

# 2014

Annual Report



Australia Eastern Territory



# The Salvation Army Australia Eastern Territory

## Annual Report 2014

Message from the Commissioner	4
Mission statement	5
About us	7
Highlights	8

### Our Services

Fighting Poverty	10
Fighting Homelessness	12
Recovery Services	14
Disaster Relief	16
Chaplaincy and Counselling	18
Family Tracing / Post Adoption / Special Search Service	19
Rural Services	20
Children and Young People	22
Fighting Modern Slavery	24
Salvos Legal	26
Aged Care Plus	28
Supporting New Arrivals	30
Hope for Life	32
Training and Employment	34
Red Shield Defence Services	36
Salvos Stores	38
Freedom Communities	40

### Our People

Personnel and Volunteers	42
Our Leaders	44
Supporters	46

<b>Financials</b>	49
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Contacts	80
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# A MESSAGE FROM THE COMMISSIONER

The Salvation Army has this year continued to be there, providing a helping hand for people in need. It's what we've done for nearly 150 years worldwide, it's what we continue to do today and it's what we will go on doing while ever there is injustice and pain in our world.

Our Founder, William Booth, in his famous "I'll Fight" speech, said:

*While women weep, as they do now,*

*I'll fight*

*While little children go hungry, as they do now,*

*I'll fight*

*While men go to prison, in and out, in and out, as they do now,*

*I'll fight*

*While there is a drunkard left,*

*While there is a poor lost girl upon the streets,*

*While there remains one dark soul without the light of God,*

*I'll fight – I'll fight to the very end!*

This year we have been transparently supporting the work of the Royal Commission into Institutional Responses to Child Sexual Abuse, which focused on past abuses within The Salvation Army. As Commissioner of The Salvation Army, I want to again express my deep sadness for the abuse experienced by children in our care. This has been a painful process for all involved, most of all for survivors who have had to recount their allegations of abuse. The Salvation Army is committed to supporting survivors of abuse on their journey towards healing.

Support for survivors may involve counselling and other forms of personal support including compassionate grants where required. No Red Shield Appeal funds are used for these grants.

The Salvation Army has served the community of Australia well throughout the past year and we remain committed to supporting all Australians who are doing it tough. Within the pages of this report you will read of many expressions

The Salvation Army remains committed to working with survivors on their journey towards healing. Anyone who was abused, regardless of how historical the abuse, is encouraged to contact the Professional Standards Office via Salvo Care Line on 1300 36 36 22 or at [pso@ae.salvationarmy.org](mailto:pso@ae.salvationarmy.org).

of Salvation Army service that have proved life changing for many who have engaged with our services.

I thank God for the abundance of new mission and ministry opportunities that have sprung to life this year. The re-shaping of our homelessness services, our new Freedom Partnership to end modern slavery and the dedicated work of our personnel who have provided ongoing support to those affected by disaster across Australia.

The Salvation Army has served well in the past 12 months. Be assured that we will continue to serve the Australian community to the very best of our ability.

God bless,



James Condon  
Commissioner  
The Salvation Army  
Australia Eastern Territory



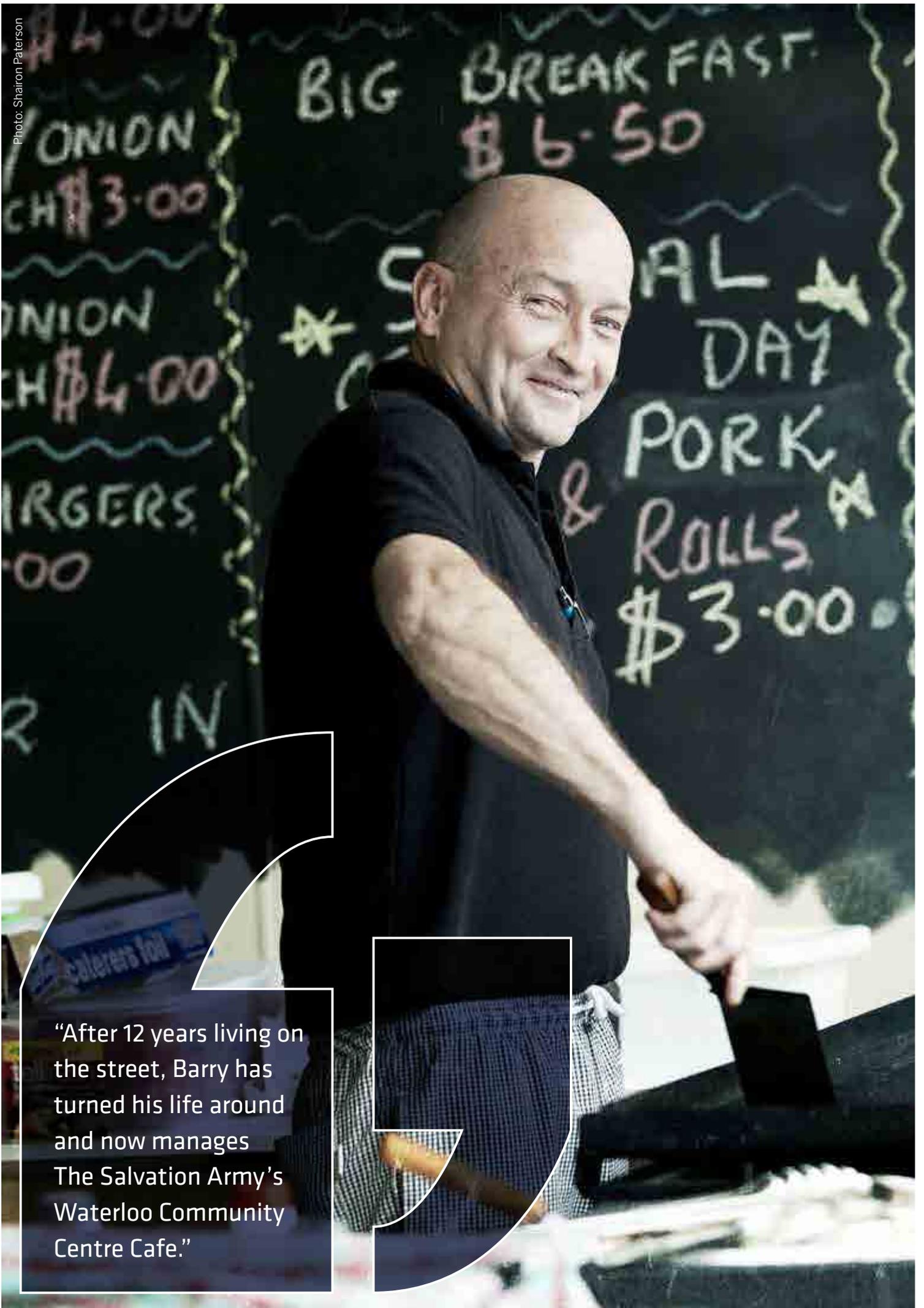
# OUR MISSION

**The Salvation Army has an international mission statement that sets the identity and direction for every expression worldwide:**

“The Salvation Army, an international movement, is an evangelical part of the universal Christian Church. Its message is based on the Bible. Its ministry is motivated by the love of God. Its mission is to preach the gospel of Jesus Christ and meet human needs in his name without discrimination.”

Some Salvation Army territories around the world also have an internal mission statement that conveys the local focus. Here, in the Australia Eastern Territory, our mission is to “save souls, grow saints and serve suffering humanity”. Our values flow from this – we value Transformation, Integrity and Compassion.





“After 12 years living on the street, Barry has turned his life around and now manages The Salvation Army’s Waterloo Community Centre Cafe.”



## ABOUT US

**The Salvation Army is about people finding freedom. It's a pretty broad statement, but we're a pretty diverse bunch.**

Across the country we're engaged with every demographic and every age group. We're active in the big cities, the country towns and even outback cattle stations. You'll find us involved in national issues and you'll also find us one-on-one in your local café.

But regardless of where we are or what we're doing, one thing always remains true: we're about people finding freedom. Freedom from fear. Freedom from neglect. Freedom from poverty and addiction. Freedom to dream. Freedom to love. Freedom to make a difference. Freedom to live life to the full. Freedom through community.

We believe in the power of community. People loving other people, and people helping other people. Those who 'have' sharing generously – sacrificially – with those who don't. People finding acceptance, encouragement, healing and support without discrimination.

We believe no-one should have to 'go it alone'. Our goal is to

be community builders, not just service providers. We don't give up on people – not only responding to immediate needs but journeying with people for the long haul, helping them to find freedom and stay free as well. Freedom through action.

We're not afraid to get our hands dirty to help secure freedom for others. If the environment is unpleasant, we'll still go. If the issue is controversial, we'll still love. If the task seems impossible, we'll try anyway. We're convinced that freedom is for everybody. No exceptions.

We see ourselves as a movement rather than an institution – inspiring, equipping and inviting people from all walks of life to join the fight and be part of helping secure freedom for someone else. Freedom through faith. We believe that freedom is a spiritual journey as well as a physical one. Our faith convinces us that hope, purpose and fulfilment can be everyone's story, and that true freedom covers body, mind and spirit.

Our faith is in Jesus, not ourselves. Our deepest desire is to be like Jesus – to speak like him, act like him and unconditionally love others just as he did. And we believe Jesus was, is, and always will be about people finding freedom.

# 2014 HIGH LIGHTS



**1000s**  
of blankets distributed



**500+**  
active officers



**50,000**  
meals for the hungry every week



**174**  
churches caring for  
local communities



**100,000+**  
assisted by financial crisis  
relief services



**4000+**  
assisted with addiction issues  
(alcohol, drugs or gambling)



**500+**  
social services  
and programs



**3700+**  
food vouchers given to people in  
need every week



**11,000+**  
assisted by homelessness  
services, by way of case-  
management support



**4800+**  
employees



**5500+**  
food parcels given to people  
in need every week



**1800**  
people housed in  
secure accommodation



**2800**

young people assisted by youth support services

---



**2000+**

supported by Salvos Counselling

---



**130,000+**

assisted with hospitality, in-kind and personal assistance in disaster-affected situations by our emergency services

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**10,000+**

contacts with young people through street outreach and drop-in centres

---



**1500+**

assisted by migrant and refugee services

---



**31,000+**

contacts made by chaplains

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**500+**

crisis beds used per night

---



**95+**

supported by our Community Detention Program

---



**5000+**

families assisted in disaster-affected areas

---



**2500+**

non-crisis beds (transitional housing, long-term, resident-funded services) per night

---



**6400+**

assisted by financial counsellors (Moneycare)

---



**270+**

reconnected to their family by our family tracing services

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**1100+**

women helped by domestic violence services

---



**300+**

assisted by the No Interest Loan Scheme

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**31,000+**

contacts made with job seekers by Employment Plus

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# 01

## FIGHTING POVERTY

The Salvation Army provides places of welcome where people in need can be connected, cared for and given long-term support. Our Community Service Centres, Doorways Program and Moneycare Financial Counselling program provide a range of practical assistance for those who are struggling to make ends meet.



**100,000+**

people assisted by financial crisis relief services



**5500+**

food parcels given to people in need every week



**50,000**

meals for the hungry every week



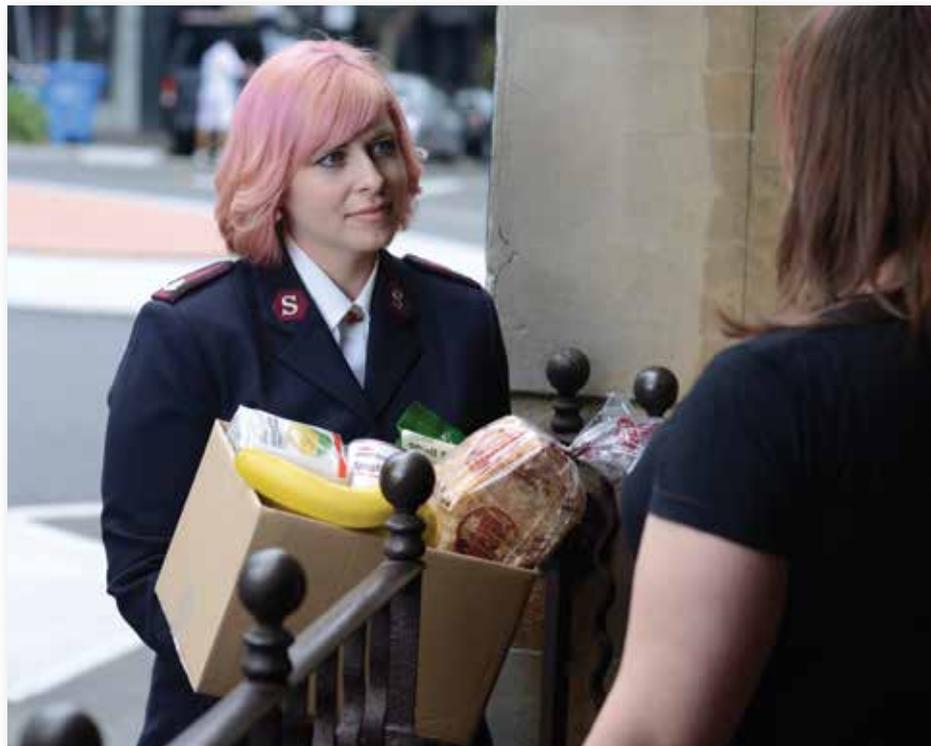
**7688**

Moneycare Financial Counselling - new cases opened

### Integrated care

Our innovative welfare model, Doorways, was expanded this year and is now operational in 26 locations throughout NSW, ACT and Queensland. The model of care has been developed to increase participation of welfare recipients into mainstream economic and social life. Its mission is to build the capacity of those receiving welfare and create pathways out of poverty through positive engagement with clients.

This year we trialled a Doorways Assessment Centre at two locations in Sydney. The call centre acted in a triage capacity for our Doorways





“I was so happy to be assessed over the phone. I could plan my day and I knew what assistance that I would receive so I was able to sort out [my] shopping list and budget with that assistance. I always like The Salvation Army but it gets overloaded with people and requests, so it’s good to have some ‘quick’ systems in place for those who otherwise find themselves in a tricky [tough] situation.”

- *Doorways Trial Assessment Centre client.*

Centres – taking an over-the-phone assessment of clients, determining the appropriate welfare response and giving clients the best point of contact within Salvation Army networks and external services. Feedback from the trial was positive, with our Welfare Centre and Doorways workers noting they had increased quality time with clients – particularly those with complex issues or in long-term hardship.

### **Best start**

A new pilot program began this year to better support children and families with complex issues in Brisbane. The Salvation Army Best Start Early Childhood Doorways Program is managed by The Salvation Army’s Carindale Corps, in conjunction with the Carina Child Care Centre and Kindergarten at the corps. With funding from the Federal Department of Education’s Flexible Child Care Fund, case workers are employed to come alongside families and assist them to identify and work through major issues in their lives. Additional child care staff are also part of the program.

### **New Service Offerings**

Our Moneycare Financial Counselling service this year expanded to offer specific services for people affected by problem gambling. The new service operates in northern NSW, north Brisbane, the Sunshine Coast and Cairns and is in strong demand.

The Salvation Army this year opened its second Food 4 Life Market in south-west Sydney. It aims to address food insecurity by providing affordable, nutritious food and educating the community on budgeting and food preparation. Free cooking classes have also begun at other Salvation Army centres this year, teaching people how to prepare healthy meals on a tight budget.



Photo: Adam Holingworth

# 02

## FIGHTING HOMELESSNESS

The Salvation Army is one of the largest providers of homelessness services in Australia, running a range of innovative programs to prevent and transition people out of homeless situations.



11,000+

people assisted by homelessness services

---



1800

people housed in secure accommodation

---



3000+

beds used per night

---



1100+

women helped by domestic violence services each year

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### Better care

A new model of support is being introduced across many of The Salvation Army's homelessness services. The restructure came about through recommendations made in an external review commissioned by local Salvation Army services. It also coincided with the launch of the NSW Government's 'Going Home Staying Home Reform Plan', which has a greater emphasis on community-based and preventative care.

### Raising Awareness

The Couch Project is an initiative of The Salvation Army to raise awareness of the issue of 'couch surfing' and to help understand the risks and implications for young people who are at risk. Young people who are 'couch surfing' are often in the first stage of homelessness. When a home is no longer safe, a friend's couch is the next logical step. But what happens when this is no longer an option? It is not a sleep-over if you can't go home. The 2013 Couch Project raised more than \$50,000. This money was raised by and attributed to The Salvation Army's Oasis Youth Support Network to help fund crisis and transitional accommodation for homeless and disadvantaged young people.

### Community Support

The Salvation Army is grateful for the generous support of the Australian public and corporate and government partners who continue to give generously towards the work to eradicate homelessness. This year 42 people took part in Sydney's City to Surf event on behalf of the Oasis Youth Support Network at Surry Hills, raising more than \$12,000. The 21st annual Oasis Ball raised more than \$80,000 and Sydney Boys High School's Year 12 fundraising day reaped more than \$15,000. These, along with other fundraisers and donations, helped The Salvation Army to continue to deliver vital services for people in need.



