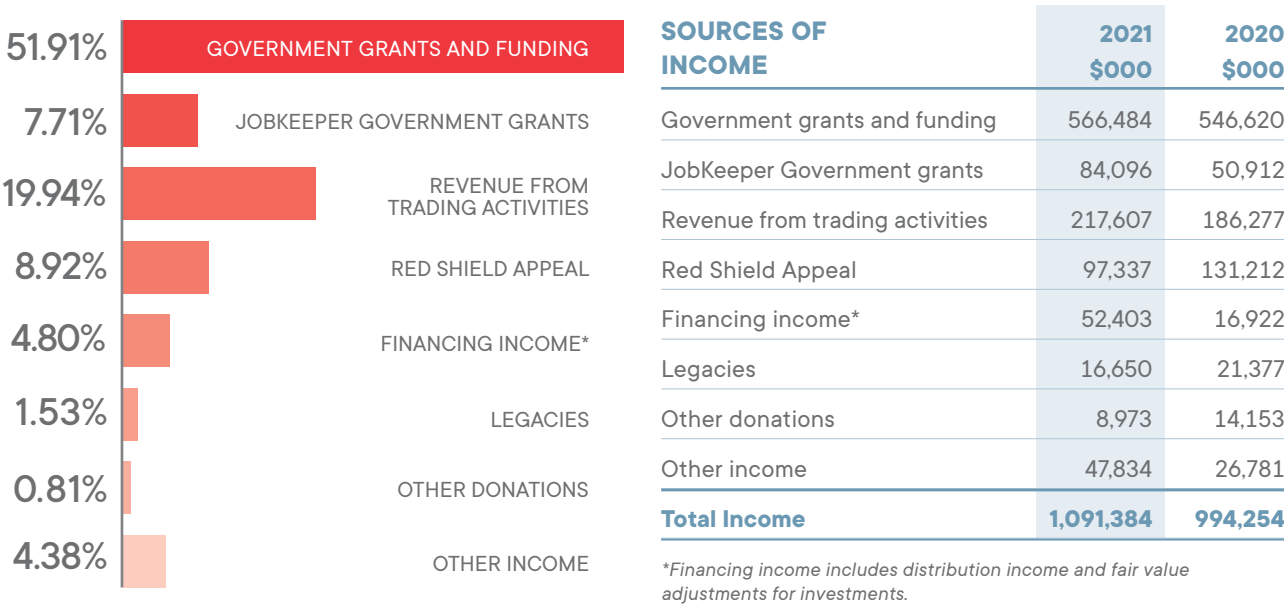
### REVIEW OF OPERATIONS

The Social Fund’s operating result was a net income after allocations and before net change in fair value of financial assets of \$10.6m (2020: \$27m net expenditure) whilst total operating expenses were \$995.1m (2020: \$980.1m). In line with The Salvation Army Australia Territory’s policies and compliance with donors’ restrictions on the use of certain funds, net transfers of \$85.7m (2020: \$41.1m) were made to various reserves for specific purposes.

	2021 \$000	2020 \$000
Revenue	1,091,384	994,254
Expenditure	(995,099)	(980,152)
Net income before Allocations (before net change in fair value of financial assets)	96,285	14,102
Allocations to Capital Funds	(85,680)	(41,107)
Net income/(Net expenditure) after Allocations (before OCI)	10,605	(27,005)
Other items	(52)	580
Total Comprehensive Income/ (Expenditure) after Allocations	10,554	(26,425)

