

# Lifetime S U P P O R T



Government of  
South Australia

## LIFETIME SUPPORT AUTHORITY 2022-23 Annual Report

LIFETIME SUPPORT AUTHORITY

30 Wakefield Street, ADELAIDE SA 5000

PO Box 1218, ADELAIDE SA 5000

[www.lifetimesupport.sa.gov.au](http://www.lifetimesupport.sa.gov.au)

Contact phone number: (08) 8463 6131

Contact email: [lifetime.support@sa.gov.au](mailto:lifetime.support@sa.gov.au)

ISSN: 2204-0102 (Print) and 2204-0110 (Online)

Date approved by the Board: 15 September 2023

Date presented to Minister: 29 September 2023

**OFFICIAL**

2022-23 ANNUAL REPORT for the Lifetime Support Authority

To:

The Hon Stephen Mullighan MP

Treasurer

This annual report will be presented to Parliament to meet the statutory reporting requirements of the *Motor Vehicle Accidents (Lifetime Support Scheme) Act 2013* and the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of the LIFETIME SUPPORT AUTHORITY by:

**Melinda OLeary**

Chair

Lifetime Support Authority Board

**Rick Howe**

Chief Executive

Lifetime Support Authority

Date 27/09/2023

Signature 

Date 27/09/2023

Signature 

## From the Chief Executive and Board Chair

We are pleased to present the annual report for the Lifetime Support Authority (LSA) for the financial year ended 30 June 2023. This report serves as a comprehensive overview of our organisation's performance and achievements in providing lifelong treatment, care and support to individuals affected by catastrophic injuries from motor vehicle accidents on South Australian roads.

In this report, you will find an account of the various programs, initiatives and services we have implemented over the 2022-23 financial year to deliver and improve our operations, in line with our commitment to make a positive difference to participants' recovery and independence.

### Performance highlights

In 2022-2023, the Lifetime Support Scheme (LSS) grew to 346 active participants, an increase of 46 over 12 months. The LSA accepted 63 participants into the LSS, from current and previous accident years, during the financial year, which is the highest intake number in a financial year since the LSA's inception. The high intake coincides with poor road safety outcomes in general during 2023, with serious injuries and fatalities from motor vehicle accidents on South Australian roads (as well as in other States) experiencing a significant increase compared to the year prior.

Twelve participants exited the scheme as a result of their injuries improving sufficiently to reach a point where they no longer meet the LSS eligibility criteria, and sadly, 7 participants passed away during the year.

We recorded an operating loss of \$128.5 million against a budgeted loss of \$22.7 million during the year. This is primarily the result of a higher than expected increase in the provision for future participant treatment, care and support, which in turn, was mostly due to changes in long-term actuarial inflation assumptions.

The current costs for treatment, care and support throughout the year were lower than budgeted, as a result of the LSA's focus on delivering positive participant outcomes in the long term through early intervention and recovery. Additionally, investment markets performed relatively well for the year and delivered favourable actual investment returns compared to long-term target returns.

Overall, the LSA has finished the year with a reported solvency ratio of 87% (based on risk free discount rate assumptions), which is down from the 93% reported 12 months ago. Whilst this remains within the LSA Board of Director's solvency target range of 80-120%, it is important to note that the Economic Funding Ratio (based on long term expected discount return discount rate assumptions) reduced to 116% from 120% in 2021-22, thus continuing a recent downward trend. This related mainly to lower than expected investment returns in 2021-22 and to changes in long term inflation and mortality assumptions since December 2021. This shows a trend of declining capital adequacy in the long term, which will need to be addressed in the years to come.



The LSA has 10 KPIs across various financial and administrative domains which are reported on in this Annual Report. All 10 were achieved for the year, reinforcing a solid operational performance for the Scheme.

## **Participants**

Total payments for treatment, care, and support services grew by \$7.5 million in 2022-23 to \$40.5 million, which remains within the actuarial estimates and below budget for the year. This is an excellent result in the current environment characterised by inflationary and workforce pressures, and is due to our focus on consistent decision making and person-centred service planning.

This year's participant survey showed a 92% satisfaction rate amongst surveyed participants, which represents a significant improvement compared to the previous survey (83%) and is well above the target of 80%.

Being a LSS participant is not something any individual nor family wishes for a loved one. The LSA acknowledges this, and Service Planners work closely with participants and their families to understand what matters to them. Planning and funding for participants is individualised and reflects the distinctive needs and preferences of each situation. Participants are encouraged to set specific goals relating to their recovery and independence, and a large number have been achieved this year.

## **Our People**

Our dedicated staff have worked tirelessly to ensure that Scheme participants receive the necessary assistance to overcome the impact of their injuries, in order to lead the life of their choice and achieve their fullest potential.

The organisation has grown to 100 FTE at the end of the year (including project resources), which is an increase of 5 FTE from the year prior. This reflects the staffing requirements necessary to keep up with continued growth of the Scheme (projected to grow by approximately 50 new participants each year).

Our hybrid and flexible model of working continues to support staff health and wellbeing, as evident through direct feedback from staff and our staff engagement score remaining strong over the year with an average score of 75.

## **Partnerships**

We have continued to prioritise collaboration with healthcare professionals, rehabilitation specialists, peak disability groups and community organisations to build market capacity and provide comprehensive support, tailored to the unique needs of each participant.

We extend our deepest gratitude to our dedicated staff, service providers, partner organisations, government agencies and the wider community for their ongoing collaboration and commitment to our purpose. As we look ahead to the future, we remain committed to ongoing collaboration, continuous improvement and innovation in the pursuit of making a positive difference to the lives of participants, who are at the centre of what we do.



To this end, the SALSA2 project, which is implementing a new core system for the organisation, progressed substantially during the year. It is now anticipated to go live during the first half of FY24, with the build largely completed during FY23 and data migration and testing now well underway.

Once operational, this will provide the LSA with the opportunity to further streamline administrative processes in the future to free up time for Service Planners to spend working directly with participants.

### **Board renewal**

The Board commenced a planned renewal process in 2021-22, which continued this year with the retirement of Arabella Branson from the Board and as Chair of the Applications and Rules Committee. Arabella had served on the Board since the inception of the LSA and we thank her for her dedicated service to the LSA over the last 9 years. The Treasurer appointed Talia Begley to the Board and extended the tenure of existing Board Member and Chair of the Finance and Investment Committee, Ken Williams, during the year.

Rick Howe

**Chief Executive**

Lifetime Support Authority

Melinda OLeary

**Board Chair**

Lifetime Support Authority

## Contents

<b>Overview: about the agency.....</b>	<b>7</b>
Our strategic focus.....	7
Our organisational structure.....	9
Changes to the agency .....	9
Our Minister .....	9
Our Executive team .....	10
Legislation administered by the agency .....	11
Other related agencies (within the Minister's area/s of responsibility).....	11
<b>The agency's performance.....</b>	<b>12</b>
Performance at a glance .....	12
Agency specific objectives and performance .....	13
Corporate performance summary .....	16
Agency performance management and development programs.....	17
Work health, safety and return to work programs .....	19
Executive employment in the agency.....	20
<b>Financial performance .....</b>	<b>21</b>
Financial performance at a glance .....	21
Consultants disclosure .....	22
Contractors disclosure .....	23
Other financial information .....	23
<b>Risk management.....</b>	<b>25</b>
Risk and audit at a glance .....	25
Fraud detected in the agency.....	25
Strategies implemented to control and prevent fraud.....	25
Public interest disclosure .....	25
<b>Reporting required under any other act or regulation .....</b>	<b>26</b>
<b>Public complaints.....</b>	<b>27</b>
Number of public complaints reported. ....	27
Additional Metrics.....	28
Service Improvements .....	29
Compliance Statement.....	29



## Appendix: Audited financial statements 2022-23 ..... 30

**Overview: about the agency****Our strategic focus**

<b>Our Purpose</b>	The Lifetime Support Authority (LSA) plans and funds person-centred treatment, care and support services to make a positive difference to Lifetime Support Scheme (LSS) Participants' recovery and independence.
<b>Our Vision</b>	Making a difference in the lives of Lifetime Support Scheme Participants, who are at the centre of what we do.
<b>Our Values</b>	<p>At the LSA, our values are brought to life each day by our committed and passionate staff:</p> <p><b>People and Passion:</b></p> <ul style="list-style-type: none"> <li>• Our dedicated team offer valuable skills and a like-minded community, always working to better the lives of others.</li> <li>• Fuelled by passion, and with a true sense of purpose and solidarity, we work towards our shared long-term vision: together we're committed to building authentic relationships with each other, participants, their families and carers.</li> </ul> <p><b>Innovation and Growth</b></p> <ul style="list-style-type: none"> <li>• Inspired by the courage and determination shown by participants and their families, we're always searching for new ways to make a difference.</li> <li>• With our innovative mindset and curious nature, we encourage growth by asking; if not, why not?</li> <li>• We empower those around us with knowledge and resources to overcome obstacles and reach new goals, so together we can look to the future with enthusiasm and optimism.</li> </ul> <p><b>Trust and Respect:</b></p> <ul style="list-style-type: none"> <li>• At the LSA we are accountable and lead by example. We understand trust is earned when actions meet words, so our colleagues, participants and their families can always expect honest, open communication and a genuine sense of care.</li> <li>• We build mutual respect by treating everyone with dignity and kindness.</li> </ul>

**Our  
functions,  
objectives  
and  
deliverables**

The LSA's key strategic themes for 2022-23 were:

1. Person-centred treatment, care and support for participants
2. Staff and systems which make a positive difference for participants.
3. A sustainable Scheme for current and future participants.
4. Strong and productive relationships with key stakeholders and service providers, to benefit participants and the Scheme.
5. Research, Education and Programs that ultimately aim to make a positive difference for participants and the Scheme.

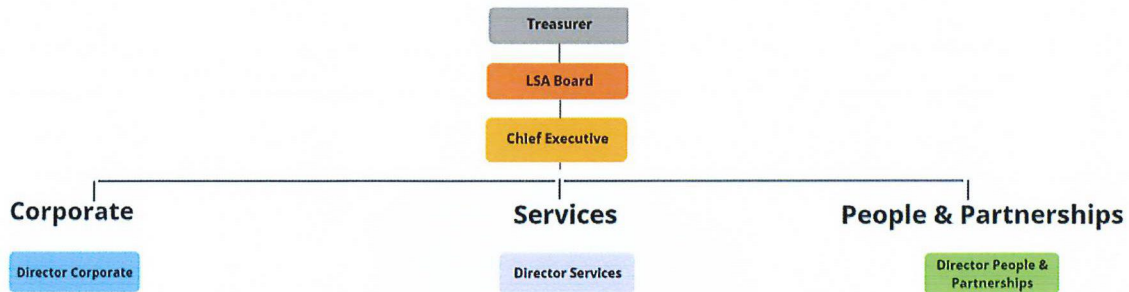
The LSA's key objectives for 2022-23 were as follows:

Objective	Target
Participant survey – experience	≥ 80%
Current MyPlan in place for active participants	100%
Staff engagement – Teamgage	≥ 70%
Performance measurement – bi-annual reviews completed	100%
Research, Education and Programs – delivery of contractual milestones	≥ 80%
Funding ratio	80% to 120%
Investment returns since inception	≥ 6.25%
Net expense ratio	≤ 12.5%
Costs managed against budget	Favourable variance



## Our organisational structure

The chart below reflects the LSA's organisational structure as at 30 June 2023.



