



Salvation Army
HOUSING
Victoria

ANNUAL REPORT

2018 - 2019

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Our Mission

Salvation Army Housing Victoria (SAHV) is committed to assist individuals experiencing social disadvantage and to establish and maintain safe, affordable, secure tenancies through the management of a range of high-quality housing options.

SAHV's principles complement and support the mission and values of The Salvation Army (TSA):

Caring for People

Creating faith pathways

Building health communities

Working for justice

Values

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

Integrity Being honest and accountable in all we do

Compassion Hearing and responding to pain with love

Respect Affirming the worth and capacity of all people

Diversity Embracing difference as a gift

Collaboration Creating partnerships in mission

We commit ourselves in prayer and practice to this land of Australia and its people, seeking reconciliation, unity and equity.

About Us

Salvation Army Housing (Victoria) (SAHV) is a community housing organisation that provides homes for individuals and families who are homeless or at risk of homelessness, are on low incomes and those with specific support needs.

A significant proportion of SAHV properties are in the Transitional Housing Management Program (THM). There are a number of tenancies in the Long Term Housing Program (LTH) and the Rooming House Program (RHP).

SAHV is a not-for-profit organisation, registered charity and a public company limited by guarantee, established in 2015 under the auspices of The Salvation Army to address the needs of people at all stages of their life and housing requirements. This includes early intervention to avoid a slide into homelessness, emergency accommodation and crisis response, transition to more stable accommodation and supporting a move to independence.

Our History

SAHV had its origins as The Salvation Army Red Shield Housing Victoria in 2008 and became a registered Housing Provider in 2009 in response to regulatory requirements of the Victorian Housing Registrar which regulates community housing agencies in Victoria.

The Salvation Army later developed a social housing strategy which acknowledged that TSA in Australia had the potential to address the needs of people at all stages of the entry and support continuum, including early intervention to avoid a slide into homelessness, emergency accommodation and crisis response, transition to more stable accommodation and supporting a move to independence and in 2015 established SAHV as a separate entity along with Salvation Army Housing and Salvos Housing.

Following The Salvation Army's launch of the Australian Territory on 1 December 2018, SAHV with its presence throughout Victoria, is coming together with Salvation Army Housing which operates in SA, NT, WA and Tasmania, as well as Salvos Housing with its presence in NSW, Queensland and ACT, to act collaboratively as a National organisation headquartered in Melbourne.



Mark Gray
Board Chair/Treasurer

Mark brings substantial experience in business, tax advice, financial planning and business development. Mark is a key leader in The Salvation Army church in the City of Adelaide and has been a Director and Treasurer of SAHV since inception. Mark became Board Chair in February 2019.



Prof Roz Hansen
Board Director

Roz brings more than 30 years' experience as an urban and regional planner working in both the public and private sectors in Australia and the Asia Pacific Region. In addition to project managing multi-disciplinary teams, Roz has undertaken community engagement and participation in the preparation of municipal and regional strategies.



Major Jenny Begent
Board Director

Jenny has been a Salvation Army officer for 30 years, serving in a range of social and community services and leadership positions including the Family Violence and Homelessness area. Jenny is currently National Head of Social Mission and became a Director in December 2018.



Jeff Davey
Board Director

Jeff joined The Salvation Army in January 2018 as Group Executive, Mission Enterprises. Jeff trained as a Chartered Accountant, and spent most of his career as an executive in the health and welfare sectors. Jeff became a Director of SAHV in June 2018.



Robert Pradolin
Board Director

Robert is an engineer by background and has been active in the property industry for over 30 years. Robert has a keen interest and is active in the area of social and affordable housing.



Lieut-Colonel Winsome Merrett
Board Director

Winsome has served as an officer for 32 years in a variety of appointments across Australia, including pastoral church ministry, church resourcing ministries and administrative leadership. Her current appointment is Assistant Chief Secretary where she has responsibility over a portfolio which includes International Development, Enterprise Project Management Office, Internal Audit, Professional Standards and Quality and Governance and Risk. Winsome became a Director in December 2018.