"I didn't have anyone to support me. I was alone. I wouldn't wish it on my worst enemy. At Oasis [The Salvation Army's Oasis Youth Services in the ACT] I felt like I had a place to belong. They helped me set up goals, to manage my own anger, and helped me with the emotional problems I'd been having.

(Now-manager) Carolyn gave me a shoulder to cry on and whenever I fell down, she was there to pick me up. I now have my own home and I'm back at school studying and I hope one day I can become a worker like Carolyn, so I can help someone else in my position."

*- Chris, former client of The Salvation Army's Oasis Youth Services, ACT.*



# 03

## RECOVERY SERVICES

The Salvation Army Recovery Services is committed to bringing hope, healing and wholeness to people adversely affected by alcohol, other drugs and gambling. It offers a range of programs and treatment services from residential therapeutic communities to detox services to day programs. It also provides numerous church and community-based recovery programs.



5166  
people assisted



8  
residential alcohol  
and other drug  
therapeutic community  
recovery centres



13  
out-client services



4  
in-patient withdrawal  
management units

### Award-winning care

The Recovery Services Bridge Program has been designed by, and is the property of, The Salvation Army. Designed specifically for the recovery needs of people with gambling, alcohol and drug addictions, The Bridge Program uses evidence-based intervention and recovery models in a program that is tailored for individual needs. This year, The Bridge Program was again recognised and awarded for its excellence, winning the Significant Contribution to Therapeutic Communities Movement in Australasia Program Service Intervention award at the 2013 Australasian Therapeutic Communities Association Awards.

### Improvements and upgrades

In Mount Isa, a \$118,000 grant from the Glencore Community Program North Queensland (funded through Glencore's Copper Assets Australia) will enable the Mount Isa Recovery Services centre to undergo capital improvements. The centre provides residential alcohol and other drugs treatment to Aboriginal and Torres Strait Islanders. The Salvation Army's oldest Recovery Services Centre, Sydney's William Booth House, has also received a complete refurbishment of its first floor, thanks in part to the generosity of bequest funding.

### Creating awareness

Alcohol Awareness Week is a public awareness campaign designed by The Salvation Army to encourage Australians to consider their drinking choices and the adverse impacts of alcohol abuse. The slogan this year was 'What's the Cost?', with a social media campaign and celebrity mocktail party in Sydney attracting special guests, including Network Ten presenter Matt Doran, model Jordan Stenmark and band The Collective, who performed on the night.

The second Rode2Recovery (R2R) event saw 12 recovering addicts ride 1020km across NSW to visit schools and share about the dangers of experimenting with drugs and alcohol. This year, two police patrols joined the Rode2Recovery crew for part of the ride in support of the initiative.



“Prior to going to rehab I was pretty much broken – spiritual, physically and mentally. I had absolutely nothing. I drank regularly, on a daily basis. I couldn’t function unless I had alcohol in my system. I knew I needed help and that’s how I ended up at The Salvation Army. So I handed my addiction over to God and I think it was on the third day I realised I hadn’t drank. It sort of dawned on me that even being sober for three days was a pretty big thing. Over time I built a relationship back up with my parents and my sister and her daughter to the point now where I ring them and see them on a daily basis.”

– Max, Townsville Recovery Services  
Centre graduate.

# 04

## DISASTER RELIEF

When disaster strikes, in Australia or overseas, The Salvation Army is there. Salvation Army Emergency Services (SAES) teams specialise in food services, providing for both disaster-affected people as well as other emergency teams and support staff. The Salvation Army is also committed to providing long-term support to individuals and whole communities affected by disaster.



1343

SAES volunteers

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14,064

SAES volunteer hours

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30,498

meals served

---



302

incidents attended

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### On the scene

The Salvation Army Emergency Services has seen steady consolidation and growth of volunteers across NSW, ACT and Queensland this year. Teams responded quickly and worked tirelessly at more than 300 incidents, including the 2013 NSW bushfires, in which more than 300 homes were destroyed or damaged in the Blue Mountains, the Hawkesbury River region and the Hunter Valley.

### Rebuilding lives

Once the immediate danger is over, The Salvation Army recognises that it takes a long time for people to discover how to rebuild their lives. In the wake of the 2013 NSW bushfires, The Salvation Army set up a recovery centre in the Blue Mountains to offer immediate and long-term assistance for those affected. The Salvos Counselling team was also on hand, offering those affected free emergency counselling sessions.

Grants were given to assist people with rebuilding. For those who chose to move away, set-up grants were provided, giving them a helping hand as they moved on. Grants were also available for people who needed to re-train in order to re-enter the workforce due to financial hardship. Recognising that many families needed a break from the disaster scene, respite grants were given to allow people to take short holidays or for children to attend holiday camps.

### Ongoing support

Years after tragedy strikes, The Salvation Army will still be found on the ground, living and working with communities as they slowly heal. Two years after Cyclone Yasi ripped through Queensland's Cassowary Coast, The Salvation Army consolidated its presence in the town of Innisfail, opening a Family Store. The store is the Army's base in the area, as workers and volunteers continue to visit cyclone-affected community members and offer support, welfare and other services. In Bundaberg, Central Queensland, which is still experiencing the impact of severe flooding in January 2013, The Salvation Army this year took over management of the community rebuilding process.



1

## THANK YOU AUSTRALIA

The Salvation Army's ongoing disaster relief work is funded through the generous donations of Australian individuals, corporations and governments. Donations to the 2013 Salvation Army Bushfire Appeal reached \$11.3 million, enabling immediate and ongoing assistance to those affected.

1 The Salvation Army's Chief Secretary, Colonel Richard Munn, centre, accepts a cheque for the Bushfire Appeal from a consortium of benefactors who supported The Daily Telegraph appeal. (From left) Ten Network CEO Hamish McLennan, Qantas CEO Alan Joyce, Crown chairman James Packer, The Salvation Army's Colonel Richard Munn, CBA CEO Ian Narev, News Corps NSW executive general manager Brett Clegg and The Daily Telegraph editor Paul Whittaker.



2

Photo: Shaaron Paterson

2. "All that was left of the house was the brickwork for the foundations. I felt curiously detached as I watched the smouldering ruin before me. But I do remember how difficult it was ringing my children to say 'we've lost the house'. I practically built that house over the 19 years we lived there. We were so thankful for Ian and Kerry [Salvation Army officers and senior chaplains for the NSW Rural Fire Service, Majors Ian and Kerry Spall, pictured] While there were other people around, we felt so lonely and desolate. All of us needed a lot of comfort, and Ian and Kerry provided just that. We felt so crushed and so desolate, and to know that we were in Ian and Kerry's hands at that time was very important. Life is interesting, we lost a house and that's terrible, but there's an excitement for making new friends even when that wasn't your intention or expectation. We've kept in contact since that time and trust this will continue."

- Peter More, Blue Mountains resident (pictured second from right) who lost his home in the 2013 bushfires.



# 05

## CHAPLAINCY AND COUNSELLING

The Salvation Army in Australia offers various forms of counselling support – from free, confidential, over-the-phone help through Salvo Care Line, to professional face-to-face counselling services. Our chaplains are also on hand in many areas of need in the community.



7797

sessions of counselling provided

### Salvos Counselling locations

**NSW:** Rhodes, Campbelltown, Gosford, Penrith

**ACT:** Lyneham, Tuggeranong

**QLD:** Brisbane, Bayside, North Brisbane, Goodna, Gold Coast, Bundaberg, Cairns, Dalby

Salvos Counselling:  
NSW, ACT and Queensland



“It taught me not to punch people and get angry. It’s not just about drumming; it’s about learning social skills and skills that will help us in life.”

– Teenage participant of the Salvos Counselling Drumbeat program.



80,000

calls to Salvo Care Line

Salvo Care Line:  
NSW and Queensland

### Integrated care

This year The Salvation Army moved to integrate its different streams of counselling, moving Salvo Care Line (NSW) and Salvo Care Line (Qld) out of divisional oversight and into its territorial suite of programs. Salvo Care Line now comes under the umbrella of Salvos Counselling.

### Creating positive change

The Salvation Army Positive Lifestyle Program (PLP) is a 10-module course used by hundreds of chaplains, counsellors and PLP facilitators throughout Australia. This year the PLP individual course was consolidated from 10 to eight sessions. The Positive Lifestyle Program team has also begun developing an online version of the course.

### Milestone reached

Salvo Care Line (NSW) celebrated 30 years of operation in 2013, with a special celebration in Sydney. The telephone counselling service began on 1 October 1983, when Envoy Alan Staines and his wife Lois took the first phone call in their lounge room. Since then, Salvo Care Line has grown to providing care and support to around 80,000 people across Australia each year in two call centres.



31,000+

chaplaincy contacts  
made each year

NSW, ACT and Queensland

# 06



740

Family Tracing, cases opened



627

Family Tracing, cases closed



77%

of missing persons found



Countries with whom Family Tracing is regularly engaged to search for and on behalf of:

Canada, Denmark, France, Germany, The Netherlands, New Zealand, Norway, Papua New Guinea, Sweden, United Kingdom, United States

Other Australian states:  
Vic, Tas, SA, WA, NT

NSW, ACT and Queensland

## FAMILY TRACING / POST ADOPTION / SPECIAL SEARCH SERVICE

The Salvation Army Family Tracing Service is dedicated to locating missing relatives and reuniting families. The free service dates back to the 1880s and Australia is just one of more than 120 countries in which it operates.



"A friend of mine advised me to try and find Luke through an adopted children's service that then referred me to The Salvation Army's Family Tracing Service - and it all happened from there. When Mary [from The Salvation Army's Family Tracing Service] rang me in May, I was expecting the worst but, of course, it was all for the best! The upshot of it was that at the beginning of the year he'd actually started looking for me too. It's been an exciting time for both of us!"

- Ken, Family Tracing Service client who was reunited with his son, Luke.

### Integrated care

The Salvation Army's Family Tracing Service has been in operation for more than 130 years and acts to find and reconnect estranged family members. Due to The Salvation Army's international reach and grassroots community emphasis, our team is often able to help reunite family members even across national boundaries. The service also plays an advocacy role during reconnection, when the people involved may not know each other or the relationship is strained.

### New initiatives

The highest number of enquiries to the Family Tracing Service are from adult children seeking their fathers. This year, due to changes in government policy, the Family Tracing Service has been able to engage adoptees seeking their birth father, a significant expansion to the service.

### Public advocacy

The Family Tracing Service played a role in 2013 Missing Persons Week, through a media campaign that urged people who have lost connection with loved ones to contact the service. Ten radio interviews were conducted (and one TV interview), increasing the public's awareness of the service. The service director has a regular fortnightly radio interview in Queensland, during which she shares non-identifying success stories and information about the service. She and other Family Tracing Service employees undertake at least two speaking engagements per month to raise awareness.

# 07



**2.6 million**

raised through drought appeals:

- We're For the Bush Appeal
  - Woolworths Rural Assistance Program
- Weekend Sunrise Dollar 4 Drought
  - New England Drought Relief Appeal

**1.8 million**

distributed and 700 families assisted

- Gift cards
- Rural merchandise vouchers
  - Cash grants
  - Fodder drops
  - Counselling
- Pastoral care support



**11**

rural chaplains

**3**

flying padres

**1**

rural Support Hub

## RURAL SERVICES

The Salvation Army's team of dedicated rural chaplains travel thousands of kilometres a year, in some of the country's harshest environments, to support Australians living on the land.

### Drought relief

With much of western NSW and Queensland suffering from drought this year, a number of community fundraising appeals were held, with proceeds donated to The Salvation Army for distribution. Salvation Army rural chaplains, rural Salvation Army centres, Moneycare financial counsellors and flying padres have worked hard to cover the worst-affected areas with systematic farm visits to distribute the assistance available. The Salvation Army also took part in rural information days in various locations to let locals know about the drought relief that is available to them through the generous support of many Australians.



Photo: Shaaron Paterson



“It’s wonderful having the rural chaplains out here. They understand our situation and advocate on our behalf. They are friends who support us, encourage us. We’re isolated, so it’s wonderful that they come calling and so consistently care for us.”

– Susan McLeish from “Thurn” farm near Quambone.



“Finding somebody reliable who can watch things while you go away is the big thing. You have a responsibility for the welfare of stock. When my grandfather used to own the property and then my father, it supported two families, plus they employed my older brother and they still used to employ people when they needed to. Now it supports pretty much me (now in my 60s) and my wife (who still has to also work off-farm). Commodity prices have fallen dramatically ... wool’s the lowest it’s been since 1970, so it’s tight and it’s hard to get away. Their help (Salvation Army farm-sitters) by minding our farm on occasions for us has been the difference between having a break from the pressures of drought and finances and having to force ourselves to soldier on under very difficult circumstances and maybe eventually breaking down.”

– NSW Farmer Phil Hodges.

### Community building

The Salvation Army’s presence in rural areas is not limited to flying visits. The investment in people is long term. A development project two hours northwest of Dubbo in NSW’s central west is one example of how The Salvation Army is working with locals to re-connect the community and bring hope to struggling residents. For two years The Salvation Army has been working with the Rotary Club of Canberra East and the Quambone community in a Community Development Project. This has involved renovating the local community store and library, running mission programs, assisting property owners with various projects and organising community social days. Community building has also begun at nearby Carinda.

### Respite care

A unique Salvation Army program is providing respite care for exhausted farmers. Many farmers can’t afford staff and are unable to take family holidays due to the constant demands of their livestock and crops. The Salvation Army’s Farmstay program has been developed to alleviate this burden. Farmstay is a register of trustworthy farm-sitters and animal feeders who are rostered on to look after rural properties while the farming family take a much-needed holiday.



# 08

## CHILDREN AND YOUNG PEOPLE

The Salvation Army runs a number of programs to support children and young people in need, working with individuals, families, schools and other service providers to care for children and young people at risk.



2800

young people assisted by Youth Support Services each year

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10,000

contacts with young people through street outreach and drop-in centres each year

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NSW, ACT and Queensland

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215

students  
- Oasis Education 2013-14

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628

people assisted  
- The Salvation Army's Youthlink, western Sydney

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### Care

Young Hope is The Salvation Army's out-of-home-care service for children and young people aged from newborn to 18. In just over a year of operation, Young Hope has set up offices in Sydney, Maitland and Wyong and takes on foster-carers from the Hunter, Central Coast and across Sydney.

### Education

As well as engaging with school students through its Schools and Community Program and Salvo Ambassador Movement, The Salvation Army operates a number of alternative education programs to work with young people who are disengaged from mainstream schooling. This year, Oasis Youth Support Network launched a new, integrated youth hub in the Sydney suburb of Ryde, in partnership with City of Ryde Council, Christian Community Aid and Ryde Family Services. The hub is an early-intervention education program for young people aged 11-18 who have disengaged from the traditional school system. It offers counselling, alternative education, creative workshops, a community garden, case management, after-school homework assistance, TAFE outreach programs and holiday programs.

Our western Sydney Youthlink Reconnect team designed a new program for talented students at the request of a local high school. An eight-week pilot leadership program was implemented in two high schools and has been received well.

The Salvation Army Youth Outreach Service (YOS) in Brisbane received a funding boost of \$250,000 from the Queensland Government this year to boost programs at Caloundra and Maroochydore Salvation Army, as well as YOS. The grant means the Sunshine Coast Individualised Learning and Support Program will offer a much greater level of support to struggling and disengaged students, including tuition, counselling and healthy meals.



"I came to The Salvation Army YOS (Youth Outreach Service) in 2012 when I fell pregnant because I wanted to finish my Year 11 and 12 certificate. When I was pregnant I did three days a week and then I continued to do four days a week until I had my daughter, then could only do one day a week until I graduated. Finishing Year 11 and 12 gives me a lot more job opportunities because I want to go to uni in the future. Willow (my daughter) has been my main motivation to finish school and to push myself to my goals. She's been the reason I get up every single morning. I want to make her proud of me when she's older, I don't want to be that mum that didn't do anything and sat at home all the time. I want to be the mum that can say, I had a baby young but it didn't stop me!"

- *Whittney, YOS Graduate.*

### Family support

The Salvation Army's Communities for Children initiative in Logan, Queensland, aims to build communities, strengthen families and nurture children. In 2014 the initiative moved its programs to a new premises in nearby Woodridge. Eight local Bunnings Warehouse stores donated goods and several employees gave their time to paint the building, build play equipment and create and plant gardens for the new centre. At Macquarie Fields Salvation Army, in south-west Sydney, a generous donation from Westpac enabled The Salvation Army Macquarie Fields Community Centre to operate an after-school program five days a week, instead of the existing four-day schedule. The program offers local primary school children activities and a hot meal in a safe and fun environment after school.