## Lifetime Support Authority Organisational Structure

The LSA is governed by the LSA Board with three subcommittees – the Audit Committee, the Rules & Organisational Performance Committee and the Finance & Investment Committee.

*\* The Applications & Rules Committee was renamed to Rules and Organisational Performance Committee during the year, and its remit was expanded to encompass responsibility and focus for matters related the LSA's human resources, remuneration, organisational culture and performance in relation to people responsibilities.*

During 2022-23, the Board members were:

- Melinda OLeary (Chair)
- George Potter
- Kenneth Williams (Chair of the Finance & Investment Committee)
- Kevin Cantley PSM (Chair of the Audit Committee)
- David Russell
- Linda Matthews (Chair of the Rules & Organisational Performance Committee, October 2022-present)
- Talia Begley (October 2022-present)
- Arabella Branson (Chair of the Applications & Rules Committee) (July-October 2022)

## Changes to the agency

During 2022-23 there were no material changes to the agency's structure and objectives as a result of internal reviews or machinery of government changes.

## Our Minister

The Hon Stephen Mullighan MP is the Treasurer in South Australia.

The *Motor Vehicle Accidents (Lifetime Support Scheme) Act 2013* was committed to the Treasurer on 26 May 2022 (The South Australian Government Gazette, No 34, 2022).

## Our Executive team



Rick Howe  
Chief Executive



Kylie Smith  
Director, Services



Boris Petrovic  
Director, Corporate



Gemma Cooper  
Director, People and  
Partnerships

As at 30 June 2023, Rick Howe is the Chief Executive, who leads the LSA.

Boris Petrovic is the Director Corporate, responsible for overseeing finance, procurement, legal, governance and risk, and information technology functions.

Gemma Cooper is the Director People and Partnerships, responsible for overseeing human resources, work health and safety, people systems, culture and capability, as well as communication and engagement functions and research, education and programs.



Kylie Smith is the Director Services, responsible for overseeing the LSA's core operations that support LSS participants, including service planning, specialist technical services, as well as quality and safety.

**Legislation administered by the agency**

*Motor Vehicle Accidents (Lifetime Support Scheme) Act 2013*

**Other related agencies (within the Minister's area/s of responsibility)**

Department of Treasury and Finance

CTP (Compulsory Third Party) Insurance Regulator

South Australian Government Finance Authority (SAFA)

Super SA

Funds SA

## The agency's performance

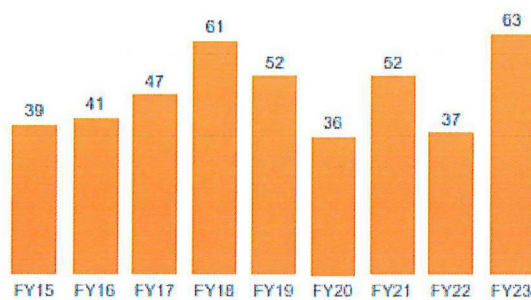
### Performance at a glance

Since the Scheme commenced, 428 participants have been accepted into the Scheme as at 30 June 2023. There were 346 remaining in the Scheme as active participants as at 30 June 2023. Due to injuries no longer being eligible or death, 82 participants were no longer in the Scheme as at 30 June 2023.

### Participant Statistics

Data shown is as at 30 June 2023.

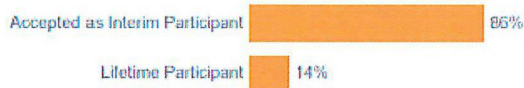
By Financial Year of Acceptance



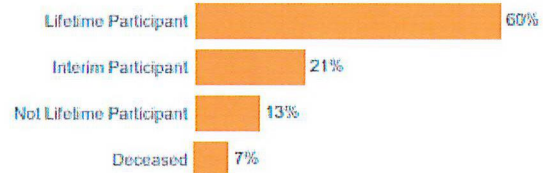
By Accident Year



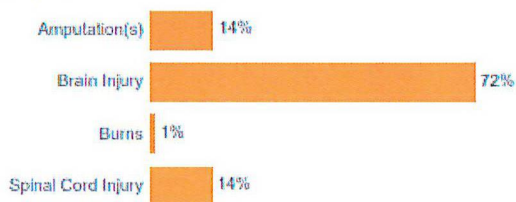
By Status at Acceptance



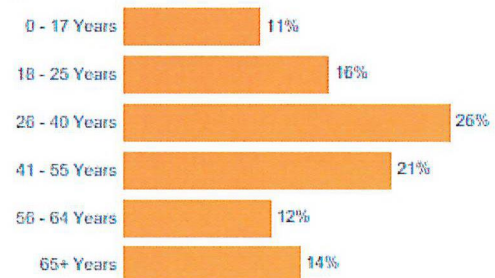
By Status at 30 June 2023



By Injury



By Age at Acceptance



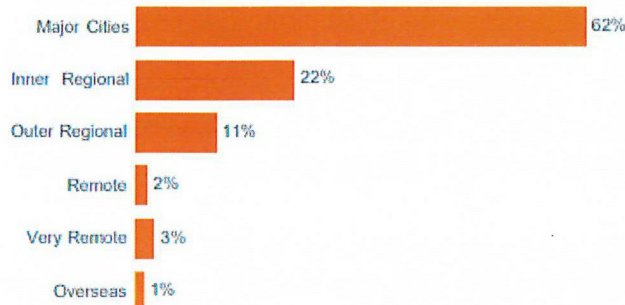
Note: Percentages have been rounded.



## Participant Statistics

Data shown is as at 30 June 2023.

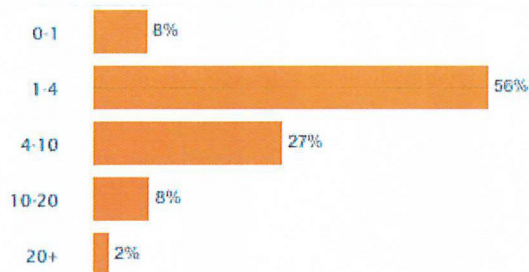
By ABS Remoteness Area or Overseas Location at Application



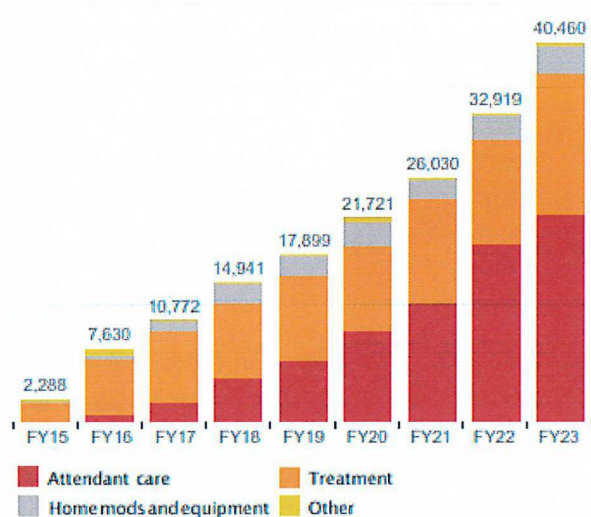
By State or Overseas Location at Application



By Estimated Liability Cost (\$m)



TCS by Year and Category (\$'000)



Note: Percentages have been rounded.

## Agency specific objectives and performance

### Financial performance

The LSA funds treatment, care and support services for LSS participants. LSS Levies collected each year are intended to fully fund the estimated lifetime costs for new participants who have accidents in the relevant year and meet the eligibility criteria for acceptance into the Scheme.

LSS Levy collections during 2022–23 were \$188.7 million (compared to \$179.7 million in 2021–22). The higher collections were a result of an increase in the number of registered vehicles and the LSS Fund Levy rate increasing. The average annual levy paid by motor vehicle owners, \$116.51, increased by 2.8% compared to 2021–22. Currently, only a small part of the LSS Levy is required to fund current year Scheme costs and LSA's operating costs, with the balance required to meet the

future liabilities associated with current participants. These unspent funds are invested in a diversified high growth investment portfolio until they are required.

The LSA invests with Funds SA, the South Australian Government owned corporation which invests and manages funds of approved authorities. Financial assets of the LSA have grown to \$1,478.3 million as at 30 June 2023 primarily as a result of LSS Fund Levy contributions being invested. The nominal investment return for the LSA investment fund was 7.9%, resulting in a \$104.1 million return on investments for the year ending 30 June 2023. LSA's investment assets will be used to fund treatment, care and support for all current LSS participants over the next several decades.

The total payments for treatment, care, and support services in 2022-23 amounted to \$40.5 million (compared to \$32.9 million in 2021-22). The types of treatment, care and support funded are shown in the table below.

	2022-23		2021-22	
	\$'000s	%	\$'000s	%
Attendant Care and Support	22,130	54.7%	18,970	57.7%
Hospital	8,201	20.3%	4,683	14.2%
Rehabilitation	6,027	14.9%	5,739	17.4%
Equipment	2,623	6.5%	2,106	6.4%
Medical Treatment Services	937	2.3%	771	2.3%
Home and Vehicle Mods	286	0.7%	458	1.4%
Other	256	0.6%	192	0.6%
<b>TOTAL</b>	<b>40,460</b>		<b>32,919</b>	

The LSS is growing, and it is expected that slightly over 50 new participants on average will enter the Scheme each year for the next several decades, offset by the number of participants exiting the Scheme due to injury improvement or death (currently approximately 10 per annum but expected to rise each year). As such, the increase in total costs compared to last year is expected and is within the amount modelled by the independent actuary.

In addition to the above expenses, a further \$340.8 million has been added to the provisions in relation to future treatment, care and support costs compared to last year. The increase compared to last year is mostly related to new provisions for accidents which occurred during 2022-23, which added \$263.3 million in new provisions along with changes to inflation assumptions which increased the expected cost for existing scheme participants by \$132.4 million. This was offset by favourable changes to the risk-free discount rate assumptions, resulting in a \$54.9 million reduction to the provision for future treatment, care and support costs.