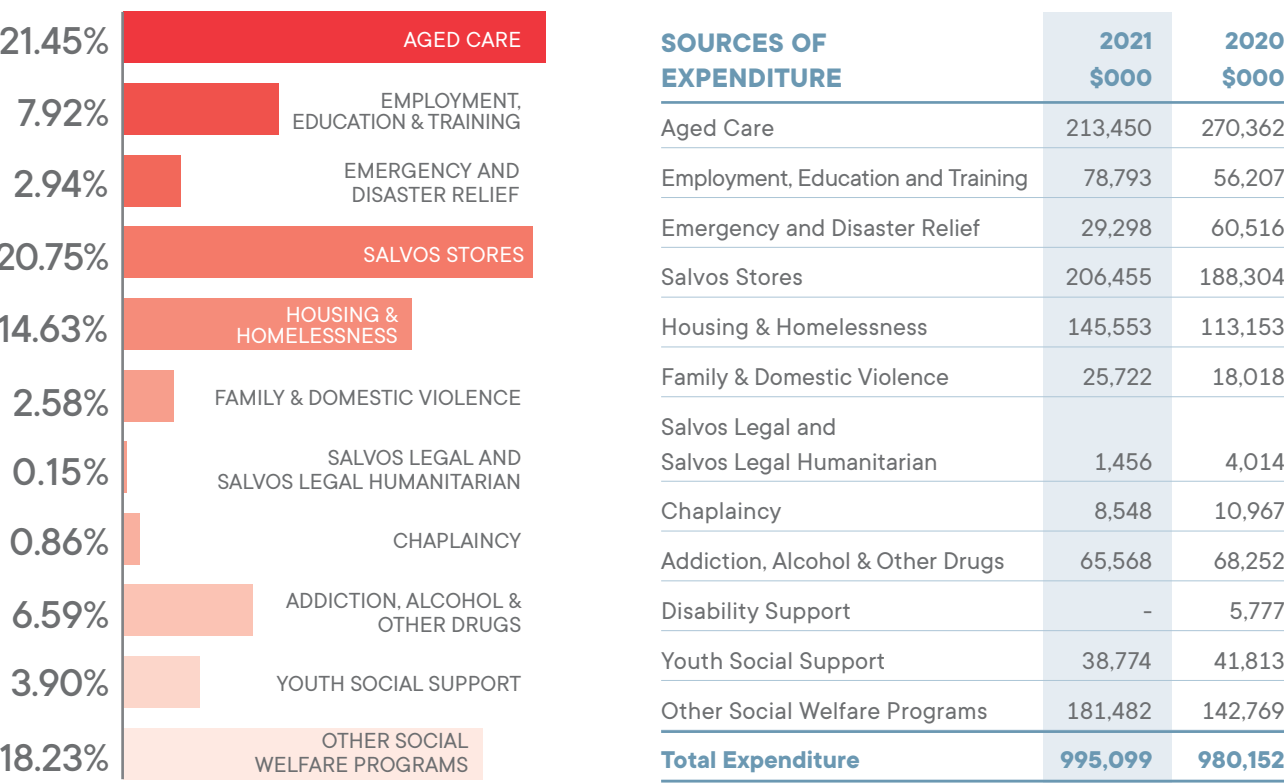
### SOURCES OF INCOME

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 2021.





The 2021 result included the following:

- The Red Shield Appeal recorded income of \$97.3m (2020: \$131.2m) before fundraising expenses for the year ended 30 June 2021. Included within recorded income was \$16.7m donor designated gifts including emergency appeals and disaster relief (2020: \$61.1m of which \$46.6m was related to Bushfire Relief). Fundraising expenses incurred were \$20.6m (2020: \$20.6m). No Red Shield Appeal funds are used to cover National Redress Scheme claims.
- Legacy income \$16.6m (2020: \$21.4m) 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 involving retail closure, however, there was improved performance where stores have been able to reopen. This contributed to the improvement in income relating to trading activities of \$31.3m (2020: \$19.2m) as Salvo's Stores were impacted in financial year 2020, to a greater extent, by COVID-19 and retail closure.
- Employment Plus' performance improved given the current COVID-19 environment which saw job seeker caseloads increase resulting in income of \$84.5m (2020: \$57.2m).
- JobKeeper income of \$84.1m (2020: \$50.9m) was received until March 2021. The Social Fund was impacted by COVID-19 with turnover decreasing by 15% at the time of application, as per the qualifying criteria. As a result, JobKeeper assistance was received by The Salvation Army.

## 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. Demand for services for homelessness, financial difficulty and family violence remained high.

With respect to COVID-19, the future impacts on the Social Fund will depend on the evolution of the pandemic tempered by success and timeliness of the vaccine roll-out across the country. The Federal Government alongside State and Territory Governments have indicated that societal normalcy and further easing of restrictions will continue as vaccination rates meet the targets outlined in the National Plan.

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.

As indicated impacts of COVID-19 are uncertain, while current trends indicate no significant impact to the operation of the Social Fund, any dramatic change in the situation, Government Policy or economic position could have an impact into the future.

## 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 91 and forms part of the Trustees' report for the financial year ended 30 June 2021.

Signed in accordance with a resolution of the Trustees:



**Winsome Mason**

Secretary for Business Support  
TRUSTEE



**Winsome Merrett**

Chief Secretary  
TRUSTEE

Dated at Melbourne this 17th day of November 2021



## Aggregated statement of profit or loss and other comprehensive income

For the year ended 30 June 2021

	Note	2021 \$000	*Restated 2020 \$000
<b>Revenues and other income</b>			
Government grants and funding	2	566,484	546,620
Revenue from trading activities	2	217,607	186,277
Red Shield Appeal donations		97,337	131,212
JobKeeper Government grants		84,096	50,912
Fair value adjustment - investments		21,407	(12,827)
Distribution income		30,996	29,749
Legacies income		16,650	21,377
Other donations		8,973	14,153
Total operating revenue		1,043,550	967,473
Other income		47,834	26,781
Total revenue and other income		1,091,384	994,254
Employee expenses	6, 8	(555,563)	(535,952)
Depreciation expenses		(73,675)	(57,872)
Computer expenses		(12,361)	(11,389)
Welfare/JobSeeker expenses		(118,008)	(114,644)
Building/Occupancy expenses		(108,410)	(113,472)
Motor Vehicle expenses		(10,570)	(11,969)
Rollover accommodation bond credits		(162)	(72)
Amenities and supplies		(43,949)	(50,057)
Professional fees expenses		(19,701)	(22,595)
Financing expenses		(6,153)	(6,162)
Other expenses from ordinary activities		(46,547)	(55,968)
Total operating expenses		(995,099)	(980,152)
<b>Operating net income</b>		96,285	14,102
<b>Other comprehensive income</b>			
Other items		(52)	580
<b>Total comprehensive income for the year</b>		96,233	14,682

The Aggregated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the financial statements set out on pages 70 to 89.