### Positive engagement

Creating meaningful experiences is vital in establishing trust and beginning a journey of development with young people. The Salvation Army runs numerous programs and initiatives, from sports ministries, to adventure activities, to music and dance courses, to engage with young people. This year The Salvation Army's Youthlink launched a new iDiscover Graduate Program to provide ongoing support for young people who have completed the iDiscover bush adventure therapy course. The Salvation Army Oasis Youth Foundation and Musicians Making a Difference continued to expand the Street Dreams hip-hop dance and mentoring support program, with Mt Druitt in western Sydney one new area where the course is being run. Also, a new Salvation Army Rural Youth Van began operation in southern NSW this year, packed full of activities, games and resources for young people.

# 09

## FIGHTING MODERN SLAVERY

The Salvation Army is at the forefront of anti-slavery work in Australia, operating the country's only Safe House and this year launching a new initiative to end modern slavery: The Freedom Partnership.



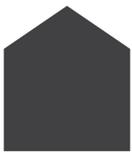
42

Trafficking Safe House clients



15

Trafficking Safe House volunteers



### Safe House clients have experienced:

- 21.4% slavery
- 19% slave-like marriage
- 16.7% forced marriage
- 14.3% trafficking
- 14.3% trafficking and slavery
- 7.1% trafficking/slavery - prevention
- 2.4% child trafficking
- 4.8% other

### The Freedom Partnership

This program equips Australians with the knowledge and tools to bring an end to the exploitative system of slavery. The Freedom Partnership uses community organising and social media to engage and support the Australian public as they act and fight against slavery and slave-like practices in Australia.

Staff are based in Sydney, Melbourne and Canberra to support clubs, students, faith-based groups, trade unions, community service providers, businesses, government agencies, policy makers and others to engage in its aims. A national slavery map on the website tracks how Australians are taking action to end slavery.

The Freedom Partnership is supported by a generous gift from the Minderoo Foundation.

"I now have my own home and I am an independent person. Every day I go to English class to improve my language skills and look forward to finding a job. I am so appreciative of their support, helping me get through. I am full of hope"

- Trafficking Safe House client

## Anti-Trafficking

The Salvation Army has privately operated Australia's only Safe House for victims of slavery for the past five years. The Safe House also provides outreach support and case management for men, women and young people living in the community who have experienced trafficking and slavery.

## Community involvement

The Freedom Partnership aims to mobilise community, business and government to realise their involvement in taking action to end modern slavery. While just a new initiative, thousands of Australians have already engaged with the project through its interactive website, downloading resources for community action, donating to the Safe House or Australian Freedom Fund and organising events to raise public awareness.

The 2013 Stella Fella campaign, run by the not-for-profit organisation Project Futures, raised \$100,000 for The Salvation Army's Trafficking Safe House. Hundreds of people in Newcastle joined the Hunter Walk for Freedom in May, which also raised money for the Safe House.

## Public recognition

The Salvation Army's work in the field of anti-slavery has this year earned it accolades. In March, Sarah Boyle, Supervisor of the Trafficking and Slavery Safe House, was named "Case Worker of The Year" at the Migrant and Settlement Awards at Parliament House in Canberra. In May, previous supervisor of the Safe House, Jenny Stanger, was a finalist for the "Unsung Hero" award within the HESTA Community Sector Awards.



"I wanted to volunteer with an organisation making positive changes to the lives of marginalised and vulnerable women. I've been incredibly lucky to have a happy, healthy and safe life, and I wanted to help women who – through whatever circumstance – have not had this."

– Vesna, volunteer, Trafficking Safe House

# 10

## SALVOS LEGAL

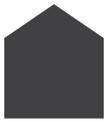
Salvos Legal is a revolutionary legal service, the first of its kind in the world. It provides quality commercial and property law advice on a paid basis. However, all fees (less expenses) fund its “legal aid” sister firm, Salvos Legal Humanitarian, which is a full-service, fee-free law firm for the disadvantaged and marginalised.



10,000+

people helped since its inception

---



16

Salvos Legal branches

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210

employees and volunteers

---



### Awards

2013 Winner,  
Australian Law Young Gun

2013 Winner,  
Managing Partner of the Year

2014 Finalist,  
Australian Social Enterprise Awards

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NSW, ACT and Queensland

### Industry recognition

Salvos Legal continues to win awards for excellence within the Australian legal sector. Sophie Roberts, an Associate at Salvos Legal Humanitarian, was the recipient of the 2013 Lawyers Weekly Australian Law Young Gun Award. Recognising individual excellence in law, The Young Gun Award is open to lawyers throughout Australia who are in their first three years of practice.

Luke Geary, Managing Partner, was named the 2013 Managing Partner of the Year, chosen above his peers from national and global top-tier law firms.

### Service expansion

Salvos Legal continues to expand throughout NSW and Queensland. Plans are in place to have bureaus in every Salvation Army division in NSW, ACT and Queensland by 2020. This year the service celebrated completing 10,000 free cases since its inception as Courtyard Legal in 2005.

### Partnering for success

Salvos Legal continues to grow its pro-bono service. Along with the in-house pro-bono desk, this year Salvos Legal partnered with law firm Mills Oakley. As part of the agreement, a team of Salvos Legal Humanitarian lawyers will be based at Mills Oakley's Sydney offices, with Mills Oakley lawyers providing assistance in family, children's and criminal law.

This year, Salvos Legal also partnered with a range of volunteer consultants who provide assistance on a free/voluntary basis:

- Wise McGrath
- JLegal
- EA International
- Dwyer Consulting
- LRG Consulting



Justice, together:  
Our commercial  
practice  
funds our free  
humanitarian law  
practice.

“What greater law firm could there be than an organisation which has access to justice, and not personal commercial gain, as the sole reason for its existence? In what started off as a pie-in-the-sky concept in early 2010, twin firms Salvos Legal and Salvos Legal Humanitarian have achieved the unthinkable and set the benchmark for pro-bono legal service providers in Australia – and for social enterprises in the professional services sector.”

*– Peter Juchau, Head of Retail Facilities Management and Operations, Group Property Financial Services at the Commonwealth Bank.*



# 11

## AGED CARE PLUS

The Salvation Army Aged Care Plus has an uncompromising commitment to deliver person-centred care which meets the physical, emotional and spiritual needs of each person in its care.



17

residential aged care accommodation centres



6

centrally located retirement villages



1700+

residents and clients



2000+

caring and committed staff

### Clinical excellence

There is a growing need for residential care for older Australians who live with mental health problems. As part of The Salvation Army's mission to provide loving aged care to all Australians, there are three dedicated centres that offer specialised care in this area.

A three-year trial of a unique model of care designed to empower residents living with mental health problems to manage their own behaviour has seen a significant improvement in the well-being of residents at the Carpenter Court Aged Care Plus Centre in Newcastle, NSW. This model will now be implemented in other centres.





### Joan keeps active

“I’ve been at The Cairns Aged Care Plus Centre Brisbane for over two years now. It made me sad to move out of my home but I knew I had to go. I had an accident and I damaged my legs. I had a very lovely unit but the trouble was going up those steps all the time, I couldn’t walk up the stairs very much in the end. So I had to come in. But it’s a good home, I like it. My room faces onto the front and I look over the road out to beautiful trees. It’s very pleasant to look on to and it helps me a lot. I go the exercise classes every morning. I find them very good. It sort of loosens up your body. I can’t walk too much because of my fall but at least I can do that. I find the people very pleasant, the staff are good and the food is good – it’s a very good place to be!”

– Joan, resident at The Cairns Aged Care Plus Centre, Brisbane.



### Centres of excellence

Residents moved into the newly constructed \$36million Elizabeth Jenkins Place Aged Care Plus Centre on Sydney’s northern beaches this year, enjoying the homely design features, tranquil gardens and spacious light-filled rooms. Over the past five years The Salvation Army has built two state-of-the-art Aged Care Plus centres, conducted two multi-million dollar refurbishments and is continually upgrading its centres to provide residents with high-quality living environments. This year a WiFi service was added across all centres, enabling residents to keep in touch with world events and their social networks.

### Expanding the service

Aged Care Plus continued to increase its services for older Australians who choose to remain living at home. As well as receiving a number of new Home Care Package licenses, Aged Care Plus this year also launched a range of Home and Community Care Services to help older Australians who need domestic assistance, personal care and social support services.

# 12

## SUPPORTING NEW ARRIVALS

Migrating to Australia and seeking asylum can be a lengthy, difficult and traumatic experience. Within the borders of Australia, The Salvation Army welcomes new arrivals with open arms and runs a number of specific programs to support them.



1500+

people assisted by Migrant and Refugee Services each year



95+

supported by our Community Detention Program



400+

Humanitarian Mission Services personnel



3500+

asylum seekers assisted

### Humanitarian Mission Services

From August 2012 to February 2014 The Salvation Army's Humanitarian Mission Services provided care to asylum seekers awaiting processing at the Manus Island and Nauru Offshore Processing Centres. The Salvation Army was responsible for the welfare and emotional well-being of the people awaiting processing by providing case-management services, educational and recreational activities, as well as pastoral support to people of all faiths. The program was fully funded by the Australian Government.



Photo: Shairon Paterson



“I arrived from Sri Lanka. I came to Christmas Island by boat and was brought to mainland Australia. We are not allowed to study or work but I am very relaxed here with The Salvation Army and they are helping us learn things and have a place to go. It's very good here. Australia is a beautiful country with very good people. In October (2013) I was accepted as an adherent with The Salvation Army!”

– Regi, (pictured below) Bundamba Salvation Army Growing Home program participant



### Settling in

The Salvation Army has continued its work with asylum seekers and refugees through a variety of programs in Australia. The Community Detention Program provides supported housing to people awaiting the determination of their immigration status. Various programs to support new arrivals are operational at Salvation Army centres across NSW, ACT and Queensland, including English classes, driving schools and training in budgeting. The Army's Community Welfare Centres provide asylum seekers and refugees – many of whom arrive in Australia with very little – with practical support such as food, clothing, household goods and assistance with paying bills.

### Partnering with others

The Salvation Army also works as a support to government-appointed asylum-seeker settlement agencies in situations where there are special welfare needs. These organisational relationships are important for The Salvation Army to contribute to, advocating on behalf of this highly disadvantaged and marginalised group of people. Asylum seekers in crisis situations are referred to The Salvation Army by these other non-government organisations.

### Growing Home

This year the Bundamba Salvation Army, west of Brisbane, developed an outreach ministry to support asylum seekers and build community. The Growing Home community development program runs at The Salvation Army's Riverview Farm and is focused on community building and supporting asylum seekers while their visa applications are being processed. Running twice a week, the program offers English classes, pastoral care, volunteer work and training at the Riverview social enterprise nursery, a community lunch, access to computers and a well-loved game of cricket! Up to 40 asylum seekers, mainly from Sri Lanka, Iran, Burma and Bangladesh, attend the program.

# 13

## HOPE FOR LIFE

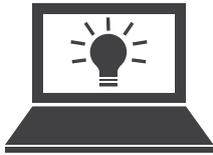
Suicide claims the lives of nearly twice as many people as motor-vehicle accidents every year across Australia. The Salvation Army's Hope for Life Suicide Prevention and Bereavement Support provides information, resources and training for those that support people who are at risk of suicide or have lost a loved one to suicide.



292

people trained face-to-face,  
("Be There" Suicide Prevention)

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1499

people trained online,  
(QPR Suicide Prevention)

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403

people trained face-to-face,  
("Living Hope" Postvention)

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1433

people trained online,  
(Living Hope Bereavement Support )

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### Programs validated

As part of its dedication to providing the highest level of training and support, The Salvation Army has had a number of its programs evaluated by academics. In 2013, Dr Kath Peters, from the University of Western Sydney, released the final report of her evaluation of the Lifekeeper Memory Quilt Project. The quilt-making program aims to memorialise those who have died by suicide, provide comfort for the bereaved and raise public awareness. Dr Peters found overall satisfaction with the quilt project was very high – 95 percent of respondents to the survey reported that participating in the project helped them in their grief journey. A Hope for Life research report on the bereavement support, also released in 2013, provided an insight into ways in which The Salvation Army could provide further support to people who have been bereaved by suicide and work with communities who seek to reduce stigma and rates amongst those directly impacted.

### Community awareness

Hope for Life facilitated numerous healing and remembrance services for those bereaved by suicide throughout Australia during 2013-14. Hope for Life also participated in 2013 World Suicide Prevention Day, with Lifekeeper Memory Quilts displayed in Brisbane, the Gold Coast, Melbourne and Sydney. Salvation Army churches commemorated suicide prevention day with two designated Sundays set aside for members to remember and pray for those who have been affected by suicide.

### Founder honoured

Salvation Army Envoy Alan Staines, who helped to found Hope for Life, was honoured with the International Association for Suicide Prevention's 2013 Norman Farberow Award at its conference in Oslo, Norway. The award is for outstanding contributions in the field of bereavement and survivors of suicide loss. Envoy Staines established a new association for those bereaved by suicide, Postvention Australia, in 2013. He remains a Hope for Life ambassador.



"I'm often asked how my family and I recovered from losing Iain. Did I take time to be apart, to heal? To walk down the beach? For me, it hasn't been about taking time for myself. It's about giving and receiving, and the firm foundation that I have in my faith in God. I have a peace that other people can find as well. God's been there for me in my pain; I knew that when everything else failed, God would be there. For me, coping with grief from suicide was impacted by my faith and trust in God. We still have difficult times. I do, too. Acceptance, denial, despair, depression faith, hope – loss is complex."

– *Maggie Ingham, Hope for Life Champion who has lived experience. (Maggie heads the welfare team at Auburn Salvation Army and lectures at the Army's Booth College).*

\* Edited excerpt and photo courtesy of The Wacry magazine.



# 14

## TRAINING AND EMPLOYMENT

The Salvation Army works with unemployed people from all walks of life, from those recently unemployed to highly disadvantaged individuals who face multiple hurdles such as homelessness, substance abuse, literacy and language barriers.



109

Employment Plus sites

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20,000

job seekers placed

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### Salvation Army Hospitality training

#### NSW

The Foundry, Port Kembla  
Cafe Essay, Wollongong  
Cafe Horizons, St Marys  
Cafe Horizons, Cabramatta  
Nourish Cafe, Bolton Point  
Sal's by the Lake, Speers Point  
Olive Branch Cafe, Newcastle  
Connections Cafe, Tweed Heads

#### QLD

Room19 Cafe, Brisbane  
TQ Cafe, Bundaberg

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### Employment Plus

The Salvation Army Employment Plus is one of Australia's largest government-funded employment services. Operating from 109 offices nationally, Employment Plus offers businesses a free professional screening and recruitment service. More significantly, it provides pathways for job seekers who often face a range of barriers to employment.

Last year, Employment Plus placed 20,000 people into jobs across nearly 13,000 employers. Tens of thousands of others were assisted in numerous other ways, including training and skills development.

The impact of unemployment can be devastating. Beyond financial hardship it can cause lives to spiral out of control, with mental health issues and relationship breakdowns common. Recognising this, Employment Plus expanded its services during the year.

The Psychological Counselling Service provides confidential support by qualified psychologists to people facing emotional and mental health issues – so they can cope with and feel prepared for the responsibilities of work. To complement face-to-face counselling, a new phone-based service was successfully trialled and will be expanded.



**Employment Plus**



“School really wasn’t for me. I didn’t get along with many people, including teachers – and my father was very ill. I used to just sit at home and play on the computer or basically not even go to school sometimes. I really connected with Darryl [Smiles, Cafe Horizons manager]. He reminded me of my dad in a few ways. If ever I tried to give up he would force me to keep going and make me have that motivation to not give up and that’s how I got through this course, even after my dad passed away a week before. I felt like I achieved something in life and I felt like I could keep going and get a better job and own a car and have a family and all that. And I’m working towards that.”

– Alex Tickle, graduate, Cafe Horizons, A Salvation Army training initiative in western Sydney

### Training Plus

The Employment Plus training and development services were this year enhanced under the name, Training Plus, a Registered Training Organisation offering accredited and non-accredited courses, all designed to equip job seekers for ongoing employment. Qualifications range from short courses to diplomas. Employers, too, can engage Training Plus to develop tailored training programs for their existing employees.

### Hospitality training

Outside of Employment Plus, The Salvation Army also operates on-the-job training and a number of services to help people find employment pathways. The number of training for hospitality services increased this year, with the opening of The Foundry in Port Kembla, Wollongong. This training cafe and church has links with local employment agencies and provides on-the-job training, while serving great food and coffee to the public. The Salvation Army operates 10 such services in NSW and Queensland.

# 15

## RED SHIELD DEFENCE SERVICES

The Salvation Army Red Shield Defence Services (RSDS) provides practical support with a Christian influence to hundreds of Australian Defence Force members and families each day.



