

# Lifetime

S U P P O R T



Lifetime Support Authority of South Australia

## Annual Report 2013–2014



Government of  
South Australia



Main image: Brett Afford, BINSAs Springboard Program participant  
Cover image: Craig Clarke, PARADISE SA

Lifetime Support Authority of South Australia  
**Annual Report 2013–2014**

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**Government of  
South Australia**

## Letter of transmittal to the Minister

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30 September 2014

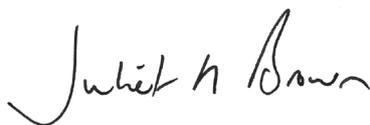
The Hon Jack Snelling MP  
Minister for Health  
Parliament House  
North Terrace  
Adelaide SA 5000

Dear Minister,

In accordance with the *Motor Vehicle Accidents (Lifetime Support Scheme) Act 2013* and the Department of the Premier and Cabinet Circular PC013 – Annual Reporting Requirements, I have the pleasure of submitting for your information and tabling in Parliament the first Annual Report of the Lifetime Support Authority of South Australia for the financial year ending on 30 June 2014.

The report provides a comprehensive insight to the authority's establishment and development during the 2013–14 financial year and an overview of its future directions.

Yours sincerely,



Juliet Brown  
Chair  
Lifetime Support Authority Board



Cheryl Mason, BINSAs client

# Contents

<b>Letter of transmittal to the Minister</b>	<b>1</b>	<b>Governance</b>	<b>12</b>
<b>Foreword</b>	<b>4</b>	Strategic priorities	12
<b>Corporate Governance</b>	<b>6</b>	Corporate Governance Framework	12
Who are we?	6	LSS Rules	13
Legislation	6	Code of conduct	13
LSA Board	6	IT system	13
Organisational structure	9	<b>Service delivery and assessment</b>	<b>14</b>
Relationship with other agencies	9	<i>MyPlan</i>	14
<b>Our first year</b>	<b>10</b>	Service Delivery Model	15
		Standards Framework	15
		Participant Policies	16
		Participant Services Practice Manual	16
		LSS Application Procedures	17
		Attendant Care Service Providers	17
		Service Provider Performance Framework	17
		LSA Assessors	17

# Lifetime Support Authority of South Australia Annual Report 2013–2014

<b>Finance</b>	<b>18</b>	<b>Our financial performance</b>	<b>21</b>
Financial governance	18	Contract arrangements	21
LSS Fund levy	19	Account Payment Performance	21
Transitional financial contribution	19	Use of consultants	21
Investment Strategy	19	Employee Overseas travel	21
Reinsurance	19	Fraud and Anti-Corruption	21
<b>Human Resource Information</b>	<b>20</b>	<b>Audited Financial Statements</b>	<b>22</b>
Leadership and Management development	20	<b>Notes to and forming part of the Financial Statements</b>	<b>29</b>
Work Health and Safety and Injury management	20	<b>Independent Auditor's Report</b>	<b>43</b>
<b>Reporting Requirements</b>	<b>20</b>		
Reporting against the <i>Carers Recognition Act 2005</i>	20		
Disability access and inclusion plans	20		
Asbestos management in Government Buildings	20		
Freedom of Information	20		
<i>Whistleblowers Protection Act 1993</i>	20		
Energy Efficiency Action Plan Reports	20		
Greening of Government Operations Framework	20		

## Foreword



*Juliet Brown, Chair*



*Lois Boswell, Chief Executive*

*We are pleased to present the inaugural annual report of the Lifetime Support Authority of South Australia (LSA) which has been established to administer the Lifetime Support Scheme (LSS) commencing on 1 July 2014.*

Unfortunately, approximately every eight to ten days in South Australia, someone has a motor vehicle accident that results in serious disability. Before the LSS commenced, it is estimated that as many as half of those who sustained lifelong disabilities received no Compulsory Third Party compensation because there was no one else at fault in the accident, and others received lump sums that were insufficient to provide ongoing care and support. This added a large additional burden to families already hit by the trauma of the injury.

As a result of the legislative changes passed by the South Australian Parliament last year, the Lifetime Support Scheme will now provide all necessary and reasonable costs associated with treatment, care and support for those who sustain a lifelong

disability from a motor vehicle accident occurring in South Australia after 1 July 2014. These are disabilities such as brain injury, paraplegia, quadriplegia, blindness, severe burns, whole limb or multiple amputations.