#### *Key Performance Indicators*

The LSA sets Key Performance Indicators which are contained in the 2022-26 Strategic Plan. These are used for the purpose of reporting on LSA's performance to the Board and the responsible Minister as required by [LSA's Charter](#), and we share here:



# OFFICIAL

## 2022-23 ANNUAL REPORT for the Lifetime Support Authority

Agency objectives	Indicators (Target)	Performance
Participant survey – experience	≥80%	Participant experience showed a 92% satisfaction rate (either 'very satisfied' or 'satisfied'), which is an improvement compared to the previous survey (83%) and remains above the target of 80%.
Current MyPlan in place for active participants	100%	The 100% target for a current MyPlan was achieved.
Staff engagement - Teamgage	≥70%	Staff engagement is being reported as '75% engaged' (as reported via Teamgage) which is above the target of 70%.
Performance measurement – bi-annual reviews	100%	The LSA continues to meet the KPI relating to staff performance reviews. The six-monthly performance reviews were completed in September 2022 and March 2023, with 100% of eligible staff completing the review process.
Research Education and Programs – delivery of contractual milestones	≥80%	The Research, Education and Programs (REP) KPI was met, with 97% of contractual milestones delivered as planned.
Funding Ratio	80-120%	The accounting funding ratio for the scheme is 87% (down from 93% as at June 2022) and remains within the Board's target range of 80% to 120%.
Investment returns since inception	≥6.25%	The investment return since inception for the Funds SA LSS Strategy is 7.3%, which is 1.05% above the long-term investment return target of 6.25%.
Net expense ratio	≤12.5%	Net expense ratio is 11.3% for the year, compared to a target of 12.5%. This is primarily due to expenses being below budget as well as favourable LSS Levy revenue experience.
Costs managed against budget	Favourable variance	Operating expenses (excluding treatment, care and support) are favourable compared to budget by \$4 million for the year. This is primarily due to favourable service delivery expenses.

## **Corporate performance summary**

The LSA's key corporate initiatives in 2022-23 included:

### **IT**

- Continued implementation throughout the year of the LSA's primary Customer Relationship Management (CRM) system, Salesforce. Readiness of the new solution is planned for the first half of 2023-24 and aims to modernise the LSA's key business processes, while delivering the benefit of a cloud platform to provide flexibility, rapid deployment and easy operation.
- Implementation of a Helpdesk Ticketing System for the IT Support Team.
- Revitalisation of the LSA Intranet platform.
- Participation in a Cyber Security exercise run by the Cyber Security Office, Department of the Premier and Cabinet.

### **Human Resources**

- 'MyCareer' Whole of Government HR System Implementation – Performance Management and Learning and Development modules completed.
- Establishment and implementation of a new Performance Development Framework.
- Development and rollout of a Positive Behaviour Support Program to improve key skills in this area across the industry.

### **Procurement**

- Provider fee schedules established and implemented for Allied Health providers.

### **Legal and regulatory**

- LSS Rules Implementation completed following LSS Rules review in 2022-23.

### **Service Delivery**

- A formal business plan for Supported Accommodation was developed to understand the need and risk for the LSA and LSS participants and identify causes of, and possible options to address, the prioritised gaps. The plan is to be implemented over the next 3 years.
- A new Service Provider Capability Development Feasibility Study was completed.
- Actions to address improved early notification of motor vehicle accidents were completed.



## Research, Education and Programs

- A new LSA Innovate Forum program was developed, which will commence in 2023-24.
- The 2022-23 grant round was completed successfully with 4 research, 1 education and 2 program grants allocated to commence in 2023-2024.

## Agency performance management and development programs

Performance management and development programs	Performance
Learning and Development	The LSA have comprehensive customised inductions for all new staff in place. A new Learning management system – myCareer - was introduced across the LSA, resulting in improved functionality and performance in assigning mandatory training for LSA staff and in securing professional development opportunities. An LSA staff development register was established to ensure all LSA staff have individual development plans in place and these are reviewed annually. A new competency matrix tool to map skills, knowledge and behaviours to roles across the LSA was also introduced.
Organisational Development	All staff at the LSA have completed a series of Better Conversations, Better Outcomes workshops designed to promote open and frank conversations within teams and with colleagues across the LSA. A focus on the delivery of timely and effective feedback assisted with performance and development conversations held biannually. In addition, LSA managers completed Managing Mental Health in the Workplace and Workplace Disclosure training.

Performance management and development programs	Performance
LSA Leadership Program	<p>15 people completed the LSA Leadership Program in 2022. The cohort produced the first LSA Leadership Statement and a LSA Leadership Engagement Forum was established. Program Alumni meet bimonthly to discuss successes and challenges and revisit program learnings.</p> <p>A new Provider was appointed to deliver the next LSA Leadership Program.</p>
Succession Planning	<p>The LSA introduced a dedicated LSA succession planning policy and procedure and established an LSA critical roles register. Succession plans are now in place for the following critical roles: LSA Chief Executive, LSA Directors and LSA Senior Managers</p>
Performance & Development Conversations	<p>100% of LSA staff completed biannual performance and development conversations in the new myCareer platform.</p>



### Work health, safety and return to work programs

Program name	Performance
Employee Assistance Program (EAP)	<p>LSA employees are provided with access to an independent and free counselling service through the Employee Assistance Program.</p> <p>LSA employees have two EAP providers to choose from and 12 domains of EAP support are available.</p>
Mental Health First Aid	<p>LSA has five trained Mental Health First Aiders, with two more attending training in late July 2023. All employees are eligible to nominate for this training.</p>
Wellbeing for Our People Program (DTF)	<p>LSA employees have access to a range of DTF work health and safety, and wellbeing initiatives including the Wellbeing for Our People program. Program initiatives include flu vaccinations, psychological and physical health, workplace support, engagement and connection</p>
Work Health, Safety, and Injury Management	<p>All LSA Employees complete Work Health and Safety and Injury Management for Workers online training module, on commencement and then again every three years.</p> <p>LSA People leaders complete Work Health and Safety and Injury Management Essentials for Managers online training, on appointment and then again every three years.</p>
WHS Officer training	<p>LSA Board members and Executive team attended Work Health &amp; Safety (WHS) Officer training to gain further clarity around WHS legislation and defined due diligence responsibilities under the <i>Work Health and Safety Act 2012</i>.</p>

Workplace injury claims	2022-23	2021-22	% Change (+ / -)
Total new workplace injury claims	1	1	0%
Fatalities	0	0	N/A
Seriously injured workers*	0	0	N/A
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	N/A	N/A	N/A

\*number of claimants assessed during the reporting period as having a whole person impairment of 30% or more under the Return to Work Act 2014 (Part 2 Division 5)

## OFFICIAL

### 2022-23 ANNUAL REPORT for the Lifetime Support Authority

Work health and safety regulations	2022-23	2021-22	% Change (+ / -)
Number of notifiable incidents ( <i>Work Health and Safety Act 2012, Part 3</i> )	0	0	N/A
Number of provisional improvement, improvement and prohibition notices ( <i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i> )	0	0	N/A

Return to work costs**	2022-23	2021-22	% Change (+ / -)
Total gross workers compensation expenditure (\$)	\$74,354	\$105,289	-39%
Income support payments – gross (\$)	\$178,713	\$110,829	+61%

\*\*before third party recovery

Data for previous years is available at <https://www.lifetimesupport.sa.gov.au/about-us/governance/annual-report>

#### Executive employment in the agency

Executive classification	Number of executives
Non-SAES Executives	5

The [Office of the Commissioner for Public Sector Employment](#) has a [workforce information](#) page that provides further information on the breakdown of executive gender, salary and tenure by agency.



## Financial performance

### Financial performance at a glance

The following is a brief summary of the overall financial position of the agency. Full audited financial statements for 2022-2023 are attached to this report.

The 2022-23 comprehensive result of a \$128.5 million loss is \$105.8 million worse than the budgeted loss of \$22.7 million.

This is as a result of the \$131.3 higher than expected actuarial valuation of outstanding provisions for treatment, care and support, which is primarily due to changes in long-term actuarial inflation assumptions, offset by positive performance in other key budget lines.

Statement of Comprehensive Income	2022-23 Budget \$000s	2022-23 Actual \$000s	Variation \$000s	2021-22 Actual \$000s
Total Income	272,253	293,007	20,754	179,757
Total Expenses	294,998	421,526	(126,528)	243,495
<b>Net Result</b>	<b>(22,745)</b>	<b>(128,519)</b>	<b>(105,774)</b>	<b>(63,738)</b>
<b>Total Comprehensive Result</b>	<b>-</b>	<b>(128,519)</b>	<b>-</b>	<b>(63,738)</b>

Statement of Financial Position	2022-23 Actual \$000s	2021-22 Actual \$000s
Current assets	5,826	4,901
Non-current assets	1,483,267	1,271,170
<b>Total assets</b>	<b>1,489,093</b>	<b>1,276,071</b>
Current liabilities	67,798	52,623
Non-current liabilities	1,635,499	1,309,133
<b>Total liabilities</b>	<b>1,703,297</b>	<b>1,361,756</b>
<b>Net liabilities</b>	<b>(214,204)</b>	<b>(85,685)</b>
<b>Total Equity</b>	<b>(214,204)</b>	<b>(85,685)</b>

The LSA's reported solvency ratio (based on risk free discount rate assumptions) at the end of the 2022-23 financial year is 87%, which is down from the 93% reported 12 months ago. This remains within the LSA Board of Director's solvency target range of 80-120%.

Notwithstanding the above, it is important to note that the Economic Funding Ratio (based on long term expected investment return discount rate assumptions) reduced to 116% in 2022-23 from 120% reported in 2021-22, thus continuing a recent downward trend for this indicator from a peak of 175% reported in 2020-21. This trend is primarily related to lower than expected investment returns in 2021-22 (which reduced growth in the asset base) and the scheme actuary's changes to long term inflation and mortality assumptions since December 2021 in recognition of scheme experience and environmental factors (which increased the liabilities).



**Consultants disclosure**

The following is a summary of external consultants that have been engaged by the LSA to undertake work for the agency, the nature of work undertaken, and the actual payments made for the work undertaken during the financial year.

Consultants engaged by the LSA on behalf of participants to deliver their treatment, care and support entitlements are excluded from this listing, as they benefit the participant, not the LSA.