48,000

soldiers supported by Red Shield Defence Services

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8

locations across Australia

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24

RSDS representatives (nationally)

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Awarded

Sallyman display awarded Best Community/Non Profit Display at Canberra Show

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### Caring for our troops

For more than 100 years, The Salvation Army has had a strong relationship with Australian troops, in nearly every active deployment since the Boer War. Red Shield Defence Services 'Sallymen' (and women) are still present in most Army combat and logistical units and most defence force bases across Australia. The Salvation Army operates 'Hop In' centres on most of those bases where defence force personnel can stop for a hot or cold beverage, a shoulder to cry on during hard times, a confidential, listening ear and a place of friendship and support. Our representatives play an integral role at Soldier Recovery Centres in Darwin, Townsville and Brisbane, where servicemen and women who are suffering as a result of training or deployment are offered assistance and support. Even when our forces are out on exercise, in some of the harshest Australian conditions, RSDS representatives are there with them, forging strong relationships built on trust and support.





“My whole life I had a desire to be a soldier and I wanted to be in the Army ever since I could remember. My dad said as soon as I could draw I was drawing soldiers and running around the backyard playing army-men. I would say one of the proudest days of my life was when I got my rank at Kapooka, when I became a soldier in the Australian regular army. It was an extremely proud day of my life, very proud, just happy, joyous and I felt like I’d answered a call. And now I have answered the call to march in God’s spiritual battles. We have Army padres that are ministers in the defence force. Their sole job is the welfare, spiritual fitness, encouragement of the troops and I guess it’s a way that I see that I can give back to an organisation that has given so much to me.”

– Cameron Lovering, (pictured on left) Australian soldier now in training to become a Salvation Army officer

### Caring for families

The Salvation Army’s service within the Australian Defence Force extends far beyond the front line. RSDS representatives care about and pray for each member of a defence force personnel’s family. A variety of programs, particularly for children and young people at bases across Australia, are also run. These include Kids Clubs, Youth Group and Sunday School. This year RSDS representatives began a music program for pre-schoolers at the Gallipoli Family Centre in Brisbane.

### Caring in the community

RSDS representatives across Australia participate in Anzac Day, Remembrance Day and other community days of commemoration. The community will also see The Salvation Army out and about at local shows and open days. This year the ‘Sallyman’ display at the Canberra Show won the award for best community/non-profit display.

# 16

## SALVOS STORES

The Salvation Army in Australia has a long history of sorting and selling recycled goods that dates back to the 1880s. Today, Salvos Stores has 100 modern centres across NSW, ACT and Queensland that provide quality affordable goods and clothing to millions of Australians, with all proceeds used to further the work of The Salvation Army to help those in need.



550

Salvos Stores staff

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1450

Salvos Stores volunteers

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\$50 million+

Salvos Stores income

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NSW, ACT and Queensland

### Funding the mission

Salvos Stores this year recorded an income exceeding \$50 million for the first time. With all proceeds of Salvos Stores going towards the work of The Salvation Army, this increase in income continues to have a huge impact on helping those in need. This year Salvos Stores also gave freely of its resources and expertise to assist Salvation Army church family stores with training and set-up.

When fires hit the NSW Blue Mountains in October 2013, Salvos Stores in Springwood extended its trading hours to cater for people who had been affected by the disaster. Local businesses and members of the community generously donated clothing and goods, much of it brand-new, which was given out, along with care packs, to those in need.

### Cutting edge

In 2013, Salvos Stores launched an eBay site (mysalvosstores) to further expand its online presence and connect with more consumers. The eBay site houses furniture, homewares and rare collectors' items, which have been generously donated to Salvos Stores. Customers are able to either 'bid' on an item, or 'buy it now'.

This year Salvos Stores partnered with celebrity eco-stylist and author of the Fashion Hound blog, Faye de Lanty. Faye works closely with staff, volunteers and the media to raise awareness about op-shopping and the importance of being more mindful when it comes to fashion choices. A series of Fashion Hound eco-styling training sessions were carried out for Salvos Stores retail staff, aimed at sharing new ideas, fashion knowledge, mannequin styling, sourcing, fashion history, branding, DIY and inspiration to revitalise stores and ignite new approaches to merchandising. VIP thrift-shop nights have also been launched, with Faye hosting an evening of eco-styling.

The award-winning Salvonista campaign continued this year, with a new Salvonista magazine launched that encourages people to reuse, reinvent and reduce their fashion footprint. The magazine is available in all stores.



“I searched the internet to find an organisation for some volunteer work. I wanted to gain some local work experience and understand the society I live in. I emailed a few organisations and Salvos Stores was the quickest to respond and that’s how I started over a year ago. I now come face to face with people who are in need and get a taste of the raw emotions of hardship. I feel the work I do at Salvos Stores is on the front line and I gain first-hand experience in social welfare. I am proud to be in a position to contribute to the community. Salvos Stores has a great family atmosphere and it is a great place to invest your time and money, as you will be making a difference in the local community.”

*- Tae Woo Kang, volunteer at Salvos Stores, Seven Hills.*



# 17



## Inner-city Freedom Communities

Sydney Streetlevel Mission  
Brisbane Streetlevel Mission  
Manly New Life Centre  
Byron Bay Streetlevel Mission



## Salvation Army 'Open Houses'

Hope House No.44, Newcastle  
Number 47, Ryde  
Hope House, Gunnedah  
Lifehouse, Ellen Grove  
Chifley Mission

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# FREEDOM COMMUNITIES

The Salvation Army operates a number of specialist community programs that give long-term support, care and a place to belong for the disadvantaged and marginalised. The inner-city Streetlevel communities are a place of hope, healing and restoration for those in urban areas. The Army also runs a number of 'open houses', where Salvationists live within marginalised communities and open their homes to neighbours in need.

### Hope

Christmas is a joyous occasion, but for many who are disconnected from family, it can be a time of sadness. Every year at Christmas, The Salvation Army's Freedom Communities open their doors for a Christmas meal and fellowship for the lonely and disadvantaged. In 2013, Number 47 at Ryde in Sydney was featured in a Channel 9 Christmas special called 'Makeover Street'. Hosted by Jamie Drury and featuring celebrity experts, the show told the story of the Ivanhoe Estate, The Salvation Army's involvement and several families who live there.



## “FREEDOM COMMUNITIES: Doing Life Together”

“My name is Kerry and I go to the Manly New Life Centre, run by The Salvation Army. My main addiction was heroin to start with, but then it took me about four months to get honest that I was also an alcoholic. That was a bit confronting.

“I first came to the Manly New Life Centre approximately seven years ago. When I wasn't working I'd come here for meals, have a chat and a coffee. Anything you've got issues with, anything that's troubling you, they go out of their way to help and fix it up for you. They do heaps of work in the community that no one knows about, they're just loving, caring people.”

– Kerry

*[After Kerry completed The Salvation Army's Bridge Program for people in addiction, he began attending the Manly New Life Centre.]*



### Belonging

An annual fishing trip to Fraser Island for men who belong to Brisbane Streetlevel Mission provides a powerful time of reflection and relationship-building. Twelve men attended the 2013 trip, which was sponsored by the Brisbane High Rise Rotary Club and real estate agent Jones Lang La Salle. Many of the men reported that they had never experienced such a fun and enriching weekend away without the use of drugs or alcohol. The trip, under the leadership of Major Bryce Davies, (pictured on right) works to solidify friendships within the Brisbane Streetlevel community and allow those involved to take time out to reflect on taking steps forward in their journey of growth.

### Living in community

The Army's Freedom Communities have this year continued to grow their service offerings to enable community members the opportunity to experience physical, emotional and spiritual growth. Streetlevel in Sydney offers fitness classes, journalling and prayer discussion groups and a games morning where people can get to know each other in a fun environment. This year, Brisbane Streetlevel began a monthly pizza afternoon, with pizzas donated and created by the Brisbane-based Wright Family, who own the mobile pizza and catering service, Fire N Dough Wood Fired Pizza. Byron Bay Streetlevel developed a community garden and offers twice-weekly art therapy classes and regular outreach to community members who live rough in the bush or nearby sand-dunes.

# 18

## PERSONNEL AND VOLUNTEERS

The Salvation Army couldn't operate without the commitment and dedication of its personnel and volunteers. Its workforce is made up of more than 500 officers and more than 4800 employees, who work with an army of more than 15,500 volunteers.



524

Salvation Army churches and centres

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500+

Salvation Army officers

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4800+

Salvation Army Employees

---



15,500+  
volunteers

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### Celebrating excellence

The Salvation Army is proud of its people's achievements and they are honoured both internally and through nominations for various external awards. This year dozens of Salvation Army officers and employees were recognised for their hard work and dedication with various local, state and national awards.

### Investing in people

The Aged Care Plus Fellows Program rewards exceptional and creative applications from Salvation Army employees, officers and volunteers who wish to better the mission of The Salvation Army by undertaking further study, training or career enhancement. In 2013, a record 21 people were awarded Fellows Program Scholarships. The program is a significant investment by Aged Care Plus towards the mission of The Salvation Army, with clear benefits flowing throughout the organisation.

A new Women in Leadership initiative was launched this year, designed to foster more leadership equality within the organisation. Women from across The Salvation Army in Australia, and some delegates from Papua New Guinea, attended the launch in late 2013, listening to international speakers and attending leadership sessions.

The health and well-being of staff is important to The Salvation Army and it does what it can to promote healthy living. This year The Salvation Army partnered with celebrity chef and nutritionist Zoe-Bingley-Pullin to deliver a series of free health and nutrition seminars and cooking classes for Salvation Army workers. The classes were well attended and appreciated by those who took the opportunity.

### Honouring volunteers

Volunteers play a significant role in The Salvation Army, from providing expertise at board level, to sorting clothing at stores. Each volunteer is loved, valued and respected. The Salvation Army regularly commemorates volunteers, marking International Volunteer Day and National Volunteer Week at many services and centres. A group of volunteers was treated to a rooftop appreciation dinner in Sydney in December 2013, attended by singer Stan Walker.



“I think volunteering gets in your blood. I came down for four hours on the first morning, I started at nine and finished at four, and I came in every day afterwards! It keeps your brain working and you feel that you’re doing something with your life, you’re not wasting it.”

*- 75-year-old Pam Tucker, Salvation Army volunteer for the past 15 years*



# OUR LEADERS

The Salvation Army Australia Eastern Territory Cabinet is made up of seven senior officers who between them possess a broad range of skills and experience:



## **Commissioner James Condon Territorial Commander**

Commissioner James Condon has been a Salvation Army officer for 43 years, 19 of which have been spent serving in various Salvation Army churches, including three years in the United Kingdom. Other roles have included public relations, church growth consultant, training officer, divisional leadership for six years and then executive leadership in Papua New Guinea, London and Sydney for the past 10 years.



## **Colonel Richard Munn Chief Secretary**

Colonel Richard Munn was born in London, spent his childhood in the Congo and in 1987 was commissioned as a Salvation Army officer in the United States. With his wife, Colonel Janet Munn, he has served as a corps officer, divisional leader and as Principal of The Salvation Army's International College for Officers, London, UK. Colonel Munn received a Doctor of Ministry Degree from Gordon Conwell Theological Seminary in 2004. His thesis assessed the egalitarian leadership model of The Salvation Army.



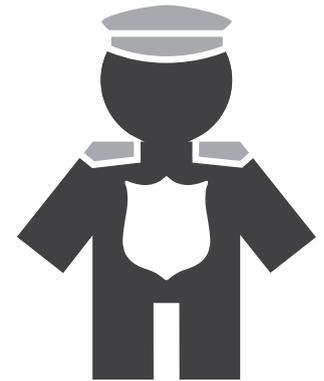
## **Commissioner Jan Condon Territorial President of Women's Ministries**

Commissioner Jan Condon has been a Salvation Army officer for 43 years and involved with women's ministry for most of that time. She has served in administration roles, and spent 19 years in various Salvation Army churches, including three years in the United Kingdom. She has been in executive leadership roles in Papua New Guinea, London and Sydney for the past 10 years.



## **Colonel Janet Munn Principal, School for Officer Training**

Colonel Janet Munn has been an officer in The Salvation Army for 27 years, having served in leadership in local congregations, both urban and suburban. She has given many summers of her life to camping ministry for underprivileged children and youth. In contexts ranging from local, regional and international, Colonel Munn calls people to 24/7 prayer, to corporate prayer and fasting, and to accountability and discipleship in community through small groups. She has earned a B.A. and M.A., two-year post graduate studies, and is currently a Doctor of Ministry degree candidate.



**Lieutenant-Colonel Laurie Robertson**  
**Secretary for Program**

During his officership, Lieut-Colonel Laurie Robertson has served in church and divisional leadership, communications, editorial, territorial and international positions. Prior to attending The Salvation Army Training College in 1978, he was a journalist in Broken Hill. Lieut-Colonel Robertson has been The Salvation Army National Editor-in-Chief in Australia and the International Communications Secretary, Editor-in-Chief and Literary Secretary in London. He has also been in divisional leadership.



**Lieutenant-Colonel David Godkin**  
**Secretary for Personnel**

Over the past 25 years in Salvation Army officership, Lieut-Colonel David Godkin has held a number of positions leading and pioneering churches and as Divisional Youth and Divisional Corps Program Secretary. Prior to this appointment, Lieut-Colonel Godkin and his wife, Lieut-Colonel Sandra Godkin, were in divisional leadership.



**Lieutenant-Colonel Brian Hood**  
**Secretary for Business Administration (acting)**

Brian Hood was commissioned as an officer of The Salvation Army in January 1974. Along with his wife Elaine, in their first 21 years of officership they served in a number of churches in Queensland and NSW as well as a term in Papua New Guinea. During those years, they also served as Divisional Youth Officers in Sydney. Over the next eight years they served as divisional leaders and in senior roles including Secretary for Business Administration. Following that, Brian served as Secretary for Business Administration in the Australia Southern Territory for three years. For two years prior to retirement they returned to the leadership of a local church congregation, concluding active service in January 2008.

# SUPPORTERS

The Salvation Army's message of freedom and hope would not be possible without the help of the Australian community and a large number of corporate, government, community supporters, families and individuals.



## Red Shield Appeal

This year, thanks to the generosity of the Australian public and business community, The Salvation Army's Red Shield Appeal raised \$40.6 million over 12 months in NSW, ACT and Queensland.

Each year, a highlight of the Red Shield Appeal is the Doorknock, held on the last weekend in May, when ordinary Australians take to the streets to collect on behalf of The Salvation Army. People once again opened their hearts and "dug deep for the Salvos", raising just over \$8.5 million.

The Salvation Army gives special thanks to the thousands of volunteers who assisted with the Doorknock – including school students and staff, Rotary and Lions Club members; Westpac employees and senior staff who worked extra hours at branches to bank the money raised; McDonald's, who provided free vouchers to volunteers, and many more who worked tirelessly behind the scenes. Without this support The Salvation Army would not be able to continue assisting those who are disadvantaged and marginalised in the community.

## Salvation Army Freedom Partners

This is a group of supporters who have signed up to donate an affordable amount every month. This is income The Salvation Army can count on and helps enormously to budget and plan services into the future – whether it's refuge, clothing and food for the hungry or the complex assistance needed by people battling addiction.

## Christmas Appeal

During Christmas 2013, The Salvation Army provided food hampers, toys and gifts, care and support to many needy children and families. Once again many companies – from

small family businesses to large national corporations – collected gifts for children and adults as well as generously supported our Christmas Appeal.

## Grassroots Support

Hundreds of individuals partnered with The Salvation Army this year to fundraise in their local area. Many took part in sporting events and invited friends and family to support them by making a donation to the Salvos. Some people hosted parties and asked guests to make donations in lieu of gifts. There are so many different forms of community fundraising and The Salvation Army supports all efforts with resources such as event posters, special-occasion cards, invitation templates and thank-you cards.

## Corporate Support

The Salvation Army couldn't do its work without the generous support of so many Australian companies and businesses. Companies partner with The Salvation Army in a range of ways, including:

- Staff fundraising activities
- Workplace giving
- Pro bono
- Event or program sponsorship
- Gifts in kind

## Leaving a legacy

Bequest funding allows The Salvation Army to continue to make a difference in the lives of more than one million Australians a year. We thank each of our honoured friends who have made a commitment to leave a bequest in their will, and also members of the legal community who support The Salvation Army's wills days.