\*The comparative information is restated as the Social Fund made a voluntary change to the accounting policy relating to Community Housing properties. Refer to Note 1(b)(v).

## Aggregated statement of financial position

For the year ended 30 June 2021

	Note	2021 \$000	*Restated 2020 \$000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		37,115	29,577
Receivables and other assets	4	30,326	50,894
Other financial assets	5	8,023	38,642
Inventories		5,065	3,995
Land & buildings held for sale		1,438	3,000
<b>TOTAL CURRENT ASSETS</b>		81,967	126,108
<b>NON-CURRENT ASSETS</b>			
Receivables and other assets	4	30,380	34,451
Other financial assets	5	684,708	588,135
Property, plant and equipment	6	707,416	698,324
Right of use assets	8	202,505	180,308
<b>TOTAL NON-CURRENT ASSETS</b>		1,625,009	1,501,218
<b>TOTAL ASSETS</b>		1,706,976	1,627,326
<b>CURRENT LIABILITIES</b>			
Lease liabilities	8	41,009	33,947
Payables	9	83,574	120,424
Employee benefits	10	39,996	40,623
Provisions	11	13,974	30,125
Interest free loans	12	215,170	214,354
<b>TOTAL CURRENT LIABILITIES</b>		393,723	439,473
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	8	151,132	130,561
Employee benefits	10	7,816	7,373
Provisions	11	19,754	11,090
Interest free loans	12	8,272	8,272
Other liabilities		-	511
<b>TOTAL NON-CURRENT LIABILITIES</b>		186,974	157,807
<b>TOTAL LIABILITIES</b>		580,697	597,280
<b>NET ASSETS</b>		1,126,279	1,030,046
<b>CAPITAL FUNDS</b>			
Working capital fund		24,453	13,848
Property contribution fund		602,739	597,575
Reserves		338,260	248,422
Trusts and special purpose funds		77,863	98,431
Legacies		82,964	71,770
<b>TOTAL CAPITAL FUNDS</b>		1,126,279	1,030,046

The Aggregated Statement of Financial Position is to be read in conjunction with the notes to the financial statements set out on pages 70 to 89.

\*The comparative information is restated as the Social Fund made a voluntary change to the accounting policy relating to Community Housing properties. Refer to Note 1(b)(v).



## Aggregated statement of cash flows

For the year ended 30 June 2021

	Note	2021 \$000	2020 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts in the course of operations*		1,146,878	1,029,243
Cash payments in the course of operations		(1,056,324)	(969,455)
Lease interest payments		(3,981)	(5,154)
Investment revenue received		30,996	16,922
<b>Net cash provided by operating activities</b>	13	<b>117,569</b>	<b>71,556</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for investments		(44,547)	(55,766)
Receipts from disposal of investments		-	53,773
Payments for property, plant and equipment		(46,285)	(51,391)
Proceeds from sale of property, plant and equipment		16,133	10,052
<b>Net cash used in investing activities</b>		<b>(74,699)</b>	<b>(43,332)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		-	(200)
Repayment of lease liabilities		(41,410)	(33,202)
Proceeds from residents' accommodation bonds and other deposits received		61,298	59,474
Repayment of residents' accommodation bonds and other deposits		(55,220)	(61,950)
<b>Net cash used in financing activities</b>		<b>(35,332)</b>	<b>(35,878)</b>
Net increase in cash held		7,538	(7,654)
Cash at the beginning of the financial year		29,577	37,231
Cash at the end of the financial year		<b>37,115</b>	<b>29,577</b>

\*Cash receipts in the course of operations includes \$101,876k (2020: \$33,132k) in relation to the Federal Government JobKeeper Program.

The Aggregated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the financial statements set out on pages 70 to 89.

## Aggregated statement of changes in capital funds

For the year ended 30 June 2021

	Working Capital Fund	Property Contribution Fund	Reserves	Trusts and Special Purpose Fund	Legacies	Total
	\$000	\$000	\$000	\$000	\$000	\$000
At 1 July 2019	40,853	577,875	243,018	91,136	62,482	1,015,364
Operating net income	14,102	-	-	-	-	14,102
Other comprehensive income	-	-	580	-	-	580
	54,955	577,875	243,598	91,136	62,482	1,030,046
Net transfers and allocations within other capital funds	(41,107)	19,700	4,824	7,295	9,288	-
At 30 June 2020*	13,848	597,575	248,422	98,431	71,770	1,030,046
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	-
At 30 June 2021	<b>24,453</b>	<b>602,739</b>	<b>338,260</b>	<b>77,863</b>	<b>82,964</b>	<b>1,126,279</b>

The Aggregated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the financial statements set out on pages 70 to 89.

\*The comparative information is restated as the Social Fund made a voluntary change to the accounting policy relating to Community Housing properties. Refer to Note 1(b)(v).



# Notes to the financial statements

## 1. STATEMENT 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  
95-97 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).

