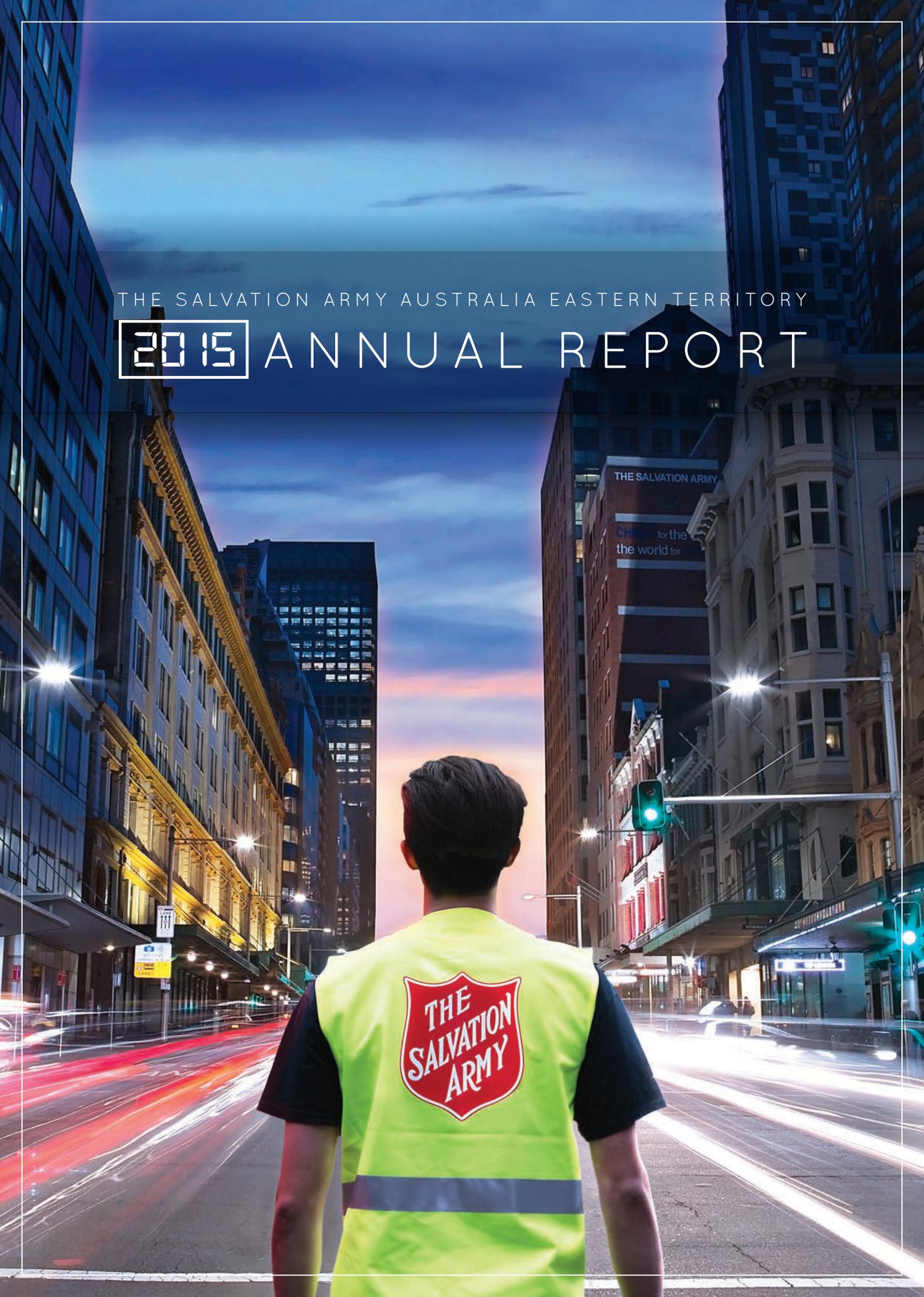


THE SALVATION ARMY AUSTRALIA EASTERN TERRITORY

# 2015 ANNUAL REPORT



THE SALVATION ARMY AUSTRALIA EASTERN TERRITORY  
**2015** ANNUAL REPORT

**INTRODUCTION**

COMMISSIONER'S MESSAGE

**Twenty-four hours a day, every day of the year,  
 The Salvation Army provides care and support to  
 Australians in need.**

In fact, it's what we've done for 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.

Each of the 24 segments of this Annual Report will highlight an hour of the day, focusing on a particular Salvation Army service that may be operating at that time.

It is what The Salvation Army is all about – serving God and supporting all Australians who engage with our many services.

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

Message from the Commissioner	4
Rural Services	6
Young People	8
Homelessness Services	10
Territorial Advisory Board	12
The Salvation Army Cabinet	14
Salvos Stores & Family Stores	16
Fighting Poverty	18
Employment Services	20
Chaplaincy & Counselling	22
Aged Care Plus	24
Supporting New Arrivals	26
Fighting Modern Slavery	28
Supporters	30
Freedom Communities	32
Volunteers & Personnel	34
Aboriginal & Torres Strait Islander Ministries	36
Salvos Legal	38
Disaster Response	40
Children & Families	42
Hope for Life	44
Recovery Services	46
Family Tracing / Post Adoption / Special Search Service	48
Red Shield Defence Services	50
<b>FINANCIALS</b>	53
Contacts	83



# THE COMMISSIONER



04:00

The stillness of the morning has always been his favourite time. No longer does he need to set an alarm. As the temperature drops in the pre-dawn and a hush settles over Sydney, the Commissioner of The Salvation Army, James Condon, rises. No sooner has his feet hit the floor do his knees follow, this man so large in stature, humbling himself before God in prayer.

He prays for God's Army – The Salvation Army. The Army that never sleeps; its soldiers in service to the weak, the weary and the wounded during every waking hour of the day and every dark hour of the night. Even now, when most of the city slumbers, James knows that Salvation Army officers, soldiers, personnel and volunteers are at the front-line somewhere across eastern Australia, offering non-judgmental care and loving service to people in need.

He prays for The Salvation Army's future. Having celebrated 150 years of the international movement this year, the

Salvos have celebrated the past and are continuing to make history through new initiatives and programs to combat injustice, poverty, addiction and despair. He fervently asks for God's guidance and blessing.

And he prays for reconciliation. His heart breaks with the pain of the 2014-15 Royal Commission into Institutional Responses to Child Sexual Abuse, which focused on past abuses within The Salvation Army. Deep sadness wells up as he thinks of the abuse experienced by children in The Salvation Army's care. He prays for continued support for the work of the Royal Commission and for the survivors on their journey of healing.

*Show me the right path, O Lord; point out the road for me to follow. Lead me by your truth and teach me, for you are the God who saves me. All day long I put my hope in you.*  
– Psalm 25:4-5

Some Salvation Army territories around the world also have an internal mission statement that conveys the local focus. Here, in the Australia Eastern Territory, we have identified four key goals that are critical to us becoming more effective into the future. These are:

- people transformed by Jesus (soul saving)
- healthy faith communities (growing saints)
- unified mission expressions (serving suffering humanity)
- being courageous stewards (using our mission resources effectively and efficiently)

## 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."

## 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. 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.

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. We believe Jesus was, is, and always will be about people finding freedom.

# RURAL SERVICES



## 05:00

In the cool of the morning, Lieutenant Simon Steele opens the Mt Isa hangar. The Robinson 66 turbine helicopter awaits. It's just another day in the "office" for The Salvation Army's Outback Flying Service chaplain.

Into the cargo hold he packs boxes of food items and mechanical equipment that isolated property owners have asked him to deliver. And some books for a visit to an outback community school. But the hope he brings to the farmers and community members isn't in the goods; the hope he brings is in the visit. It's his presence and the ongoing presence that The Salvation Army has had over the skies of the Australian outback for the past 50 years since the formation of the flying service.

A visit from the "Flying Padre" is always warmly welcomed. A chat over a cuppa. Supplies delivered during flooding. The joy shared at weddings and christenings. Someone to turn to when it comes time for a funeral. The camaraderie built when Lieut Steele stands beside a farmer for hours mending fences or helps during a muster. Despite social media and the far-reaches of technology, nothing can replace human contact. To have someone to talk to, a listening ear, the assurance of a prayer – that's the hope a chaplain brings.

As he takes off, his eyes flicking between the cockpit gauges and the horizon, Lieut Steele notices the dawn light creeping over the vast outback before him, the colours changing the harshness into beauty. And it reminds him of God's transforming love.

THE SALVATION ARMY'S TEAM OF DEDICATED RURAL CHAPLAINS TRAVEL THOUSANDS OF KILOMETRES A YEAR, IN SOME OF THE COUNTRY'S HARSHTEST ENVIRONMENTS, TO SUPPORT AUSTRALIANS LIVING ON THE LAND.

"Our family has had a long association with The Salvation Army, starting way back when our first three children were christened by the local Salvos in a very memorable bush christening. When we lost one of those beautiful children 17 years later, who should run to our side but the same Salvos. They lifted and carried us and we are ever grateful there are angels on earth. (In the current drought) whether it's a drop-in chat at our remote station in the outback, or monetary help in the form of helping us out with our power bill, it's so comforting to know that there is someone out there you can turn to and who will listen."

- Aussie farmer



"When a 12-year-old girl from a remote town in drought-affected western Queensland thanked me and the team for visiting and making her mum and dad laugh for the first time in a long while, I knew the trip was worth it."

- Captain Mark Bulow,  
South Queensland Outback Flying Service Padre

### RURAL SERVICES 2014-15:

 250,000+  
km driven

 500+  
flying hours

 \$2.93million  
donated by generous Aussies  
for rural assistance

# YOUNG PEOPLE



**06:00**

Channie opens her eyes. It is another morning of waking up free from fear. Relief and happiness surges through her at the realisation. She knows that someday soon her freedom will become the “norm”, but she is savouring the novelty while it lasts.

Despite recently celebrating her 21st birthday, Channie gets out of bed to prepare herself for another day at high school. But not your ordinary high school. The Salvation Army’s Youth Outreach Service is specifically designed for young people like Channie, who have had anything but an ordinary childhood. After nine years of domestic violence and abuse which began when she was just a baby, Channie remembers it all catching up with her in her early teens. She began skipping school, taking drugs to numb the pain and, in her lowest moments, seriously harming herself. It was her cry for help.

Thank God I found the Salvos, she thinks, shaking her thoughts away as she steps into the shower at The Salvation Army transitional accommodation unit she now calls home. That’s not my life now, she reminds herself. She sets her thoughts to the day ahead. Year 12 at The Salvation Army’s Youth Outreach Service has been tough, but her dedication to school work, case work and counselling sessions has been rewarded.

She’s getting top grades and is slowly but surely working through her past trauma. Her dream of becoming a nurse looks like it will actually come to fruition. After years of attacks against her soul, her self-esteem and her morality, Channie can finally stand up and feel proud.

THE SALVATION ARMY RUNS A NUMBER OF PROGRAMS TO SUPPORT YOUNG PEOPLE IN NEED, WORKING WITH INDIVIDUALS, FAMILIES, SCHOOLS AND OTHER SERVICE PROVIDERS TO CARE FOR YOUNG PEOPLE AT RISK.

## YOUNG PEOPLE 2014-15:



3000

young people assisted by our Youth Support Services



30,000

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



148

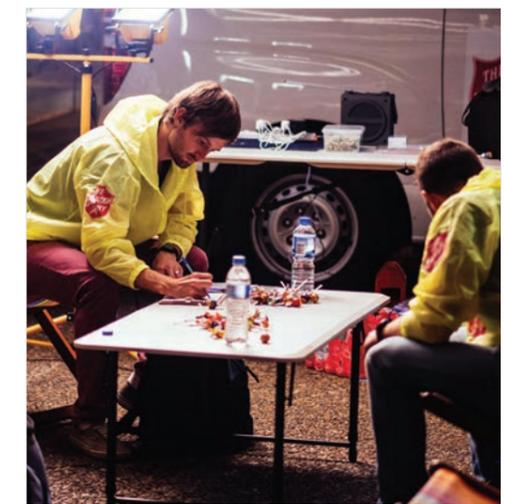
students graduated from Youthlink Café Horizons hospitality training program



5000+

people assisted by Salvos Street Teams

## OUR SERVICES



## INTRODUCING: SALVOS STREET TEAMS

In an effort to reduce alcohol-related violence in Sydney’s CBD on Friday and Saturday nights, The Salvation Army has partnered with the Thomas Kelly Youth Foundation to launch the Safe Space and Take Kare Ambassador program, operated by Salvos Street Teams. Every Friday and Saturday night, from 10pm-4am, teams of volunteers provide practical support to hundreds of vulnerable and intoxicated young people; phone-charging, handing out bottles of water, providing first-aid and assisting people to get home safely.

# HOMELESSNESS SERVICES



**07:00**

By the time Mel's children surfaced for breakfast, she had already had a coffee and was busy multi-tasking in the kitchen of her Sunshine Coast home. Mornings were hectic but orderly – there were five lunches to be made, school bags to pack, uniforms to find and hair to do.

She gave morning kisses in between pouring milk on cereal, laughed at crazy "bed-hair" and gave reminders about school notes and homework due. It was hard to believe that little more than 12 months ago this family had been homeless. Mel shudders at the memories.

It all started when the family was given notice on their long-term rental home. What followed was an increasingly depressing series of rejected rental applications. Dozens of them. It seemed that nobody wanted to rent a house to large families. Finally the family had to move out. It was the day Mel's world came crashing down around her – she had nowhere to go. Placing all their belongings in storage, Mel was forced to rely on the kindness of friends and family, moving around from house to house, trying to keep the kids in school, trying to keep herself "together". She was unravelling, fast.