The LSA Board was appointed in October 2013 to put in place the necessary service delivery, corporate governance and financial frameworks for the commencement of the Scheme. We are pleased to report that 2013–14 has seen completion of:

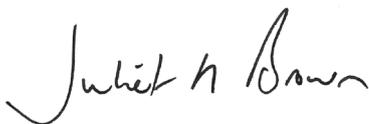
- the LSS Rules setting out scheme eligibility requirements and benefits;
- a Code of Conduct and Participant Service Charter outlining the values underpinning our work;

- 
- Strategic and Business Plans setting out priorities for the next three years;
  - a determination of the required 2014–15 contribution to the LSS Fund to cover modelled future LSS liabilities; and
  - an investment strategy for the LSS Levy Fund.

This year has also seen important work to develop financial and reporting systems, recruit staff, contract service providers, determine service delivery systems and raise stakeholder awareness about the LSS.

We would like to thank the Minister for Health, the Honourable Jack Snelling for his commitment to establishing this important Scheme; the LSS Rules Advisory Group for their advice in developing the Rules that will govern the Scheme; and the Department of Treasury and Finance staff for their hard work in taking the LSA from concept to reality in a short period of time.

Finally, the LSA owes a debt of gratitude to the Lifetime Care and Support Authority of NSW for their willingness to share their experience, in particular Don Fergusson, Suzanne Lulham and Neil Mackinnon.



**Juliet Brown**  
*Chair*  
*Lifetime Support Authority*



**Lois Boswell**  
*Chief Executive*  
*Lifetime Support Authority*

# Corporate Governance

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## Who are we?

*The Lifetime Support Authority (LSA) administers the Lifetime Support Scheme (LSS), which, from 1 July 2014 provides lifetime treatment, care and support for people who sustain serious, lifelong disabilities from motor vehicle accidents in South Australia, regardless of fault.*

The LSA is a statutory authority subject to the general control and direction of the Minister for Health, governed by a Board of Directors and run by a small, dedicated team, managed by a Chief Executive.

## Legislation

The *Motor Vehicle Accidents (Lifetime Support Scheme) Act 2013* (the Act) established the LSA effective 1 July 2013 and provided for the appointment of a Board.

## LSA Board

The Governor appointed seven members to the LSA Board from 8 October 2013. Each member was appointed for a term of three years. The new Board concentrated on developing the rules, regulations and systems which were needed to implement the LSS.

The Minister for Health and Ageing and the Treasurer approved the Board's Charter, which sets out the operational arrangements and financial requirements for the LSA. It reflects the provisions of the Act, the *Public Corporations (Lifetime Support Authority) Regulations 2013* and the standard requirements for the charters of public corporations.



## Juliet Brown – Chair

Ms Juliet Brown has extensive experience in law and business. She is a professional company director and her current directorships include the South Australian Motor Accident Commission, the South Australian Government Financing Authority Advisory Board and the Medical Insurance Group of Australia. Ms Brown is also the independent Chairman of Statewide Super and the Cancer Council SA, and a former President of the RAA. Prior to her company director roles, Ms Brown held the position of Chief Executive of Thomson Playford (now Thomsons), one of South Australia's largest commercial law firms, having previously practised as a solicitor for both public and private sector clients in the health and insurance areas.



*Arabella Branson*

### ***Arabella Branson***

Ms Arabella Branson has practiced as a lawyer in the area of commercial transactional and advisory law since 2000. For nine years she practiced in a specialist South Australian corporate and commercial law firm, including over two years as partner. She has now established her own commercial advisory practice. She is a member of the Law Society of South Australia. Ms Branson has been a board member of SYC Ltd since 2007 and is a member of that organisation's Audit Committee and Remuneration Committee and Chair of the Governance Committee.



*Melinda OLeary*

### ***Melinda OLeary***

Ms Melinda OLeary is co-founder, and Consultant with Nova Aerospace, which employs 300 staff around Australia, Singapore and the United Kingdom. She is a Board Member of the Queen Elizabeth Hospital Research Foundation, and has extensive experience in staff recruiting, including as SA State Operations Manager for Select Staff and as SA General Manager for Manpower. Ms OLeary is a member of the Institute of Personal Consultants, has a Professional Certificate in Management from the Adelaide University Graduate School of Management and successfully completed the Australian Institute of Company Directors course in 2007. She has also been a Time for Kids volunteer carer since 2006.