The Social Fund aggregates the results of all social programs in addition to Salvos Stores, Salvation Army Housing, Salvos Legal, Salvos Legal Humanitarian, Salvos Funerals and The Salvation Army Employment Plus Program.

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 17th November 2021.

### (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 Tier 2 in accordance with Australian Accounting Standards – Reduced Disclosure Requirements adopted 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).

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (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 loans receivable 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.

### Basis of aggregation

#### (i) Aggregation of operations and activities

The aggregated financial statements incorporates the assets and liabilities and the results of all Social Fund management entities. Inter-company transactions and balances within the Social Fund are eliminated. The Social Fund aggregates the results of all social programs in addition to Salvos 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 intra-group transactions, are eliminated in preparing the aggregated financial statements.

#### (iv) Going concern

Notwithstanding a negative 'current asset versus current liabilities' deficiency of \$311,756k, 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 (\$215,170k) 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.

With respect to COVID-19, the future impacts on the Social Fund will depend on the evolution of the pandemic tempered by success and timeliness of the vaccine roll-out across the country. The Federal Government alongside State and Territory Governments have indicated that societal normalcy and further easing of restrictions will continue as vaccination rates meet the targets outlined in the National Plan.

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.

#### (v) Change in accounting policy

The Social Fund has made a voluntary change to the accounting policy relating to Community Housing properties. The new accounting policy was adopted for the year ended 30 June 2021 with effect from 1 July 2020 and has been applied retrospectively.

Previously, Community Housing properties were treated as investment properties and were carried at fair value, however having reconsidered the purpose for which the properties were acquired and the current and anticipated use, Social Fund considers the more appropriate accounting policy is to measure these properties at historical cost less accumulated depreciation.

The Social Fund is of the view that the change in policy will result in the financial report providing more relevant and no less reliable information because Community Housing properties at cost less accumulated depreciation is aligned with the remaining classes of land and buildings held by the Social Fund, and the properties are not acquired for the primary purpose of generating capital growth or investment returns and therefore changes in fair value are considered to be of less relevance to users of the financial statements.



Notes to the financial statements

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The change in accounting policy did not materially impact the Social Fund. As a result, a third balance sheet has not been pre-sented. Comparative information has been restated to reflect the new policy. Comparative information was adjusted as follows:

	2020 As Reported \$000	Adjustments \$000	2020 Restated \$000
<b>Aggregated Statement of Profit or Loss and Other Comprehensive Income</b>			
Other income	39,644	(12,863)	26,781
Depreciation expense	(56,823)	(1,049)	(57,872)
Building/Occupancy expense	(113,471)	(1)	(113,472)
Financing expense	(6,278)	116	(6,162)
Total impact on the Aggregated Statement of Profit or Loss and Other Comprehensive Income	(136,928)	(13,797)	(150,725)
<b>Aggregated Statement of Financial Position</b>			
Community Housing property	103,106	(103,106)	-
Property, plant and equipment	681,099	17,225	698,324
Right of use assets	108,328	71,980	180,308
Right of use current liabilities	(33,939)	(8)	(33,947)
Right of use non-current liabilities	(130,673)	112	(130,561)
Net impact on Assets and Liabilities	727,921	(13,797)	714,124
Property contribution fund	(597,981)	406	(597,575)
Trusts and special purpose funds	(111,822)	13,391	(98,431)
Net impact on Equity	(709,803)	13,797	(696,006)

(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 at date of gift, less accumulated depreciation (Note 1(c)(ii)) and impairment losses. Capital gifts are shown as revenue.

Property that is being constructed for future use is classified as ‘building schemes in progress’ 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, then allocated to a reserve to provide funding for future property acquisitions.

(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.

(iv) *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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) **Property, plant and equipment (continued)**  
at the lower of their carrying amount and fair value less costs to sell. 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, employee benefit assets or biological 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, and any equity accounted investee is no longer equity accounted.

(v) *Asset sales*  
The gain or loss on disposal of all non-current property, plant and equipment is determined as the difference between the carrying value of the asset at the time of disposal and the net proceeds on disposal.

(d) **Financial instruments**  
The Social Fund classifies its financial assets at either amortised cost or at fair value through profit or loss or fair value through other comprehensive income, depending on the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets include managed funds recognised at fair value through profit or loss and cash and cash equivalents, short-term deposits, trade receivables and sundry receivables are recognised at amortised cost.

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.

(i) *Financial assets and financial liabilities — Recognition and derecognition*  
The Social Fund initially recognises loans and receivables and debt securities on the date that they are originated. All other financial assets and financial liabilities are initially recognised

on the trade date at which the Social Fund becomes a party to the contractual provisions of the instrument.

The Social Fund derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in transferred financial assets that is created or retained by the Social Fund is recognised as a separate asset or liability.

The Social Fund derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. Financial assets and liabilities are offset and the net amount presented In the Aggregated Statement of Financial Position when, and only when, the Social Fund has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(ii) *Financial assets — Measurement*  
*Financial assets at fair value through profit or loss (FVTPL)*  
Investments in managed funds are initially measured at fair value plus transaction costs. These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

*Financial assets measured at amortised cost*  
A financial asset is classified and subsequently measured at amortised cost if:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are initially valued at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

*Financial liabilities measured at amortised cost*  
Financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method. Liabilities classified as financial liabilities at amortised cost include trade and other payables.