If it hadn't been for The Salvation Army and its Supported Accommodation Services in the area, Mel doesn't know what would have happened. She was in a such a depressed state. The emergency accommodation the Salvos provided was a Godsend, and her case worker, Beena, an "absolute angel", supporting and guiding her, walking alongside her when she could no longer journey alone. When breakthrough occurred, and Mel and her children finally secured stable accommodation, she couldn't thank the Salvos enough.

Mel looked around the breakfast table at her kids chattering away – the youngest spilling slops of cereal from her high-chair – and felt incredibly blessed. She knew things would change again soon, her accommodation had only six months' availability, but this time things would be different. This time she had the support of The Salvation Army. This time she wouldn't be walking the journey alone.

THE SALVATION ARMY IS THE LARGEST PROVIDER OF HOMELESSNESS SERVICES ACROSS AUSTRALIA. AS WELL AS CRISIS, SHORT AND LONG-TERM ACCOMMODATION, IT RUNS A RANGE OF INNOVATIVE PROGRAMS TO PREVENT AND TRANSITION PEOPLE OUT OF HOMELESSNESS.

## OUR HOMELESSNESS SERVICES

### NSW/ACT

- Catherine Haven – Broken Hill
- Carinya Cottage – Wollongong
- Crisis Accommodation Service – Griffith and Leeton
- Foster House Complex – Inner City Sydney
- Samaritan House Women's Accommodation Services – Inner City Sydney
- The Salvation Army's Oasis Youth Support Network

### Queensland

- Families supported accommodation network – Brisbane North, Noosa and Caboolture
- Pindari Services – Brisbane
- Still Waters – Gold Coast
- Crisis Accommodation – Toowoomba
- Men's Crisis Accommodation – Capricorn Region
- Centennial Lodge and Women's Program – Cairns
- Samaritan House – Mackay
- Serenity House – Mt Isa
- Youth Outreach Service – Brisbane and Caboolture
- Youth Refuge – Bundaberg

## HOMELESSNESS SERVICES 2014-15:



**12,000+**

people assisted by homelessness services case management



**3000+**

women and families assisted by domestic violence services



**800,000+**

people temporarily accommodated



THE SALVATION ARMY

# TERRITORIAL ADVISORY BOARD MEETS



**08:00**

The Salvation Army Territorial Advisory Board of the Australia Eastern Territory is comprised of leaders from across the corporate sector, who provide invaluable strategy and governance advice to the leadership team. Membership of the advisory board is voluntary.

**MEMBERS**

**Commissioner James Condon**  
Territorial Commander,  
The Salvation Army Australia Eastern Territory

**Roger Campbell Corbett AO (Chairman)**  
Company Director

**Greg Couttas**  
Partner,  
Deloitte Touche Tohmatsu

**Mark Dalgleish**  
Founder & Publisher,  
The Entertainment Media Group

**Professor Christine E. Deer**  
Emeritus Professor,  
University of Technology, Sydney

**Nancy Dolan**  
Advisory board member and consultant in professional services, health and tertiary education sectors

**Robert Hamilton**  
Director, Urban Growth

**John Harkness**  
Director, Goodman Group  
Chairman, Reliance Rail Group  
Chairman, Charter Hall Retail REIT

**Belinda Hutchinson AM**  
Chancellor, Sydney University  
Director, AGL  
Chairman, Thales Australia  
Chairman, Future Generation Global Investment Company

**Malcolm Irving**  
Director, O'Connell Street Associates Pty Ltd  
Director, Abacus Property Group

**Stephen Loosley AM**  
Non-Executive Chair & Director

**Roderick H. McGeoch AO, LLB**

**Sam McKay**  
Managing Director Brands, Consolidated Press Holdings  
Director, Packer Family Foundation  
Chairman, kikki.K

**Ian Minnett**  
Chief Financial Officer,  
The Salvation Army Australia Eastern Territory

**Warwick Negus**  
Director, Tantallon Capital  
Director, Terrace Tower Holdings  
Director, Washington H Soul Pattinson and Co

**Jane Perry**  
Chief Executive Officer,  
Qantas Superannuation Limited Australia

**Robert Rae**  
Partner, McClintock Associates

**Tom Saar**  
Director, McKinsey & Company

**Annabel F. Spring**  
Group Executive, Wealth Management

**Alison Tarditi**  
Chief Investment Officer,  
Commonwealth Superannuation Corporation

**Julie White**  
Director, Julie M White & Associates

**Colonel Mark Campbell**  
Chief Secretary,  
The Salvation Army Australia Eastern Territory

**Lieutenant-Colonel Kelvin Pethybridge**  
Secretary for Business Administration,  
The Salvation Army Australia Eastern Territory

**Lieutenant-Colonel Chris Reid**  
Secretary for Personnel,  
The Salvation Army Australia Eastern Territory

**Lieutenant-Colonel Laurie Robertson**  
Secretary for Program,  
The Salvation Army Australia Eastern Territory

**Major Warren Parkinson**  
Divisional Commander The Greater West Division,  
The Salvation Army Australia Eastern Territory

**Major Bruce Harmer**  
Secretary to the Board,  
Territorial Communications and Fundraising Secretary,  
The Salvation Army Australia Eastern Territory

**The Salvation Army thanks the board for their generous and gracious support.**

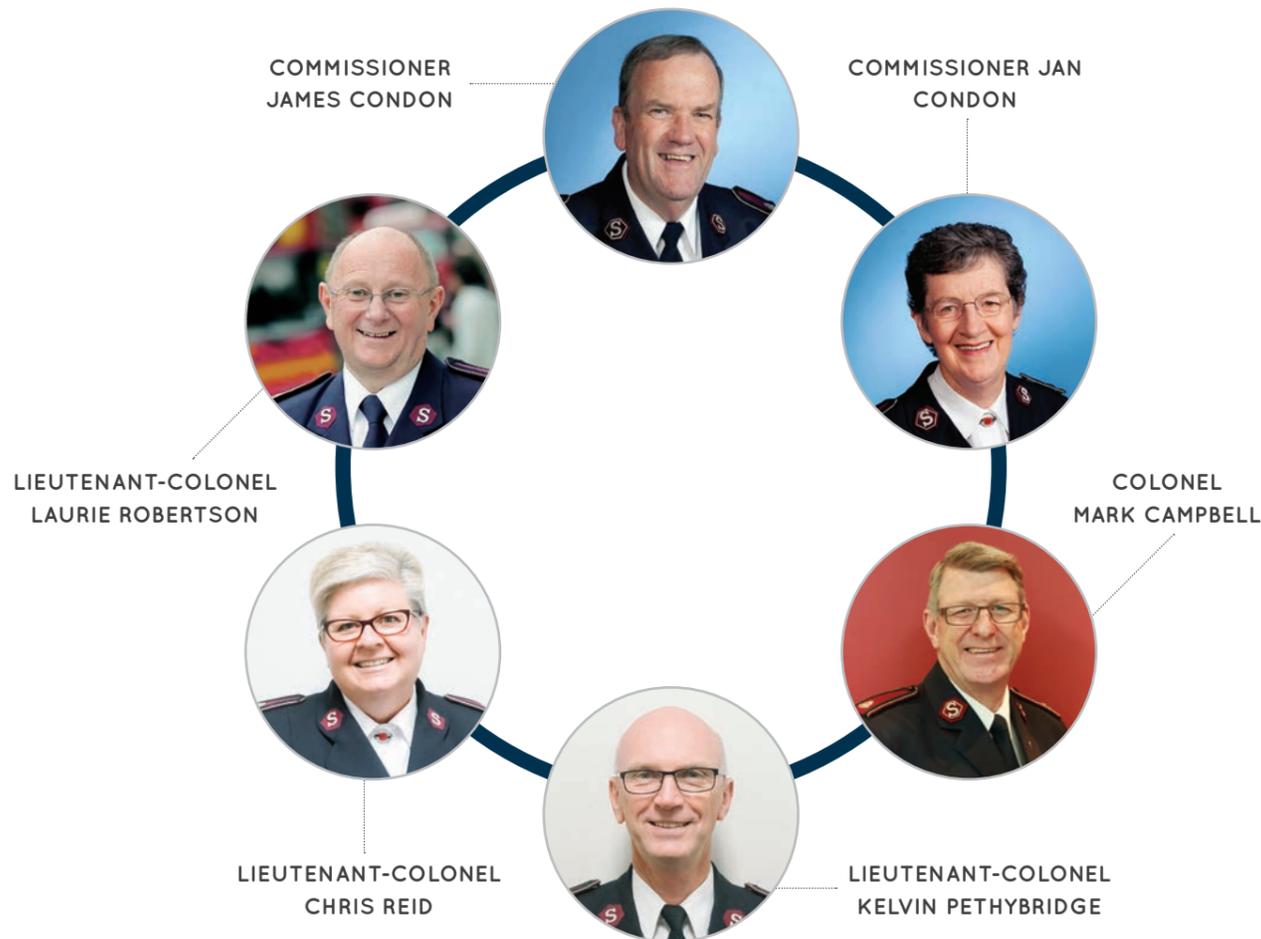
We would also like to acknowledge the many others, who sit on Salvation Army Advisory Boards and Committees, for their selfless service in support of the Australian community.

# THE SALVATION ARMY CABINET MEETS



09:00

The Salvation Army Australia Eastern Territory Cabinet is made up of six 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 44 years, 20 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 11 years.

**COMMISSIONER JAN CONDON**  
**Territorial President of Women's Ministries**

Commissioner Jan Condon has been a Salvation Army officer for 44 years and involved with women's ministry for most of that time. She has served in administration roles and spent 20 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 11 years.

**COLONEL MARK CAMPBELL**  
**Chief Secretary**

An officer since 1986, Colonel Mark Campbell has served in a variety of church and territorial leadership roles within The Salvation Army. He holds a Bachelor of Administrative Leadership, UNE and a Master of Arts in Theological Studies, SCD. Prior to becoming Chief Secretary, Mark served as the Secretary for Business Administration, Divisional Commander of The Salvation Army in South Queensland and the head of The Salvation Army's Communications and Public Relations Department. He has been a delegate to the International College of Officers in London and is a graduate of the Arrow International Executive Leadership Program.

**LIEUTENANT-COLONEL KELVIN PETHYBRIDGE**  
**Secretary for Business**

Lieutenant Colonel Kelvin Pethybridge has been a Salvation Army officer for more than 30 years. He has served as the Divisional Commander for the Central and North Queensland Division, and in various administrative and church leadership roles throughout NSW and Queensland. He has a Bachelor of Professional Studies and Master in Administrative Leadership with the University of New England and has a keen interest in Change Management and Organisational Change.

**LIEUTENANT-COLONEL CHRIS REID**  
**Secretary for Personnel**

Lieutenant-Colonel Chris Reid has served in Salvation Army church leadership across eastern Australia. She has been an officer for 27 years, and for the past four years has served in leadership roles within Salvation Army divisional and territorial headquarters. Chris loves working with people and has found a unique fit as Secretary for Personnel.

**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, Divisional Commander for Central and North Queensland and the Army's International Communications Secretary, Editor-in-Chief and Literary Secretary in London.

# SALVOS STORES & FAMILY STORES



10:00

**Gloria, 77, arrives for her volunteer shift at The Salvation Army's Family Store in Armidale. After more than 18 years, it's become like a second home to her.**

The other volunteers and the staff are her extended family. Giving her greetings, she moves straight into the back room where she begins sorting through the ensemble of donated bric-a-brac items. She loves the adventure of it, discovering "hidden gems" among the donations that will go out on sale and make people smile.

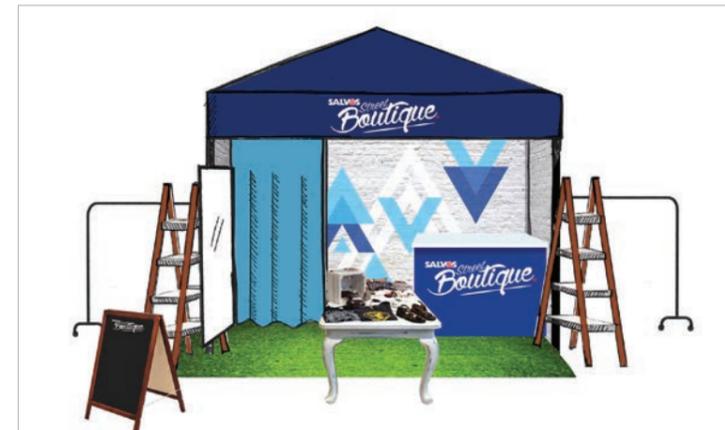
Not only is Gloria proud that she's doing her part to help reduce landfill waste, she's also happy to be supporting The Salvation Army, with proceeds going into community work in her local area.

Gloria chuckles as another volunteer holds up an amusing novelty tie that has been donated. It's the people here, too, she thinks, that have her coming back week after week. And she loves to support The Salvation Army clients who come in to fulfil their community service hours, making them feel welcome and part of the team.

Volunteering is such a rewarding experience. It's keeping her young, she says. Everybody asks when she's going to retire but she's not through yet.

As long as she can make a difference, Gloria will continue to serve at the Armidale Family Store every Wednesday morning, doing her bit to give hope where it's needed most.

THE SALVATION ARMY IN AUSTRALIA HAS A LONG HISTORY OF SORTING AND SELLING RECYCLED GOODS THAT DATES BACK TO THE 1880S



### INTRODUCING: SALVOS STREET BOUTIQUE

A brand extension exercise at Darlinghurst Salvos resulted in Salvos Street Boutique, a successful new experience of op-shopping designed to generate the interest of the Millennial Generation. This campaign will be developed further in 2015-16.

### ABOUT OUR SALVOS STORES

Salvos Stores has more than 100 modern centres across NSW, ACT and Queensland that provide quality, affordable goods, with all proceeds used to further the work of The Salvation Army to help those in need.