## OUR PARTNERS

The Salvation Army Australia Eastern Territory would like to recognise the support of:

### COMMUNITY PARTNERS

- ABC Tissues
- Amalgamated Holdings
- AN Carmichael Memorial Fund
- Brazil Family Foundation
- Commonwealth Bank of Australia
- Count Financial Limited
- Crown Resorts Limited
- CRT / Ruralco
- Dick and Pip Smith Foundation
- Dick Smith Foods Foundation
- E J Hart Group
- Goldberg Family Foundation
- Glencore Xstrata Nth Qld Community Fund
- Gloria McKerrow Foundation
- Haggarty Foundation
- IGA
- Insurance Australia Ltd (IAG)
- Janssen Cilag Pty Ltd
- John T Reid Charitable Trusts
- Jones Lang LaSalle
- King and Wood Mallesons
- K-Mart Australia Pty Ltd
- Macquarie Group Foundation
- McDonald's
- Matana Foundation for Young People
- MSM Milling Pty Ltd
- Myer Community Fund
- News Corp Australia
- NSW Farmers' Association
- Philip Usher Constructions
- Profield Foundation Pty Ltd
- Project Futures
- PwC
- Qantas
- Queensland Community Foundation
- Roger Massy-Greene
- Rotary Club of Brisbane Planetarium
- Rotary Club of Sydney
- Second Chance Fundraising Programme
- Stan and Maureen Duke Foundation
- Sony Foundation Australia
- Sylvia and Charles Viertel Charitable Foundation
- Telstra
- Ten Network
- The Caledonian Foundation
- The Ernest Heine Family Foundation
- The Gladys Myrtle Brown Charitable Trust, managed by Perpetual
- The Lady Proud Foundation
- The Manildra Foundation
- The Property Industry Foundation
- Twin Towns Services Club and Community Foundation
- 2GB
- Victor Plummer
- Weekend Sunrise
- Westpac Banking Corporation
- Women's Health Education Research Society
- Woolworths Limited
- Zonta International District 22 – Participating clubs

### GOVERNMENT PARTNERS

#### Federal

- AusAID
- Department of Social Services (previously known as Department of Families, Housing, Community Services and Indigenous Affairs)
- Department of Health
- Department of Human Services
- Department of Broadband, Communications, and the Digital Economy
- Department of Education, Employment, and Workplace Relations (DEEWR)
- Department of Immigration and Border Protection
- Department of Prime Minister & Cabinet
- Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education - PATCE

#### NSW

- NSW Department of Family and Community Services - Community Services
- NSW Department of Family and Community Services - Ageing, Disability & Home Care
- NSW Department of Family and Community Services - Housing
- NSW Fair Trading, Department of Finance & Services
- NSW Health - Hunter New England Local Health District
- NSW Health - South Eastern Sydney Health District

- NSW Health - Central Coast Local Health District
- NSW Health - Health Administration Corporation
- NSW Health, Nepean Blue Mountains Local Health District
- NSW Department of Education and Communities
- Office of Communities - Community Building Partnership

#### Queensland

- Queensland Health
- Queensland Government
- Department of Justice and Attorney-General
- QLD Department of Communities, Child Safety & Disability Services
- QLD Department of Housing and Public Works - Housing Programs
- Mt Isa Aboriginal Community Controlled Health Services Limited
- QLD Government Department of Education, Training and Employment
- Sunshine Coast Regional Council
- Brisbane City Council

#### ACT

- ACT Community Services Directorate
- ACT Health Directorate
- ACT Department of Disability, Housing and Community Services



“I have the privilege of joining with God in his mission to see freedom proclaimed, justice enacted and grace bestowed.”

- Lieutenant Helen Whittle

**THE SALVATION ARMY  
AUSTRALIA EASTERN TERRITORY**

**SOCIAL WORK  
Financial report - 30 June 2014**

Trustees' report	50
Statement of comprehensive income	56
Statement of financial position	57
Statement of changes in capital reserves and accumulated funds	58
Statement of cash flows	59
Notes to the financial statements	60
Trustees' declaration	77
Auditors' independent declaration	78
Independent auditor's report to the Trustees	79

# Trustees' report

For the year ended 30 June 2014

The Salvation Army's international mission statement sets the identity and direction for all its commands and centres throughout the world.

The statement says:

"The Salvation Army, an international movement, is an evangelical part of the universal Christian Church. Its message is based on the Bible. Its ministry is motivated by love for God. Its mission is to preach the gospel of Jesus Christ and meet human needs in his name without discrimination."

Some Salvation Army territories also have an internal mission statement that conveys the local focus. Here in the Australia Eastern Territory (NSW, ACT and Queensland), our mission is to "save souls, grow saints and serve suffering humanity". Our values flow from this – we value Compassion, Transformation and Integrity.

Our missions are manifested in the various expressions of work of The Salvation Army. The Salvation Army Australia Eastern Territory has divided its work into General Work (i.e. church work) and Social Work. This financial report only includes the Social Work's operations.

The Trustees of The Salvation Army Australia Eastern Territory present the following report for the year ended 30 June 2014.

The financial report of the Social Work of The Salvation Army Australia Eastern Territory incorporates:

- The Salvation Army (New South Wales) Property Trust  
ABN 57 507 607 457
- The Salvation Army (Queensland) Property Trust  
ABN 32 234 126 186
- The Salvation Army Australia Eastern Territory Social Work  
ABN 63 968 822 144
- The Salvation Army (New South Wales) Trust atf The Social Work  
ABN 46 891 896 885
- The Salvation Army (Queensland) Property Trust atf The Social Work  
ABN 22 035 976 360
- Salvos Legal Limited  
ABN 14 147 213 214
- Salvos Legal (Humanitarian) Limited  
ABN 36 147 212 940
- The Salvation Army Community Housing Service  
ABN 47 152 257 728

- The Salvation Army (Australia) Self Denial Fund (For Overseas Aid)  
ABN 52 609 689 893
- The Salvation Army Education Foundation  
ABN 57 507 607 457

The Trustees of The Salvation Army (New South Wales) Property Trust also act as Trustees for The Salvation Army activities operated in, and property held in, the Australian Capital Territory. This is in accordance with The Salvation Army (Australian Capital Territory) Ordinance 1934.

## Trustees

The following persons were Trustees of The Salvation Army Australia Eastern Territory Property Trusts during the financial year and to the date of this report:

- Commissioner J Condon
- Colonel R Munn
- Lieutenant-Colonel L Robertson
- Lieutenant-Colonel K Haggar
- Lieutenant-Colonel D Godkin
- Mr IC Minnett
- Mr P Alward

## Statement of Trustees' responsibilities

The Trustees prepare this annual report and financial statements in order to discharge their duty of stewardship. This report gives a true and fair view of The Salvation Army Australia Eastern Territory Social Work's state of affairs and its incoming resources and resources expended. It is the responsibility of the Trustees to safeguard the assets of The Salvation Army Australia Eastern Territory Social Work and take all reasonable steps to prevent fraud and other irregularities.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of The Salvation Army Australia Eastern Territory Social Work. In preparing the financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements/decisions that are reasonable and prudent;
- state whether applicable accounting standards have been followed; subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the organisation will continue to operate.

## Principal activities

During the year the principal continuing activities of The Salvation Army Australia Eastern Territory Social Work comprised of (in alphabetical order):

- aged care;
- chaplaincies including hospital, court and prison, defence forces;
- counselling services;
- crisis support including community housing service;
- drug, alcohol and gambling addiction rehabilitation;
- emergency/disaster services;
- family support services including family tracing;
- humanitarian services;
- legal service/representation;
- overseas aid;
- sale of donated goods; and
- youth, employment and training programs.

No significant changes in the nature of these activities occurred during the year.

## Review of operations

The Salvation Army Australia Eastern Territory Social Work's operating surplus before transfers to reserves was \$1,068,000 (2013: \$9,555,000), with a net transfer of \$25,223,000 (2013: \$16,753,000) to various reserves for later use for specific purposes in compliance with donors' restrictions and The Salvation Army's policies.

The main reasons for the decrease in operating surplus before transfers to reserves are due to the increase of \$3,070,000 in the provision for the personal injury claims (refer note 3 (y) for more details) and also a provision of \$4,745,000 doubtful debt is made against a dispute over a government contract.

## Matters subsequent to the end of the financial year

No other matters or circumstances have arisen since 30 June 2014 which have significantly affected, or will adversely affect, the results of The Salvation Army Australia Eastern Territory Social Work in subsequent financial years.

## Likely developments and expected results of operations

In the opinion of the Trustees, there are no likely changes in the operations of The Salvation Army Australia Eastern Territory Social Work which will adversely affect the results of The Salvation Army Australia Eastern Territory Social Work in subsequent financial years.

## Environmental issues

The operations of The Salvation Army Australia Eastern Territory are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

## Insurance of Officers

The Salvation Army has insured the Trustees for any potential claims arising from their work as Trustees of The Salvation Army Australia Eastern Territory. The Trustees have not included the details of the nature of the liabilities covered or the amount of the premium paid in respect of the Trustees' liability, legal expenses and insurance contracts, as such disclosure is prohibited under the terms of the contract.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the Trustees of The Salvation Army, and any other payments arising from liabilities incurred by the Trustees in connection with such proceedings. This does not include liabilities that arise from conduct involving a wilful breach of duty by the Trustees or the improper use by the Trustees of their position or of information to gain advantage for themselves or someone else or to cause detriment to the organisation.

# Trustees' report - corporate governance

For the year ended 30 June 2014

## Auditor

KPMG Australia continues as The Salvation Army Australia Eastern Territory Social Work's (The Salvation Army) auditors at the date of this report.

## Corporate governance

The Salvation Army, being a not-for-profit organisation, is not required to include a statement of the main corporate governance practices which is required of listed corporations. However, it is considered appropriate by the Trustees to ensure best practice in reporting by including corporate governance practices in this Trustees' report.

The Salvation Army has its international headquarters in London. At the head of the International Salvation Army is the General of The Salvation Army, who is elected at the High Council and is based in London.

The General directs Salvation Army operations throughout the world in collaboration with the administrative departments of International Headquarters (IHQ) in London, which are headed by International Secretaries.

The Chief of the Staff, a commissioner appointed by the General to be second-in command, is the Army's chief executive. Their function is to implement the General's policy decisions and effect liaison between departments, as well as handling day-to-day business and the allocation of resources. IHQ is concerned with strategic, long-term planning and acts as a resource centre for the worldwide Army and a facilitator of ideas and policies.

The International Headquarters' internal auditors carry out an independent audit on the Territory's operations and finance once every three years and embrace the following:

- review and report on the financial statements of the Territorial Headquarters and any sections of the Territory as may be required;
- appraise the economy and efficiency with which resources are employed;
- interpret trends, point out the financial strengths and weaknesses and, where applicable, make recommendations for ensuring better management of finances;
- verify that business has been conducted in accordance with International Salvation Army principles and procedures;
- review systems established to ensure compliance with Salvation Army policies and procedures and orders and regulations;

- review operations and ascertain whether results achieved are consistent with the goals and objectives originally planned;
- consider present and future financial policies;
- see that accounts-keeping meets the basic requirements of Salvation Army accounting; and
- review the reliability and integrity of both financial and operating information.

At Territorial level, the Territorial Commander is appointed by IHQ as the leader and is based at the Territorial Headquarters (THQ) in Sydney. The Territorial Councils and various executive committees, while not relieving the Territorial Commander and other officers of personal responsibility for the success of the work, are to:

- give strength to decisions taken;
- guard against ill-considered action;
- provide information first hand from people who are constantly in close personal touch with aspects of the work; and
- secure counsel and advice on all matters involving the expenditure of the Army's funds.

## Territorial Operations Council (TOC)

This Council is the supreme decision making body that make decisions on major financial and property matters. This Council meets on a weekly basis and is responsible for the approval of:

- the Territorial budgets;
- Official Minutes (financial);
- all non-budgeted asset purchases;
- the furniture requisition for executive officers;
- the allocation of legacies;
- the disbursement of reserves;
- the review of theft/fraud reports;  
- the investment of funds;
- the sale and purchase of property;
- the annual financial statements;
- new leases and major property improvement and repair; and
- the minutes from various Team Executive Committees.

Membership of the TOC is approved by The Salvation Army International Headquarters and consists of a chairman (Territorial Commander who is also a Trustee) and 12 members. It normally meets on a weekly basis. The number of TOCs held during the year ended 30 June 2014 and the number of meetings attended by each Trustee were:

<b>Trustee</b>	<b>Number Attended</b>	<b>Number eligible to attend</b>
Commissioner J Condon	29	41
Colonel R Munn	32	41
Lieutenant-Colonel K Haggar	17	41
Lieutenant-Colonel D Godkin	30	41
Lieutenant-Colonel L Robertson	33	41
Mr IC Minnett	36	41
Mr P Alward	36	41

In order to enable the TOC to fulfil its responsibilities, a number of committees are established to provide professional advice and support. It includes the following:

- Personnel Team Executive Committee
- Finance Team Executive Committee
- Property Team Executive Committee
- Program Team Executive Committee

The above committees meet on a weekly basis and discuss matters within their delegated jurisdiction. The minutes from these committees are tabled at TOC for review and approval.

## Territorial Governance Council

This is a council, established as a monitoring council and meets monthly. The role of the Territorial Governance Council is to:

- ensure that the Territory achieves the agreed strategic goals;
- be the focal point of accountability for mission and mission support outcomes;
- approve the key result areas and key performance indicators (KPIs); and
- review reports analysing the performance of the administration components of the Territory against KPIs.

## Territorial Policy and Mission Council (TPMC)

The Territorial Policy and Mission Council is the policy-making body for the strategic and mission direction of The Salvation Army. The TPMC meets on a weekly basis and is responsible for the approval of:

- Army policies;
- Official Minutes (non-financial);
- remuneration review;
- internal audit program;
- Red Shield and Self Denial Appeals goals;
- property sales and purchases over \$4 million; and
- risk management policy.

## Territorial Audit Board

The Territorial Audit Board meets on a monthly basis and considers internal audit reports prepared by the Internal Audit function and the responses from the respective centres. Commencing from July 2011, the internal audit function is co-sourced with an external professional firm (KPMG). The board consists of 11 members and is chaired by the Secretary for Business Administration. Fifty per cent of the members constitute a quorum for the Territorial Audit Board.

The main objective of Internal Audit is to assess the operation and effectiveness of the processes and procedures in place and report upon those processes and procedures, to give assurance, via independent audit reports to the Territorial Audit Board, that internal controls in place are applied appropriately. The internal audit function is also to assist in the understanding and implementation of the processes provided as policy of The Salvation Army at both the organisation and centre level.

# Trustees' report - corporate governance

For the year ended 30 June 2014

## Audit Advisory Committee

The Audit Advisory Committee was established to advise on the internal control system, risk management and financial arrangements of The Salvation Army, and satisfy itself that The Salvation Army has adequate arrangements for ensuring economy, efficiency and effectiveness.

The Audit Advisory Committee meets during the year to oversee The Salvation Army's external audit and prior to the annual accounts being signed by the Territorial Operations Council.

Membership of the Audit Advisory Committee is by invitation of the Territorial Commander and the members have no executive responsibility for the management of The Salvation Army. At the date of the report, it comprised the following members:

- Greg Couttas, FCA (Chairperson)
- Christopher George, FCA
- John Gordon, FCA

## Investment Advisory Board

The Investment Advisory Board provides independent advice to the Territorial Operations Council (TOC) on matters relating to management of investment assets in order to achieve the investment objectives set by TOC. The Board comprises eight members and one secretary, four of whom are recruited from outside The Salvation Army and drawn from relevant professional and commercial sectors of the community. The board is responsible for working closely with the Trustees and makes recommendations to the Trustees on investment management.

TOC has appointed an external investment consultant to provide management services to The Salvation Army's investment portfolio. The investment consultant's responsibilities are to provide a quarterly report summarising the performance of each investment manager and to make recommendations about strategies that are appropriate to the current investment market at the end of each quarter. The Investment Advisory Board's monitoring involves the following:

- review the investment consultant's quarterly report;
- assess the extent to which The Salvation Army's investment objectives are being achieved;
- ascertain the existence of any particular weakness in the manager(s) and the investment strategy; and
- allow the board to continually assess the ability of manager(s) and the investment strategy to successfully meet The Salvation Army's objectives.

The Investment Advisory Board is held quarterly and will meet more often if required in cases of market disturbance.

## Risk Assessment and Management

During 2014, risk management continued to be an integral part of the operating landscape of The Salvation Army. It also remains an essential component of achieving mission and business objectives.

The aim of risk management is to manage the uncertainty inherent in the operations of The Salvation Army to ultimately enable the achievement of the organisation's mission and objectives. To that end, the risk management practices employed across the organisation are tightly aligned with the Army's strategy and mission.

The Territorial Risk Management Framework is undergoing ongoing continuous improvement reviews to enhance the practices in place and ensure alignment with best practice industry standards. Current practices include annual reviews of the Risk Management Framework and Risk Appetite Statement, risk assessments at the Organisational, Departmental and Divisional levels, and regular reporting across the board.

In 2014/2015, risk management will continue to evolve and embed within and across The Salvation Army to ensure a unified approach in achieving the Army's mission across the territory.

## Policies and Codes of Conduct

The following is an overview of The Salvation Army's key policies and codes of conduct that apply to both Salvation Army officers and employees throughout the Australia Eastern Territory.

## Orders and Regulations

Orders and regulations are documents published by the International Headquarters of The Salvation Army, which outline the principles and procedures specific to various types of activity undertaken in The Salvation Army. They apply to all Salvation Army officers throughout the world, irrespective of rank, appointment or territory.

These orders and regulations aim to prevent misunderstanding, and are intended to ensure that the decisions arrived at, and the work undertaken, are in harmony with the interests, principles and aims of The Salvation Army as a whole.