Notes to the financial statements

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial instruments (continued)

Financial assets at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Social Fund can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity and hybrid instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading.

Investments in equity and hybrid instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income.

Calculation of recoverable amount  
The recoverable amount of the Social Fund’s receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted. Impairment of receivables are recognised based on the expected losses from past default rates.

(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.

Fair value hierarchy

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.

(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.

(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 1.49%pa (2020: 0.87%pa) decrement rate assumption of 20%pa (2020: 20%pa), refundable accommodation deposit percentage increase rate of 3%pa (2020: 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, whilst the amortisable amount is recognised as revenue.

(iii) ILUs and Resident Loans

Resident loans are non-interest bearing liabilities to residents of independent living units (ILUs). The loans

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Accommodation bonds and resident loans

(continued)

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 (based on the expected date of settlement). 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.

(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

The carrying amounts of the Social Fund’s assets, other than inventories (see accounting policy 1(h)) and financial instruments (see accounting policy 1(d)), 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.

(l) Goods and services tax

Revenues, 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 Tax Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included. The gross amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Aggregated Statement of Financial Position.

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



# Notes to the financial statements

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (m) Revenues

#### 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.

#### 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.

#### 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.

#### Government grants and funding

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.

#### 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.

#### 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.

#### 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.

#### 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.

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. 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.

#### 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 estimates, judgements and errors

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.

#### 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

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (p) Leases (continued)

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.

#### (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.

##### 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.

##### Lease liabilities

A lease liability is recognised as 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, and 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.

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



## Notes to the financial statements

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (p) Leases (continued)

- 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.

#### (iii) Lease exemptions and elections

The Social Fund applies the practical expedient available under AASB 16 to exclude short-term and low value leases from recognition as right-of-use assets and lease liabilities in their financial statements. Short-term leases are those which have a lease term of 12 months or less and do not provide the Social Fund with an option to purchase the leased asset. Low value leases are those whereby the underlying asset is valued less than or equal to \$10,000 on an 'as new' basis as at the lease commencement date. Low value assets typically include computer equipment, small items of office furniture and mobile phones.

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 outgoing) 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 non-lease 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.

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 standards

##### *New standards adopted during the year*

A number of new standards, amendments to standards and interpretations are effective from 1 July 2020 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 2021 and earlier application is permitted, however, the Social Fund has not early adopted the new or amended standards in preparing these financial statements.

The new standards are not expected to have a significant impact on the Social Fund's financial statements, apart from:

- AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities
- AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2

As the Social Fund applies all the recognition and measurement requirements of all Australian Accounting Standards, there will be no impact on the amounts recognised in the financial statements. The new standards may alter some disclosures in future periods.

Both standards will apply to the Social Fund from the financial year beginning 1 July 2021.

### 2. REVENUE FROM ORDINARY ACTIVITIES

#### Government grants and funding:

Government grants  
Fee for service  
Resident contributions and patient fees

#### Revenue from trading activities:

Revenue from sale of goods  
Revenue from rent

### 3. AUDITORS' REMUNERATION

Audit Services  
Auditors of the Social Fund  
KPMG Australia

Other Services  
KPMG Australia

### 4. RECEIVABLES AND OTHER ASSETS

#### Current

Prepayments  
Accommodation Bond Rollovers  
Sundry debtors (including deferred consideration)

#### Non-current

Accommodation Bond Rollovers  
Loan Receivable - Independent Living Units  
Independent Living Unit - Lease Refurbishment Contribution  
Sundry debtors (including deferred consideration)

### 5. OTHER FINANCIAL ASSETS

#### Current

Short term deposits

#### Non-current

Unlisted units in managed investment funds

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 (5.96%) and fixed interest securities (2.59%).

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.