*George Potter*

### ***George Potter***

Dr George Potter graduated from the University of Adelaide's Medical School, and subsequently trained as an Orthopaedic Surgeon in Adelaide and Edinburgh (UK), becoming a Fellow of the Royal Australian College of Surgeons in 1977 and a Fellow of the Royal College of Surgeons (Edinburgh) in 1986. He has extensive surgical experience in the management of spinal conditions, is Head of Orthopaedic Clinical Services (Administrative), Royal Adelaide Hospital, and was a founding member of the Orthopaedic Clinical Network, a lead clinician to the new Royal Adelaide Hospital and a past Vice President of the Paraplegic and Quadriplegic Association of SA.



*Joseph Ullianich*

### ***Joseph Ullianich***

Mr Joseph Ullianich was the Executive Director of Financial Services in the Department for Communities and Social Inclusion, from the commencement of the department in 2004–05 until his retirement in 2012. In this role he gained extensive experience in disability funding. His previous senior appointments include Director of Finance and Investment in the Department of Treasury and Finance (DTF). He was a member of the South Australian Rail Taskforce as the Treasury representative. Mr Ullianich was a board member of the AustralAsia Railway Corporation from 2004 to 2012. His past board appointments include the South Australian Asset Management Corporation and Southern Group Insurance Corporation. He holds a Bachelor of Economics and is a Certified Practising Accountant (CPA).

## Corporate Governance *(continued)*



*Kenneth Williams*

### ***Kenneth Williams***

Mr Kenneth Williams has over 25 years operational experience in corporate finance with an emphasis on treasury and financial risk management as well as diverse experience in mergers, acquisitions, divestments and corporate reconstructions. His board experience includes a broad range of risk management and investment committee responsibilities and he has extensive experience working with and serving on the boards of large and small listed companies, private companies, not for profit organisations and superannuation funds under a range of regulatory regimes. He has also held senior executive roles with Normandy Mining Limited and Qantas Airways limited. Mr Williams is currently a member of the Board of Statewide Super and a Director of ASX listed company AWE Limited. He brings a strong financial background to the boards on which he holds membership.



*Trish White*

### ***Trish White***

Hon Trish White is a professional director and advisor with experience in corporate governance, strategy, business development and project management in the resources, energy, transport and infrastructure industries across the public and private sector. She is also a former cabinet minister and an experienced engineer. Ms White was appointed as a Non-executive Director of Australia Post and Deputy Chairman of the Motor Accident Commission. She has served on university advisory boards in the disciplines of engineering, energy technology and business; and provided business advisory services to a leading commercial law firm. She is a Fellow of both the Australian Institute of Company Directors and the Institution of Engineers Australia and has been retained as Executive Strategic Advisor for ASX50 company WorleyParsons.

### ***Board meetings attended:***

<b>Member</b>	<b>No of meetings attended</b>
<b>Juliet Brown</b>	10
<b>Arabella Branson</b>	9
<b>Melinda OLeary</b>	10
<b>George Potter</b>	9
<b>Joseph Ullianich</b>	10
<b>Kenneth Williams</b>	10
<b>Trish White</b>	8

As at 30 June 2014, the LSA Board has three committees with specific governance roles:

- Audit Committee – responsible for audit and risk oversight, including ensuring proper financial and accounting processes and practices are maintained in accordance with the Australian Accounting Standards and section 31 of the *Public Corporations Act 1993*.
- Applications & Rules Committee – responsible for processes and applications for entry to the LSS, and treatment, care and support entitlements. The Committee provides oversight for decisions on financially substantive or novel applications, and oversees the implementation and regular review of the LSS Rules.
- Finance & Investment Committee – responsible for overseeing the development and implementation of an investment strategy for the LSS Fund to ensure a satisfactory return on the Fund's assets. It will also implement the Board's decisions on insurance and reinsurance.

Up until December 2014, a dedicated LSS Rules Committee worked to develop the inaugural LSS Rules for recommendation to the Governor of South Australia. From January to June 2014, responsibility for reviewing the LSS Rules was transferred to the existing Applications Committee and a Finance & Investment Committee was formed to oversee the LSA's ongoing investment strategy.