It was never envisaged that The Salvation Army would be governed solely by orders and regulations, for a living army engaged in resolute defence and aggressive warfare

sometimes has to make expedient decisions on the spot related to the circumstances of the time. Nevertheless, in general, guidelines are necessary, which are based on Christian principles and the best methods discovered from experience. Every officer, cadet and candidate for officership may learn from these.

Even the subjects covered by the orders and regulations will not deal with every possible contingency. Principles, however, are paramount and serve as a proven guide in every situation, which demands an officer's personal judgement.

## Official Minutes

The Salvation Army issues a variety of policies by way of its Official Minutes. They apply to all Salvation Army officers and employees. These are statements of policy covering operational, financial, administrative and organisational issues affecting the organisation.

The International Headquarters of The Salvation Army issues Official Minutes to all territories and commands throughout the world, on matters of policy and procedure supporting the mission and values of The Salvation Army.

The Salvation Army Australia Eastern Territory issues its own Official Minutes, on the authority of the Chief Secretary, to address policy and procedural matters relating to a wide range of activities and situations that confront the territory. These policy statements are regularly reviewed and updated, to ensure that they remain relevant to the current needs of the territory, including its officers, employees and members.

This report has been made in accordance with a resolution of the Trustees.



Commissioner J Condon  
Territorial Commander  
Trustee



IC Minnett (BCom, FCA, GAICD)  
Chief Financial Officer  
Trustee

Sydney, 28 October 2014

# Statement of comprehensive income

For the year ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
<b>Revenues</b>	4	391,862	361,022
Other income	5	2,131	572
Total income		393,993	361,594
<b>Expenses</b>	6		
Social programs		175,964	150,431
Aged care		98,024	89,203
Employment and youth training		57,150	54,969
Recycling operations - Salvos Stores		44,647	42,405
Red Shield Appeal		12,614	10,202
Overseas Aid		4,526	4,829
Total expenses		392,925	352,039
<b>Operating surplus</b>		1,068	9,555
<b>Other comprehensive income</b>			
Items that may be reclassified subsequently to operating surplus			
Changes in the fair value of available for sale financial assets		413	-
<b>Total comprehensive income for the year</b>		1,481	9,555
<b>Allocations to capital reserves</b>		(12,066)	(16,753)
<b>Total comprehensive (loss) after allocations</b>		(10,585)	(7,198)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

For further information on the surplus from continuing operations before allocations, please refer to the review of operations in the Trustees' Report on page 51.

# Statement of financial position

As at 30 June 2014

	Note	2014 \$'000	2013 \$'000
<b>ASSETS</b>			
Cash and cash equivalents	8	19,398	21,013
Financial assets at fair value through profit or loss	9	11,528	11,469
Receivables	10	153,066	134,066
Deposits	12	53,000	53,000
Available for sale financial assets	20	14,139	-
Held to maturity deposits		5,000	7,000
Inventories	11	4,063	1,903
Other receivables	13	10,042	10,863
Property, plant and equipment	14	365,767	352,451
Intangibles	15	681	1,326
<b>Total assets</b>		<b>636,684</b>	<b>593,091</b>
<b>LIABILITIES</b>			
Trade payables		10,976	10,249
Prepaid income		1,963	2,291
Accruals and other payables	16	7,515	6,574
Accommodation bonds/residents loans	17	109,447	85,757
Provisions	18	27,118	22,634
Interest bearing liabilities	19	2,460	3,019
<b>Total liabilities</b>		<b>159,479</b>	<b>130,524</b>
<b>Net assets</b>		<b>477,205</b>	<b>462,567</b>
<b>Capital reserves and accumulated funds</b>			
Capital contributions - property		330,664	293,863
Designated reserves - allocated to social program		33,233	45,239
Donor restricted reserves		76,013	75,585
Investments revaluation reserve		413	-
Accumulated surplus		36,882	47,880
<b>Total capital reserves and accumulated funds</b>		<b>477,205</b>	<b>462,567</b>

The above statement of financial position should be read in conjunction with the accompanying notes.

# Statement of changes in capital reserves and accumulated funds

For the year ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
<b>Capital reserves</b>			
Capital contributions - property			
Balance 1 July		293,863	287,190
Movement in reserves	7	36,801	6,673
Balance 30 June		330,664	293,863
<b>Designated reserves - allocated to social program</b>			
Balance 1 July		45,239	23,179
Movement in reserves	7	(12,006)	22,060
Balance 30 June		33,233	45,239
Total designated reserves		363,897	339,102
<b>Donor restricted reserves</b>			
Balance 1 July		75,585	87,565
Movement in reserves	7	428	(11,980)
Balance 30 June		76,013	75,585
<b>Available for sale investments revaluation reserve</b>			
Balance 1 July		-	-
Movement in reserves		413	-
Balance 30 June		413	-
<b>Total capital reserves</b>		440,323	414,687
<b>Accumulated Surplus</b>			
Balance 1 July		47,880	55,078
Surplus for the year before allocations		1,068	9,555
Transfers to capital reserves	7	(25,223)	(16,753)
Reserve from Education Foundation		13,157	-
Balance 30 June		36,882	47,880
<b>Total capital reserves and accumulated funds</b>		477,205	462,567

The purpose of each reserve mentioned above is explained in note 7.

The above statement of changes in capital reserves and accumulated funds should be read in conjunction with the accompanying notes.

# Statement of cash flows

For the year ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
<b>Cash flows from operating activities</b>			
Net proceeds from Education Foundation			
Cash receipts in the course of operations		354,803	358,460
Cash payments in the course of operations		(369,528)	(337,121)
Dividends and distributions received		8,159	6,208
Interest received		4,312	4,262
<b>Net cash flow from operating activities</b>		<b>(2,254)</b>	<b>31,809</b>
<b>Cash flows from investing activities</b>			
Net proceeds from newly acquired entity - Education Foundation		13,157	-
Proceeds from sale of property, plant and equipment		5,297	2,490
Payments for property, plant and equipment		(30,853)	(47,499)
Payments for investments		(26,845)	(7,000)
Proceeds from sale of investments		15,000	4,090
<b>Net cash outflow from investing activities</b>		<b>(24,244)</b>	<b>(47,919)</b>
<b>Cash flows from financing activities</b>			
Accommodation bonds/loans from residents of aged care centres/independent living units		43,491	26,496
Repayment of residents' accommodation bonds/loans		(18,052)	(14,669)
Residents' trust and other deposits received		2,111	1,738
Repayment of residents' trust and other deposits		(2,667)	(1,588)
<b>Net cash inflow from financing activities</b>		<b>24,883</b>	<b>11,977</b>
<b>Net increase in cash and cash equivalents</b>		<b>(1,615)</b>	<b>(4,133)</b>
Cash and cash equivalents at the beginning of the financial year		21,013	25,146
<b>Cash and cash equivalents at the end of the financial year</b>	8	<b>19,398</b>	<b>21,013</b>

The above statement of cash flows should be read in conjunction with the accompanying notes.

# Notes to the financial statements

For the year ended 30 June 2014

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<b>Contents of the notes to the financial statements</b>	<b>Note number</b>	<b>Page number</b>
Reporting entity	1	61
Basis of preparation	2	61
Significant accounting policies	3	62
Revenues	4	69
Other income	5	69
Expenses	6	69
Allocations to/(from) capital reserves	7	70
Cash and cash equivalents	8	70
Financial assets at fair value through profit or loss	9	70
Receivables	10	71
Inventories	11	71
Deposits	12	71
Other receivables	13	71
Property, plant and equipment	14	72
Intangibles	15	73
Accruals and other payables	16	73
Accommodation bonds/residents loans	17	73
Provisions	18	74
Interest bearing liabilities	19	74
Available for sale financial assets	20	74
Contingencies	21	75
Commitments	22	75
Related parties transactions	23	75
Subsequent events	24	76

# Notes to the financial statements

For the year ended 30 June 2014

## 1 Reporting entity

The Salvation Army is a not-for-profit organisation and has been operating in Australia since 1880. The Australia Eastern Territory completes 93 years in operation from Sydney in 2014. The territory:

- is incorporated by the following Acts and Ordinances of Parliament:
  - The Salvation Army (New South Wales) Property Trust Act 1929;
  - The Salvation Army (Queensland) Property Trust Act 1930; and
  - The Salvation Army (Australian Capital Territory) Ordinance 1934.
- comprises the following institutions which are endorsed by the Australian Taxation Office for their respective charitable activities:
  - The Salvation Army Australia Eastern Territory Social Work (an endorsed Public Benevolent Institution); and
  - The Salvation Army Australia Eastern Territory General Work.

This general purpose financial report covers The Salvation Army Australia Eastern Territory Social Work ("The Salvation Army" or "Social Work"). The financial report is presented in Australian dollars, rounded to the nearest thousand unless otherwise stated.

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

The Salvation Army Australia Eastern Territory  
Territorial Headquarters  
140 Elizabeth Street  
Sydney NSW 2000

In the opinion of the Trustees, having regard to the not-for-profit nature of The Salvation Army, the terms used in the prescribed format of the statement of comprehensive income are not appropriate. The word 'surplus' has been substituted for the term 'profit' in the prescribed format of the statement of comprehensive income.

## 2 Basis of preparation

### (a) Statement of compliance

The Salvation Army early adopted AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2011-02 Amendments to Australian Standards arising from Reduced Disclosure Requirements to prepare Tier 2 general purpose financial statements.

The financial report is Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (AASB-RDRs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-Profits Commission (ACNC) Act 2012 and the Australian Charities and Not-for-Profits Commission Regulation 2013.

The financial statements were authorised for issue by the Territorial Operations Council on 28 October 2014.

### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments (refer note 3(h)), and loans receivable (refer note 3(j)), all of which are measured at fair value. Cost is based on the fair values of the consideration given in exchange for assets.

### (c) Functional and presentation currency

The financial statements are presented in Australian dollars, which is the organisation's functional currency, rounded to the nearest thousand unless otherwise stated.

### (d) Presentation of statement of financial position on liquidity basis

The Trustees have chosen to present the statement of financial position under the liquidity presentation method (AASB 101) on the basis that it presents a reliable and more relevant view. An estimate of the timeframe of likely settlements of accommodation bonds and residents loans as either within 12 months or after 12 months is provided at note 17.

### (e) Use of estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Salvation Army makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

In order to present the statement of financial position on liquidity basis, management has made critical judgements based on past statistical trends, to determine the timeframe of settlement as either within 12 months or after 12 months.

Since January 2013, The Salvation Army has welcomed the work of the Royal Commission into Institutional Responses to Child Sexual Abuse and has co-operated openly and transparently with the Royal Commission. The Salvation Army is also committed to continuously reviewing and improving its current claims-processing framework to ensure a fair and equitable system is available to all survivors. In order to determine the provision for personal injury claims, The Salvation Army has made critical judgements based on the past statistical claims trends and the number of known claims.

### 3 Significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all years presented, unless otherwise specified. The financial statements as at and for the year ended 30 June 2014 of the Social Work cover The Salvation Army Australia Eastern Territory Social Work entities on a consolidated basis.

#### (a) Basis of consolidation

The Social Work financial report incorporates the assets (including land and buildings registered under the name of The Salvation Army Property Trusts) and liabilities as at 30 June 2014 and the results for the year then ended.

The balances and effects of transactions between Social Work entities have been eliminated.

For the first time, the Social Work financial statements include the Education Foundation. Refer to note 3 (x) for more details.

The financial report does not include income and expenditure, assets and liabilities of The Salvation Army Australia Eastern Territory General Work.

#### (b) The Salvation Army Employment Plus Program

The Salvation Army Australia Eastern Territory in conjunction with The Salvation Army Australia Southern

Territory has been jointly involved in the management of the national Salvation Army Employment Plus program since 1 May 1998. This project commenced when The Salvation Army in Australia won a tender from the Federal Government to provide employment services to long-term unemployed persons. This project is considered to be consistent with the overall aims of The Salvation Army and with the aims to assist the long-term unemployed. This program is not considered to be a stand alone operation. The 50 per cent interest of The Salvation Army Australia Eastern Territory in the assets, liabilities, income and expenses of the Employment Plus joint program activity have been incorporated in the financial report.

#### (c) Income tax

The Salvation Army entities are appropriately endorsed as required by the Australian Taxation Office from 1 July 2005 for income tax exemption. Donations of two dollars or more given to the following funds attract income tax deductibility for the donors:

- The Salvation Army Red Shield Appeal;
- The Salvation Army Christmas Appeal;
- The Salvation Army (Australia) Self Denial Fund (for Overseas Aid);
- The Salvation Army Community Services Department;
- The Salvation Army Disaster Relief Fund; and
- The Salvation Army Education Foundation.

#### (d) Revenue recognition

Revenue is recognised at the fair value of the consideration received or receivable when the organisation is legally entitled to receive it. Revenues are recognised net of the amounts of goods and services tax (GST) payable to the Australian Taxation Office. Revenue is recognised for the major business activities as follows:

##### (i) Government funding

Grants and subsidies from governments are recognised at their fair value in the period in which the services are provided, having regard to the stage of completion of the service obligations, where a performance and return obligation exists. Where no such obligation exists, the grants are recognised when the right to receive the grant is established as contributions received/receivable (refer to d(iv)).

##### (ii) Legacies and bequests

Legacies are recognised when received at Territorial

Headquarters. The Territorial Operations Council approves all allocations of bequests in accordance with the expressed terms of the Will. The legacies are allocated to reserves mostly for capital purposes.

Revenue from legacies comprising bequests of property are recognised at fair value, being the market value of the property at the date the organisation becomes legally entitled to the property.

*(iii) Donations and fundraising*

Donations and fundraising income are recognised when received. The primary fundraising activity is the annual Red Shield Appeal.

The Salvation Army has implemented systems of control to ensure the monies received at its offices are properly recorded in the accounting records.

*(iv) Contributions received/receivable*

Contributions received or receivable are recognised as revenue when The Salvation Army obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the entity and the amount of the contribution can be measured reliably.

*(v) Interest, dividends and distributions*

Interest income is recognised as it accrues. Dividends and distributions are recognised as revenue when the right to receive payment is established.

*(vi) Donated goods*

Donated goods received for Salvos Stores are not valued due to the inability to reliably measure their value. Revenue is only recognised when goods are sold.

**(e) Cash and cash equivalents**

For cash flow statement presentation purposes, cash and cash equivalents includes cash at bank, cash on hand and deposits held at call with financial institutions.

**(f) Receivables**

Receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. The majority of receivables are due for settlement in no more than 30 days.

Collectibility of debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off as Samaritan relief expenses. A provision for doubtful receivables is established when there is objective

evidence that The Salvation Army will not be able to collect all amounts due according to the original terms of receivables.

**(g) Inventories**

Inventories include welfare prepaid cards, stock purchased for Salvos Stores and livestock for one of the social centres. The inventories are stated at the lower of cost and net realisable value. Cost is determined on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**(h) Investments and other financial assets**

The Salvation Army classifies its investments in the following categories: financial assets at fair value through profit and loss, held to maturity, loans and receivables and available for sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held to maturity, re-assesses this designation at each reporting date.

*(i) Financial assets at fair value*

Financial assets at fair value through profit or loss comprise a managed investments portfolio acquired principally for the purpose of selling in the short term with the intention of making a positive return to fund the Social Work's operations. Financial assets at fair value through profit and loss are carried at fair value based on quoted prices in an active market. Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category, including interest and dividend income, are presented in the statement of comprehensive income within other income or other expenses in the period in which they arise.

*(ii) Available for sale financial assets*

Available for sale financial assets comprise principally a managed investment portfolio, generally held for periods in excess of 12 months.

Available for sale financial assets are carried at fair value.

Gains or decreases in fair value below cost arising from changes in the fair value of the available for sale investments are recognised in equity, including losses that may be considered significant or prolonged.

For the available for sale financial assets, all declines in fair

value below cost in excess of 30 per cent of the investment cost or a continuing decline in the market value below cost of greater than 12 months without any increase in fair value are indicators that an asset is impaired. Further, management also considers recovery in fair values subsequent to the reporting date until the date that the audit report is signed in the assessment.

If any such evidence exists for available for sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in the profit and loss – is removed from equity and recognised in the operating surplus in the statement of comprehensive income. Subsequent recoveries of impairment losses recognised in the statement of comprehensive income on equity instruments classified as available for sale are not reversed through the statement of comprehensive income.

When investments classified as available for sale are sold, the accumulated fair value adjustment recognised in equity is included in the statement of comprehensive income as part of the gain or loss on disposal.

### (iii) Held to maturity

Held to maturity deposits are non-derivative financial assets with fixed and determinable payments and fixed maturities that the Trustees have the positive intention and ability to hold to maturity. These investments normally have a maturity of more than three months but less than 12 months from the date of acquisition. Held to maturity financial assets are recognised at amortised cost.

The Salvation Army assesses whether there is objective evidence that a financial asset or group of financial assets is impaired at each balance date.