## Notes to the financial statements

	2021 \$000	*Restated 2020 \$000
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Freehold Land and Buildings</b>		
Freehold land at cost	113,692	101,325
Buildings at cost	724,738	728,999
Accumulated depreciation	(220,934)	(207,952)
<b>Total Freehold Land and Buildings</b>	<b>617,496</b>	<b>622,372</b>
<b>Leasehold Improvements</b>		
At cost	30,756	30,744
Accumulated depreciation	(29,449)	(28,893)
<b>Total Leasehold Improvements</b>	<b>1,307</b>	<b>1,851</b>
<b>Buildings under construction - at cost</b>	<b>52,812</b>	<b>41,334</b>
<b>Motor Vehicles</b>		
At cost	11,273	14,389
Accumulated depreciation	(9,262)	(10,047)
<b>Total Motor Vehicles</b>	<b>2,011</b>	<b>4,342</b>
<b>Plant and Equipment</b>		
At cost	93,541	82,324
Accumulated depreciation	(59,751)	(53,899)
<b>Total Plant and Equipment</b>	<b>33,790</b>	<b>28,425</b>
<b>Total Property, Plant and Equipment Net Book Value</b>	<b>707,416</b>	<b>698,324</b>
Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:		
<b>Freehold Land and Buildings</b>		
Carrying amount at beginning of year	622,372	610,025
Additions (and transfers from Building Schemes in Progress - Cost)	19,460	37,889
Transfer to Land and Buildings held for sale	(1,438)	(3,000)
Disposals	(8,807)	(8,801)
Depreciation	(14,091)	(13,741)
Carrying amount at end of year	<b>617,496</b>	<b>622,372</b>
<b>Leasehold Improvements</b>		
Carrying amount at beginning of year	1,851	2,197
Additions (and transfers from Building Schemes in Progress - Cost)	448	769
Disposals	(25)	(59)
Depreciation	(967)	(1,056)
Carrying amount at end of year	<b>1,307</b>	<b>1,851</b>
<b>Buildings under construction - at cost</b>		
Carrying amount at beginning of year	41,334	21,063
Additions	32,551	46,932
Transfers to Housing, Freehold Land, Buildings/Leasehold Property and Plant and Equipment	(21,073)	(26,661)
Carrying amount at end of year	<b>52,812</b>	<b>41,334</b>

	2021 \$000	*Restated 2020 \$000
<b>6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)</b>		
<b>Motor Vehicles</b>		
Carrying amount at beginning of year	4,342	5,254
Additions	3,131	886
Disposals	(4,264)	(382)
Depreciation	(1,198)	(1,416)
Carrying amount at end of year	<b>2,011</b>	<b>4,342</b>
<b>Plant and Equipment</b>		
Carrying amount at beginning of year	28,425	25,297
Additions (including transfers from building schemes in progress - cost)	11,768	9,207
Disposals	(38)	(810)
Depreciation	(6,365)	(5,269)
Carrying amount at end of year	<b>33,790</b>	<b>28,425</b>
<b>7. COMMITMENTS</b>		
The Social Fund is constantly engaged in planned and ongoing construction projects requiring the commitment of significant funds.		
Cost to complete Buildings under construction	<b>35,976</b>	<b>33,811</b>
<b>8. LEASES</b>		
<b>a) Right of use assets</b>		
<b>Property</b>		
Opening balance at 1 July 20	208,623	167,468
Additions	11,127	41,145
Reassessments and modifications	55,362	10
Disposals	(2,863)	-
<b>Closing balance at 30 June</b>	<b>272,249</b>	<b>208,623</b>
<b>Accumulated depreciation</b>		
Opening balance at 1 July	33,221	-
Depreciation for the year	49,187	33,221
Reassessments and modifications	(4,423)	-
Disposals	(2,775)	-
<b>Closing balance at 30 June</b>	<b>75,210</b>	<b>33,221</b>
<b>Vehicles</b>		
Opening balance at 1 July	8,075	4,853
Additions	6,466	3,222
Reassessments and modifications	(3,740)	-
Disposals	(1,428)	-
<b>Closing balance at 30 June</b>	<b>9,373</b>	<b>8,075</b>

\*The comparative information is restated as the Social Fund made a voluntary change to the accounting policy relating to Community Housing properties. Refer to Note 1(b)(v).



## Notes to the financial statements

	2021 \$000	*Restated 2020 \$000
<b>8. LEASES (CONTINUED)</b>		
<b>Accumulated depreciation</b>		
Opening balance at 1 July	3,169	-
Depreciation for the year	1,867	3,169
Reassessments and modifications	(4)	-
Disposals	(1,125)	-
<b>Closing balance at 30 June</b>	<b>3,907</b>	<b>3,169</b>
<b>Total closing balance at 30 June</b>	<b>202,505</b>	<b>180,308</b>
<b>b) Lease liabilities</b>		
<b>Property</b>		
Opening balance at 1 July	159,591	149,586
Additions	11,127	40,355
Interest expense	5,614	4,643
Lease liability payments	(42,053)	(35,003)
Reassessments and modifications	51,408	10
Disposals	(92)	-
<b>Closing balance at 30 June</b>	<b>185,595</b>	<b>159,591</b>
<b>Vehicles</b>		
Opening balance at 1 July	4,917	4,853
Additions	6,466	3,020
Interest expense	102	395
Lease liability payments	(3,338)	(3,351)
Reassessments and modifications	(1,283)	-
Disposals	(318)	-
<b>Closing balance at 30 June</b>	<b>6,546</b>	<b>4,917</b>
<b>Total closing balance at 30 June</b>	<b>192,141</b>	<b>164,508</b>
<b>Included in the financial statements as:</b>		
Current Lease liabilities	41,009	33,947
Non-Current Lease liabilities	151,132	130,561
	<b>192,141</b>	<b>164,508</b>
<b>Amounts recognised in Aggregated Statement of Cash Flows:</b>		
Property	(42,053)	(35,003)
Motor Vehicles	(3,338)	(3,351)
	<b>(45,391)</b>	<b>(38,354)</b>

\*The comparative information is restated as the Social Fund made a voluntary change to the accounting policy relating to Community Housing properties. Refer to Note 1(b)(v).