## Organisational structure

The Board appointed a Chief Executive on 1 February 2014 and established administrative arrangements with the Department of Treasury and Finance (DTF) and the Department of the Premier and Cabinet (DPC) for provision of administrative services.

For 2013–14 the LSA was supported by staff from the Motor Injury Insurance Reform Branch of DTF. This Branch was established as a project team reporting to the Compulsory Third Party (CTP) Reform Governance Group chaired by the Under Treasurer of South Australia. The Governance Group was charged by Cabinet with implementing the Government's CTP reforms, including changes to tort law and damages for motor vehicle injuries, and creation of a no-fault catastrophic care scheme for South Australia.

## Relationship with other agencies

The LSA interacts with a number of government agencies such as DTF, DPC, the Motor Accident Commission (MAC), SA Health, South Australia Police (SAPOL), the Department for Communities and Social Inclusion (DCSI), the Department for Education and Child Development (DECD), the South Australian Ambulance Service (SAAS), the Department of Planning, Transport and Infrastructure (DPTI) and the National Disability Insurance Agency (NDIA).

In order to ensure the best possible outcomes for LSA participants from 1 July 2014, the LSA has worked on establishing Memoranda of Understanding and/or working arrangements with each of these agencies.



## The Lifetime Support Scheme commenced on 1 July, 2014

Left to Right (L-R): Kelly Clarke, SAPOL and Lois Boswell, LSA CE.

# Our first year



L-R: BINSAs Springboard program participant Brett Afford, LSA Chief Financial Officer Tamara Tomic, LSS Rules Advisory Group member Dean Fyfe and Cheryl Mason, BINSAs client.



L-R: Neil Lillecrapp and Peter Stewart, Paraquad SA.



L-R: David Meier, LSA Contract and Audit Manager, Melinda OLeary, LSA Board member and Rohan Weckert, LSA Program Support Officer.



L-R: left: Marie Colquhoun, Motor Accident Commission, Rohan Weckert, Program Support Officer LSA, Eunice Monaghan, Review Officer LSA, Belinda Randell, Motor Accident Commission and Alan Lindsay, Barrister Jeffcott Chambers, top right: Genevieve Lewis DEWNR, Tricia Harkins-Burr LSA and Rebecca Singh, Lead Service Planner LSA, bottom right: Arabella Branson, Joseph Ullianich and Dr George Potter, LSA Board members.

## Lifetime Support Authority of South Australia Launch Event



The Honourable Jack Snelling MP,  
Minister for Health.



LSA Launch.



L-R: Juliet Brown, Chair LSA Board  
and Dianne Gray, AGD.

# Governance

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## Strategic priorities

*The Board devised the LSA's Strategic Plan to cover the first three years of the LSA.*

The Strategic Plan outlines the priorities for the LSA from 2014 to 2016. It underlines the commitments required to achieve the goal of excellent care for LSS participants, their families and carers.

The Strategic Plan sets out:

- a planning framework that aims to align the directions of the LSA to activities at all levels of the organisation, right through to the individual; and
- the LSA's strategic overview, including vision, mission and direction and its service commitments.



### Our mission –

*Our level of service and care is extraordinary.*

### Our vision –

*We will put our participants first and design and deliver financially sustainable innovative services, efficiently and to a high standard.*

## Corporate Governance Framework

The Board approved the Corporate Governance Framework for 2014 to 2016.

This Framework is based on best practice for public sector governance and sets out the standards of accountability and transparency expected of the LSA by stakeholders and the people of South Australia.

It aims to drive performance improvement, while meeting the LSA's obligations and legislative requirements.

The Framework outlines the principles, elements and mechanisms used by the LSA to support a focus on effective governance through strong leadership, responsible and ethical decision-making, management and accountability, and performance improvement.

## LSS Rules

*Section 56 of the Act provides for the Governor on the recommendation of the LSA to make rules to govern the LSS.*

The LSS Rules set out the eligibility criteria for acceptance into the LSS, the assessment tools and the scope of treatment, care and support available to LSS participants.