Board members who retired during 2018/19

- Major David Eldridge AM, Board Chair 1 July 2015 to 7 December 2018
- Major Malcolm Roberts, Director and Company Secretary, 29 July 2010 to 22 January 2019
- Major Andrew Craib, Director, 8 December 2017 to 7 December 2018
- Colonel Graeme Rigley, Director, 24 August 2017 to 10 September 2018

Our Leadership Team

Operating as a National housing organisation, the Leadership Team comprises the State Managers of each State and the Head Office under the leadership of the CEO.

Introducing our new CEO, [Chris Karagiannis](#), who commenced on 29 July 2019:



Chris comes to us from Benetas (Anglican Aged Care Services Group), where he held the position of General Manager, Strategy, Infrastructure and Housing. Originally from a property and project management background, over the last ten years, Chris has further developed his career through executive responsibility for strategy and corporate development, program and operations management and mergers and acquisitions. Chris holds a Post Graduate Diploma in Project Management, an MBA (Dist) and is a graduate of the Australian Institute of Company Directors.

Chris will lead the creation of a national Salvation Army mission expression that seeks to transform the lives of those experiencing housing hardship and injustice.

We also acknowledge the departure of Mark Dall who held the role of CEO for almost four years from just after the inception of the SAHV.

Mark was key to establishing a robust management team across both SAHV and Salvation Army Housing, to operate over 1400 social housing dwellings across Victoria, Tasmania, WA and SA, bolstering SAH's compliance across multiple housing regulatory frameworks and strengthening our relationships with the various state government offices of housing.

We thank Mark for his service and wish him well for his future endeavours.

The rest of the Leadership Team:

[Lisa Dalla-Zuanna](#) - State Manager (Vic.)
Salvation Army Housing (Victoria)

[Miles Hennighan](#) - State Manager (WA)
Salvation Army Housing

[Kerry Gray](#) - State Manager (SA and NT)
Salvation Army Housing

[Jed Donoghue](#) - State Manager (Tas.)
Salvation Army Housing

[Kellie Cusack](#) - General Manager (QLD, NSW & ACT)
Salvos Housing

[Belinda Plotkin](#) - Compliance, Policy & Process Manager

[Rohit Jindal](#) - Financial Controller

Chairperson's Report

I am grateful for the opportunity to take over the role of Chair from February 2019.

I take this opportunity to express my thanks for the efforts of Malcolm Roberts who resigned as a Director in February this year. Malcolm's service to Salvation Army Housing goes back many years and he has been an invaluable resource for this expression of The Salvation Army's mission.

2019 has been a year of significant change within our business. We have seen the recent appointment of the new National CEO. We are currently undergoing the Housing Department design process which will inevitably bring about more change.

Consequently, we look forward to a positive and exciting future. We are of the view that our strong integration with The Salvation Army and its services provides the best opportunity for delivering the outcomes we strive for. We would recognise that this has been both misunderstood and underutilised in the past.

As is evident, we are operating in challenging times. Our role, that of providing housing to those most in need, cannot be underestimated. We continue to work to build more stock to supply this ever-increasing and largely unsatisfied demand.

We have had some excellent results in this space, with construction concluded on Project 9 in Tasmania. We

also look forward to the finalisation of the development now underway in Torquay Road in Geelong. We have also made property purchases in both South and Western Australia. Our plan is to keep this activity going.

I acknowledge the work and efforts of all our Directors and thank them for their service this past year. I would especially note the independent directors, namely Professor Roz Hansen and Robert Pradolin, who willingly donate their time to our Vision and Mission.