Refer to Note 17 for further information on financial risk management, and maturity analysis covering contractual maturities representing undiscounted contractual cash flows of all lease liabilities recognised.

## 8. LEASES (CONTINUED)

### 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:

	2021 \$	2020 \$
Right of use assets	87,461	83,744
Accumulated depreciation	(72,121)	(33,769)
Total lease liability	15,399	50,350
	<b>\$000</b>	<b>\$000</b>
<b>9. PAYABLES</b>		
<b>Current</b>		
Sundry creditors and accruals	53,333	54,303
Prepaid government funding for social programs	30,241	66,121
	<b>83,574</b>	<b>120,424</b>
<b>10. EMPLOYEE BENEFITS</b>		
<b>Current</b>		
Employee entitlements	39,996	40,623
<b>Non-current</b>		
Employee entitlements	7,816	7,373
The Social Fund contributed \$42,762,755 (2020: \$38,797,200) on behalf of employees to the superannuation plans of their choice, in accordance with superannuation guarantee legislation.		
<b>11. PROVISIONS</b>		
<b>Current</b>		
Accommodation bond rollovers	1,044	1,356
National Redress	12,930	28,769
	<b>13,974</b>	<b>30,125</b>
<b>Non-current</b>		
Accommodation bond rollovers	5,480	7,460
National Redress	13,081	2,524
Make good of leased premises	1,193	1,106
	<b>19,754</b>	<b>11,090</b>



## Notes to the financial statements

### 11. PROVISIONS (CONTINUED)

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.

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:

- all Commonwealth institutions;
- and any State institution that is declared to be a participating institution;
- and any Territory institution that is declared to be a participating institution;
- and 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 four components:

- 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;
- Claims known but yet to be settled which will be assessed by the National Redress Scheme and a payment is considered probable;

- Unknown claims yet to be received, which may be lodged by claimants to the National Redress Scheme and a payment is considered probable; and
- Civil claims known but yet to be settled which are being finalised by nominated legal firms and a payment is considered probable.

The estimation of the cost of unknown claims yet to be lodged under the National Redress Scheme or through known 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 \$14,822,269 (2020: \$20,540,117).

No provision is made for unknown civil claims, which may be lodged by claimants directly to the Social Fund as any potential obligations cannot be reliably determined. Potential future unknown claims are provided for as part of future expected outflows set out in item 3 above.

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 claims which will be received in relation to the National Redress Scheme.

	2021 \$000	2020 \$000
<b>12. INTEREST FREE LOANS</b>		
<b>Current</b>		
Accommodation Bonds	215,170	214,154
Unsecured Loans	-	200
	215,170	214,354
<b>Non-Current</b>		
Secured Loans	7,672	7,672
Unsecured Loans	600	600
	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 Loans

These balances represent loans provided by government bodies towards the construction of aged care centres.

	2021 \$000	2020 \$000
<b>13. RECONCILIATION OF NET INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	96,285	14,102
<b>Adjustments for non-cash items:</b>		
Depreciation	73,675	57,872
Provision for National Redress	9,540	12,037
Investment fair value adjustments	(21,407)	12,827
Other	(13,858)	(21,540)
<b>Cash movements in operating assets and liabilities:</b>		
(Increase)/decrease in receivables and other assets	29,076	(32,458)
(Increase)/decrease in inventories	(1,070)	(756)
Increase/(decrease) in payables	(36,955)	45,786
Increase/(decrease) in employee benefits	(184)	(4,014)
Increase/(decrease) in provisions	(11,761)	(6,759)
Increase/(decrease) in other liabilities	(5,772)	(5,541)
Net cash from operating activities	117,569	71,556



Notes to the financial statements

14. RELATED PARTY DISCLOSURES

Key Management Personnel Disclosures

The Trustees of the Social Fund are deemed to be the key management personnel of the Social Fund. The names of the Trustees who held office during the year ended 30 June 2021 were:

Commissioner Robert William Donaldson  
Colonel Winsome Joy Merrett  
Colonel Kelvin Leslie Merrett  
Colonel Geanette Frances Seymour  
Lieut-Colonel Winsome May Mason  
Lieut-Colonel Lynette Ann Edge  
Captain Colin Leslie Francis Reynolds

Trustees' Remuneration

The Trustees are officers of the Social Fund, and receive remuneration in accordance with established Salvation Army guidelines as below. In addition, officer trustees also receive 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 Trustees of the Social Fund. There are no other transactions with key management personnel.

	2021 \$000	2020 \$000
Total income paid or payable, or otherwise made available to all Trustees of the Social Fund from the Social Fund or any related party	231	243

Receivable from General Fund

The Social Fund's operations are supported by a related party receivable which bears a return which is consistent with arm's length market rates of return. Refer to Note 5 'Other financial assets'.

15. INCOME TAX

The entities which form part of the Social Fund are endorsed by the Australian Taxation Office as Income Tax Exempt Charities. Accordingly the Social Fund is not subject to Australian corporate income tax.

16. CONTINGENT LIABILITIES

a) 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 2021, 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.

b) 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.