**Consultancies with a contract value below \$10,000 each**

Consultancies	Purpose	\$ Actual payment
The Catapult Effect	Consultancy of participant service delivery model	\$3,135

**Consultancies with a contract value above \$10,000 each**

Consultancies	Purpose	\$ Actual payment
Finity Consulting Pty Ltd	Provision of actuarial services	\$409,019
PricewaterhouseCoopers	Provision of internal audit and consultancy services	\$249,192
Guy Carpenter & Company Pty Ltd	Provision of reinsurance brokerage services	\$68,181
PricewaterhouseCoopers Consulting (Australia) Pty Ltd	Actuarial Peer Review services	\$28,000
PricewaterhouseCoopers Consulting (Australia) Pty Ltd	Salesforce Assurance services	\$20,127
Intelligent Business Research Services Pty Ltd	IT Advisory services	\$18,562
	Total	\$768,216

Data for previous years is available at: <https://www.lifetimesupport.sa.gov.au/about-us/governance/annual-report>.

See also the [Consolidated Financial Report of the Department of Treasury and Finance](#) for total value of consultancy contracts across the South Australian Public Sector.

### Contractors disclosure

The following is a summary of external contractors that have been engaged by the agency, the nature of work undertaken, and the actual payments made for work undertaken during the financial year.

Contractors engaged by the LSA on behalf of participants to deliver their treatment, care and support entitlements are excluded from this listing, as they benefit the participant, not the LSA.

#### Contractors with a contract value below \$10,000

Contractors	Purpose	\$ Actual payment
Wavemaker Australia Pty Ltd	Media planning, strategy and media release.	\$2,675

#### Contractors with a contract value above \$10,000 each

Contractors	Purpose	\$ Actual payment
Stillwell Management Consultants Pty Ltd	Executive Recruitment	\$24,817
Show Pony Adelaide Pty Ltd	Video & Photography	\$31,665
Taptu Pty Ltd	LSA Intranet Revitalisation	\$30,505
	Total	\$87,662

Data for previous years is available at: <https://www.lifetimesupport.sa.gov.au/about-us/governance/annual-report>

The details of South Australian Government-awarded contracts for goods, services, and works are displayed on the SA Tenders and Contracts website. [View the agency list of contracts](#).

The website also provides details of [across government contracts](#).

### Other financial information

Under s43(5) of the *Motor Vehicle Accidents (Lifetime Support Scheme) Act 2013*, if the responsible Minister, in acting under subsection (4), makes a determination that is inconsistent with the determination embodied in the Authority's report under subsection (3), the Authority must include a report on the matter in its annual report.

In May 2022 the responsible Minister (the Minister for Health and Wellbeing) made a determination that the LSS Fund Levy for 2022-23 would increase by 2.8% from



1 July 2022, compared to LSA's recommendation of a 5.4% increase. The impact of this decision is reflected in the agency's results for 2022-23.

It is also noted that in April 2023 the responsible Minister (the Treasurer) made a determination that the LSS Fund Levy for 2023-24 would increase by 8.6% from 1 July 2023, compared to LSA's recommendation of a 9.6% increase. Whilst this decision does not impact the agency's results for 2022-23, it will be reflected in the agency's results for 2023-24 and is included in this report in the interest of timely disclosure in line with the LSA's obligations under the Act.

## Risk management

### Risk and audit at a glance

The LSA, as an independent statutory authority, has appropriate internal control and risk management frameworks in place. The LSA's Audit Committee is a sub-committee of the Board and meets four times a year to provide assistance to the Board on the operation and effectiveness of the LSA's accounting, control, risk management, internal and external auditing. The LSA has internal compliance, review and process assessments, monitored by the LSA Board and/or Board Committees where appropriate. The LSA management of its internal control framework is incorporated into the LSA Governance Framework. The LSA's Internal Auditor is PricewaterhouseCoopers (PwC).

### Fraud detected in the agency

No incidents of fraud or suspected fraud were reported during 2022-23.

### Strategies implemented to control and prevent fraud

The LSA has a Fraud and Corruption Control Policy, Framework and Reporting Procedure, and maintains a Fraud Incident Register. The Policy incorporates the obligations under the following:

- Code of Ethics for South Australian Public Sector
- South Australian Public Sector Fraud and Corruption Policy
- *Independent Commission Against Corruption (ICAC) Act 2012*
- *Public Interest Disclosure Act 2018*
- Treasurer's Instructions
- *Public Sector (Honesty and Accountability) Act 1995*
- the LSA Code of Conduct and Participant Service Charter
- OPI and Ombudsman Directions and Guidelines.

The LSA Chief Executive reviewed Executive Declarations on a quarterly basis, confirming that risk controls, including fraud controls, were in place in their respective areas. Allegations of fraud, misconduct and maladministration were reported as soon as practical to the Audit Committee and Board Chairs. Quarterly updates were provided to the Audit Committee and the LSA provided an annual updated summary of all matters and their status.

### Public interest disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Public Interest Disclosure Act 2018*:

- 0 (nil)

Note: Disclosure of public interest information was previously reported under the *Whistleblowers Protection Act 1993* and repealed by the *Public Interest Disclosure Act 2018* on 1/7/2019.



## Reporting required under any other act or regulation

Act or Regulation	Requirement
Not applicable	Not applicable

## Public complaints

Number of public complaints reported.

Complaint categories	Sub-categories	Example	Number of Complaints 2022-23
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	-
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	-
Professional behaviour	Staff knowledge	Lack of service specific knowledge; incomplete or out-of-date knowledge	-
Communication	Communication quality	Inadequate, delayed, or absent communication with customer	3
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	-
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	-
Service delivery	Access to services	Service difficult to find; location poor; facilities/ environment poor standard; not accessible to customers with disabilities	3
Service delivery	Process	Processing error: incorrect process used; delay in processing application; process not customer responsive	-
Policy	Policy application	Incorrect policy interpretation: incorrect policy applied; conflicting policy advice given	-
Policy	Policy content	Policy content difficult to understand; policy	-



**OFFICIAL**

## 2022-23 ANNUAL REPORT for the Lifetime Support Authority

Complaint categories	Sub-categories	Example	Number of Complaints 2022-23
		unreasonable or disadvantages customer	
Service quality	Information	Incorrect, incomplete, out-dated or inadequate information; not fit for purpose	-
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	-
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	-
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	-
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	4
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	5
		<b>Total</b>	<b>15</b>

Additional Metrics	Total
Number of positive feedback comments	11
Number of negative feedback comments	1
Total number of feedback comments	12
Number of complaints closed in financial year	9

## Service Improvements

In 2022-2023, the LSA continued to consolidate its approach to complaints management resulting in the following improvements.

- A 53% decrease in total complaints received 2022-23 (15) compared to 2021-2022 (32).
- A 74% decrease in complaints category “No case to answer” received in 2022-23 (5) compared to 2021-2022 (19). Note these are all complaints received about service providers funded by the LSS to provide treatment, care, and support to participants, not about the LSA itself.

The LSA reports on the performance of its complaints management system to the LSA Board at each meeting.

In addition, the LSA has a Quality Assurance Program (QAP) that is delivered and reviewed regularly by its Quality and Safety team. The QAP identifies opportunities for improvement and minimises risks in the service planning process.

## Compliance Statement

Lifetime Support Authority is compliant with Premier and Cabinet Circular 039 – complaint management in the South Australian public sector	Y
Lifetime Support Authority has communicated the content of PC 039 and the agency's related complaints policies and procedures to employees.	Y



## Appendix: Audited financial statements 2022-23

# INDEPENDENT AUDITOR'S REPORT



Government of South Australia  
Auditor-General's Department

Level 9  
State Administration Centre  
200 Victoria Square  
Adelaide SA 5000  
Tel +618 8226 9640  
ABN 53 327 061 410  
audgensa@audit.sa.gov.au  
www.audit.sa.gov.au

## To the Chair Lifetime Support Authority of South Australia

### Opinion

I have audited the financial report of the Lifetime Support Authority of South Australia for the financial year ended 30 June 2023.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Lifetime Support Authority of South Australia as at 30 June 2023, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2023
- a Statement of Financial Position as at 30 June 2023
- a Statement of Changes in Equity for the year ended 30 June 2023
- a Statement of Cash Flows for the year ended 30 June 2023
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Chair, the Chief Executive, and the Director Corporate.

### Emphasis of matter

Without qualification to the opinion expressed above, attention is drawn to note 7.3 of the financial report. There is a significant uncertainty surrounding the estimate of the provision for participant treatment, care and support because of the long-term nature of the provision and limited participant experience to date.



## **Basis for opinion**

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Lifetime Support Authority of South Australia. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## **Responsibilities of the Chief Executive and members of the Board for the financial report**

The Chief Executive is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards, and for such internal control as management determines is 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.

In preparing the financial report, the Chief Executive is responsible for assessing the entity's ability to continue as a going concern. The Chief Executive is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

The members of the Board are responsible for overseeing the entity's financial reporting process.

## **Auditor's responsibilities for the audit of the financial report**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 21(2) of the *Motor Vehicle Accident (Lifetime Support Scheme) Act 2013*, I have audited the financial report of the Lifetime Support Authority of South Australia for the financial year ended 30 June 2023.

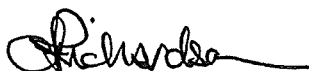
My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Lifetime Support Authority of South Australia's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- conclude on the appropriateness of the Chief Executive's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Chief Executive and members of the Board about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Andrew Richardson  
**Auditor-General**

22 September 2023



**Lifetime Support Authority of South Australia  
(LSA)**

**Financial Statements  
For the year ended  
30 June 2023**

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2023*

---

We certify that the:

- financial statements for the Lifetime Support Authority of South Australia (LSA):
  - are in accordance with the accounts and records of the LSA; and
  - comply with relevant Treasurer's Instructions; and
  - comply with relevant Australian Accounting Standards; and
  - present a true and fair view of the financial position of the LSA at the end of the financial year and the results of its operation and cash flows for the financial year.
- internal controls employed by the LSA for the financial year over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.