I would further acknowledge the hard work of the State Managers and their respective teams across the country, that daily and tirelessly roll out the mission and seek to provide a home and support to those most in need



Mark Gray CA
Chairperson

Our Objectives And Activities

This year The Salvation Army (TSA) launched its national strategy for the newly-formed Australia Territory that Salvation Army Housing Victoria (SAHV) is proud to be a part of. Our vision, in line with The Salvation Army, is to assist “one life at a time” through our combined vision for a better Australia for everyone.

SAHV through our 700+ properties was able to assist over 1100 people this financial year by housing them in one of our programs. Connecting our tenants into one of the many and varied integrated services offered by the broader Salvation Army is at the heart of our vision by giving the most vulnerable in our communities a safe, supported, housed way forward.

Successes

The growth of the housing industry in Victoria has slowed since the end of Nation Building funding program, with only limited funding opportunities available. Through the release of the Social Housing Growth Fund by the Victorian Government this financial year, SAHV was able to secure funding, \$4.65m for the construction of 13 townhouses in Torquay Road Grovedale, Geelong. This completed the funding required for the total construction of 25 townhouses on the site, 12 being funded the year prior for women escaping domestic violence. This is

SAHV's first development and is marked as being the first of many, as we endeavour to increase social and affordable housing in Victoria.

With the release of the State Government's Rough Sleeper Initiative SAHV also secured the tenancy management of six newly acquired units placed in Norlane Geelong specific to this program.

34 titles to property in Victoria were successfully transferred to SAHV in October. These properties had been part of a joint initiative agreement between TSA and Department of Health and Human Services (DHHS). Under agreement by both parties, the titles were transferred to SAHV, being TSA's registered housing provider. Two of these titles are being used for the 25 townhouses being built in Grovedale Geelong. Increasing the existing dwellings, 6 x 2-bedroom units and 1 x 3-bedroom house to 21 x 2-bedroom townhouses and 4 x 3-bedroom townhouses. We are in the process of review regarding the remaining titles, but these will form the basis of further growth in owned housing stock for SAHV.

SAHV also went into partnership with Harvester College to build our first tiny home. This tiny home will be placed on land and occupied in the first half of 2020.

Once again the three-yearly round for Accreditation occurred in April 2019. SAHV passed the external audit required by the DHHS with no issues outstanding. The three-yearly audit commits SAHV to providing positive tenant outcomes for all people entering our properties.

SAHV has also published all tenant related policies on our website this year. Since signing to the Victorian Housing Register (VHR) for all long-term housing SAHV has committed to transparency in practice to all tenants, stakeholders and interested community members as to how our long-term housing selection process occurs under the VHR.

Commitment

SAHV has a commitment to understanding our workforce, housing, homeless and support services. We are actively involved in ongoing training for our staff as well as attending all internal and external sector meetings, conferences and information sessions. We have been a part of TSA Homelessness working groups, the Red Shield Appeal and attended all Victorian Area Leadership group meetings. We also contributed to TSA's response for the Royal Commission in Victoria's Mental Health System. Externally we are a voice at all CHIA meetings, including the Transitional and Rooming Housing Sector group meetings, Victorian Registrar Forums, The Aboriginal Housing Summit and NDIS forums.

SAHV made a strong contribution to the Social Impact Study conducted by CHIA Vic., to assist in understanding the true needs of the people we house and what makes a personal difference to their lives.

To this end we strive to achieve excellence through participation, education and continuous quality improvement.



A Personal Story

David – A life transformed

“It’s just all turned around – everything. Not just bits and pieces – everything.” – David

At his worst, just over a year ago, David weighed 48 kilograms. “I basically looked anorexic,” he says. He was deeply depressed and in constant pain, plus on long waiting lists for treatment.

He laughs at the remarkable change that has occurred in his life over one year and says that if anyone had spoken to him over Christmas 2017, they would have met a man close to taking his own life. “It was that depressing it was just horrible to be like that.”

With few funds Christmas would have been “maybe a can of baked beans”.