### ABOUT OUR FAMILY STORES

Salvation Army Family Stores are run by our local churches, with all proceeds used to further the work of The Salvation Army in the local area.

### SALVOS STORES 2014-15:

**6%**  
increase in turnover to more than \$53 million

**570**  
employees

**1550**  
volunteers

**2000+**  
chaplaincy support for 2000+ shoppers

# FIGHTING POVERTY



## 11:00

Annie\* watched as her son danced to the music playing on the stereo. Grinning, he looked over his shoulder and said that he was having the best day ever. Her heart nearly burst! As a child, she had lived in the shadow of fear.

Growing up, she made a vow that she never wanted her children to feel the same way. It had been a hard road, though, having to work through her own trauma in order to be able to cope with life without numbing the pain through alcohol and drugs. She knew she now had the power to say no to self-medication. She had made that commitment. She was proud of the way she was journeying to freedom from the things that were holding her back. To know that she was giving herself and her children a safe place to grow, be nurtured and be loved was all she had ever wanted. And more.

Annie looked out the window into bushland. The rental property she had secured with the help of Casandra, the local Salvation Army Doorways worker, was on a farm in a beautiful location. The Doorways program had helped her out in so many ways, through food and electricity vouchers when things had gotten tough. They also referred her to a Salvation Army parenting course and put her in touch with a Salvation Army Moneycare financial counsellor, who was able to help get her finances back on track.

She was now studying at TAFE and had an affordable and secure home. It was all thanks to the Salvos, who had not only helped her in practical ways, but had opened the door to a spiritual awakening. She had never been this stable.

\* Name changed.

THE SALVATION ARMY PROVIDES AN OPEN DOOR OF WELCOME WHERE PEOPLE IN NEED CAN BE CONNECTED, CARED FOR AND GIVEN LONG-TERM SUPPORT. OUR HOLISTIC DOORWAYS APPROACH, THE NEW SALVOS ASSESSMENT LINE, AND MONEYPARE FINANCIAL COUNSELLING PROGRAM PROVIDE A RANGE OF PRACTICAL ASSISTANCE AND EFFECTIVE SUPPORTS FOR THOSE WHO ARE DOING IT TOUGH AND STRUGGLING TO MAKE ENDS MEET.

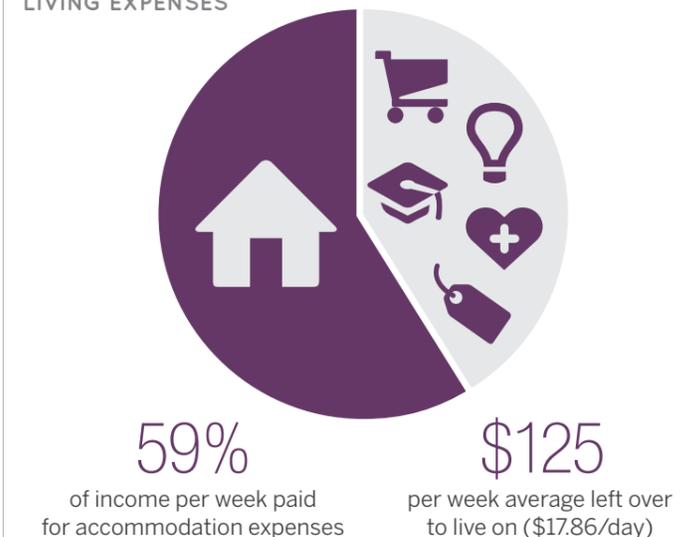
### 2015 SALVATION ARMY NATIONAL ECONOMIC AND SOCIAL IMPACT SURVEY

#### OUR CLIENTS



\*unable to afford 5+ essential items

#### LIVING EXPENSES



### FIGHTING POVERTY 2014-15:



#### CONGRATULATIONS MONEYPARE

In August 2014, The Salvation Army's free Financial Counselling Program, Moneycare, won an Outstanding Achievement award in the community category for its "You're the Boss" financial literacy and capability program at the MoneySmart Week awards.

# EMPLOYMENT SERVICES



## 12:00

Shala Willey looked up at the next docket in line on the top of the coffee machine. Two skim cappuccinos. It had been a busy morning and now a lunch rush too! She was getting tired, but she loved it.

She grinned at her manager's concerned glance to let her know that she was okay, she was coping. Students and workers at The Salvation Army's Youthlink Café Horizons bustled around her, each with their own tasks, each with their own stories.

She knew most of their stories, just as they knew hers – everyone here was like family. Her own family life had been crazy when she first arrived. Lots of dramas and complications at home. She was reluctant to even start the Certificate II in Hospitality that Youthlink was offering her; she just didn't have the confidence that she could do it. But in the end her desire to make her dad proud won out, and she hesitatingly turned up to Café Horizons for her first shift. Now, she was pumping out coffees like a well-oiled machine!

As she created a little love-heart swirl in the coffee cup she realised that for the first time in a long time she felt proud of herself. She was about to gain her Certificate II, she had completed a first-aid course and had even earned her learner driver's licence. A few months ago she was considering dropping out of school all together, with no plans, no goals. Now she had decided to pursue childcare as a career after she graduated from Youthlink. She was excited. She knew she had the support she needed to really make a go of her life. For what seemed like the umpteenth time that day, Shala Willey looked up at the next docket in line at the top of the coffee machine. Double-shot latte and a small flat-white. Not a problem!

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.



### CONGRATULATIONS

The Salvation Army Employment Plus, Theiss and Wesfarmers Curragh won the 2014 Australian Training Award for Industry Collaboration for its "Oothungs (sisters) in Mining" program which maximises employment opportunities for Aboriginal & Torres Strait Islander women in the mining sector.

### SALVATION ARMY EMPLOYMENT PLUS, NATIONWIDE 2014-15:

 109 locations

 600 employees approx

 22,500 people placed into work and education

 14,000+ employers worked with

# CHAPLAINCY & COUNSELLING



13:00

The counsellor watched as the young man took in what had gently been revealed to him. He had come to Salvos Counselling with relationship problems, but it had quickly become apparent that it was the man's anger issues that were the main contributor to his disintegrating relationship. He was shocked at the realisation that his aggressive behaviour was actually a form of domestic violence.

The counsellor began to discuss how that truth might change his behaviour. He immediately makes a commitment to stop. And to cut down on his consumption of alcohol. (Both had earlier identified his alcohol use as a coping mechanism, to mask past hurts and trauma.)

The counsellor began to teach the man communication skills to try with his girlfriend in order to express his frustration in a safe and healthy way. At the end of the session the young man stood up, looking a lot "lighter" than when he had first arrived. His expression had brightened somewhat and he didn't appear as preoccupied. He was extremely thankful.

The counsellor had listened and understood without judgement, which had then enabled him to become aware of his unhelpful behaviours. He explained to her that he could understand his situation a lot better now and felt more confident that he could make changes that would have a positive impact on his fragile relationship.

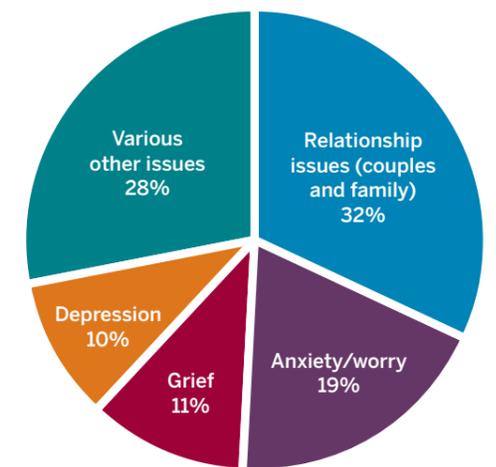
He was also thankful that he could book ongoing sessions at Salvos Counselling's subsidised counselling rate. He would never be able to afford professional one-on-one counselling anywhere else, but Salvos Counselling allowed him as many sessions as he needed, at an affordable price. The counsellor accepted his thanks and booked ongoing sessions. She was thankful, too. Thankful that he took the brave step in confronting his anger issues and thankful that he was prepared to pay the small fee to get professional help. Another step forward in the fight against domestic violence had been taken that day.

IT'S OFTEN SAID THAT THE SALVATION ARMY HAS A MINISTRY OF PRESENCE - OF "BEING THERE" IN TIMES OF NEED. OUR CHAPLAINS ARE ON HAND IN MANY AREAS OF NEED IN THE COMMUNITY AND WE ALSO OFFER VARIOUS FORMS OF COUNSELLING SUPPORT THROUGH OUR PROFESSIONAL SALVOS COUNSELLING SERVICE.

SALVOS COUNSELLING IS LOCATED IN:



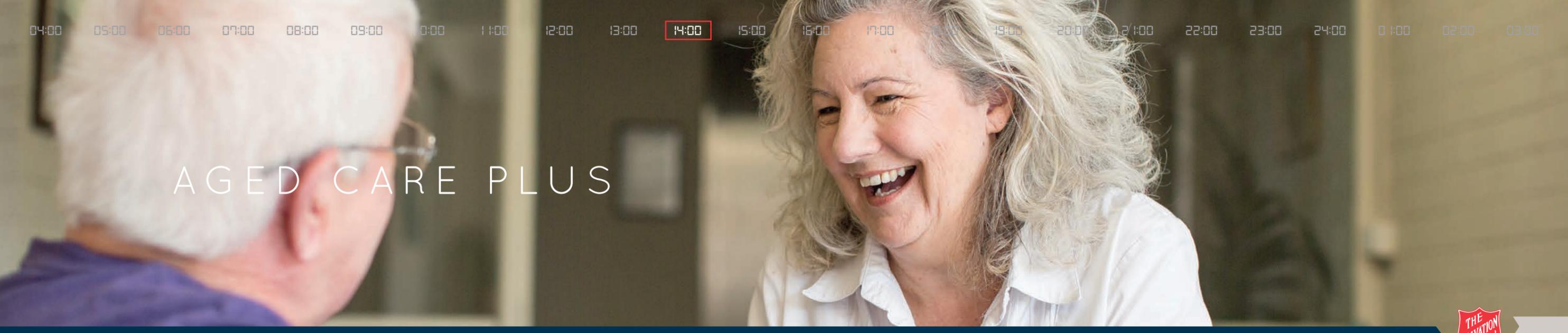
SALVOS COUNSELLING'S TOP PRESENTING ISSUES:



**LAST CALLS AT SALVO CARE LINE**

In June 2015, The Salvation Army's Salvo Care Line took its last calls. With great regret, The Salvation Army made a decision to close the service after an internal review of its programs and operations. We pay tribute to all the staff and volunteers who gave exceptional service through Salvo Care Line over the years. Thank you!

 **48,486**  
calls to Salvo Care Line in 2014-15



14:00

**It was well past her lunch break, but Jennifer didn't mind. The care services employee at The Salvation Army's Elizabeth Jenkins Place Aged Care Plus Centre grabbed her sandwich and settled at the computer.**

She was concerned that a new resident to Long Reef, the secure dementia house within the centre, didn't seem to be engaging. She pulled up his "Key to Me" file and poured over the information she had read so many times – the story of his life, his love, his family, his hobbies – information provided by family members when he had first arrived. There had to be something in it that would be the key to breaking through to this man, still sprightly in health but suffering the tragic affects of sudden-onset dementia. An alarm on her phone interrupted her thoughts. It was nearly time for another resident's favourite television program. She finished her lunch and headed off to make sure the woman was settled in the lounge room in time for the show.

Jennifer loved her job delivering person-centred dementia care. The residents were like family to her, their every smile so rewarding. When the television show started, she took a few moments to check in on the new resident. He was still in his room, which he had hardly left since he first moved in, despite the many offers of recreational activities, visits to the library room or a walk outside in the garden to smell the fresh salt-tinged air and listen for the sound of waves from the beaches nearby. Perhaps he was happy just to be alone – and that's fine too, she reminded herself.

Chatting away about the upcoming activities, Jennifer caught the glimmer of a smile when she mentioned the music therapy group and its focus this week on music from the wartime. Music! She had tried playing a few tracks before but must have chosen the wrong ones! With a skip in her step she headed back to the office to get the CD player. In the Mood was the first track, and it produced the resident's first smile in a long time. Engagement at last. At the end of the day, Jennifer went home smiling too.

THE SALVATION ARMY AGED CARE PLUS HAS AN UNCOMPROMISING COMMITMENT TO ALL AUSTRALIANS - TO CREATE A LOVING HOME AND FAMILY ENVIRONMENT WHICH ENHANCES THEIR HEALTH AND SPIRITUAL WELL-BEING.



**"I absolutely love living at Warringah Place Retirement Village – it's the best move I've ever made. The people are lovely, there are lots of facilities and I have access to care should I need it. Best of all, I am only a short walk away from Collaroy shops and just across from Collaroy beach. It's a fantastic place to live."**

**AGED CARE PLUS 2014-15:**

-  Aged Care Plus wins Better Practice Award from the Australian Quality Agency for unique model of care for those living with mental health problems
-  Burrangiri Aged Care Plus Respite Centre celebrates 25 years
-  Aged Care Plus nurse wins Flinders University Dementia Care Fellowship
-  Mountain View Aged Care Plus Centre celebrates 20 years
-  Resident satisfaction at record 97% high across well-being and lifestyle, environment and comfort, and health and personal care
-  3547 recommitments to Christ from our residents and 66 new commitments

# SUPPORTING NEW ARRIVALS



**15:00**

Edward Conteh smiles his big smile as a member of the public enters The Salvation Army's complex in Auburn, western Sydney. The complex houses its local church, the Greater West Divisional Headquarters and various other Salvation Army services. After assisting the woman with a visitor's pass and directions, he buzzes her upstairs in the lift and wishes her a good day. He loves working for The Salvation Army.