---

Rick Howe  
**Chief Executive**  
15 September 2023



---

Boris Petrovic  
**Director Corporate**  
15 September 2023



---

Melinda OLeary  
**Chair**  
15 September 2023



**Lifetime Support Authority of South Australia**  
**Statement of Comprehensive Income**  
*For the year ended 30 June 2023*

	Note	2023 \$'000	2022 \$'000
<b>Income</b>			
Revenues from LSS Fund levy	2.1	188 669	179 650
Investment revenues	2.2	104 145	-
Resources received free of charge	2.3	160	105
Other revenues		33	2
<b>Total income</b>		<b>293 007</b>	<b>179 757</b>
<b>Expenses</b>			
Duty on LSS Fund levy		18 697	17 814
Investment losses	2.2	-	17 724
Participant treatment, care and support expenses	4.1	381 268	187 657
Reinsurance		3 000	3 000
Employee benefits expenses	3.3	11 925	11 784
Service delivery and corporate expenses	4.2	3 639	3 515
Research Education Programs		1 847	876
Depreciation and amortisation	5.1, 5.3	1 022	1 079
Borrowing Costs	7.2	82	31
Other expenses		-	15
<b>Total expenses</b>		<b>421 480</b>	<b>243 495</b>
<b>Net result</b>		<b>(128 473)</b>	<b>(63 738)</b>
<b>Total comprehensive result</b>		<b>(128 473)</b>	<b>(63 738)</b>

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

**Lifetime Support Authority of South Australia**  
**Statement of Financial Position**  
*as at 30 June 2023*

	Note	2023 \$'000	2022 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6.1	3 981	2 970
Receivables	6.2	1 848	1 931
<b>Total current assets</b>		<b>5 829</b>	<b>4 901</b>
<b>Non-current assets</b>			
Financial assets at fair value	6.3	1 478 290	1 268 226
Property, plant and equipment	5.1	3 870	2 108
Intangible assets	5.3	3 820	836
<b>Total non-current assets</b>		<b>1 485 980</b>	<b>1 271 170</b>
<b>Total assets</b>		<b>1 491 809</b>	<b>1 276 071</b>
<b>Current liabilities</b>			
Payables	7.1	7 751	6 511
Employee benefits	3.4	1 025	1 191
Financial liabilities	7.2	453	545
Provisions	7.3	58 456	44 376
<b>Total current liabilities</b>		<b>67 685</b>	<b>52 623</b>
<b>Non-current liabilities</b>			
Payables	7.1	137	128
Employee benefits	3.4	1 397	1 176
Financial liabilities	7.2	2 783	569
Provisions	7.3	1 633 965	1 307 260
<b>Total non-current liabilities</b>		<b>1 638 282</b>	<b>1 309 133</b>
<b>Total liabilities</b>		<b>1 705 967</b>	<b>1 361 756</b>
<b>Net liabilities</b>		<b>(214 158)</b>	<b>(85 685)</b>
<b>Equity</b>			
Retained earnings		(214 158)	(85 685)
<b>Total equity</b>		<b>(214 158)</b>	<b>(85 685)</b>

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.



**Lifetime Support Authority of South Australia**  
**Statement of Changes in Equity**  
*for the year ended 30 June 2023*

---

	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2021	(21 947)	(21 947)
Net result for 2021-22	(63 738)	(63 738)
Total comprehensive result for 2021-22	(63 738)	(63 738)
Balance at 30 June 2022	(85 685)	(85 685)
Net result for 2022-23	(128 473)	(128 473)
Total comprehensive result for 2022-23	(128 473)	(128 473)
Balance at 30 June 2023	(214 158)	(214 158)

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

**Lifetime Support Authority of South Australia**  
**Statement of Cash Flows**  
*for the year ended 30 June 2023*

	Note	2023 \$'000	2022 \$'000
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
LSS Fund levy		188 766	179 642
Interest received		81	-
GST recovered from the ATO		1 092	619
Other revenues		12	-
<b>Cash generated from operating activities</b>		<b>189 951</b>	<b>180 261</b>
<b>Cash outflows</b>			
Duty on LSS Fund levy		(18 697)	(17 718)
Participant treatment, care and support expenses		(41 453)	(32 458)
Reinsurance		(3 088)	(2 987)
Employee benefits expenses		(11 958)	(11 563)
Service delivery and corporate expenses		(2 325)	(3 560)
Research, education and programs		(1 847)	(1 091)
Interest paid		(82)	(31)
Other expenses		-	(18)
<b>Cash used in operating activities</b>		<b>(79 450)</b>	<b>(69 426)</b>
<b>Net cash provided by operating activities</b>	8.1	<b>110 501</b>	<b>110 835</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Purchase of property, plant and equipment		(32)	(62)
Purchase of intangibles		(2 984)	(836)
Purchase of investments		(106 000)	(110 000)
<b>Cash used in investing activities</b>		<b>(109 016)</b>	<b>(110 898)</b>
<b>Net cash used in investing activities</b>		<b>(109 016)</b>	<b>(110 898)</b>
<b>Cash flows from financing activities</b>			
<b>Cash outflows</b>			
Repayment of leases		(474)	(515)
<b>Cash used in financing activities</b>		<b>(474)</b>	<b>(515)</b>
<b>Net cash used in financing activities</b>		<b>(474)</b>	<b>(515)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>1 011</b>	<b>(578)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>2 970</b>	<b>3 548</b>
<b>Cash and cash equivalents at the end of the period</b>	6.1	<b>3 981</b>	<b>2 970</b>

The accompanying notes form part of these financial statements.



**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2023*

---

**1. About the Lifetime Support Authority of South Australia**

The Lifetime Support Authority (the LSA) is a not-for-profit statutory authority of the State of South Australia. The LSA does not control any other entity and has no interest in unconsolidated structure entities.

The LSA was established on 1 July 2013 under section 7 of the *Motor Vehicle Accidents (Lifetime Support Scheme) Act 2013* (SA) (the Act).

The LSA is responsible for the administration of the Lifetime Support Scheme (LSS), which commenced on 1 July 2014.

**1.1. Basis of preparation**

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards.

No Australian Accounting Standards have been early adopted other than AASB 2021-1 which was adopted from 1 July 2021.

The financial statements are prepared based on a 12-month reporting period and presented in Australian currency. All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000). Any transactions in foreign currency are translated into Australian dollars at the exchange rate at the date the transaction occurs. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

Assets and liabilities that are to be sold, consumed or realised as part of the normal 12-month operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Significant accounting policies are set out throughout the notes.

The LSA is liable for fringe benefits tax (FBT) and goods and services tax (GST).

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

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

No provision has been made in these accounts for Income Tax Equivalent payment as the LSA has not met the required conditions in this financial year.

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2023*

---

**1.2. Objectives**

The LSS provides necessary and reasonable treatment, care and support for people who suffer very serious injuries in motor vehicle accidents on South Australian roads, regardless of fault. People who sustain injuries including spinal cord injury, brain injury, amputations or equivalent, major burns or blindness, in accordance with the LSS Rules, qualify for support. The LSS is funded by the LSS Fund levy paid on motor vehicle registrations. The LSS is delivered in accordance with the LSS Rules, which are made by the Governor on the recommendation of the LSA.

The functions of the LSA under the Act are to:

- monitor the operation of the LSS.
- provide advice to the Minister about the administration, efficiency and effectiveness of the LSS.
- provide support and funding for programs that will provide high-quality services to participants in the LSS, and research and education in connection with services provided to participants in the LSS.
- disseminate information about the LSS.
- keep the LSS Rules under review.
- be responsible for the LSS Fund.

**1.3. Significant transactions with government related entities**

Significant transactions with the SA Government include:

- The LSA is funded by the LSS Fund levy, paid on motor vehicle registrations in South Australia. During 2023 \$188.7m (2022: \$179.7m) of LSS Fund levy was collected by the Department for Infrastructure and Transport (DIT) and remitted to the LSA (refer to Statement of Comprehensive Income).
- Duty on the LSS Fund levy of \$18.7m (2022: \$17.8m) was paid to Revenue SA (refer to Statement of Comprehensive Income).
- The LSA invests with Funds SA, the South Australian Government owned corporation, which invests and manages funds of approved authorities. As at 30 June 2023, the fair value of the investment was \$1 478.3m (2022: \$1 268.2m) as set out in note 6.3. The increase of \$210.1m (2022: \$92.3m) was comprised of funds invested of \$106m (2022: \$110.0m) and a return on investments of \$104.1m (2022: \$17.7m loss on investments).
- The LSA has a Memorandum of Administrative Agreement (MoAA) with the Department for Health and Wellbeing (DHW) in relation to the funding for Lifetime Support Scheme participants receiving acute and non-acute services in Public Hospitals. The cost incurred under this agreement in 2023 was \$7.3m (2022: \$4.5m).
- The LSA has a Memorandum of Administrative Agreement (MoAA) with the Department of Human Services (DHS) in relation to the provision of attendant care and supported accommodation for Lifetime Support Scheme participants. The cost incurred under this agreement in 2023 was \$3.1m (2022: \$0.8m).



**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2023*

---

**2. Income**

**2.1. Revenues from LSS Fund Levy**

	2023	2022
	\$'000	\$'000
Revenues from LSS Fund levy	188 669	179 650
<b>Total revenues from LSS fund levy</b>	<b>188 669</b>	<b>179 650</b>

The LSS Fund levy is recognised as earned on the date of receipt in the Department for Infrastructure and Transport's (DIT) Transport Regulation User Management Processing System. The gross amount is inclusive of stamp duty payable to Revenue SA.

Cash waiting to be transferred from DIT to the LSA is recognised as a receivable.

**2.2. Investment revenues/ (losses)**

	2023	2022
	\$'000	\$'000
Interest income	81	-
Net gain/(loss) on financial assets designated at fair value through profit or loss	104 064	(17 724)
<b>Total investment revenues/ (losses)</b>	<b>104 145</b>	<b>(17 724)</b>

Refer to financial assets note 6.3 for further information.

**2.3. Resources received free of charge**

	2023	2022
	\$'000	\$'000
Services received free of charge - Shared Services SA	160	105
<b>Total Resources received free of charge</b>	<b>160</b>	<b>105</b>

Contribution of services are recognised only when a fair value can be determined reliably, and the services would be purchased if they had not been donated. The LSA receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA.

A corresponding expense is recognised in the financial statements refer note 4.2.

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2023*

---

**3. Board, committees and employees**

**3.1. Key management personnel**

Key management personnel of the LSA are the responsible Minister, the LSA Board, the Chief Executive and 3 members of the Executive Team who have responsibility for the strategic direction and management of the LSA.

The compensation disclosed in this note excludes salaries and other benefits received by the Treasurer as the responsible Minister. The responsible Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 the *Parliamentary Remuneration Act 1990*.

	2023	2022
Compensation	\$'000	\$'000
Short term benefits	1 058	1 284
Post-employment benefits	342	207
<b>Total compensation</b>	<b>1 400</b>	<b>1 491</b>

**Transactions with Key Management Personnel and other related parties**

The LSA did not enter into any transactions with key management personnel or their close family during the reporting period.