Although he doesn’t seriously celebrate Christmas (since a marriage split and separation from his kids years ago) he says a hamper from The Salvation Army filled his pantry and the gift of secure housing also from the Salvos was the greatest gift of all over Christmas 2018.

“The Salvos have been fantastic. I can’t praise them enough! It’s absolutely fabulous,” David says.

Although he’d worked all his adult life, a serious back injury (stemming from a back issue that had haunted him

since the age of 16) finally meant he was unable to work at all and he was plagued by constant chronic pain.

A carpet and vinyl-layer for over 20 years, he turned to truck driving when his pain got too great, but eventually had to stop working altogether. Because it was a pre-existing condition, he had no insurance and had to sit on endless waiting lists for treatment.

“For example,” he says, “I’ve been waiting for a position in a pain management program for over 2½ years now”.

David said his outlook turned very black, especially in the past few years.

“I’d always worked, but suddenly I was unemployed, in pain,” he says. “I was in a mess medically and mentally. I got terribly depressed. It all hit me at once. Then I found out my mum was really, really sick.

“I did a quick flying trip [to Melbourne] and the day I got here was the day she passed away. Not that she was conscious, but I got to see her. At that stage I’d been away in WA for many years and left all my ties from Victoria.”

Unable to secure affordable housing, David found himself homeless and slept on couches where he could, and at times also slept ‘rough’. It was something he could never have imagined in all those years of working hard.

“It is the hardest thing in the world. It really is. It gets you so down! You feel trapped.”

He started drinking heavily to numb the pain and says:

“It’s in a spiral and you get into a never-ending circle ‘til you just don’t care.

“And it was always cold [sleeping rough]. You simply couldn’t get warm, you were so cold you were shivering all night and with my back the way it is I couldn’t move for hours in the morning.”

A Salvos outreach worker spoke to David and he teamed up with a Salvos financial counsellor, who David says “has been so patient, lovely and such a great help. I can’t speak highly enough of her”.

David was also offered case management through Salvo Connect in Geelong and offered crisis accommodation and then placed into secure community housing with Salvation Army Housing (Victoria).

“Once that happened the load off my shoulders was unbelievable. The burden it relieves is amazing,” David says. “It gave me time to concentrate on getting better again and even my doctor can’t believe how well I’ve done. We’ve got painkillers and pills sorted out because it was getting really mixed up there for a while. I’ve put on 20 kilograms and am up to 68 now.

“I was able to just concentrate on me getting better and that is pretty much what I have done. If it hadn’t been the case, I couldn’t tell you where I would be today. I couldn’t tell you if I’d even be alive. There’s a good chance I probably wouldn’t have been.”

Amanda Archibald, who manages the housing service,

says: “David really excelled and achieved all his goals and then an opening came up in a long-term housing property which he was put forward for.

“He has been so successful. He’s wanting to do a community vegie garden and he wrote the great feedback for us and it was really good to see. He’s doing really, really well. Within 12 months. It is a really, really good outcome.”

David says with a beaming smile: “I’ve got some good [new] mates here now. It is the best thing that’s happened to me honestly in about 15years. I haven’t been in this frame of mind — sorry I’m almost crying I’m so happy — for 15 years. I’ve got my smile back! It is absolutely marvellous.”

He wrote to thank The Salvation Army team in Geelong recently, saying he is looking forward for the opportunity to now volunteer himself to help others and wrote: “I just want to thank you all from the bottom of my heart. You are all doing a very special job ...”

Financial Statements

Directors' report

Salvation Army Housing (Victoria)

ACN 133 724 651

For the year ended 30 June 2019

The directors present their report together with the financial report of Salvation Army Housing (Victoria) ("the company") for the financial period ended 30 June 2019 and the auditor's report thereon.