At the moment he is on the front desk, but he is also studying at The Salvation Army's Booth College to gain chaplaincy qualifications. He says it is a blessing to be able to give back to the organisation that has given him so much, that has changed his life. Living in safety in western Sydney is a far cry from the 10 years he spent living in a tent in the refugee camp in Guinea, West Africa. And a world away from the civil war he and his wife fled in Sierra Leone in the 1990s. A world away, yet his wife still suffers from the injuries she sustained after being attacked and badly beaten.

The memories wipe the smile from Edward's usually sunny disposition. He looks up as the leader of the Auburn Salvation Army walks in. His smile returns. Auburn Salvos, his home church now, is largely responsible for he and his wife's successful migration to Australia. Through his aunt, who worships there, Auburn Salvation Army and the humanitarian legal firm, Salvos Legal, helped with his refugee claim. When he and his wife arrived in Sydney they were met at the airport by Auburn Salvationists singing spontaneous African songs and praising God for their safe arrival.

Edward now manages the "greeting team" at the church every Sunday morning, helping others like him to feel welcomed and loved. Every day Edward thanks God with all his heart for delivering he and his family to Australia. And he thanks God for the Salvos who welcomed them with open arms.

MIGRATING TO AUSTRALIA AND SEEKING ASYLUM CAN BE A LENGTHY, DIFFICULT AND TRAUMATIC EXPERIENCE. THE SALVATION ARMY WELCOMES NEW ARRIVALS WITH OPEN ARMS AND RUNS A NUMBER OF SPECIFIC PROGRAMS TO SUPPORT THEM.



**WATCH THEM GROW**  
The Salvation Army's social enterprise wholesale nursery "Watch Them Grow" in south-east Queensland provides a place of work and respite for people from all walks of life.

## SUPPORTING NEW ARRIVALS 2014-15:

 **1000+** people assisted by migrant and refugee services

### HOW WE HELP:

This year, The Salvation Army helped migrants and refugees in the following ways:

- Orientation program to understand the various aspects of living in a new country
- Free English classes
- Kwetu Camp for orientation and support
- Low-cost community meals
- Volunteering opportunities
- Retail training program
- Free driving lessons
- Free legal services
- Detention centre chaplaincy
- Community Detention Program housing
- Welfare and food assistance

# FIGHTING MODERN SLAVERY



16:00

Sandra gathers her things and says goodbye to the other nurses and care workers at her workplace. Gosh, she loves her job! What a change these past few years has brought. When she agreed to come to Australia as a housekeeper from the Pacific islands, little did she know the journey God had in store for her. Sandra smiles as she walks out the door, breathes the fresh air and revels once again in the freedom she now experiences every day.

There were many days she thought she would die in that other dreaded place – a housekeeper with no pay, her passport taken away by her “employers” who abused and threatened her. If she hadn’t taken the opportunity to flee she would still be in slavery right here in Australia. As she walks to her car, deep in thought, she wonders, how many others are there like me? Every day she thanks God for her freedom.

Sandra also thanks God for the Salvos and the care offered to her through their Safe House. This is a place for people like her, affected by human trafficking, slavery or slavery-like conditions. Here she gained professional support, the caring workers assisting her through her trauma and creating a new life for her. Shaking herself from these thoughts, she looks at her watch and starts the car – not long before her Freedom Advocates meeting at the Salvos Freedom Partnership. This is her chance to get through to those still enslaved in this country, and encourage them to reach out for help. It is also an opportunity for Sandra to speak her truth to those with the power to change the system that allows slavery to occur.

ENDING SLAVERY IS A CHOICE. IT STARTS AT HOME, IN YOUR WORKPLACE, SCHOOL, FAITH OR COMMUNITY GROUP. THE SALVATION ARMY’S FREEDOM PARTNERSHIP IS AT THE FOREFRONT OF ANTI-SLAVERY WORK IN AUSTRALIA AND YOU CAN BE A PART OF IT. JOIN THE MOVEMENT TODAY.

\* THE FREEDOM PARTNERSHIP IS SUPPORTED BY A GENEROUS GIFT FROM THE MINDEROO FOUNDATION.



## SAFE HOUSE 2014-15:

36 individuals assisted

\$50,000 pro-bono health services provided

\$150,000 donation from Project Futures to support clients and Freedom Advocates

## FREEDOM PARTNERSHIP 2014-15:

225 Freedom Pledges

1100+ supporters

12.6k+ media reach

11,500 campaign signatures

300 joined the conversation

8000+ email subscribers

\$1200 raised by high school students

110+ practitioners & police trained



# SUPPORTERS



## 17:00

**A team of tradesmen busily placed the finishing touches on the renovations to The Salvation Army's Blacktown Youthlink Centre.**

Taylor Construction Group had provided a team of people, including apprentices and contractors, to achieve the task in two days. It had been a mammoth effort during extreme heat, working alongside sub-contractors and suppliers to install a new kitchen, renovate the training room and construct an outdoor covered patio. The team was exhausted but exhilarated at the same time. The project provided an opportunity to give back to the community and a sense of goodwill for the building team. They were the donors, yes, but they were also benefiting from the experience.

Members of the Taylor Construction Group team patiently interacted with the Youthlink clients, showing them how to nail down a board in the patio area. Getting to know the young people connected with the Blacktown Youthlink Centre had been a highlight of the project. To hear their stories and to realise how much they will gain from the new learning environment for training programs and case management made the long hours on this whirlwind project worthwhile. And really, what the building team had done was minor in comparison to the long, selfless hours that the Youthlink Staff invest in these young people.

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.

### THANK YOU AUSTRALIA!

 **\$38.5 million**  
donated to Red Shield Appeal

 **\$5.1 million**  
donated to 2014 Christmas Appeal

 **\$65,000**  
donated to the Couch Project for youth homelessness

 **\$2.93 million**  
donated for rural assistance

### COMMUNITY PARTNERS

- Abedian Foundation P/L
- Amalgamated Holdings Limited
- BHP Billiton Sustainable Communities
- Big W
- Brazil Family Foundation
- Dick & Pip Smith Foundation
- E J Hart Group
- Evolhope Pty Ltd
- Gaemers Family
- Gloria McKerrow Foundation
- Goldberg Family Foundation
- Haggarty Foundation
- Insurance Australia Group (IAG)
- JLL
- Kmart Australia Pty Ltd
- King and Wood Mallesons
- McCloy Group Pty Ltd
- Morris Family Foundation
- Mr Paul Musgrave
- Mr Peter Lucas
- Mr Victor Plummer
- Mr William Henderson
- Myer Community Fund
- Paul and Wendy Tapper
- Profiel Foundation Pty Ltd
- Project Futures
- Property Industry Foundation Sydney
- Queensland Community Foundation
- RACQ Foundation
- Roger Massy-Greene
- Rotary Club of Brisbane Planetarium
- Sargents Charity Ltd
- Sony Foundation Australia
- Stan and Maureen Duke Foundation
- Sylvia and Charles Viertel Charitable Foundation

- Telstra
- The Caledonian Foundation
- The Lady Proud Foundation Limited
- The O'Halloran Foundation
- The Packer Family Foundation
- We're for the Bush Drought Appeal
- Westpac Banking Corporation
- Woolworths Limited
- Zonta International District 22 - Participating Clubs

### GOVERNMENT PARTNERS

- ACT Community Services Directorate
- ACT Environment and Planning Directorate
- ACT Health Directorate
- City of Sydney
- Corrective Services NSW
- Federal Department of Communications
- Federal Department of Education and Training
- Federal Department of Health
- Federal Department of Human Services
- Federal Department of Social Services
- Noosa Council
- NSW Department of Education and Communities
- NSW Department of Family and Community Services
- NSW Fair Trading, Department of Finance and Services
- NSW Ministry of Health
- NSW Roads and Maritime Services
- Queensland Department of Communities, Child Safety and Disability Services
- Queensland Department of Housing and Public Works - Housing Programs
- Queensland Department of Education and Training
- Queensland Department of Transport and Main Roads
- Queensland Health
- Queensland Mental Health Commission

# FREEDOM COMMUNITIES



## 18:00

The crowd at the weekly Salvation Army Streetlevel Mission meal in Brisbane has grown to more than 100. Everyone is seated, having a chat and a laugh as they wait to be served.

Dale has been cooking for the past two hours. It's his passion, and he loves to create something special and tasty from what is available from the donated food in the Streetlevel pantry and fridges. Tonight he has managed to rustle up a great potato bake and green salad to compliment the sausages and meat patties on the barbecue. A team of volunteer waiters stands ready to sprint into action, once Dale gives them the all-clear. Not just yet, his hands signal, as he checks and double-checks the plates as carefully as a head-chef in a three-hatted establishment. He bows his head as a thanks-to-God is offered, and then he gives the nod for the meal to be served.

The hub-bub of chatter dies down as everyone tucks in. It's that quiet moment after a meal is served that gives Dale the greatest sense of satisfaction as people enjoy his culinary creation. These are people who need the meal. Many of them have nothing in the cupboard at home, but it's more than that – they're here for the warm friendship.

Dale's story is not that different to the people he is helping. He still battles mental illness and can clearly remember what it's like to be in the grip of addiction. But slowly and surely, with the help of his Streetlevel "family", he is getting there. Dale has surrounded himself with stable friendships and the support of people who believe in him.

He is now a regular volunteer chef at Streetlevel and is also holding down part-time work. He's dreaming of the day when he's stable enough to see more of his two-year-old daughter. He's made plenty of mistakes in his life, but she's not one of them – and he's doing everything he can to establish a great father-daughter relationship. Dale goes home tired but happy and fulfilled. He has spent time with people who love him and he's made a difference to some of Brisbane's most hurting and desperate people.

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 "URBAN HOUSES", WHERE SALVATIONISTS LIVE WITHIN MARGINALISED COMMUNITIES AND OPEN THEIR HOMES TO NEIGHBOURS IN NEED.



### 50,000 COFFEE SHOTS

That's how many free coffees The Salvation Army's Justice Van Mobile Coffee has served since it began doing the rounds of Sydney's Ivanhoe Estate, Macquarie Park, in 2007. The van also serves its silky-smooth fairtrade coffee at community events, natural disaster headquarters, corporate functions and homeless shelters.

### EVERY WEEK AT OUR FREEDOM COMMUNITIES:

- 
**165** meals (lunch/dinner) are served at Brisbane Streetlevel
- 
**115** meals (breakfast/lunch) are served at Manly New Life Community Centre
- 
**50** children attend Kids Club at Chifley Mission
- 
**100+** people interact with the Salvos at #47 Ivanhoe Place
- 
**250** people have lunch at Sydney Streetlevel
- 
**100** people receive support with food, bills and clothing at Sydney Streetlevel

# VOLUNTEERS & PERSONNEL



19:00

Salvation Army soldier Lyn Harley is just about finished her rounds of the 17 hotels and clubs in the Queensland city of Bundaberg. As usual, it's been a great evening, catching up with the locals whom she has gotten to know in the years that she has been volunteer-collecting.

Lyn (pictured) says collecting for the Salvos is more than just raising money for their vital work; it is a ministry of presence, of "being there" in times of need for people out on a Friday afternoon and evening. During her rounds, she celebrates with those who are joyful, commiserates with those who are sad and listens to those who are lonely.

Collecting for the Salvos is her ministry and it is her way of giving back. She's always had a soft spot for The Salvation Army because of the way that she and her brother were looked after when they had needed a mother so badly. She'd been only four when their mother had walked out on them. Her dad needed to work so she and her six-year-old brother were placed into care in the home of a Salvation Army family. Lyn smiles, as she always does when she thinks of that family.

The mother was so loving and caring towards them. Even as a child, Lyn wanted to be like her when she grew up. As another donation clicks into her collection box, and she hands out a *War Cry* magazine and offers some words of greeting to the generous donor, she thinks perhaps that wish has come true. Here she was, a Salvationist herself, giving hope to others just as she'd been given hope all those years ago.



THE SALVATION ARMY COULDN'T OPERATE WITHOUT THE COMMITMENT AND DEDICATION OF ITS OFFICERS, EMPLOYEES AND VOLUNTEERS.



### CARVING UP SOME CHRISTMAS CHEER

Meet the "Ham Family", affectionately named for their 18 years of volunteer service at The Salvation Army at Christmas time, mainly carving hams for the Streetlevel Sydney Christmas lunch. "We do whatever needs to be done. As a family we feel it is really important to help."