### (i) Property, plant and equipment

Freehold properties are stated at cost or, if donated, at appraised value at the date of the gift. Policies set by The Salvation Army International Headquarters do not allow for the revaluation of property.

Under international Salvation Army accounting policies and procedures, funds utilised to finance the acquisition of freehold properties are matched as a transfer from accumulated funds to the capital contribution – property reserve. These contributions are set aside to meet ongoing building depreciation costs and/or impairment costs, thus relieving the impact on the working capital.

When disposing of freehold properties, the original capital contribution funds (net of allocations to the statement of comprehensive income to meet building depreciation costs) for those properties are transferred from the capital contribution – property to a designated property reserve. The purpose of the transfer is to preserve the designated capital funding for future capital projects. The profit or loss on the sale of the property is recorded in the statement of comprehensive income and then transferred to a designated property reserve.

Land is not depreciated. All other property, plant and equipment is stated at historical costs less depreciation. Depreciation is calculated using the straight-line method to allocate their costs, net of residual values, over their estimated useful lives, as follows:

Buildings	50 years
Plant and equipment	4 - 5 years
Motor vehicles	5 years
Aircraft	20 years
Leasehold improvements	lease term (maximum of 5 years)

The Salvation Army's policy is to commission property assets three months after the building has been officially opened.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (refer to note 3 (m)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

### (j) Loan receivables

Loan receivables include the 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 the 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.

#### (k) Leased assets

Leases in terms of which The Salvation Army assumes substantially all the risks and rewards of ownership are classified as finance leases. On initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to the asset.

Other leases are operating leases and are not recognised in the statement of financial position.

The Salvation Army leases some shops and office facilities. The conditions of these leases are such that substantially all the risks and benefits of ownership of the property are retained by the lessors and accordingly, in the financial statements, they are classified as operating leases.

Payments made under operating leases are expensed on a straight line basis over the term of the lease. Refer note 22(b) for details of non-cancellable operating lease commitments.

#### (l) Intangible assets

##### (i) Bed licences

Residential aged care bed licences have been granted to The Salvation Army by the Department of Social Services (formerly the Department of Health and Ageing) in the past at no cost. It is not possible for The Salvation Army to measure the fair value reliably at acquisition date as the acquisition dates are not always available. Acquisitions since 2005 are recorded at fair value as at the date of acquisition, as determined by independent valuation.

##### (ii) Software

Where computer software costs are not integrally related to associated hardware, they are recognised as an intangible asset where they are clearly identifiable, can be readily measured and it is probable they will lead to future economic benefits that the Social Work controls.

The Social Work carries capitalised computer software assets at cost less amortisation and any impairment losses.

These assets are amortised over the estimated useful lives of the computer software (being between 3 to 5 years)

on a straight line basis. Computer software maintenance costs are expensed as incurred. Any impairment loss is recognised in the statement of comprehensive income when incurred.

#### (m) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation but are tested annually for impairment. If any indication of impairment exists, the asset's recoverable amount is estimated. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. As the future economic benefits of the asset are not primarily dependent on the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is the depreciated replacement cost of an asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### (n) Payables

These amounts represent liabilities for goods and services provided to the Social Work entities prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid under normal business terms.

#### (o) Maintenance and repairs

Maintenance, repair and minor renewal costs are charged as expenses as incurred, except where they relate to the replacement of a component of an asset in which case the

costs are capitalised and depreciated in accordance with note 3(i)

#### (p) Employee benefits

##### (i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if The Salvation Army has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

##### (ii) Other long-term employee benefits

The Salvation Army's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in surplus or deficit in the period in which they arise.

#### (q) Accommodation bonds and residents loans

(i) Accommodation bonds are non-interest bearing deposits made by aged care facility residents to The Salvation Army upon their admission to low care and extra service accommodation. The liability for accommodation is carried at the amount that would be payable on exit of a resident. This is the amount received on entry of the resident less deduction for fees and retentions pursuant to the Aged Care Act 1997. The Salvation Army does not have an unconditional right to defer settlement of the liability. The obligation to settle could occur at any time. Once a refunding event occurs the receivable amount becomes interest bearing. The interest rate varies according to the agreement and interest is recognised on an accrual basis over the period.

(ii) Residents loans are liabilities to aged care residents of independent living units (ILU). The loans represent the amount payable to a resident on the termination of the resident's occupation rights to an independent living unit. The liability is determined as the market value of the unit at the time a resident departs, and is recognised on the statement of financial position accordingly. Changes in the value of the resident loan liability (prior to the offset of deferred management fees receivable) are recorded as an expense in the statement of comprehensive income.

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) and is recognised as a liability in the statement of financial position. Liabilities to ILU residents are stated net of deferred management fees recoverable.

#### (r) Warringah Place lease refurbishment contribution

Warringah Place is one of The Salvation Army resident-funded independent living units. Residents enter this facility on a 99-year lease. The lease premium for each apartment/unit was recognised as income when originally sold. Refurbishment contribution is calculated as 2.5 per cent of the original lease premium for each year of the lease to a maximum of 10 years and accounted for as refurbishment contribution receivable.

#### (s) Goods and services tax (GST)

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

Cash flows are included in the 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 included as an asset or liability in the statement of financial position and are classified as operating cash flows.

#### (t) Comparatives

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

#### (u) Prepaid income

Government grant funding received in advance where there is a present obligation for the funds to be repaid, where certain conditions are not met, is accounted for as prepaid income.

#### (v) Deposits

Deposits represent excess cash deposited with The Salvation Army Australia Eastern Territory General Work ("General Work") which then invests these funds in managed investment portfolios. Deposits are held at cost. As future cash flows cannot be predicted with any certainty, and deposits can be called at any time, the carrying value has not been amortised. The return received

by the Social Work does not necessarily reflect the returns made on the investment portfolios held by General Work.

**(w) Make-good provision**

A make-good provision is recognised if the Social Work has a present legal or constructive obligation to return a rental premises to its original condition on conclusion of the lease, the cost can be estimated reliably, and it is probable that an outflow of economic resources will be required to settle that obligation. The make-good provision is determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The unwinding of the discount is recognised as a finance cost.

**(x) Education Foundation**

From 1 July 2013, the Social Work includes The Salvation Army Education Foundation.

The objectives of the Education Foundation are to maintain and develop its education and training facilities and programs for The Salvation Army Australia Eastern Territory. The Salvation Army (NSW) Property Trust has the power to govern the financial and operational policies for the Education Foundation and until 30 June 2013 it was included as part of the Salvation Army Australia Eastern Territory General Work.

Over the years, the Education Foundation has become predominately a social program receiving tax deductible donations, rather than an evangelical program. As a result, the Trustees have made a decision to include this social program in the Social Work from 1 July 2013, the Education Foundation being reflected in the 2014 Social Work statements for the first time.

The acquisition of the Education Foundation by the Social Work at nil consideration has been treated as a transaction under common control and accounted for at book value, and reflected through accumulated surplus as at 1 July 2013.

Had the Education Foundation been consolidated, the effect on the prior year Social Work statement of financial position would have been as follows:

<b>ASSETS</b>	\$'000
<b>Current assets</b>	
Cash and cash equivalents	202
Investments	13,039
<b>Total current assets</b>	<b>13,241</b>
<b>Total assets</b>	<b>13,241</b>
<b>Net assets</b>	
<b>Reserves</b>	
Designated	4,561
Donor restricted	8,596
Investment fluctuations	84
<b>Total equity</b>	<b>13,241</b>

The reserves of \$13,241,029 have been included in the statement of changes in capital reserves and accumulated funds.

**(y) Personal Injury Claims Provision**

Since January 2013, The Salvation Army has welcomed the work of the Royal Commission into Institutional Responses to Child Sexual Abuse and has co-operated openly and transparently with the Royal Commission. The Salvation Army intends to remain transparent with the general public. The Salvation Army has expressed sincere apologies to the survivors of abuse and their families, and also to the Australian community.

A personal injury claims provision is recognised if the Social Work 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. The provision is to cover claims currently received and being/yet to be processed.

**(z) New standards and interpretation not yet adopted**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of The Salvation Army, except for AASB 9 Financial Instruments, which becomes mandatory for The Salvation Army's 2015 financial statements and could change the classification and measurement of financial assets. The Salvation Army does not plan to adopt this standard early and the extent of the impact has not been determined.

#### (aa) Changes in accounting policy

Except for the changes below, The Salvation Army has consistently applied the accounting policies to all periods presented in these financial statements.

The Salvation Army has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 July 2013.

- a. AASB 13 *Fair Value Measurement*
- b. AASB 119 *Employee Benefits* (2011)

The nature and effects of the changes are explained below.

#### Fair value measurement

AASB 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other AASBs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other AASBs, including AASB 7. As a result, The Salvation Army has included additional disclosures, where appropriate, in this regard.

In accordance with the transitional provisions of AASB 13, The Salvation Army has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impact on the measurements of The Salvation Army's assets and liabilities.

#### Annual Leave

In the current year, The Salvation Army adopted AASB 119 *Employee Benefits* (2011), which revised the definition of short-term employee benefits to benefits that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service.

As a result of the change, the annual leave liability for certain employees is now considered to be another long-term employee benefit, when previously it was a short-term benefit. The Salvation Army's obligation is determined as the amount of future benefit that employees have earned in return for their service in the current and prior periods, applying actuarial assumptions, discounted to determine its present value.

Remeasurements are recognised in operating surplus in the period in which they arise.

The Salvation Army has applied the new policy retrospectively in accordance with the transitional provision of the standard. The quantitative impact of the change in accounting policy is not material and therefore no restatement of prior year comparatives was required.

	2014	2013
	\$'000	\$'000
<b>4 Revenues</b>		
<b>From continuing operations</b>		
Government funding	203,061	188,753
Red Shield Appeal	47,966	42,148
Social services client contributions	52,323	46,363
Sale of donated goods	49,580	46,276
Legacies and donations	9,145	10,593
Overseas Aid	5,353	5,536
<b>Other revenue</b>		
Other	11,963	11,094
Dividends	1,096	476
Distributions from deposits held by General Fund (refer to note 12)	7,063	5,632
Interest	4,312	4,151
	391,862	361,022

## 5 Other income

Net gain on disposal of property, plant and equipment	2,075	572
Net investment revaluation gain	56	-
	2,131	572

## 6 Expenses

Operating surplus from continuing operations before allocations includes the following specific expenses:

Depreciation/amortisation		
Buildings	7,059	6,529
Plant and equipment	6,989	6,755
Intangible assets	910	813
Total depreciation/amortisation	14,958	14,097
Employee entitlements		
Annual leave	76	1,440
Long service leave	1,172	743
Superannuation expense	13,819	11,603
Total employee entitlements	15,067	13,786
Rental expense relating to operating leases		
Minimum lease payments	11,610	11,316
Samaritan relief expenses (refer to note 3 (f))		
	613	680
Provision for doubtful debts		
	4,745	-

	2014	2013
	\$'000	\$'000
<b>7 Allocations to/(from) capital reserves</b>		
Allocations have been made to/(from) the following capital reserves		
Capital contributions - property	36,801	6,673
Designated reserves	(12,006)	22,060
Donor restricted reserves	428	(11,980)
	25,223	16,753

Transfers to reserves are funds allocated from current year/or accumulated surplus for specific purposes in compliance with donors' restrictions and The Salvation Army policies, which will be utilised for future front-line programs and capital projects. The specific purposes for the above reserves are as follows:

*(i) Capital contributions - property*

These funds are reserved and relate to properties purchased by The Salvation Army in its social work throughout the Territory.

*(ii) Designated reserves*

These are unrestricted incoming funds which have been designated by The Salvation Army to fund specific projects. These projects cover front-line programs, capital projects, and support costs of a wide variety of social work throughout the territory.

*(iii) Donor restricted reserves*

These are restricted incoming funds, which can only be expended in accordance with the specific terms laid down by the donors.

## 8 Cash and cash equivalents

Cash at bank	19,167	20,864
Cash on hand	231	149
	19,398	21,013

The deposits are bearing floating effective interest rates between 2.01% and 2.22% (2013: 2.27% and 3.07%).

## 9 Financial assets at fair value through profit or loss

Carrying amount at the beginning of the year	11,469	11,382
Revaluation	55	145
Additions/Redemptions	4	(58)
Carrying amount at the end of the year	11,528	11,469

Changes in fair values of the financial assets at fair value through profit or loss are recorded in the statement of comprehensive income.

	2014	2013
	\$'000	\$'000
<b>10 Receivables</b>		
Receivables - related parties	-	75
Receivables - external parties	19,511	17,420
Provision for doubtful debts - external parties	(4,745)	-
Receivables from General Work	138,300	116,571
	153,066	134,066

Social Work deposits cash to General Work which is then invested by General Work. All The Salvation Army Australia Eastern Territory investment portfolios are held under The Salvation Army (New South Wales) Property Trust and accounted for in the General Work. The receivable from General Work attracts monthly interest calculated at the rate stipulated in the Official Minute and included in the statement of comprehensive income. The returns from the receivable are utilised to fund the Social Work's operations. The receivable from General Work bears interest at an average 2.02% per annum (2013: 3.13%), is unsecured and can be recalled at any time. Refer to note 23(b) for further details.

There were no allowances for impairment during the reporting periods.

Samaritan relief expenses (bad debts written off)

The Social Work has recognised a loss of \$613,479 (2013: \$680,226) in respect of Samaritan relief expenses during the year ended 30 June 2014. This loss has been included in the statement of comprehensive income.

## 11 Inventories

Welfare cards - at cost*	2,157	-
Raw materials and stores - at net realisable value	1,844	1,839
Livestock - at cost	62	64
	4,063	1,903

\* Welfare cards are mostly purchased and to be distributed to the NSW bushfires-affected clients.

## 12 Deposits

Deposits in General Work	53,000	53,000
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Social Work contributes its excess cash to General Work which is then invested by General Work. All The Salvation Army Australia Eastern Territory's investment portfolios are held under The Salvation Army (New South Wales) Property Trust and accounted for in the General Work. The deposits in General Work can be recalled at any time if required. Social Work is entitled to receive monthly distributions from General Work. The return received by the Social Work does not necessarily reflect the returns made on the investment portfolios held by General Work. The net return achieved in 2014 was 13.32% (2013: 10.62%). Refer to note 23(b) for further details.

## 13 Other receivables

Prepayments and security deposits	661	523
Loan receivables - Independent Living Units	4,514	5,834
Independent Living Unit (Warringah Place) lease refurbishment contribution	4,867	4,506
	10,042	10,863

	2014 \$'000	2013 \$'000
<b>14 Property, plant and equipment</b>		
<i>Freehold land</i>		
- at cost	35,794	32,222
<i>Freehold buildings</i>		
- at cost	381,283	340,298
- accumulated depreciation	(94,254)	(87,973)
	287,029	252,325
Total land and buildings	322,823	284,547
<i>Plant and equipment</i>		
- at cost	73,571	67,519
- accumulated depreciation	(54,239)	(49,114)
Total plant and equipment	19,332	18,405
Work in progress - at cost	23,612	49,499
<b>Total property, plant and equipment</b>	<b>365,767</b>	<b>352,451</b>

### Reconciliations

Reconciliations of the carrying amount for each class of property, plant and equipment are set out below:

	Land & buildings \$'000	Work in progress \$'000	Plant & equipment \$'000	Total \$'000
<b>Cost</b>				
Balance at 1 July 2013	372,521	49,499	67,519	489,539
Transfer from work in progress and additions	47,350	28,540	9,124	85,014
Disposals	(2,794)	(54,427)	(3,069)	(60,290)
<b>Balance at 30 June 2014</b>	<b>417,077</b>	<b>23,612</b>	<b>73,574</b>	<b>514,263</b>
<b>Accumulated Depreciation</b>				
Balance at 1 July 2013	87,974	-	49,114	137,088
Depreciation	7,059	-	6,989	14,048
Disposals	(779)	-	(1,861)	(2,640)
<b>Balance at 30 June 2014</b>	<b>94,254</b>	<b>-</b>	<b>54,242</b>	<b>148,496</b>
	322,823	23,612	19,332	365,767

Motor vehicles, aircraft and leasehold improvements are aggregated into plant and equipment. A leased property (\$5,963,000) is included in freehold buildings. During 2012/13 financial year, The Salvation Army entered an agreement with the Department of Disability, Housing and Community Services, Australian Capital Territory (the "ACT") for the building of community housing on Crown land leased by The Salvation Army. The building is used to provide accommodation to disadvantaged members of the community, particularly the aged and those who are at risk of becoming homeless. In accordance with the terms of the agreement, building costs of \$5,963,000 were covered by the ACT. During the 20-year term, the ACT retains control of the building as The Salvation Army does not have the right to dispose of the building without the approval of the ACT. However, since all risks and rewards incidental to ownership of the building are transferred to The Salvation Army, the building costs are accounted for as a leased property but with no lease liability as it is waived.