1. Directors

The directors of the Company at any time during or since the end of the financial period are:

Name	Appointment Date	Resignation Date
Mark Christopher GRAY	21-Sep-15	N/A
Prof Roslynne Elizabeth HANSEN	25-Nov-15	N/A
Jeffrey William DAVEY	28-Jun-18	N/A
Robert PRADOLIN	23-Aug-18	N/A
Winsome Joy MERRETT	7-Dec-18	N/A
Jenny Irene BEGENT	7-Dec-18	N/A
Malcolm John ROBERTS	21-Sep-15	22-Jan-19
David John ELDRIDGE	25-Nov-15	7-Dec-18
Andrew CRAIB	8-Dec-17	7-Dec-18
Graeme RIGLEY	24-Aug-17	10-Sep-18

2. Company Secretary

Malcolm John Roberts who was appointed as Company Secretary on 21 September 2015 resigned from the role on 22 January 2019. Chris Karagiannis was appointed as Company Secretary on 1 August 2019.

3. Directors' Meetings

The Directors held nine meetings during the year. The attendance was as follows:

Director	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Feb-19	Mar-19	May-19	Jun-19
Mark Christopher GRAY	√	√	√	√	√	√	√	√	√
Prof Roslynne Elizabeth HANSEN	√	√	X	√	√	√	√	√	√
Jeffrey William DAVEY	√	√	√	√	√	√	√	√	√
Robert PRADOLIN	-	-	√	√	√	√	√	√	√
Winsome Joy MERRETT	-	-	-	-	-	√	√	√	√
Jenny Irene BEGENT	-	-	-	-	-	√	X	√	X
Malcolm John ROBERTS	√	X	√	√	√	-	-	-	-
David John ELDRIDGE	√	√	√	√	X	-	-	-	-
Andrew CRAIB	√	X	√	X	√	-	-	-	-
Graeme RIGLEY	√	-	-	-	-	-	-	-	-

4. Principal activities

The company was incorporated on 15 October 2008 in order to become a registered housing provider under Part VIII of the Housing Act 1983. The company was registered as a housing provider on 29 September 2009 and commenced operations on 1 October 2009, with the transfer of service agreements previously held by The Salvation Army (Victoria) Property Trust.

The company receives funding from and manages properties on behalf of the Director of Housing.

5. Operating and financial review

A summary of revenues and expenses is set out below:

	2019	2018
	\$	\$
Total revenue	22,476,181	10,860,108
Total expenses	(9,359,664)	(8,469,190)
Net finance (expense)/income	89,137	96,142
Net surplus/(deficit) for the year ended 30 June	13,205,654	2,487,060

The net surplus for the 2019 financial year is \$13,205,654 compared to 2018 surplus of \$2,487,060.

In the opinion of the directors the Company is able to plan and manage its operational expenditures within the funds currently committed and accordingly the Company continues to operate as a going concern.

6. Events subsequent to reporting date

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

7. Likely Developments

The company is working to develop affordable housing in conjunction with the government and using its own resources.

8. Indemnification and insurance of officers

Indemnification

Since the end of the previous financial year, the Company has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Company.

Insurance premiums

The officers are covered by insurance taken out by The Salvation Army Australia Territory.

9. Proceedings on behalf of Company

Nil

10. Environmental Regulations

The company's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the board believes that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Company.

11. Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 16 and forms part of the directors' report for the financial year ended 30 June 2019.

Salvation Army Housing (Victoria)

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2019

	Note	2019	2018
		\$	\$
Revenue	4	22,476,181	11,224,319
Property management expenses		(5,769,870)	(5,413,521)
Administrative expenses		(571,111)	(617,622)
Rent remitted to the Office of Housing		(3,018,683)	(2,802,258)
Results from operating activities		13,116,517	2,390,918
Finance income		166,858	138,377
Finance costs		(77,721)	(42,235)
Net finance income		89,137	96,142
Profit before income tax		13,205,654	2,487,060
Income tax expense		-	-
Profit for the period		13,205,654	2,487,060
Other comprehensive income		-	-
Total comprehensive income for the year before allocations		13,205,654	2,487,060

Salvation Army Housing (Victoria)