### PERSONNEL:

 500+ active officers

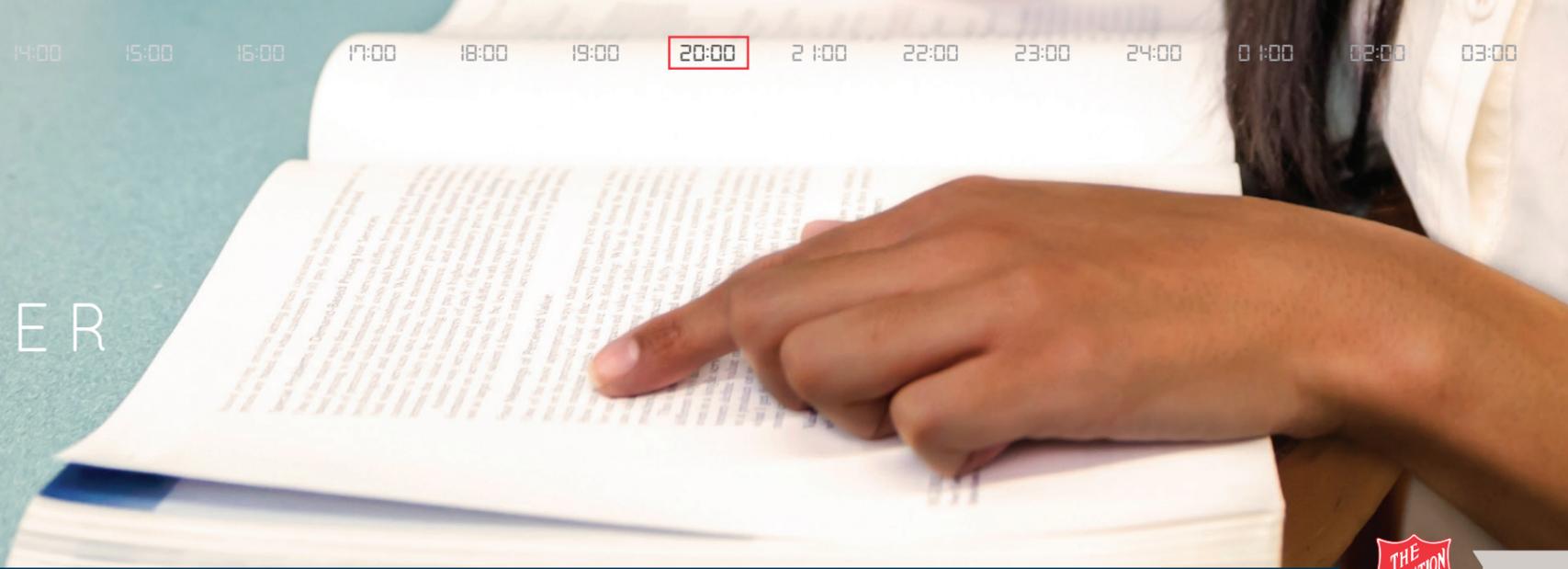
 4400+ employees

 1000s of volunteers

### WAYS THAT YOU CAN VOLUNTEER:

- Doorknock for the Red Shield Appeal
- Sort donated clothing at Salvos Stores
- Visit the elderly at an Aged Care Plus Centre
- Prepare and serve meals to the hungry
- Wrap and distribute Christmas gifts
- DIY fundraising
- + many more ways to help

# ABORIGINAL & TORRES STRAIT ISLANDER MINISTRIES



20:00

Ida-Rose is stuck. She's halfway through her essay on "The American Dream" for Year 11 English, but her mind keeps wandering. Perhaps it's the dissection of a nationwide vision that has given rise to her own dreaming.

It was her dreaming that brought her here in the first place. Dreaming, such a huge part of her aboriginal culture, yet her dreaming had taken her away from her family, away from her homeland. Her dreams had brought her here, to this home that isn't hers, in a city hundreds of kilometres from her family.

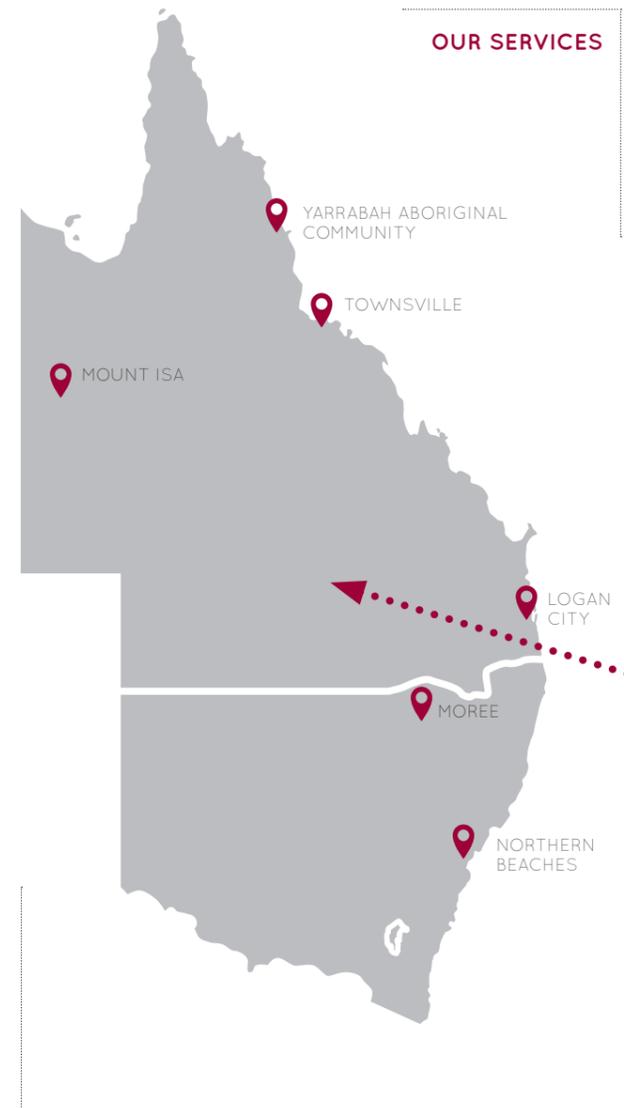
She misses her family so much, yet over the past four years that she's been living at The Salvation Army's Aboriginal and Torres Strait Islander House in Sydney's Northern Beaches, she has learned and grown so much. Everyone at the house – the other students who all attend the Northern Beaches Christian School, and the leaders Adrian and Natalie and their kids – are so fun to be around! Their discussions and prayers over dinner have really expanded her views and changed her attitudes about so many things.

Before she moved here, Ida-Rose didn't really think much or care about the important things in life, but since coming into contact with The Salvation Army through the Aboriginal and Torres Strait Islander House and Sunday meetings at Auburn Salvos, she has grown to care about the "big stuff" like school, family and finding her way to Jesus.

Just look at her now – learning to drive in the big city of Sydney! Who would have thought that this girl from Moree would be doing that? Adrian and Natalie had given her so many life lessons over these four years, how could she ever thank them? Ida-Rose looks down at her essay. "The American Dream" ... her dream is to go to university, to study Early Childhood Education and become a teacher. She will be the first in her family to achieve it. What better way to say thank-you than to make her dream a reality?

THE SALVATION ARMY IS COMMITTED TO RECONCILIATION. THE SALVATION ARMY FOCUSES ITS WORK WITH ABORIGINAL AND TORRES STRAIT ISLANDER COMMUNITIES ON FOUR AREAS – EDUCATION (CULTURAL COMPETENCY AND CAPACITY BUILDING), YOUTH AND CHILDREN, COMMUNITY ENGAGEMENT, AND LEADERSHIP.

## OUR SERVICES



## ABORIGINAL & TORRES STRAIT ISLANDER MINISTRY 2014-15:

The Salvation Army begins drafting a Reconciliation Action Plan with three keys:

- **Good relationships** – based on trust, understanding, communication and mutual respect.
- **Respect** – showing pride in the cultures that have existed in this country for tens of thousands of years and in the contribution of Aboriginal and Torres Strait Islander people to Australia's development.
- **Opportunities** – creating avenues that will achieve equality in life expectancy, education, employment and all the important measurable areas of disadvantage.

- **YARRABAH ABORIGINAL COMMUNITY: SALVATION ARMY FAMILY STORE ESTABLISHED**
- **TOWNSVILLE: SCHOOL SPORT AND MUSIC SUPPORT FOR ABORIGINAL & TORRES STRAIT ISLANDER STUDENTS**
- **MOUNT ISA: ABORIGINAL & TORRES STRAIT ISLANDER FROM REMOTE COMMUNITIES ATTEND SALVATION ARMY SUMMER CAMP IN SYDNEY**
- **LOGAN CITY: COMMUNITIES FOR CHILDREN EDUCATES ON ABORIGINAL & TORRES STRAIT ISLANDER HISTORY**
- **MOREE: GUMMA LI (GATHERING PLACE) HAS PROGRAMS FOR ABORIGINAL & TORRES STRAIT ISLANDER CHILDREN AND FAMILIES**
- **NORTHERN BEACHES: ABORIGINAL & TORRES STRAIT ISLANDER COMMUNITY HOUSE**

# SALVOS LEGAL



21:00

Salvos Legal Humanitarian Associate Solicitor Sophie Roberts was working into the evening, reviewing the 40-odd advices delivered to clients at the Auburn Advice Bureau in Sydney. One client caught her attention.

It was a woman fleeing domestic violence with her young child. She had been sponsored by her Australian husband only to find that when they began living together he became controlling and manipulative. Not long after their two-year-old was born, things became violent, and she finally made the decision to leave. She came to Salvos Legal to find out how she could secure the safety of herself and her young child.

The next morning Sophie engaged a Salvation Army chaplain to assist the woman in finding somewhere safe to live. Then she allocated the file to an intern, who would contact the Department of Immigration to make sure that the client's visa would not be cancelled.

That same morning an Associate Solicitor from the commercial team, William Kontaxis, received his newest instructions from The Salvation Army, to provide advice on a relationship that the Army was building with a large government body. Meanwhile, William had a pressing advice to be delivered to a community banking client regarding its latest crowdfunding proposal, while also preparing a presentation for an asylum seeker support service that assists newly settled refugees to establish their own businesses. After finalising the crowdfunding advice, William started work on the presentation for asylum seekers. His goal was to give them guidance about the Australian legal system and provide them with the tools that they needed to make their mark in the business community in Australia.

Sophie and William had never worked on the same case, but each of their lines of work allowed those who would not be able to afford a lawyer access to legal advice and, in turn, justice. William was able to do commercial legal work for fee-paying institutional clients, while Sophie's work was supported by all of the profit made from the type of work that William, and the other lawyers in the commercial arm of the firm, undertook.

SALVOS LEGAL IS A REVOLUTIONARY LEGAL SERVICE, THE FIRST OF ITS KIND IN THE WORLD. IT PROVIDES QUALITY CORPORATE, COMMERCIAL, IP AND IT/TECHNOLOGY LAW AND REAL ESTATE 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.



### CONGRATULATIONS

Salvos Legal's unique operation and excellence in service continues to garner accolades.

In 2014, it won Law Firm of the Year at the Australian Law Awards. Two of its lawyers, William Kontaxis and Elizabeth Lathlean, were also named as finalists for the Young Gun Award.

In 2015, it won the Large Social Enterprise of the Year Award at the Social Traders Social Enterprise Awards in Melbourne. It was also the winner of both Corporate Citizen Firm of the Year and Australian Boutique Firm of the Year prizes at the 2015 Australasian Law Awards in Sydney.

### SALVOS LEGAL 2014-15:

 **26,000**  
approx hours' worth of free legal services delivered in the last year

 New IP and Technology Practice launched

 New telephone advice service launched

### SALVOS LEGAL LOCATIONS

- **Sydney** (Auburn, Campsie, Canterbury, Penrith, Parramatta)
- **Brisbane** (Goodna, Slacks Creek, Mount Gravatt, Stafford)
- **Telephone Advice** servicing anyone across Australia who cannot access an Advice Bureau

### 2020 STRATEGIC PLAN

- Five-year expansion plan across NSW, ACT and Queensland
- Telephone service to tap into other states
- Commercial growth areas identified

# DISASTER RESPONSE



**22:00**

The food service was over, the kitchen had been cleaned and The Salvation Army Emergency Service (SAES) volunteers were preparing to head home for a few hours sleep before breakfast service at the evacuation centre. But Gavin Hope stayed on.

Gavin wanted to plan the menu for the rest of the week and pack a few more emergency food hampers for distribution to homes cut off by the floodwaters that had devastated communities in the NSW Hunter Valley. It had been the worst storms the area had experienced in a long, long time. Seeing the floodwaters when he was volunteering with the SAES on the front line earlier that day had reminded Gavin of why he had become a volunteer with the Salvos so many years ago.

The son of Salvation Army officers, he remembers his father driving a car through floods in the Illawarra region. Gavin was 13 at the time. He remembers wading through the floodwaters with his family to distribute food to those who were stranded. That was 38 years ago, and he's been volunteering at emergencies and disasters with the Salvos ever since. So many memories. Storms in Griffith and Deniliquin. Floods in Brisbane and Bundaberg. Bushfires all over the place. You turn up at what is arguably the worst time in a person's life, and you're there for them.

Gavin didn't think of himself as a hero and the food and refreshments he served were just a blip on the radar of the bigger issues that disaster-affected individuals faced, but the fact was that he could be there for these people in their time of need. He could provide hope where and when it's needed most. That's what made it all worthwhile.

WHEN DISASTER STRIKES, IN AUSTRALIA OR OVERSEAS, THE SALVATION ARMY IS THERE. SALVATION ARMY EMERGENCY SERVICES (SAES) TEAMS SPECIALISE IN FOOD SERVICES TO EMERGENCY TEAMS, SUPPORT STAFF AND THOSE AFFECTED BY THE DISASTER. THE ARMY IS ALSO COMMITTED TO PROVIDING SUPPORT TO DISASTER-AFFECTED COMMUNITIES FOR THE LONG HAUL, WELL AFTER THE CRISIS PERIOD IS OVER.



**CONGRATULATIONS**

The Salvation Army's Tom Quinn Community Centre in Bundaberg won the not-for-profit category at the 2014 Get Ready Queensland Resilient Australia Awards. Manager Tom Osborne (above) accepted the award for the centre's Rebuild Community Group project that helped people rebuild their homes and lives after the floods of January 2013.

**SALVATION ARMY EMERGENCY SERVICES 2014-15:**

**295** incidents responded to

**22,300** meals served

**1300** active volunteers

**DISASTER RESPONSE LOCATIONS 2014-15**

- Hunter Valley (2015 storms)
- Central Coast (2015 storms)
- Blue Mountains (long-term bushfire recovery)
- Bundaberg (long-term flood rebuilding)

# CHILDREN & FAMILIES



**23:00**

It was the piercing cry of a newborn baby that woke her. Terri got out of bed to attend to the unsettled infant. Tenderly rocking her until she settled, Terri grabbed a bottle out of the fridge and warmed it up. She knew that interrupted sleep would become her new night-time routine. But she was okay with that, because being a foster carer meant that these children had a safe home, free from fear and neglect.