**3.2. Board and committee members**

Members during the 2023 financial year were:

**LSA Board**

Melinda OLeary (Chair)  
 Arabella Branson (term ended 7/10/2022)  
 Kevin Cantley  
 Linda Matthews  
 George Potter  
 David Russell  
 Kenneth Williams  
 Talia Begley (appointed 8/10/2022)

**Rules and Organisational Performance Committee**

Linda Matthews (Chair) (appointed Chair 8/10/2022)  
 Arabella Branson (former Chair) (term ended 7/10/2022)  
 Melinda OLeary  
 George Potter  
 Talia Begley (appointed 8/10/2022)

**Audit Committee**

Kevin Cantley (Chair)  
 Melinda OLeary  
 George Potter  
 David Russell

**Finance and Investment Committee**

Kenneth Williams (Chair)  
 Kevin Cantley  
 Linda Matthews  
 David Russell

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2023*

---

**3.2 Board and committee members (continued)**

**Board and committee remuneration**

The number of members whose remuneration received or receivable falls within the following bands:

	2023	2022
	No	No
\$0 - \$9 999	1	1
\$20 000 - \$39 999	1	3
\$40 000 - \$59 999	5	4
\$60 000 - \$79 999	-	1
\$80 000 - \$99 999	1	-
<b>Total number of members</b>	<b>8</b>	<b>9</b>

The total remuneration received or receivable by members was \$349 000 (2022: \$379 000). Remuneration of members reflects all costs of performing board/committee member duties includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax and any related fringe benefits tax paid.

Unless otherwise disclosed, transactions between members are on conditions no more favourable than those it is reasonable to expect the entity would have adopted if dealing with a related party at arm's length in the same circumstance.

**3.3. Employee benefits expenses**

	2023	2022
	\$'000	\$'000
Salaries and wages	8 172	7 885
Employment on-costs - superannuation	1 144	1 075
Annual leave	884	879
Employment on-costs - Payroll Tax	474	525
Board and committee fees	348	366
Long service leave	374	185
Targeted voluntary separation packages	165	195
Skills and experience retention leave	37	36
Other employee related expenses	327	638
<b>Total employee benefits expenses</b>	<b>11 925</b>	<b>11 784</b>

**Employment on-costs – superannuation**

The LSA employees are employed under either Part 7 of the *Public Sector Act 2009* or Section 18(1) of the *Motor Vehicle Accidents (Lifetime Support Scheme) Act 2013*.

The superannuation employment on-cost charge represents the LSA's contributions to superannuation plans in respect of current services of current employees. As the LSA is a controlled entity of the Crown, DTF centrally recognises the superannuation liability in the whole of government statements.



**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2023*

**3.3. Employee benefits expense (continued)**

***Employee remuneration***

The number of employees whose remuneration received or receivable falls within the following bands:

	2023	2022
	No	No
\$160 001 - \$180 000	3	1
\$180 001 - \$200 000	-	3
\$200 001 - \$220 000	1	-
\$220 001 - \$240 000	1	-
\$280 001 - \$300 000	-	1
\$380 001 - \$400 000	1	1
<b>Total number of employees</b>	<b>6</b>	<b>6</b>

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflect all costs of employment including salaries and wages, payments in lieu of leave, termination payments, superannuation contributions, salary sacrifice benefits, fringe benefits and any related fringe benefits tax. The total remuneration received by those employees for the year was \$1.34m (2022: \$1.4m).

***Targeted Voluntary Separation Packages (TVSPs)***

The number of employees who accepted a TVSP during the reporting period was 2 (2022: 3).

	2023	2022
	\$'000	\$'000
Amounts paid during the reporting period to separated employees:		
TVSPs	165	195
Leave paid to those employees	95	55
<b>Net cost to the LSA</b>	<b>260</b>	<b>250</b>

**3.4. Employee benefits liability**

	2023	2022
	\$'000	\$'000
<b><u>Current</u></b>		
Accrued salaries and wages	12	121
Annual leave	847	822
Long service leave	133	220
Skills and experience retention leave	33	28
<b>Total current employee benefits</b>	<b>1 025</b>	<b>1 191</b>
<b><u>Non-current</u></b>		
Long service leave	1 397	1 176
<b>Total non-current employee benefits</b>	<b>1 397</b>	<b>1 176</b>
<b>Total employee benefits</b>	<b>2 422</b>	<b>2 367</b>

Employee benefits accrue as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2023*

---

**3.4 Employee benefits liability (continued)**

**Salaries and wages, annual leave, skills and experience retention leave (SERL) and sick leave**

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at the reporting date.

The annual leave liability and the SERL liability in full is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick leave.

**Long service leave**

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

**Long service leave liability – measurement**

AASB 119 *Employee Benefits* contains the calculation methodology for long service leave liability.

The actuarial assessment performed by the DTF has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities.

AASB 119 requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has increased from 3.5 % (2022) to 4.0% (2023).

This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in a decrease in the reported long service leave liability.

Following the actuarial assessment performed by DTF the salary inflation rate has increased from 2.5% (2022) to 3.5% (2023) for long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$52 700 and employee benefits expense of \$52 700. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

The current portion of long service leave taken reflects the LSA's past experience of long service leave which is expected to continue in future.

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2023*

**4. Expenses**

**4.1. Participant treatment, care and support expenses**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Attendant care	22 130	18 970
Hospital	8 201	4 683
Rehabilitation	6 027	5 705
Equipment	2 623	2 105
Medical treatment services	937	769
Home and vehicle modifications	286	458
Other	256	229
	<b>40 460</b>	<b>32 919</b>
Movement in the provision for participant treatment, care and support costs (refer note 7.3)	340 808	154 738
<b>Total participant treatment care and support expenses</b>	<b>381 268</b>	<b>187 657</b>

**Participant treatment, care and support expenses**

People very seriously injured in motor vehicle accidents from 1 July 2014 are accepted as participants of the LSS under the eligibility criteria provided in the LSS Rules. Participant treatment, care and support expenses relate to the necessary and reasonable benefits provided to participants, in connection with the motor vehicle injury and in line with criteria detailed in the LSS Rules, from date of acceptance into the LSS. The costs reported represent the treatment, care and support expenses paid during 2022-23, plus the movement in the provision consisting of the actuarially assessed liabilities associated with previously accepted participants as well as new participants entering into the scheme in 2022-23.

**4.2. Service delivery and corporate expenses**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Consultants	734	802
Information technology	1 114	1 001
Service level agreement fees	658	538
Accommodation and telecommunication	101	248
Contractors and other outsourced services	277	141
Training and development	224	214
Minor works maintenance and equipment	29	67
Professional fees	86	117
General administration and consumables	117	95
Other expenses*	299	292
<b>Total service delivery and corporate expenses</b>	<b>3 639</b>	<b>3 515</b>

\*Includes audit fees paid/payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* of \$72 600 (2022: \$62 100). No other services were provided by the Auditor-General's Department.

Service delivery and corporate expenses generally represent day-to-day running costs incurred in the normal operations of the LSA. These items are recognised as an expense in the reporting period in which they are incurred.

Service level agreement fees includes \$160 000 (2022: \$105 000) resources received free of charge. Refer note 2.3.



**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2023*

**5. Non-financial assets**

**5.1. Property, plant and equipment owned and leased by the LSA**

**Reconciliation 2022-23**

	Leasehold improvements \$'000	Plant and equipment \$'000	Work in Progress \$'000	Right-of-use buildings \$'000	Total \$'000
Carrying amount at 1 July 2022	1 111	73	-	924	2 108
Acquisitions	-	-	32	-	32
Capital transfers from work in progress	32	-	(32)	-	-
Depreciation and amortisation	(488)	(33)	-	(501)	(1 022)
Lease liability remeasurement	-	-	-	2 752	2 752
<b>Carrying amount at 30 June 2023</b>	<b>655</b>	<b>40</b>	<b>-</b>	<b>3 175</b>	<b>3 870</b>

**Gross carrying amount**

Gross carrying amount	1 925	156	-	3 483	5 564
Accumulated depreciation	(1 270)	(116)	-	(308)	(1 694)
<b>Carrying amount at 30 June 2023</b>	<b>655</b>	<b>40</b>	<b>-</b>	<b>3 175</b>	<b>3 870</b>

**Reconciliation 2021-22**

	Leasehold improvements \$'000	Plant and equipment \$'000	Work in Progress \$'000	Right-of-use buildings \$'000	Total \$'000
Carrying amount at 1 July 2021	1 182	106	353	1 241	2 882
Acquisitions	-	-	62	-	62
Capital transfers from work in progress	415	-	(415)	-	-
Depreciation and amortisation	(486)	(33)	-	(538)	(1 057)
Transfers in/(out)	-	-	-	221	221
<b>Carrying amount at 30 June 2022</b>	<b>1 111</b>	<b>73</b>	<b>-</b>	<b>924</b>	<b>2 108</b>

**Gross carrying amount**

Gross carrying amount	1 893	156	-	2 124	4 173
Accumulated depreciation	(782)	(83)	-	(1 200)	(2 065)
<b>Carrying amount at 30 June 2022</b>	<b>1 111</b>	<b>73</b>	<b>-</b>	<b>924</b>	<b>2 108</b>

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2023*

---

**5.1 Property, plant and equipment owned and leased by the LSA (continued)**

**Acquisition and recognition**

Property, plant and equipment owned by the LSA with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed. Items of equipment purchased for participant treatment, care and support are expensed as incurred.

Property, plant and equipment is recorded at fair value. Detail about the LSA's approach to fair value is set out in note 10.1.

There were no indications of impairment for property, plant and equipment as at 30 June 2023.

For right-of-use assets leased by the LSA, refer to note 5.2.

**Review of accounting estimates**

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, on an annual basis. Changes in the expected life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate.

**Depreciation**

Depreciation/amortisation is calculated on a straight-line basis over the estimated useful life of the following class of assets:

<b>Class of asset</b>	<b>Useful life (years)</b>
Leasehold Improvements	Life of lease
Right-of-use buildings	Life of lease
Internally developed computer software	10 Years
Plant and equipment	3 - 5 Years

The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

**5.2. Leased Property**

Right-of-use assets leased by the LSA as lessee are measured at cost and there were no indications of impairment.

The LSA leases three floors for staff office accommodation in Wakefield House at 30 Wakefield Street Adelaide (part of level 1, all of level 5 and level 6) from its landlord the Department for Infrastructure and Transport. The initial lease terms commenced 1 July 2019 for part of level 1 for 5 years, 1 January 2020 for level 5 for 4.5 years and 1 July 2020 for level 6 for 4 years. The LSA in December 2022 opted to exercise all 5-year right of renewal extension options.

The resulting right-of-use assets have been reflected in these financial statements.

Short-term leases of 12 months or less and low value leases where the underlying asset value is less than \$15 000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and are disclosed in note 4.2 under other expenses.

The lease liabilities and interest expenses related to the right-of-use assets are disclosed in note 7.2. The LSA's maturity analysis of the lease liabilities is disclosed in note 7.2. Depreciation is disclosed at note 5.1. Cash outflows related to leases are disclosed in note 8.1.

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2023*

---

**5.3. Intangible assets**

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$10 000. Capitalised software is amortised over 10 years.

There were no indications of impairment for intangible assets as at 30 June 2023.

Software relates to the customer management system database and consolidated reporting.