	2014 \$'000	2013 \$'000
<b>15 Intangibles</b>		
<b>Computer software</b>		
<b>Cost</b>		
Balance at 1 July	4,342	4,130
Additions	265	212
<b>Balance at 30 June</b>	<b>4,607</b>	<b>4,342</b>
<b>Computer software</b>		
<b>Accumulated Depreciation</b>		
Balance at 1 July	3,016	2,203
Additions	910	813
<b>Balance at 30 June</b>	<b>3,926</b>	<b>3,016</b>
<b>Carrying value</b> at 30 June	<b>681</b>	<b>1,326</b>

## 16 Accruals and other payables

Accruals	5,436	4,987
Other payables	2,079	1,587
	<b>7,515</b>	<b>6,574</b>

The majority of the accruals relate to salary and wages which are paid within the first month of the new financial year.

## 17 Accommodation bonds/residents loans

Accommodation bonds for aged care residents		
- likely to be repaid within 12 months	18,946	15,542
- likely to be repaid after 12 months	83,486	62,169
	<b>102,432</b>	<b>77,711</b>
Residents loans for Independent Living Units		
- likely to be repaid within 12 months	1,297	1,609
- likely to be repaid after 12 months	5,718	6,437
	<b>7,015</b>	<b>8,046</b>
	<b>109,447</b>	<b>85,757</b>

	2014 \$'000	2013 \$'000
<b>18 Provisions</b>		
Annual leave	11,434	10,599
Long service leave		
- likely to be settled within 12 months	1,555	1,641
- likely to be settled after 12 months	8,318	7,706
	9,873	9,347
Personal injury claims provision	5,350	2,280
Make-good provision		
Carrying amount at the beginning of the year	408	388
Additions	123	165
Payments/write back	(70)	(145)
	461	408
	27,118	22,634

## 19 Interest bearing liabilities

Residents trust funds	2,460	3,019
	2,460	3,019

The aged care residents deposit funds with The Salvation Army Social Work and receive interest at an average 2.02% per annum (2013: 2.63%).

## 20 Available for sale financial assets

At the beginning of the year	-	-
Additions	13,841	-
Revaluation	298	-
At the end of the year	14,139	-
Managed portfolio - at market value	14,139	-
	14,139	-

The available for sale financial assets were not impaired (2013: nil) as at 30 June 2014.

## 21 Contingencies

Since January 2013, The Salvation Army has welcomed the work of the Royal Commission into Institutional Responses to Child Sexual Abuse and has openly and transparently cooperated with the Royal Commission. The Salvation Army once again offered its sincerest apologies to survivors and their families who were failed whilst in our care. The Salvation Army remains committed to working with survivors for their healing process. Despite the provision for personal injury claims made at 30 June 2014 (refer notes 3(y) and 18), given the circumstances, The Salvation Army is unable to completely quantify the future claims which might be lodged during the healing process. The Trustees do not expect the unknown future claims to have a material effect on The Salvation Army's financial position.

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>

## 22 Commitments

### (a) Capital commitments

The Salvation Army Australia Eastern Territory Social Work is continuously engaged in planned and ongoing construction projects requiring the commitment of significant funds. This expenditure is contracted for at the reporting date but not recognised as a liability.

Cost to complete property schemes in progress	91,990	41,198
Property projects approved but not commenced as at 30 June 2014	17,882	15,669

### (b) Lease commitments

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Within 1 year	10,435	9,252
Later than 1 year but not later than 5 years	6,598	4,675
Later than 5 years	138	100
Total	17,171	14,027

The Salvation Army Australia Eastern Territory Social Work holds six long-term leases of land with the Australian Capital Territory ('the lessor'), which are all classified as operating leases. Under the terms of the leases, The Salvation Army pays nominal rent to the lessor. The notional fair value of the approximate lease rental amounting to \$567,770 (2013: \$557,000) has been recognised as an expense in surplus or deficit. However, this is offset by a contribution income from the lessor of the same amount which is also recognised in surplus or deficit. Accordingly, there is no significant net impact on the net surplus or deficit for the current and previous years.

## 23 Related parties transactions

### (a) Key management personnel

During the financial year the total amount of remuneration paid or payable to a group of key management personnel was \$837,445 (2013: \$714,224).

### (b) Other transactions with related parties

During the year, The Salvation Army Australia Eastern Territory Social Work has paid \$170,894 (2013: \$124,102) to The Salvation Army International Headquarters as management fees. As at 30 June 2014, there was no outstanding balance.

The Salvation Army Australia Eastern Territory Social Work has received contributions from The Salvation Army Australia Southern Territory for some joint programs/initiatives (Red Shield Defence Services, National Secretariat, software development project, International Disaster Management Project and the tax consultant) amounting to \$1,186,306 (2013: \$1,067,795). As at 30 June 2014, a balance of \$115,099 was outstanding and was classified within receivables.

## 23 Related parties transactions (continued)

The Salvation Army Australia Eastern Territory Social Work has received contributions from The Salvation Army New Zealand, Fiji and Tonga Territory for an International Disaster Management Project and a software development project amounting to \$132,336 (2013: \$149,312). As at 30 June 2014, a balance of \$29,358 was outstanding and was classified within receivables.

Included in receivables is an amount of \$138,300,464 (2013: \$116,571,134) owing from General Work to Social Work, being Social Work's contribution towards investments which are held in General Work. Social Work received total interest of \$2,957,923 (2013: \$3,270,957) from these investment contributions. Further, Social Work has made deposits of \$53,000,000 (2013: \$53,000,000) to General Work for investment purposes and received total distributions of \$7,063,122 (2013: \$5,631,721).

## 24 Subsequent events

No matters or circumstances have arisen since 30 June 2014 which have significantly affected, or will adversely affect the results of The Salvation Army Australia Eastern Territory Social Work in subsequent financial years.

# Trustees' declaration

30 June 2014

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## In the opinion of the Trustees of The Salvation Army Australia Eastern Territory Social Work:

(a) the financial statements set out on pages 56 to 76 are drawn up so as to give a true and fair view of The Salvation Army Australia Eastern Territory Social Work's financial position as at 30 June 2014 and its financial performance for the financial year ended on that date.

(b) the financial statements and notes have been drawn up in accordance with applicable Australian Accounting Standards - Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board and the Australian Charities and Not-for-Profit Commission Regulation 2013; and

(c) at the date of this declaration, there are reasonable grounds to believe that The Salvation Army Australia Eastern Territory Social Work will be able to pay its debts as and when they fall due.



Commissioner J Condon  
Territorial Commander  
Trustee



IC Minnett (BCom, FCA, GAICD)  
Chief Financial Officer  
Trustee

Dated at Sydney the 28th day of October 2014



# Auditor's Independent Declaration

30 June 2014

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## 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 Eastern  
Territory Social Work

I declare that, to the best of my knowledge and belief, in  
relation to the audit for the financial year ended 30 June  
2014 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

Kathy Ostin  
Partner  
Sydney

28 October 2014

# Independent auditor's report to the Trustees of The Salvation Army Australia Eastern Territory

30 June 2014

## Report on the financial report

We have audited the accompanying financial report of The Salvation Army Australia Eastern Territory Social Work (the entity), which comprises the statement of financial position as at 30 June 2014, and the statement of comprehensive income, statement of changes in capital reserves and accumulated funds and statement of cash flows for the year ended on that date, notes 1 to 24 comprising a summary of significant accounting policies and other explanatory information, and the Trustees' declaration.

This audit report has also been prepared for the Trustees of The Salvation Army Australia Eastern Territory pursuant to Australian Charities and Not-for-profits Commission Act 2012 (ACNC) and the Australian Charities and Not-for-profits Commission Regulation 2013 (collectively the Act and Regulations).

### Trustees' responsibility for the financial report

The Trustees are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Act and Regulations. The Trustees' responsibility also includes such internal control as the Trustees determine necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

### Auditor's responsibility

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

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

of accounting policies used and the reasonableness of accounting estimates made by the Trustees, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report gives a true and fair view, in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, and the ACNC, which is consistent with our understanding of the entity's financial position and of its performance.

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

### Independence

In conducting our audit, we have complied with the independence requirements of the Australian Charities and Not-for-profits Commission Act 2012.

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative. Liability limited by a scheme approved under Professional Standards Legislation.

### Auditor's opinion

In our opinion, the financial report of The Salvation Army Australia Eastern Territory Social Work is in accordance with the Australian Charities and Not-for-profits Commission Act 2012 including:

- (a) giving a true and fair view of the entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013



KPMG

28 October 2014



Kathy Ostin  
Partner  
Sydney

# Contacts

## The Salvation Army Australia Eastern Territory

William Booth – Founder  
André Cox – General  
James Condon – Commissioner

## International Headquarters

101 Queen Victoria St  
London EC4V 4EH,  
United Kingdom

## Australia Eastern Territory Headquarters

140 Elizabeth St  
Sydney NSW 2000  
PO Box A435  
Sydney South NSW 1235

## Sydney East and Illawarra Division

Phone (02) 9336 3320  
PO Box 740  
Kingsgrove NSW 1480

## The Greater West Division

Phone (02) 9635 7400  
PO BOX 7114  
Silverwater NSW 1811

## South Queensland Division

Phone (07) 3222 6666  
GPO Box 2210  
Brisbane QLD 4001

## Central and North Queensland Division

Phone (07) 4999 1999  
PO Box 5343 Red Hill  
Rockhampton QLD 4701

## Newcastle and Central NSW Division

Phone (02) 4926 3466  
Po Box 684  
The Junction NSW 2291

## ACT and South NSW Division

Phone (02) 6273 2211  
PO Box 4224  
Kingston ACT 2604

## North NSW Division

Phone (02) 6771 1632  
PO Box 1180  
Armidale NSW 2350

Most of The Salvation Army's services are available at a wide range of locations throughout NSW, Queensland and the ACT, both in the city and in country areas. For more information, look under "Salvation Army" in the Telstra White Pages directory, visit our website [salvos.org.au](http://salvos.org.au) or contact the Army's divisional headquarters closest to you.

Copies of the annual report and the full financial statements, which are audited by KPMG, can be obtained from:

**Secretary for Business Administration  
The Salvation Army  
Australia Eastern Territorial Headquarters  
PO Box A435  
Sydney South NSW 1235**

The Salvation Army (Australia) Self Denial Fund for Overseas Aid audited financial statements for 2014 are available at [salvos.org.au/said](http://salvos.org.au/said)



# Freedom Partners

## I would like to make a donation

### My gift details

**My gift for the Red Shield Appeal is \$**

\_\_\_\_\_

My gift is  Personal  Business

**I would like to become a Salvos Freedom Partner and make a regular monthly gift.**

Please deduct the amount of \$ \_\_\_\_\_ (\$20 minimum)  
from my credit card or bank account on the \_\_\_\_\_  
day of each month (e.g. 1st/16th)

### My contact details

**Title** Mr / Mrs / Miss / Ms / Dr / Other \_\_\_\_\_

**Given Name** \_\_\_\_\_

**Surname** \_\_\_\_\_

**Address** \_\_\_\_\_

**Suburb** \_\_\_\_\_

**State** \_\_\_\_\_

**Postcode** \_\_\_\_\_

**Phone** Home ( ) \_\_\_\_\_

Work ( ) \_\_\_\_\_ Mobile \_\_\_\_\_

**Email** \_\_\_\_\_

### Payment Details

**My one-off cheque/money order is enclosed** (payable to The Salvation Army)

**Please charge my credit card**  Visa  Mastercard  Diners  Amex

Card number \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Expiry \_\_\_\_ / \_\_\_\_

Name on card \_\_\_\_\_ Signature \_\_\_\_\_

**Please arrange for my/our regular monthly gift to be debited from my/our nominated account:**

Name of financial institution (eg Westpac/NAB/Teachers Credit Union): \_\_\_\_\_

BSB: \_\_\_\_\_ Account number: \_\_\_\_\_

Account Holder(s) name(s): \_\_\_\_\_ Signature(s): \_\_\_\_\_

Our privacy statement can be viewed at [salvos.org.au](http://salvos.org.au)

Please be assured your details remain confidential. Donations are tax deductible.

### Please send me more information about

- Workplace giving
- Salvos Freedom Partners
- Endowment
- Wills and bequests to The Salvation Army
- Salvation Army church activities

**Please return this page, together with your request to:**

The Salvation Army, GPO Box 9888, Your Capital City

### Corporate partnerships

The Salvation Army continued expanding its Corporate Partnership Program during 2014.

For further information about how your business can help The Salvation Army to be there for those in need, please contact our Corporate Partnerships team - **[partnerships@ae.salvationarmy.org](mailto:partnerships@ae.salvationarmy.org)**





**The Salvation Army  
Australia Eastern Territory**

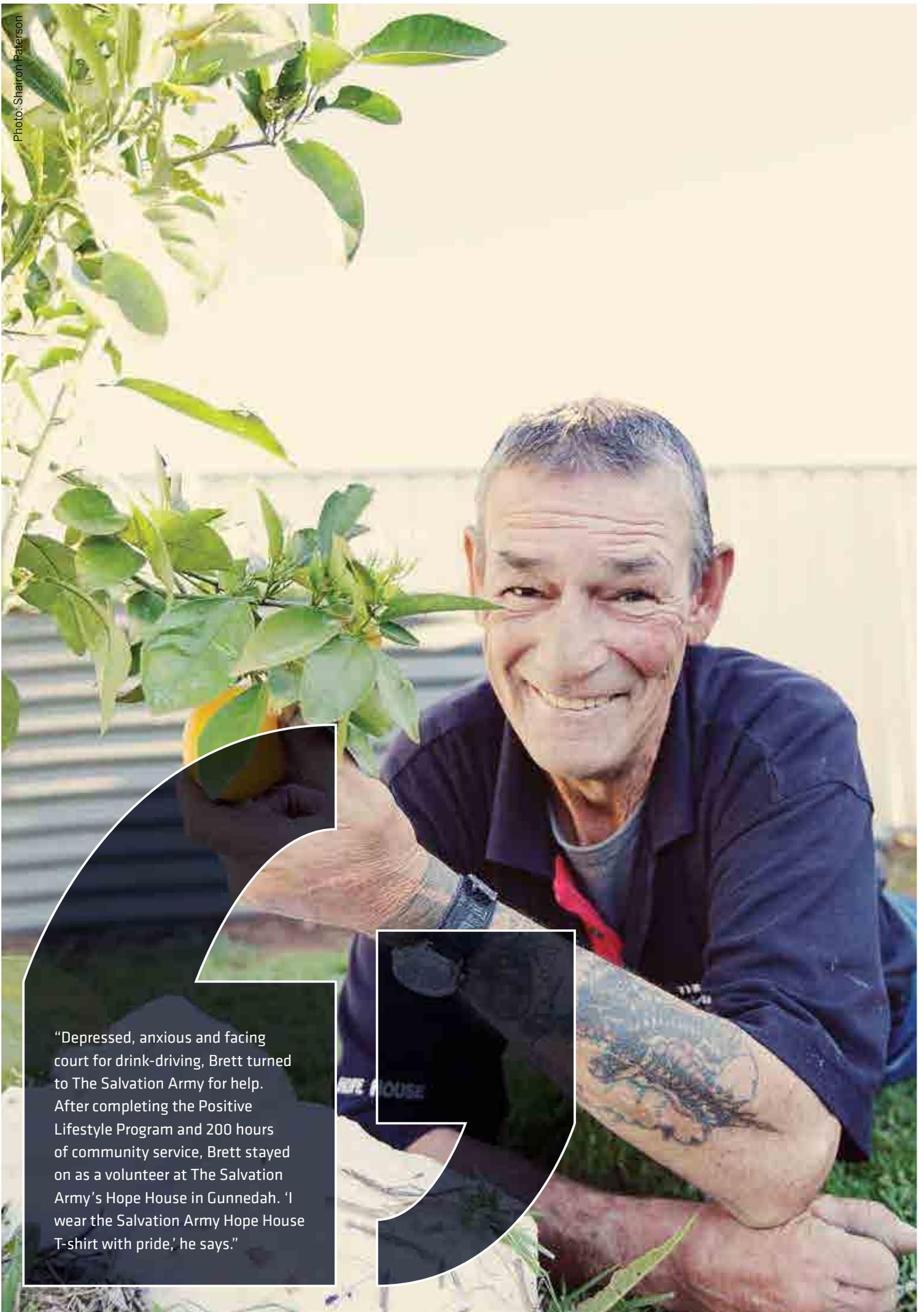
**Annual Report 2014**

Produced by  
The Salvation Army Australia Eastern Territory  
Communications and Public Relations Department

140 Elizabeth St Sydney NSW 2000  
Phone (02) 9266 9690

For more information regarding The Salvation Army  
and its services, visit [salvos.org.au](http://salvos.org.au)

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“Depressed, anxious and facing court for drink-driving, Brett turned to The Salvation Army for help. After completing the Positive Lifestyle Program and 200 hours of community service, Brett stayed on as a volunteer at The Salvation Army’s Hope House in Gunnedah. ‘I wear the Salvation Army Hope House T-shirt with pride,’ he says.”