As the baby rested in her arms, she remembered her last foster child. Terri has opened her home to six children since becoming a short-term carer with The Salvation Army's Young Hope foster care agency. But her last little boy had really made an impact. She had seen a massive breakthrough in the way the 11-year-old had tried new things and gained so much self confidence. He was so proud. And so were Terri and the rest of her family, who have all opened their hearts as well as their home to Young Hope children. She wondered how he was doing now and lifted him up in prayer.

She felt so privileged to be entrusted with the care of abused and traumatised children. It brought to mind the Bible verse from James that explains how following Jesus means to care for orphans in their distress. Young Hope is such a beautiful expression of this.

Realising that the bub had settled back to sleep, she gently put the newborn back in the bassinet and prepared a bottle for the next feed. As she went back to her own bed, she quickly prayed over the foster baby, asking God to draw more people like herself to open their homes for these children, to give them the safe and loving home that they so desperately needed and deserved.

THE FORMATIVE YEARS OF A CHILD'S LIFE ARE SO IMPORTANT FOR A BRIGHT FUTURE. SALVATION ARMY PROGRAMS LIKE OUR YOUNG HOPE FOSTER CARE AGENCY, COMMUNITIES FOR CHILDREN SUPPORT SERVICES IN QUEENSLAND AND RED CAPS PRIMARY-SCHOOL ANGER-MANAGEMENT PROGRAM ARE ALL ABOUT GIVING CHILDREN THE FREEDOM AND ENCOURAGEMENT THEY NEED FOR HEALTHY DEVELOPMENT.



"We are seeing children and young people come to life. Children who didn't know how to talk (due to extensive trauma) finding their voice. Children who have lived in fear learning to laugh. Children who have had to parent themselves being loved and cared for. Children and young people being connected in communities of support. Carers finding support and community within Young Hope."

## YOUNG HOPE 2014-15:

 **69**  
children cared for

 **65**  
carer households

 **3**  
regions covered: Hunter, Central Coast and Sydney

## SALVATION ARMY CENTRES IN 2014-15 SUPPORTED CHILDREN AND FAMILIES THROUGH:

- Mainly Music groups
- Playgroups
- Homework clubs
- Breakfast programs
- After-school kids clubs
- Holiday camps
- Church Sunday School programs

# HOPE FOR LIFE



**24:00**

The grief was so intense Julianne couldn't sleep. From the sound of Ken's tossing and turning, he wasn't getting much sleep either. Thank God tomorrow was the day of The Salvation Army's monthly bereavement support group. She wished it would come around sooner; it was the only thing that was getting her through at the moment.

Since losing Isaac, she and Ken and the family had been trapped in a living nightmare. The grief from losing a son to suicide is the most indescribable pain – a part of you dies, too. Isaac was the most beautiful son. He was caring, sensitive and intelligent. He was dux of his school. He never liked drinking or drugs. But after he started university, he began to have trouble socialising and sleeping. By the time he called from his working holiday in Canada, things had spiralled down to a scary place.

Julianne will never forget that phone call. They immediately flew to Canada but when they arrived Isaac had already been booked into hospital. To see him in that state, locked up in a bare steel room was heart-breaking. Julianne shudders at the thought and rolls over to try and resettle. But her thoughts continue to wander. Those last two months, after bringing Isaac home, were hopeful. They thought they could keep him safe because they loved him so much. The day before he died they all played cards, board games, table tennis – he seemed very happy. The next morning she had found him. He was gone forever. The tears began to flow again. How in the world did she have any left?

The support group at The Salvation Army's First Floor Recovery Program in Wollongong had been a lifeline. Speaking with other people who had experienced similar things made you feel less isolated. Even though it was intensely sad, it was also uplifting. Speaking with so many others who were on different stages of their grief journey gave her a glimmer of hope that she would be able to get through this. She knew that one day, when she was stronger, she would help others – to give them hope.

SUICIDE CLAIMS THE LIVES OF OVER TWICE AS MANY PEOPLE (2522 IN 2013) AS MOTOR-VEHICLE ACCIDENTS EVERY YEAR ACROSS AUSTRALIA. THE SALVATION ARMY'S HOPE FOR LIFE SUICIDE PREVENTION AND BEREAVEMENT SUPPORT PROVIDES INFORMATION, RESOURCES, EDUCATION AND TRAINING FOR THOSE THAT SUPPORT PEOPLE WHO ARE AT RISK OF SUICIDE OR HAVE LOST A LOVED ONE TO SUICIDE. THE SALVATION ARMY ALSO CONNECTS PEOPLE 'AT RISK' TO SERVICES OR CRISIS SUPPORT WHEN IT RECEIVES DIRECT OR THIRD-PARTY ENQUIRIES.



### CANDLELIGHT WALK TO SAVE LIVES

More than 200 people gathered from all faiths, from various ethnic backgrounds, for the inaugural Candlelight Walk in Auburn, western Sydney, in 2014. Hundreds more gathered at the Auburn Central Forecourt where the walk culminated to commemorate lives lost to suicide. The event was organised by The Salvation Army and "Auburn – Together for Hope".

### HOPE FOR LIFE 2014-15:

 **1500+**  
people trained face-to-face

 **3000+**  
people trained online

 **4**  
healing and remembrance services

“HOPE FOR LIFE – BUILDING RESILIENT COMMUNITIES BECAUSE HOPE SAVES LIVES ...”

# RECOVERY SERVICES



**The night manager of The Salvation Army's Dooralong Transformation Centre notices a light on in one of the cabins. Its occupant, Mat, can't sleep. He holds his head in his tattooed arms.**

Night manager James ignores the heavily-inked words "killa" and "kaos" and sees only the pain of this former addict and violent criminal. Mat, by his own admission, is a broken man, yet James can see beyond his past. James is a believer in second chances, because not that long ago, The Salvation Army gave him a second chance, too. The two men chat – James mostly listening as Mat opens up about his life as a bikie, his regrets, and the small flicker of hope he is starting to have about his future.

As a new dawn approaches, James finishes his shift at Dooralong – one of The Salvation Army's newest drug and alcohol recovery centres on the NSW Central Coast. Participants of The Salvation Army's award-winning Bridge Program for recovery are starting to stir and ready themselves for breakfast. It will be another day to focus on recreation, education and restoration that will ultimately lead to their health and wholeness.

Mat says his recovery began the minute he got off the bus at Dooralong. Something hit him and he just knew that his life was about to change. But the road is not easy and change takes time. That's why Salvation Army recovery programs are long-term, with residents involved for eight to 10 months and still in regular contact beyond that.

At his Dooralong graduation, Mat thanked the Dooralong staff for walking the journey of transformation with him. And he thanked his family – especially his mother. He had broken her heart for 17 years, he said, but she had never given up on him.

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.

## RECOVERY SERVICE CENTRES:

- 8 residential therapeutic communities**  
Central Coast, Brisbane, Canberra, Gold Coast, Mount Isa, Normanton, Sydney, Townsville
- 4 residential detoxification services –**  
Sydney (2 locations), Brisbane, Gold Coast
- 5 day therapeutic community programs –** Grace Cottage (Townsville); Turning Point (Southport); Bridge Youth and Family Program (Newcastle); Pathways (Penrith); Bridge Program (Nowra)
- 75 church-based recovery programs**

"I WAS A MAN WHO ONCE WAS COMPLETELY DARK ... I WAS ONCE ENSLAVED, BUT NOW, THANKS TO GOD, I HAVE BEEN SET FREE. I LOVE MY LIFE NOW."

## RECOVERY SERVICES 2014-15:



**4100**  
people assisted



New Recovery Services Centre opens in Normanton



Award-winning Bridge Program celebrates 50 years



New women's accommodation wing opens at Brisbane Recovery Services Centre



New recovery service for prisoners introduced in Queensland jails

# FAMILY TRACING / POST ADOPTION / SPECIAL SEARCH SERVICE



**02:00**

Jessie woke and looked at the clock. 2am. This night could very well be the longest of her life. But she needed sleep! She wanted to be fresh and look her best today. After all, it's not every day you meet the sister you never knew you had.

She closed her eyes and tried to resettle herself. Nope, no good. Sighing, she got up and walked to the kitchen to switch on the kettle. There, on the kitchen bench, lay all the paperwork. It had been four months since she applied to The Salvation Army's Family Tracing Service to look for a long-lost sister she only found out about when she was 16.

It had taken her five years to pluck up the courage to do a search. Putting herself out there to face possible rejection had left her feeling raw and exposed. But when the Salvos called and told her that not only had they found Sarah, but she was also searching for her and wanted to meet ... well, it was such an overwhelming feeling of surprise, relief, excitement and nervousness all rolled into one!

Jessie knows it will be another overwhelming day, but as she pours the boiling water over her tea-bag, she's optimistic that it's going to be great. The Salvation Army's Family Tracing Service has done all the groundwork, and her case worker has prepared each of them wonderfully for the meeting.

She can't believe that she and her sister shared so many interests, despite not growing up together. She can't wait till the whole family gets together at Christmas. All together at last. Thank God for the Salvos, hey! She never thought she'd ever be in need of the organisation's services, but now she'll forever be a loyal supporter. The Family Tracing Service has made her family whole again.

Jessie (left) and Sarah – sisters reunited by the Family Tracing Service



THE SALVATION ARMY FAMILY TRACING SERVICE IS DEDICATED TO LOCATING MISSING RELATIVES AND REUNITING FAMILIES. IT WORKS IN CONJUNCTION WITH A POST ADOPTION AND SPECIAL SEARCH SERVICE THAT REUNITES THOSE WHO HAVE BEEN SEPARATED THROUGH ADOPTION AND WARDSHIP. THE FREE SERVICE DATES BACK TO THE 1880S AND AUSTRALIA IS JUST ONE OF MORE THAN 120 COUNTRIES IN WHICH IT OPERATES.

## NSW AND QUEENSLAND FAMILY TRACING SERVICE 2014-15



521  
new cases



## QUEENSLAND POST ADOPTION SERVICE 2014-15:

86  
new clients

62  
people located

42  
people took part in family mediation

100s  
of phone calls per year from people seeking guidance and direction in how to start searching

## NSW POST ADOPTION/SPECIAL SEARCH SERVICE 2014-15



134  
total cases



# RED SHIELD DEFENCE SERVICES



**03:00**

**It's that time between the dead of night and dawn when it always feels unnatural to be awake. But Australian Defence Force Platoon Commander Lieutenant Darren McDonald and his troops are awake – just.**

The Platoon's training exercise is entering its third day and the guys haven't slept, working around the clock to dig trenches, alert to a fictional enemy that could strike at any time.

There's a noise in the distance, from which direction it's hard to tell. The soldiers tense and prepare themselves for battle, but the truck parks about 50 metres away. It's the Sallyman! Everything is immediately better. The tension among the platoon dissipates as Platoon Commander McDonald gives permission for the majority of the soldiers to go "non-tactical." Exhaustion is replaced with cat-calls and hoots as the soldiers fall back, away from the front, and crowd around the parked vehicle, readying themselves for a hot drink and a much-needed sugar hit.

The Sallyman is a Salvation Army officer and his actions and availability preach loud and clear to the awaiting troops. He's one of the troops and, just like the war days, he never fails to turn up when he's needed most. Despite the early morning, he jumps out of his truck with enthusiasm and begins dispensing hot tea and coffee. The steaming brew warms the soul and his earthy banter lightens the mood. It's been a ridiculously hard training exercise but, for this moment, everything is okay.

As the initial hub-bub dies down, the soldiers drift to various tree stumps, rocks or logs to sit and relax. The Sallyman wanders among them, sometimes offering a passing greeting, sometimes sitting for a heartfelt word of encouragement, or a prayer if requested. He doesn't outstay his welcome, tipping his hat to Lieutenant McDonald to indicate his departure. It's been a mere 20-minute interruption to operations, but it's enough to turn a bad day into a survivable one. Thank God for the Sallyman.

**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.**

## OUR SERVICES

### RSDS 2014-15:

-  Photography class launched at Brisbane Soldier Recovery Centre
-  German language class launched at Townsville Soldier Recovery Centre
-  New chapel opened at Holsworthy
-  ANZAC services attended throughout Australia



---

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.

---

THE SALVATION ARMY AUSTRALIA EASTERN TERRITORY  
**2015** ANNUAL REPORT

## SOCIAL WORK

FINANCIAL REPORT - 30 JUNE 2015

---

Trustees' report	54
Statement of comprehensive income	60
Statement of financial position	61
Statement of changes in capital reserves and accumulated funds	62
Statement of cash flows	63
Notes to the financial statements	64
Trustees' declaration	80
Auditors' independent declaration	81
Independent auditor's report to the Trustees	82

# TRUSTEES' REPORT

For the year ended 30 June 2015

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 (New South Wales, Australian Capital Territory, 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 2015.

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 (Deductible gift recipients – DGR)
- The Salvation Army (Queensland) Property Trust ABN 32 234 126 186 (DGR)
- The Salvation Army (New South Wales) Trust atf The Social Work ABN 46 891 896 885 (DGR)\*
- The Salvation Army (Queensland) Property Trust atf The Social Work ABN 22 035 976 360 (DGR)\*
- Salvos Legal Limited ABN 14 147 213 214\*
- Salvos Legal (Humanitarian) Limited ABN 36 147 212 940 (DGR)\*
- 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 (DGR)\*

- The Salvation Army Education Foundation ABN 57 507 607 457 (DGR)

The general purpose financial statement of The Salvation Army Australia Eastern Territory has been prepared under Section 60-95 of the Australian Charities and Not For Profit Commission (ACNC) Act.

The above listed controlled entities marked with an asterisk form part of the 'ACNC reporting group' consolidated in the financial statement of The Salvation Army Australia Eastern Territory.