**Reconciliation 2022-23**

	Internally developed software \$'000	Work in progress \$'000	Total \$'000
<b>Carrying amount at 1 July 2022</b>	-	836	836
Acquisitions	-	2 984	2 984
<b>Total as at 30 June 2023</b>	-	<b>3 820</b>	<b>3 820</b>
<b>Gross carrying amount</b>			
Gross carrying amount	412	3 820	4 232
Accumulated amortisation	(412)	-	(412)
<b>Carrying amount at 30 June 2023</b>	-	<b>3 820</b>	<b>3 820</b>

**Reconciliation 2021-22**

	Internally developed software \$'000	Work in progress \$'000	Total \$'000
<b>Carrying amount at 1 July 2021</b>	37	10	47
Acquisitions	-	836	836
Amortisation	(22)	-	(22)
Disposals	(15)	(10)	(25)
<b>Total as at 30 June 2022</b>	-	<b>836</b>	<b>836</b>
<b>Gross carrying amount</b>			
Gross carrying amount	413	836	1 249
Accumulated amortisation	(413)	-	(413)
<b>Carrying amount at 30 June 2022</b>	-	<b>836</b>	<b>836</b>



**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2023*

---

**6. Financial assets**

**6.1. Cash and cash equivalents**

	2023	2022
	\$'000	\$'000
Special deposit account		
Lifetime Support Authority Operating Account	3 981	2 970
<b>Total cash and cash equivalents</b>	<b>3 981</b>	<b>2 970</b>

Cash is measured at nominal amounts.

Special deposit accounts are established under section 8 of the *Public Finance and Audit Act 1987*. Special deposit accounts must be used in accordance with their approved purpose.

Special deposit accounts are interest bearing and earn a variable interest rate. The carrying amount of cash and cash equivalents represents fair value.

**6.2. Receivables**

	2023	2022
	\$'000	\$'000
<b>Current</b>		
Accrued revenues	1 288	1 383
Receivables	93	105
GST input tax recoverable	59	81
Prepayments	408	362
<b>Total current receivables</b>	<b>1 848</b>	<b>1 931</b>
<b>Total receivables</b>	<b>1 848</b>	<b>1 931</b>

Accrued revenue reflects the LSS Fund levy which is received by the LSA in arrears of collection by the Registrar of Motor Vehicles. The receivable represents the amount collected by the Registrar to 30 June 2023, but not yet received by the LSA.

It is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2023*

**6.3. Financial assets at fair value**

	2023	2022
	\$'000	\$'000
Funds SA LSA Strategy	1 478 290	1 268 226
<b>Total financial assets at fair value</b>	<b>1 478 290</b>	<b>1 268 226</b>

Categorisation of financial instruments and risk exposure information – refer to note 10.2

Financial assets at fair value through profit or loss are carried in the Statement of Financial Position at fair value with net changes in fair value presented as investment revenue in the Statement of Comprehensive Income.

The LSA's financial assets consist of investments managed by Funds SA, the South Australian Government owned corporation which invests and manages funds of approved authorities. The LSA invests in Funds SA's untaxed funds.

**7. Liabilities**

**7.1. Payables**

	2023	2022
	\$'000	\$'000
<b>Current</b>		
Accrued expenses	7 398	6 166
Contractual payables	118	25
Employment on-costs	235	320
<b>Total current payables</b>	<b>7 751</b>	<b>6 511</b>
<b>Non-current</b>		
Employment on-costs	137	128
<b>Total non-current payables</b>	<b>137</b>	<b>128</b>
<b>Total payables</b>	<b>7 888</b>	<b>6 639</b>

Payables and accruals are recognised for all amounts owing but unpaid. Contractual payables are normally settled within 30 days from the date the invoice is received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

**Employment on-costs**

Employment on-costs include payroll tax and superannuation contributions and are settled when the respective employee benefits that they relate to are discharged. These on-cost primarily relate to the balance of leave owing to employees. Estimates as to the proportion of long service leave estimated to be taken as leave, rather than paid on termination, affects whether certain on-costs are recognised as consequence of long service leave liabilities.

As a result of an actuarial assessment performed by DTF, the portion of long service leave estimated to be taken as leave has increased from 42% (2022) to 43% (2023). The average factor for the calculation of employer superannuation on-costs has increased from 10.6% (2022) to 11.1% (2023). These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is immaterial.

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2023*

**7.2. Financial liabilities**

	2023	2022
	\$'000	\$'000
<b>Current</b>		
Lease liabilities	453	545
<b>Total current financial liabilities</b>	<b>453</b>	<b>545</b>
<b>Non-current</b>		
Lease liabilities	2 783	569
<b>Total non-current financial liabilities</b>	<b>2 783</b>	<b>569</b>
<b>Total financial liabilities</b>	<b>3 236</b>	<b>1 114</b>

A maturity analysis of financial liabilities based on undiscounted gross cash flow is reported in the table below:

	2023	2022
	\$'000	\$'000
<b>Financial Liabilities</b>		
1 to 3 years	1 748	1 133
3 to 5 years	1 239	-
5 to 10 years	643	-
<b>Total financial liabilities (undiscounted)</b>	<b>3 630</b>	<b>1 133</b>

Lease liabilities have been measured via discounting lease payments using either the interest rate implicit in the lease (where it is readily determined) or DTF's incremental borrowing rate. There were no defaults or breaches on any of the financial liabilities throughout the year. Borrowing costs associated with lease liability payments was \$82 000 (2022: \$31 000).

In December 2022, the LSA exercised its option to extend all its leases at 30 Wakefield Street. The resulting lease liabilities have been reflected in these financial statements.

**7.3. Provisions**

	2023	2022
	\$'000	\$'000
<b>Current</b>		
Provision for participant treatment, care and support	58 343	44 147
Provision for non-resident insurers tax withheld	34	47
Provision for workers' compensation	79	182
<b>Total current provisions</b>	<b>58 456</b>	<b>44 376</b>
<b>Non-current</b>		
Provision for participant treatment, care and support	1 633 708	1 307 096
Provision for workers' compensation	257	164
<b>Total non-current provisions</b>	<b>1 633 965</b>	<b>1 307 260</b>
<b>Total provisions</b>	<b>1 692 421</b>	<b>1 351 636</b>



**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2023*

---

**7.3. Provisions (continued)**

**Employee workers compensation**

The LSA is an exempt employer under the *Return to Work Act 2014*. Under a scheme arrangement, the LSA is responsible for the management of workers rehabilitation and compensation and is directly responsible for meeting the cost of workers' compensation claims and the implementation and funding of preventative programs.

Accordingly, a liability has been reported to reflect unsettled workers compensation claims (statutory and additional compensation schemes). The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2023 provided by a consulting actuary engaged through the Office of the Commissioner of Public Sector Employment.

The LSA is responsible for the payment of workers compensation claims.

There is a significant degree of uncertainty associated with estimating future claim and expense payments and around the timing of future payments due to the variety of factors involved. The liability is impacted by agency claim experience relative to other agencies, average claim sizes and other economic and actuarial assumptions.

<b>Provision for participant treatment, care and support</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Provision for participant treatment, care and support	58 343	44 147
<b>Total current provisions</b>	<b>58 343</b>	<b>44 147</b>
<b>Non-current</b>		
Provision for participant treatment, care and support	1 633 708	1 307 096
<b>Total non-current provisions</b>	<b>1 633 708</b>	<b>1 307 096</b>
<b>Total provisions</b>	<b>1 692 051</b>	<b>1 351 243</b>

A maturity analysis of the provision for participant treatment, care and support is reported in the table below:

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Not later than one year	58 343	44 147
Later than one year but not later than five years	228 708	177 430
Later than five years but not later than ten years	266 179	199 248
Later than ten years	1 138 821	930 418
<b>Total provisions</b>	<b>1 692 051</b>	<b>1 351 243</b>

The LSA's provisions consist of liabilities for participant treatment, care and support expenses, valued by the LSS Actuary, Finity Consulting Pty Ltd, as at the end of the financial year.

The LSA's provisions are measured as the Net Central Estimate of the present value of the expected future payments for claims of the LSS incurred as at the date of valuation, including claims incurred but not yet reported, discounted for the time value of money, and takes into account the risks specific to the liability.

The LSA provides necessary and reasonable treatment, care and support for people who are seriously injured in motor vehicle accidents in South Australia. The provision for treatment, care and support is for all attendant care, supported accommodation, rehabilitation, hospital, specialised equipment and participant support costs for each participant whilst they remain in the LSS.

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2023*

---

**7.3. Provisions (continued)**

**Movement in provision for participant treatment, care and support**

Movements in the provision for participant treatment, care and support during the financial year are set out below.

	2023	2022
	\$'000	\$'000
<b>Carrying amount at the beginning of the period</b>	1 351 243	1 196 505
Less expected payments	(44 812)	(38 553)
Discount unwind	31 272	(150)
Provision for new participants	220 567	250 533
Impact of Scheme Experience	58 448	(28 445)
Changes in actuarial assumptions due to scheme experience	135 484	56 863
Changes in other actuarial assumptions	(3 056)	239 636
Impact of Actual v Expected Inflation	(2 219)	18 028
Changes in Economic Assumptions	(54 876)	(343 174)
<b>Carrying amount at the end of the period</b>	<b>1 692 051</b>	<b>1 351 243</b>

The following is a summary of the key reasons for movement in the provision for participant treatment, care and support during 2023:

- The reduction in provision for expected payments during 2023 was \$44.8 million (2022: \$38.6 million).
- Short term discount rates in 2023 were significantly higher than those in 2022, resulting in a materially higher discount unwind.
- New participants that became eligible for the Scheme during 2023, including Incurred but Not Reported (IBNR) claims has resulted in an increase in the provision of \$220.6 million (2022: 250.5 million).
- The actual scheme experience in 2023, which includes IBNR development, the severity of injuries and age distribution of new participants, varied to actuarial modelling resulting in an increase in provision of \$58.4 million (2022: \$28.4 million reduction).
- Expected increases in attendant care and carer wages were the primary driver of the \$135.5 million provision increase during 2023 (2022: \$56.9 million).
- A review of actuarial assumptions for 2023 has resulted in a reduction in provision of \$3.1 million (2022: \$239.6 million increase).
- A review of actual inflation against expected inflation has decreased the provision during 2023 by \$2.2 million (2022: increase of \$18.0 million).
- Changes to the assumed risk-free discount rates and inflation assumptions in 2023 have resulted in a decrease of \$54.9 million (2022: \$343.2 million increase) in the total provision for participant treatment, care and support.