16. CONTINGENT LIABILITIES (CONTINUED)

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 2021, the amount repayable would have been \$12,625,536 (2020: \$13,060,449) and there were no events that required any repayment.

c) National Redress Provision

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

17. 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 "Receivables and Other Assets" 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 2021 receivables 30 days past due are immaterial.



Notes to the financial statements

17. 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:

	Carrying Amount 2021 \$000	2020 \$000
Cash and cash equivalents	37,115	29,577
Short term deposits	8,023	38,642
Receivables	31,081	52,306
Other financial assets	684,708	588,135
	760,927	708,660

Trade and other receivables

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

	Gross 2021 \$000	Impairment 2021 \$000	Gross 2020 \$000	Impairment 2020 \$000
Not past due	31,081	-	52,306	-
Past due 0-30 days	-	-	-	-
Past due 31-120 days	-	-	-	-
	31,081	-	52,306	-

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 rate profile of the Social Fund’s financial instruments is detailed in Note 5 "Other financial assets".

17. 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 Flow \$000	Within 1 year \$000	1-5 years \$000	Over 5 years \$000
<b>30 June 2021</b>					
<b>Financial liabilities</b>					
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)
	(468,916)	(497,291)	(314,300)	(100,272)	(82,719)
<b>30 June 2020</b>					
<b>Financial liabilities</b>					
Trade and other payables	(54,303)	(54,303)	(54,303)	-	-
Interest free loans	(222,626)	(222,626)	(214,354)	-	(8,272)
Lease liabilities	(164,612)	(170,563)	(52,320)	(99,562)	(18,681)
	(441,541)	(447,492)	(320,977)	(99,562)	(26,953)

18. 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.

As indicated impacts of COVID-19 are uncertain, while current trends indicate no significant impact to the operation of the Social Fund, any dramatic change in the situation, Government Policy or economic position could have an impact into the future.




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 70 to 89 are drawn up so as to present fairly the financial position of the Social Fund as at 30 June 2021 and the results of its operations and its cash flows for the year then ended;
- (ii) The operations have been carried out in accordance with The Salvation Army Trusts and Deeds;
- (iii) The aggregated financial statements and notes set out on pages 70 to 89 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 2021 and of its performance, for the financial year ended on that date.
  - (ii) comply with Australian Accounting Standards - Reduced 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
- (iv) 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:

  
**Winsome Mason**  
Secretary for Business Support  
TRUSTEE

  
**Winsome Merrett**  
Chief Secretary  
TRUSTEE

Dated at Melbourne this 17th day of November 2021



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 2021 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.

  
KPMG

  
Chris Sargent  
Partner

Melbourne  
17 November 2021

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## Independent Auditor's Report

To the Trustees of The Salvation Army Australia Social Fund<sup>1</sup>

### 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:

- giving a true and fair view of the Aggregated Entity's financial position as at 30 June 2021, and of its financial performance and its cash flows for the year ended on that date; and
- 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*

The **Aggregated Financial Report** comprises:

- Aggregated statement of financial position as at 30 June 2021.
- 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.
- Notes including a summary of significant accounting policies.
- 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 (Victoria) Property Trust atf The Salvation Army (VIC) Social Work,
- The Salvation Army (Tasmania) Property Trust atf The Salvation Army (TAS) Social Work,
- The Salvation Army (South Australia) Property Trust atf The Salvation Army (SA) Social Work,
- The Salvation Army (Western Australia) Property Trust atf The Salvation Army (WA) Social Work,
- The Salvation Army (Northern Territory) Property Trust atf The Salvation Army (NT) Social Work,
- The Salvation Army (New South Wales) Property Trust,
- The Salvation Army (Queensland) Property Trust,
- The Salvation Army (New South Wales) Trust atf The Salvation Army (NSW) Social Work,
- The Salvation Army (Queensland) Property Trust atf The Salvation Army (QLD) Social Work,
- The Salvation Army Community Housing Service Pty Ltd,
- The Salvation Army Housing Pty Ltd,
- The Salvation Army Housing (Victoria) Pty Ltd,
- The Salvation Army (Australia) Self Denial Fund (for overseas aid),
- The Salvation Army Aust Self Denial Fund (for Overseas Aid),
- The Salvation Army (Australia) Redress Limited,
- Salvos Legal Limited,
- Salvos Legal (Humanitarian) Limited

and the entities they controlled at the year-end or from time to time during the financial year.

### 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 the Code.

<sup>1</sup> The Salvation Army Australia Social Fund is an aggregation of the entities and businesses listed in Note 1 to the Financial Report

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

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 ACNC 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 and ACNC.

### Other information

Other Information is financial and non-financial information in the Aggregated Entity'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:

- Preparing the Aggregated Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC Act 2012.
- Determining that the basis of preparation described in Note 1 to the Aggregated Financial Report is appropriate to meet the requirements of the ACNC Act 2012.
- 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.
- 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.

Those charged with governance are responsible for overseeing the Aggregated Entity's financial reporting process.





#### 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.

KPMG

Chris Sargent  
Partner

Melbourne  
17 November 2021

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 Australia (Social Fund) Annual Report 2021**

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