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
- Mr IC Minnett
- Mr P Alward
- Lieutenant-Colonel D Godkin and Lieutenant-Colonel B Hood were appointed as Trustees from the beginning of the financial year until 31 December 2014.
- Lieutenant-Colonel M Campbell and Lieutenant-Colonel C Reid were appointed as Trustees on 10 January 2015 and continue as Trustees at the date of this report.

## 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.

# TRUSTEES' REPORT

For the year ended 30 June 2015

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 \$2,495,000 (2014: \$1,068,000), with a net transfer of \$1,130,000 from reserves to fund the social work (2014: \$25,223,000 transfer to various reserves).

## MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No other matters or circumstances have arisen since 30 June 2015 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 and legal expenses, 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.

## AUDITOR

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

For the year ended 30 June 2015

### 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 whose function is to implement the General's policy decisions and effect liaison between departments. As well as the handling of 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 as a facilitator of ideas and policies.

The International Headquarters' internal auditors carry out an independent audit on the Territory's operations and finances 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 makes 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

For the year ended 30 June 2015

members. The number of TOCs held during the year ended 30 June 2015 and the number of meetings attended by each Trustee were:

Trustee	Number attended	Number eligible to attend
Commissioner J Condon	34	45
Colonel R Munn	29	45
Lieutenant-Colonel B Hood	21	25
Lieutenant-Colonel D Godkin	14	25
Lieutenant-Colonel L Robertson	33	45
Lieutenant-Colonel M Campbell	18	20
Lieutenant-Colonel C Reid	16	20
Mr IC Minnett	34	45
Mr P Alward	41	45

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
- Mission 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 Appeal goals;
- property sales and purchases over \$4 million; and
- risk management policy.

### TERRITORIAL RISK AND AUDIT BOARD

The Territorial Risk and Audit Board meets bi-monthly and provides oversight of the Territory's risk profile, ensuring it remains within appetite. The Board consists of 11 members including two external independent experts in finance and risk and is chaired by the Chief Secretary.

### RISK ASSESSMENT AND MANAGEMENT

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.

In 2014/2015, the Territorial Risk Appetite Statement was revised and implemented. Territorial departments reviewed their risks and established remediation plans to ensure risks were in line with the Territorial appetite. Risk and remediation plans are reported to the Territorial Risk and Audit Board.

The Territorial Risk Management Framework continues to undergo 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.

For the year ended 30 June 2015

### INTERNAL AUDIT

Commencing from July 2011, the internal audit function is co-sourced with an external professional firm (KPMG). The main objective of Internal Audit is to assess the operation and effectiveness of the processes and procedures in place to manage risk within the Territory's appetite, and report upon those processes and procedures, to give assurance, via independent audit reports to the Territorial Risk and Audit Board, that internal controls in place are applied appropriately.

### AUDIT ADVISORY COMMITTEE

The Audit Advisory Committee was established 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 Coultas, 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.

### 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.

For the year ended 30 June 2015

### 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, 20 October 2015

# STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
<b>Revenues</b>	4	375,788	391,862
Other income	5	8,391	2,131
<b>Total income</b>		384,179	393,993
<b>Expenses</b>	6		
Social programs		145,943	175,964
Aged care		107,509	98,024
Employment and youth training		62,807	57,150
Recycling operations – Salvos Stores		45,762	44,647
Red Shield Appeal		13,313	12,614
Overseas Aid		6,350	4,526
<b>Total expenses</b>		381,684	392,925
<b>Operating surplus</b>		2,495	1,068
<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		290	413
<b>Total comprehensive income for the year</b>		2,785	1,481
<b>Allocations to capital reserves</b>		1,130	(12,066)
<b>Total comprehensive (loss) after allocations</b>		3,915	(10,585)

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

# STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Note	2015 \$'000	2014 \$'000
<b>Assets</b>			
Cash and cash equivalents	8	21,060	19,398
Financial assets at fair value through profit or loss	9	11,396	11,528
Receivables	10	185,710	153,066
Deposits	12	53,000	53,000
Available for sale financial assets	20	15,057	14,139
Held to maturity deposits		623	5,000
Inventories	11	2,402	4,063
Other receivables	13	9,293	10,042
Property, plant and equipment	14	362,235	365,767
Intangibles	15	571	681
<b>Total assets</b>		661,347	636,684
<b>Liabilities</b>			
Trade payables		15,191	10,976
Prepaid income		1,951	1,963
Accruals and other payables	16	7,228	7,515
Accommodation bonds/Refundable accommodation deposits/ Residents loans	17	127,780	109,447
Provisions	18	26,509	27,118
Interest bearing liabilities	19	2,699	2,460
<b>Total liabilities</b>		181,358	159,479
<b>Net assets</b>		479,990	477,205
<b>Capital reserves and accumulated funds</b>			
Capital contributions – property		338,582	330,664
Designated reserves – allocated to social program		30,466	33,233
Donor restricted reserves		69,732	76,013
Investments revaluation reserve		703	413
Accumulated surplus		40,507	36,882
<b>Total capital reserves and accumulated funds</b>		479,990	477,205

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 2015

	Note	2015 \$'000	2014 \$'000
<b>Capital reserves</b>			
Capital contributions – property			
Balance 1 July		330,664	293,863
Movement in reserves	7	7,918	36,801
Balance 30 June		338,582	330,664
<b>Designated reserves – allocated to social program</b>			
Balance 1 July		33,233	45,239
Movement in reserves	7	(2,767)	(12,006)
Balance 30 June		30,466	33,233
Total designated reserves		369,048	363,897
<b>Donor restricted reserves</b>			
Balance 1 July		76,013	75,585
Movement in reserves	7	(6,281)	428
Balance 30 June		69,732	76,013
<b>Available for sale investments revaluation reserve</b>			
Balance 1 July		413	-
Movement in reserves		290	413
Balance 30 June		703	413
<b>Total capital reserves</b>		439,483	440,323
<b>Accumulated Surplus</b>			
Balance 1 July		36,882	47,880
Surplus for the year before allocations		2,495	1,068
Transfers from/(to) capital reserves	7	1,130	(25,223)
Reserve from Education Foundation		-	13,157
Balance 30 June		40,507	36,882
<b>Total capital reserves and accumulated funds</b>		479,990	477,205

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 2015

	Note	2015 \$'000	2014 \$'000
<b>Cash flows from operating activities</b>			
Cash receipts in the course of operations		336,011	354,803
Cash payments in the course of operations		(370,787)	(369,528)
Dividends and distributions received		8,633	8,159
Interest received		5,663	4,312
<b>Net cash (outflow) from operating activities</b>		(20,480)	(2,254)
<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		12,235	5,297
Payments for property, plant and equipment		(15,434)	(30,853)
Payments for investments		(1,250)	(26,845)
Proceeds from sale of investments		5,000	15,000
<b>Net cash inflow (outflow) from investing activities</b>		551	(24,244)
<b>Cash flows from financing activities</b>			
Accommodation bonds/Refundable accommodation deposits/loans from residents		50,974	43,491
Repayment of residents' refundable accommodation deposits/loans		(29,622)	(18,052)
Residents' trust and other deposits received		2,267	2,111
Repayment of residents' trust and other deposits		(2,028)	(2,667)
<b>Net cash inflow from financing activities</b>		21,591	24,883
Net increase (decrease) in cash and cash equivalents		1,662	(1,615)
Cash and cash equivalents at the beginning of the financial year		19,398	21,013
<b>Cash and cash equivalents at the end of the financial year</b>	8	21,060	19,398

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 2015

Contents of the notes to the financial statements	Note	Page
Reporting entity	1	65
Basis of preparation	2	65
Significant accounting policies	3	66
Revenues	4	72
Other income	5	72
Expenses	6	72
Allocations to/(from) capital reserves	7	73
Cash and cash equivalents	8	73
Financial assets at fair value through profit or loss	9	73
Receivables	10	74
Inventories	11	74
Deposits	12	74
Other receivables	13	74
Property, plant and equipment	14	75
Intangibles	15	76
Accruals and other payables	16	76
Accommodation bonds/Refundable accommodation deposits/Residents loans	17	76
Provisions	18	77
Interest bearing liabilities	19	77
Available for sale financial assets	20	77
Contingencies	21	78
Commitments	22	78
Related parties transactions	23	79
Subsequent events	24	79

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 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 95 years in operation from Sydney in 2015. 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.

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 2011-12 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 20 October 2015.

### (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 2014, 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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

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 2015 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 2015 and the results for the year then ended.

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

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

Inventory includes 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 first 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 percent 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## (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 (5 years max)

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.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## (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 3-5 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/Refundable Accommodation Deposits/Residents Loans

(i) Accommodation bonds are non-interest bearing deposits made by aged care facility residents to The

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

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) A refundable accommodation deposit (RAD) is paid by residents upon their admission to facilities and are settled after a resident vacates the premises in accordance with the Aged Care Act 1997. Providers must pay a base interest rate on all refunds on the RADs within legislated time frames and must pay a penalty on refunds made outside legislated time frames. RAD balances held prior to 1 July 2014 are reduced by annual retention fees charged in accordance with the Aged Care Act 1997.

RAD refunds are guaranteed by the government under the prudential standards legislation. Providers are required to have sufficient liquidity to ensure that they can refund bond balances as they fall due in the following 12 months. Providers are also required to implement and maintain a liquidity management strategy. This is updated on an annual basis.

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

Notwithstanding the expected term of an occupancy is several years, the resident has the option to cancel the residency agreement at any time. As this option constitutes a demand feature, the liability is not discounted (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's resident-funded ILUs. Residents of Warringah Place are Registered Interest Holders under the Retirement Villages Act 1999 (NSW). The ILUs are issued under long-term leases and residents share in capital gains and losses.

The lease refurbishment contribution is calculated as either 2.5 per cent of the original lease premium for each year of the lease to a maximum of 10 years or 10 per cent of the original lease premium for each year of the lease to a maximum of 30 per cent, 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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

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) Personal Injury Claims Provision**

Since January 2014, 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.

## **(y) New standards and interpretation not yet adopted**

The following standards, amendments to standards and interpretations have been identified as those which may impact The Salvation Army in the period of initial application. They are available for early adoption at 30 June 2015, but have not been applied in preparing these Financial Statements.

AASB 15 Revenue from Contracts with Customers: The Salvation Army is assessing the potential impact on the financial statements resulting from the application of AASB 15 for the financial year ending 30 June 2019.

AASB 9 Financial Instruments: This standard is not expected to have a material impact on the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

	2015 \$'000	2014 \$'000
<b>4 REVENUES</b>		
<b>From continuing operations</b>		
Government funding	187,117	203,061
Red Shield Appeal	38,507	47,966
Social services client contributions	55,070	52,323
Sale of donated goods	53,355	49,580
Legacies and donations	6,824	9,145
Overseas Aid	7,637	5,353
<b>Other revenue</b>		
Other	12,982	11,963
Dividends	1,143	1,096
Distributions from deposits held by General Fund (refer to note 12)	7,490	7,063
Interest	5,663	4,312
<b>Total</b>	<b>375,788</b>	<b>391,862</b>
<b>5 OTHER INCOME</b>		
Net gain on disposal of property, plant and equipment	8,526	2,075
Net investment revaluation gain	(135)	56
<b>Total</b>	<b>8,391</b>	<b>2,131</b>
<b>6 EXPENSES</b>		
Operating surplus from continuing operations before allocations includes the following specific expenses:		
<b>Depreciation/amortisation</b>		
Buildings	7,515	7,059
Plant and equipment	7,444	6,989
Intangible assets	409	910
<b>Total depreciation/amortisation</b>	<b>15,368</b>	<b>14,958</b>
<b>Employee entitlements</b>		
Annual leave	1,249	76
Long service leave	(380)	1,172
Superannuation expense	13,480	13,819
<b>Total employee entitlements</b>	<b>14,349</b>	<b>15,067</b>
Rental expense relating to operating leases		
<b>Minimum lease payments</b>	<b>11,206</b>	<b>11,610</b>
<b>Samaritan relief expenses (refer to note 3(f))</b>	<b>624</b>	<b>613</b>
<b>Provision for doubtful debts</b>	<b>-</b>	<b>4,745</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

	2015 \$'000	2014 \$'000
<b>7 ALLOCATIONS TO/(FROM) CAPITAL RESERVES</b>		
<b>Allocations have been made to/(from) the following capital reserves</b>		
Capital contributions – property	7,918	36,801
Designated reserves	(2,767)	(12,006)
Donor restricted reserves	(6,281)	428
<b>Total</b>	<b>(1,130)</b>	<b>25,223</b>
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.
<b>8 CASH AND CASH EQUIVALENTS</b>		
Cash at bank	20,750	19,167
Cash on hand	310	231
<b>Total</b>	<b>21,060</b>	<b>19,398</b>
The deposits are bearing floating effective interest rates between 1.49% and 2.10% (2014: 2.01% and 2.22%).		
<b>9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		
Carrying amount at the beginning of the year	11,528	11,469
(Devaluation)/Revaluation	(132)	55
Additions/Redemptions	-	4
<b>Carrying amount at the end of the year</b>	<b>11,396</b>	<b>11,528</b>
Changes in fair values of the financial assets at fair value through profit or loss are recorded in the statement of comprehensive income.		

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

	2015 \$'000	2014 \$'000
<b>10 RECEIVABLES</b>		
Receivables – external parties	18,958	19,511
Provision for doubtful debts – external parties	(5,214)	(4,745)
Receivables from General Work	171,966	138,300
<b>Total</b>	<b>185,710</b>	<b>153,066</b>

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 (NSW) 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 1.71 per cent per annum (2014: 2.02 per cent), 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 \$624,418 (2014: \$613,479) in respect of Samaritan Relief expenses during the year ended 30 June 2015. This loss has been included in the statement of comprehensive income.