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2023*

---

**7.3 Provisions (continued)**

**Actuarial assumptions and methods**

In determining the liability for participant treatment, care and support, each participant is valued on an individual level based on their injury, age and expected future care needs. The following assumptions were used in determining the liability:

	<u>2023</u>	<u>2022</u>
	Years	Years
<b>Weighted mean term</b>		
Uninflated, undiscounted	21.6	21.8
Inflated, discounted	19.7	21.0
	<u>2023</u>	<u>2022</u>
	%	%
<b>Equivalent single rate (all future years)</b>		
Inflation rate	3.87	3.78
Discount rate	4.42	3.92

*Inflated mean term*

The inflated mean term represents the dollar weighted average period to payment of claims and is unaffected by discounting. It provides an indication of the timeframe over which the LSA must manage and control the cost of these claims.

*Discounted mean term*

The discounted mean term is based on the inflated and discounted cash flows weighted by the period to payment.

*Inflation*

Wage inflation is adopted as the base for the inflation of projected future payments and is set by reference to long term economic indicators. In 2022-23, a single equivalent wages growth rate of 3.24% p.a. (2022: 3.03%) has been adopted.

Inflation also includes an allowance for superimposed inflation (that is, the growth in claims cost not explained by underlying inflation or other factors). This includes an allowance for:

- medical inflation costs to grow faster than underlying inflation of 0.75% per annum (2022: 0.75%) for all services plus an additional 0.5% per annum (2022: 0.5%) for medical services for participants with a brain injury;
- attendant care costs to grow faster than underlying inflation by 0.25% per annum to allow for increased utilisation with an additional allowance of 1.20% per annum through to 2028 due to market supply and demand for services (2022: 0.75%).

*Discount rates*

The discount rate reflects the risk-free rate, which is based on the expected yield on Commonwealth Government bonds over the duration of the liabilities.



**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2023*

---

**7.3. Provisions (continued)**

**Sensitivity analysis for the valuation as at 30 June 2023**

The liability for participant treatment, care and support represents the Net Central Estimate and is based on an actuarial assessment in accordance with Actuarial Professional Standards PS 302. The table below shows sensitivities to some of the key actuarial assumptions used in the valuation. Significant uncertainty exists in the estimate due to the long-term nature of the liability, and the ultimate liability is subject to the outcomes of events yet to occur.

These include, but are not limited to, factors such as the improvement in the injury severity of participants, mortality assumptions, levels of future treatment, care and support provided to participants and uncertainty in discount rate assumptions.

	<b>30 June 2023 Liability \$m</b>	<b>Effect on Liability \$m</b>	<b>Percentage Effect %</b>
<b>Central estimate of provisions</b>	1 692.1		
<b>Different long term economic gap assumptions:</b>			
a. One per cent per annum lower for all future years	2 067.2	375.1	22.2
b. One per cent per annum higher for all future years	1 416.8	(275.3)	(16.3)
<b>Attendant Care Assumptions:</b>			
a. Increase in Attendant Care Hourly Rates to match NDIS	1 778.8	86.7	5.1
b. Supported accommodation (SA) for life	1 720.6	28.5	1.7
<b>Other Assumptions:</b>			
a. Long term economic assumptions adopted	1 276.2	(415.9)	(24.6)

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2023*

---

**8. Other disclosures**

**8.1. Cash flow**

	2023 \$'000	2022 \$'000
<b><u>Reconciliation of cash and cash equivalents at the end of the reporting period</u></b>		
Cash and cash equivalents disclosed in the Statement of Financial Position	3 981	2 970
<b>Balance as per the Statement of Cash Flows</b>	<b>3 981</b>	<b>2 970</b>
<b><u>Reconciliation of net cash provided by operating activities to net result</u></b>		
Net cash provided by operating activities	110 501	110 835
<b><u>Add / (less) non-cash items</u></b>		
Depreciation and amortisation expense of non-current assets	(1 022)	(1 079)
Other expenses - write off	-	(24)
Gain/(losses) on financial assets designated at fair value through profit or loss	104 064	(17 724)
<b><u>Movement in assets and liabilities</u></b>		
(Decrease) / increase in receivables	(83)	41
Increase in payables	(1 093)	(920)
(Increase) / decrease in employee benefits	(55)	176
Increase in provisions	(340 785)	(155 043)
<b>Net result</b>	<b>(128 473)</b>	<b>(63 738)</b>

Total cash outflows for leases were \$556 000 (2022: \$546 000)

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2023*

---

## **9. Outlook**

### **9.1. Unrecognised contractual commitments**

Commitments including operating, capital and outsourcing arrangements arising from contractual or statutory sources are disclosed at their nominal value.

#### **Other contractual commitments**

	2023	2022
	\$'000	\$'000
Within one year	4 034	3 063
Later than one year but no longer than five years	3 501	605
<b>Total expenditure commitments</b>	<b>7 535</b>	<b>3 668</b>

### **9.2. Contingent assets and liabilities**

#### Contingent liabilities

The LSA is not aware of any contingent liabilities as at 30 June 2023.

#### Contingent assets

A legal case has been held between a participant and a prescribed authority (as defined by the LSS Rules). If the decision made by the court is upheld the participant will be ineligible to remain in the Lifetime Support Scheme. The LSA may seek recovery of treatment, care and support costs spent to date on the participant from the prescribed authority. At the reporting date, this was estimated at approximately \$1 million.

### **9.3. Impact of standards and statements not yet effective**

The LSA continues to assess the impact of the new and amended Australian Accounting Standards and Interpretations not yet implemented and changes to the Accounting Policy Statements issued by the Treasurer.

#### **AASB 17 Insurance Contracts**

The Australian Accounting Standards Board has expanded the scope of AASB 17 to include Government injury insurance schemes like the LSS. The LSA expects that it will have to comply with AASB 17 for the reporting period beginning 1 July 2026.

Assuming AASB 17 is implemented in its current form, the LSA would likely be required to:

- hold a liability for participants arising from future accidents that occur in the time period remaining on levies already collected.
- apply risk free economics to projected cash flows.
- consider adopting a risk margin above the central estimate of liabilities.

Under AASB 17, the LSA's liability for participant treatment care and support (including participant management expenses) as at 30 June 2023 could increase to \$2 038.1 million. This is made up of \$1 951.5 million for participant treatment, care and support (including participant management expenses) which includes a 15% risk adjustment, as well as \$86.6 million for unexpired levy liability which includes a 20% risk adjustment. Should the LSA adopt a 1% illiquidity premium, the provision required would reduce from \$2 038.1 million to \$1 705.8 million.



**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2023*

---

**9.4. Events after the reporting period**

The LSA is not aware of any after balance date events.

**10. Measurement and risk**

**10.1. Fair value**

AASB 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

**Initial recognition**

Non-current tangible assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

**Revaluation**

Revaluation of non-current assets other than right-of-use assets or a group of assets is only performed when the fair value at the time of acquisition is greater than \$1.5 million and estimated useful life exceeds three years.

Revaluation is undertaken on a regular cycle. If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

**Fair value hierarchy**

The LSA classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurement, based on the data and assumptions used in the most recent revaluation:

Level 1: traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.

Level 2: not traded in an active market and are derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly.

Level 3: not traded in an active market and are derived from unobservable inputs.

The LSA's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

All non-financial assets are classified as Level 3 for fair value measurement, using significant unobservable inputs.

**Plant and equipment**

All items of plant and equipment owned by the LSA had a fair value at the time of acquisition less than \$1.5 million or had an estimated useful life less than three years. Plant and equipment has not been revalued in accordance with APS 116.D. The carrying value of these items are deemed to approximate fair value.

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2023*

---

**10.2. Financial instruments**

The LSA's financial instruments arise directly from the LSA's operations or are required to finance the LSA's operations. The LSA does not enter into or trade financial instruments, including derivative instruments, for speculative purposes.

The LSA's main risks arising from financial instruments are outlined below, together with its objectives, policies and processes for measuring and managing risk.

The Board has overall responsibility for the establishment and oversight of risk management and reviews and has approved policies for managing each of these risks. The LSA's *Investment Management Framework* describes the governance framework within which the LSA's investments are managed and monitored.

**Fair value measurement**

AASB 7 *Financial Instrument: Disclosures* requires disclosure of fair value measurement by level of the following fair value measurement hierarchy:

Level 1: quoted prices (unadjusted) in active markets for identical assets

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset either directly (as prices) or indirectly (derived from prices)

Level 3: inputs for the asset that are not based on observable market data (unobservable inputs).

The LSA measures all financial instruments, other than the financial assets measured at fair value in note 6.3, at amortised cost.

All of the LSA's financial assets as at 30 June 2023 were categorised as level 2 using the above fair value measurement hierarchy, which is unchanged from the 2021-22 financial year.

**Categorisation of financial instruments**

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in the respective financial asset / financial liability note.

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2023*

---

**10.2. Financial instruments (continued)**

**Liquidity risk**

Liquidity risk arises where the LSA is unable to meet its financial obligations as they fall due. The continued existence of the LSA is dependent on State Government policy for the LSA's administration and programs. The LSA settles undisputed accounts within 30 days from the date of the invoice or date the invoice is first received. In the event of a dispute, payment is made 30 days from resolution.

The LSA's exposure to liquidity risk is insignificant based on past experience and current assessment of risk.

**Market risk**

Market risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The LSA's exposures to market risk are primarily associated with movement in the unit price of the investments with Funds SA. The LSA does not have direct exposure to foreign currency risk and its direct exposure to interest rate risk is insignificant based on a current assessment of risk.

**Sensitivity disclosure analysis**

A sensitivity analysis for a movement in the unit price of the investments with Funds SA is provided in the table below. The sensitivity analysis uses historically based volatility information collected over a 10-year period, quoted at two standard deviations (that is, 95% probability). The 95% confidence interval for one year represents the expected range of return outcomes from 27.8% (2022: 25.9%) to -11.8% (2022: -11.7%) for the LSA strategy over a one year period. The impact of these expected range of returns on profit and loss and equity is demonstrated in the table below.

Change in unit price		Impact on profit and loss		Impact on equity	
2023	2022	2023	2022	2023	2022
%	%	\$'000	\$'000	\$'000	\$'000
27.80	25.90	410 965	328 471	410 965	328 471
(11.80)	(11.70)	(174 438)	(148 382)	(174 438)	(148 382)

**Capital management**

To provide for a financially responsible and sustainable LSS over the long term, the LSA aims to maintain an appropriate capital balance to act as a buffer against uncertainties in the value of outstanding claims liabilities and investment returns. Detailed financial modelling suggests that the LSS's funding position will be at its most vulnerable to these uncertainties in the earlier years of the LSS.

The LSA has adopted for the LSS a target solvency ratio range of between 80-120%. As at 30 June 2023, the reported solvency ratio for the LSS is 87% (2022: 93%) and is within the Board's target range.