Statement of Financial Position

As at 30 June 2019

	Note	2019	2018
		\$	\$
Assets			
Cash and cash equivalents	5	6,241,105	3,943,670
Trade and other receivables		142,920	79,168
Total current assets		6,384,025	4,022,838
Investment property	7	21,483,001	5,956,932
Property, plant and equipment		233,567	-
Total non-current assets		21,716,568	5,956,932
Total assets		28,100,593	9,979,770
Liabilities			
Trade and other payables		766,316	511,976
Employee benefits		295,990	254,956
Total current liabilities		1,062,306	766,932

	Note	2019	2018
		\$	\$
Long term employee benefits		26,157	24,397
Interest-free loan	8	3,922,000	3,922,000
Total non-current liabilities		3,948,157	3,946,397
Total liabilities		5,010,463	4,713,328
Net assets		23,090,130	5,266,442
Equity			
Retained earnings		4,911,595	3,208,510
Reserves		18,178,535	2,057,932
Total equity		23,090,130	5,266,442

The Annual Financial Report has been audited by KPMG. They have expressed an unqualified audit opinion. For a complete set of financial statements which include the Notes, please email rohit.jindal@salvationarmy.org.au

Salvation Army Housing (Victoria)

Statement of Changes in Equity

For the year ended 30 June 2019

	Retained Earnings	Property Contribution	Planned Maintenance	Total
	\$	\$	\$	\$
Balance at beginning of year 1 July 2017	1,727,135	1,052,248	-	2,779,382
Profit for the year	2,487,060	-	-	2,487,060
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	2,487,060	-	-	2,487,060
Allocation to/(from) other capital funds	(1,005,685)	982,684	23,000	-
Balance at end of year 30 June 2018	3,208,510	2,034,932	23,000	5,266,442
	Retained Earnings	Property Contribution	Planned Maintenance	Total
	\$	\$	\$	\$
Balance at beginning of year 1 July 2018	3,208,510	2,034,932	23,000	5,266,442
Profit for the year	13,205,654	-	-	13,205,654
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	13,205,654	-	-	13,205,654
Contribution from related party	-	4,257,066	-	4,257,066
Acquisition of reserves	-	-	360,968	360,968
Allocation to/(from) capital funds	(11,502,569)	11,502,569	-	-
Balance at end of year 30 June 2019	4,911,595	17,794,567	383,968	23,090,130

Salvation Army Housing (Victoria)

Statement of Cash Flows


For the year ended 30 June 2019

	Note	2019	2018
		\$	\$
Cash flows from operating activities			
Cash receipts from government and clients		11,143,426	11,170,115
Cash paid to suppliers and employees		(9,062,529)	(9,939,190)
Cash from operations		2,080,897	1,230,925
Interest paid		(77,721)	(42,236)
Net cash from operating activities	5	2,003,176	1,188,690
Cash flows from investing activities			
Interest received		166,858	138,377
Purchase of Property Plant and Equipment		127,401	(1,005,685)
Net cash (used in)/from investing activities		294,259	(867,307)

	Note	2019	2018
		\$	\$
Cash flows from financing activities			
Proceeds from interest free loan		-	-
Net cash used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		2,297,435	321,382
Cash and cash equivalents at 1 July 2018		3,943,670	3,622,288
Cash and cash equivalents at 30 June 2019		6,241,105	3,943,670

Contact Us


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Lisa Dalla-Zuanna,
State Manager


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Salvation Army Housing (Victoria)


Geelong Office

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Belmont, Vic. 3216

 (03) 5244 9502


Leongatha Office


 2 Long Street
Leongatha, Vic. 3953


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 (03) 5662 4589


Sunshine Office

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Sunshine, Vic. 3020

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Shepparton Office

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Shepparton, Vic. 3632

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Warrnambool Office

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Warrnambool, Vic. 3280

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Salvation Army
HOUSING
Victoria



Proud Member
2018-2020



ACCREDITED