## 11 INVENTORIES

Welfare cards – at cost	1,453	2,157
Raw materials and stores – at net realisable value	949	1,844
Livestock – at cost	-	62
<b>Total</b>	<b>2,402</b>	<b>4,063</b>

## 12 DEPOSITS

Deposits in General Work	53,000	53,000
<b>Total</b>	<b>53,000</b>	<b>53,000</b>

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 (NSW) 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 2015 was 14.13 percent (2014: 13.32 per cent). Refer to note 23(b) for further details.

## 13 OTHER RECEIVABLES

Prepayments and security deposits	597	661
Loan receivables – Independent Living Units	3,108	4,514
Independent Living Unit (Warringah Place) lease refurbishment contribution	5,588	4,867
<b>Total</b>	<b>9,293</b>	<b>10,042</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

	2015 \$'000	2014 \$'000
<b>14 PROPERTY, PLANT AND EQUIPMENT</b>		
Freehold land		
– at cost	37,222	35,794
Freehold buildings	(2,767)	(12,006)
– at cost	394,733	381,283
– accumulated depreciation	(99,997)	(94,254)
	294,736	287,029
<b>Total land and buildings</b>	<b>331,958</b>	<b>322,823</b>

Plant and equipment		
– at cost	78,543	73,571
– accumulated depreciation	(59,453)	(54,239)
<b>Total plant and equipment</b>	<b>19,090</b>	<b>19,332</b>

Work in progress		
– at cost	11,187	23,612

<b>Total property, plant and equipment</b>	<b>362,235</b>	<b>365,767</b>
--	----------------	----------------

Reconciliations	Land & buildings \$'000	Work in progress \$'000	Plant & equipment \$'000	Total \$'000
Reconciliations of the carrying amount for each class of property, plant and equipment are set out below.				
<b>Cost</b>				
Balance at 1 July 2014	417,077	23,612	73,574	514,263
Transfer from work in progress and additions	19,561	14,462	8,000	42,023
Disposals	(4,683)	(26,887)	(3,029)	(34,599)
<b>Balance at 30 June 2015</b>	<b>431,955</b>	<b>11,187</b>	<b>78,545</b>	<b>521,687</b>
<b>Accumulated Depreciation</b>				
Balance at 1 July 2014	94,254	0	54,242	148,496
Depreciation	7,514	0	7,445	14,959
Disposals	(1,771)	0	(2,232)	(4,003)
<b>Balance at 30 June 2015</b>	<b>99,997</b>	<b>0</b>	<b>59,455</b>	<b>159,452</b>
<b>Total</b>	<b>331,958</b>	<b>11,187</b>	<b>19,090</b>	<b>362,235</b>

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 (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.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

	2015 \$'000	2014 \$'000
<b>15 INTANGIBLES</b>		
<b>Computer software</b>		
<b>Cost</b>		
Balance at 1 July	4,607	4,342
Additions	295	265
<b>Balance at 30 June</b>	<b>4,902</b>	<b>4,607</b>
<b>Computer software</b>		
<b>Accumulated Depreciation</b>		
Balance at 1 July	3,926	3,016
Additions	405	910
<b>Balance at 30 June</b>	<b>4,331</b>	<b>3,926</b>
<b>Carrying value at 30 June</b>	<b>571</b>	<b>681</b>
<b>16 ACCRUALS AND OTHER PAYABLES</b>		
Accruals	3,507	5,436
Other payables	3,721	2,079
<b>Total</b>	<b>7,228</b>	<b>7,515</b>
The majority of the accruals relate to salary and wages which are paid within the first month of the new financial year.		
<b>17 ACCOMMODATION BONDS/REFUNDABLE ACCOMMODATION DEPOSITS/RESIDENTS LOANS</b>		
<b>Accommodation bonds/Refundable accommodation deposits</b>		
– likely to be repaid within 12 months	26,309	18,946
– likely to be repaid after 12 months	94,664	83,486
<b>Total</b>	<b>120,973</b>	<b>102,432</b>
<b>Residents loans for Independent Living Units</b>		
– likely to be repaid within 12 months	1,480	1,297
– likely to be repaid after 12 months	5,327	5,718
<b>Total</b>	<b>6,807</b>	<b>7,015</b>
<b>Total</b>	<b>127,780</b>	<b>109,447</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

	2015 \$'000	2014 \$'000
<b>18 PROVISIONS</b>		
<b>Annual leave</b>	12,683	11,434
<b>Long service leave</b>		
– likely to be settled within 12 months	762	1,555
– likely to be settled after 12 months	8,731	8,318
<b>Total</b>	<b>9,493</b>	<b>9,873</b>
<b>Personal injury claims provision</b>	4,148	5,350
<b>Make good provision</b>		
Carrying amount at the beginning of the year	461	408
Additions	-	123
Payments/write back	(276)	(70)
<b>Total</b>	<b>185</b>	<b>461</b>
<b>Total</b>	<b>26,509</b>	<b>27,118</b>
<b>19 INTEREST BEARING LIABILITIES</b>		
Residents trust funds	2,699	2,460
<b>Total</b>	<b>2,699</b>	<b>2,460</b>
The aged care residents deposit funds with The Salvation Army Social Work and receive interest at an average 1.71% per annum (2014: 2.02%).		
<b>20 AVAILABLE FOR SALE FINANCIAL ASSETS</b>		
At the beginning of the year	14,139	-
Additions	628	13,841
Revaluation	290	298
At the end of the year	15,057	14,139
Managed portfolio – at market value	15,057	14,139
The available for sale financial assets were not impaired (2014: nil) as at 30 June 2015.		

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

	2015 \$'000	2014 \$'000
<b>21 CONTINGENCIES</b>		
Since January 2014, The Salvation Army has welcomed the work of the Royal Commission into Institutional Responses to Child Sexual Abuse and has openly and transparently co-operated with the Royal Commission. The Salvation Army remains committed to working with survivors during their healing process. Despite the provision for personal-injury claims made at 30 June 2015 (refer notes 3(x) 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. The claims paid have not been funded from donations to the Red Shield Appeal.		

## 22 COMMITMENTS

### 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	56,325	91,990
Property projects approved but not commenced as at 30 June 2015	15,300	17,882

### Lease commitments

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

Within 1 year	9,680	10,435
Later than 1 year but not later than 5 years	7,321	6,598
Later than 5 years	176	138
<b>Total</b>	<b>17,177</b>	<b>17,171</b>

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 \$423,296 (2014: \$567,770) 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 current and previous years.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

## 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 \$837,319 (2014: \$837,445).

### (b) Other transactions with related parties

During the year, The Salvation Army Australia Eastern Territory Social Work paid \$202,760 (2014: \$170,894) to The Salvation Army International Headquarters as management fees. As at 30 June 2015, 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 \$1,114,967 (2014: \$1,186,306).

As at 30 June 2015, a balance of \$321,829 was outstanding and was classified within receivables.

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 \$149,036 (2014: \$132,336). As at 30 June 2015, a balance of \$20,793 was outstanding and was classified within receivables.

Included in receivables is an amount of \$171,966,391 (2014: \$138,300,464) 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 \$2,898,656 (2014: \$2,957,923) from these investment contributions. Further, Social Work has made deposits of \$53,000,000 (2014: \$53,000,000) to General Work for investment purposes and received total distributions of \$7,489,610 (2014: \$7,063,122).

## 24 SUBSEQUENT EVENTS

No matters or circumstances have arisen since 30 June 2015 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

For the year ended 30 June 2015

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

- (a) the financial statements set out on pages 60 to 79 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 2015 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

Sydney, 20 October 2015

# AUDITOR'S INDEPENDENCE DECLARATION



Auditor's Independence Declaration under subdivision 60-C section 60-40  
of Australian Charities and Not-for-profits Commission Act 2012. Year ended 30 June 2015

## 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 2015 there have been:

- (a) 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
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



KPMG



**Kathy Ostin**  
Partner

Sydney, 20 October 2015

# INDEPENDENT AUDITOR'S REPORT



To the Trustees of The Salvation Army Australia Eastern Territory. Year ended 30 June 2015

## 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 2015, and 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 Trustees' declaration.

This audit report has also been prepared for the members of the entity in pursuant to Australian Charities and Not-for-profits Commission Act 2012 and the Australian Charities and Not-for-profits Commission Regulation 2013 (ACNC) (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 directors, 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.

### 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 2015 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

**Kathy Ostin**  
Partner

Sydney, 20 October 2015

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.

## 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

### NSW/ACT DIVISION

Phone (02) 8644 0110  
PO Box 7114  
Silverwater NSW 1811

### QUEENSLAND DIVISION

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

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 2015 are available at [salvos.org.au/said](http://salvos.org.au/said)

TWENTY-FOUR HOURS A DAY, EVERY DAY OF THE YEAR,  
THE SALVATION ARMY PROVIDES CARE AND SUPPORT  
TO AUSTRALIANS IN NEED.

IN FACT, IT'S WHAT WE'VE DONE FOR 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.

# 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 \$ \_\_\_\_\_ (\$10 minimum) from my credit card or bank account  
on the \_\_\_\_\_ day of each month (e.g. 2nd/17th)

## MY CONTACT DETAILS

Title \_\_\_\_\_ Given Name \_\_\_\_\_ Surname \_\_\_\_\_

Address \_\_\_\_\_

Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

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

## 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/about-us](http://salvos.org.au/about-us). 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

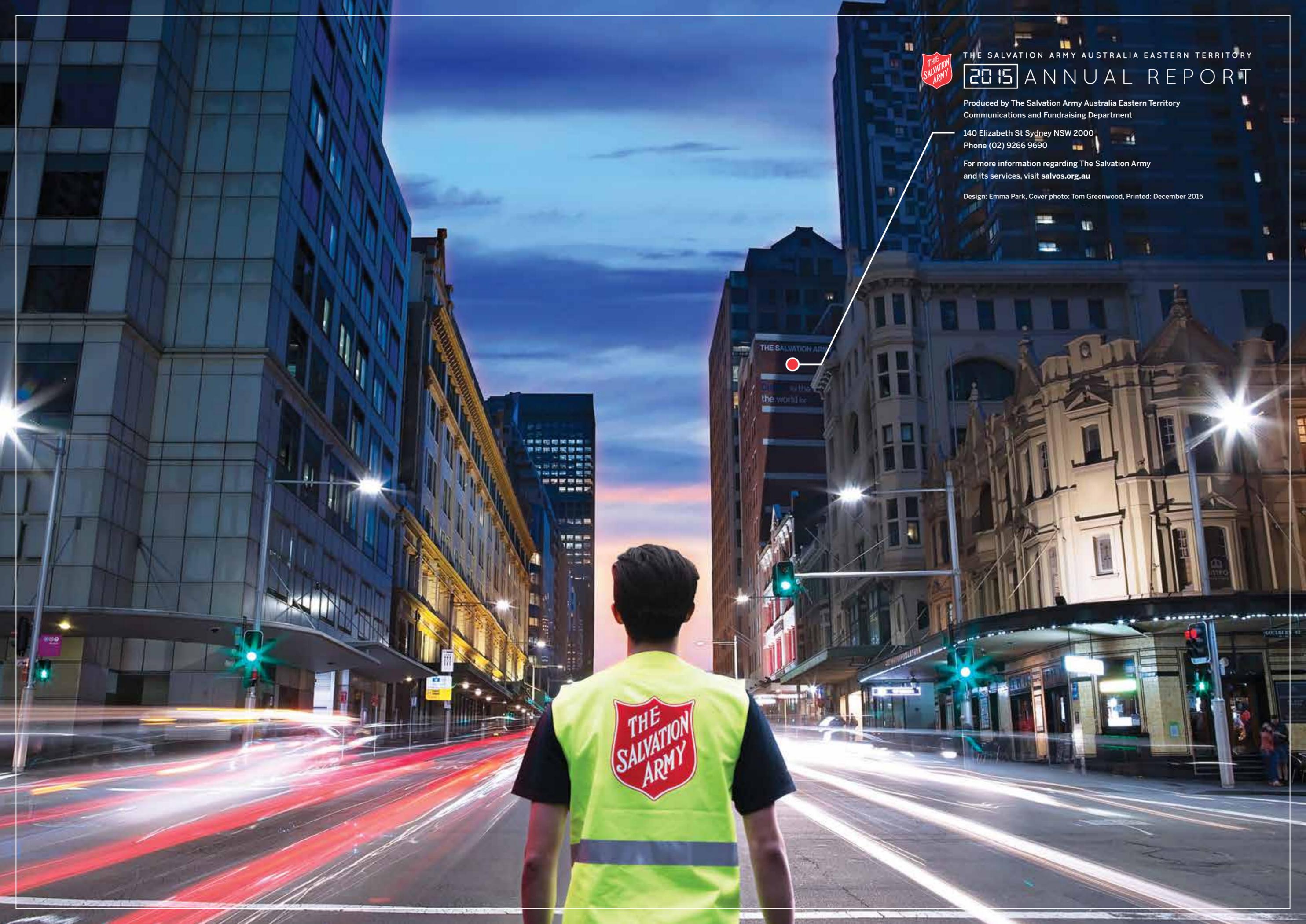
### Please complete this form and return to:

The Salvation Army, GPO Box 9888, Your Capital City

## CORPORATE PARTNERSHIPS

The Salvation Army continued expanding its Corporate Partnership Program during 2015.

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@aue.salvationarmy.org](mailto:partnerships@aue.salvationarmy.org)



THE SALVATION ARMY AUSTRALIA EASTERN TERRITORY

# 2015 ANNUAL REPORT

Produced by The Salvation Army Australia Eastern Territory  
Communications and Fundraising 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)

Design: Emma Park, Cover photo: Tom Greenwood, Printed: December 2015

THE SALVATION ARMY  
... the world for