The LSS Rules Advisory Group consisting of key medical, disability and legal experts, as well as community advisers, provided the LSA Board with invaluable advice in the development of the LSS Rules. The composition of the Advisory Group was as follows:

- Assoc Prof Ruth Marshall – Hampstead Rehabilitation Centre
- Dr Miranda Jelbart – Hampstead Rehabilitation Centre
- Dr Ray Russo – Women’s and Children’s Hospital
- Assoc Prof Bill Griggs – Royal Adelaide Hospital
- Dr John Brayley – Public Advocate
- Ms Mariann McNamara – Brain Injury Network SA Inc
- Ms Sharron Neeson – PARAQUAD SA
- Mr Dean Fyfe – Carer
- Mr Neil Lillecrapp – Consumer
- Mr Alan Lindsay – Jeffcott Chambers
- Ms Zofia Nowak – NDIS Reform
- Mr Robbi Williams – Julia Farr Association Inc
- Mr Gary Allison – Joint CTP Executive Law Society of South Australia
- Mr Hugh Rischbieth – Joint CTP Executive Law Society of South Australia
- Mr John Walsh AM – PricewaterhouseCoopers
- Dr Maree Dyson – Dyson Consulting Group

The Rules Advisory Group met over the course of several months in order to discuss the various iterations of the LSS Rules and provided advice to the LSS Rules Committee of the LSA Board. In December 2013 the Board endorsed the draft LSS Rules and recommended them to the Governor. On 23 January 2014 the Governor proclaimed the LSS Rules to come into operation on 1 July 2014.

## Code of conduct

*Section 23 (1) of the Act requires the LSA to implement a Code of Conduct.*

The LSA’s Code of Conduct outlines values and behaviours to help the LSA provide the best outcome for our participants, maintain respectful relationships with service partners and stakeholders, and take a flexible, positive approach to service provision. The Code also contains the Participant Service Charter to ensure services are provided to LSS participants in accordance with specific standards and conveys what a participant can do to help the LSA provide them with the highest quality of service and support. The Code provides the procedure for receiving and managing complaints.

The Code of Conduct and Participant Service Charter was gazetted on 5 June 2014

and tabled before Parliament on 1 July 2014 as required by section 23 of the Act.

## IT system

In order to support the service delivery team in providing quality care to our participants, the customer relationship management (CRM) and data solution for the LSA was considered taking into account interstate experiences and recent developments in cloud and fully mobile technologies. The LSA has chosen to use Salesforce as its CRM platform and development work commenced in readiness for a staged implementation from August to December 2014.

## Service delivery and assessment

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### **MyPlan**

*The LSA is committed to providing necessary and reasonable treatment, care and support through a person-centred approach, enabling participants, their families and carers to choose and control evidence based support and service arrangements that enhance quality of life and provide opportunities to participate and contribute to social and economic life.*

In preparation for the 1 July 2014 start date, the LSS has developed its service delivery model in line with this commitment.

The treatment, care and support to be funded through the LSS will be documented in each participant's *MyPlan*. Every *MyPlan* will reflect each participant's personal preferences for the types of support they receive and for how they want to receive them.





Pam and Airlie Kirkman

## Service Delivery Model

KPMG was contracted by DTF to assess options for the LSA to deliver services to participants of the LSS, including various models of internal case management or outsourcing. KPMG recommended that the LSA undertake most functions directly, including case management services from commencement, with the potential for outsourcing some functions to be considered in the long-term once certain conditions have been met.

This approach was considered the most 'balanced' option as it takes into account the criticality of the LSS establishment phase and balancing it with emerging opportunities for efficiencies to be achieved through potential alignment with the National Disability Insurance Scheme (NDIS) in the longer-term.

The LSA Board approved an organisational structure for LSS commencement which includes a service delivery team made up of allied

health professionals who are able to provide case management and service planning for participants.

## Standards Framework

The LSA has adopted the *National Standards for Disability Services* (1993), subject to the extent that the standards are consistent with the LSS Rules. The adoption of the National Standards demonstrates the commitment of the LSA to protecting the rights and the quality of life of people with a disability.

These Standards provide the core elements of a quality service, and of a performance monitoring system that aims to ensure that people with a disability have maximum opportunities to enhance their lives. The Standards ensure the philosophy of social justice is embodied in the provision of services to people with a disability.

## Service delivery and assessment *(continued)*

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### Participant Policies

The *National Standards for Disability Services* and the *Attendant Care Industry Standard* informed the development of LSA's initial suite of participant policies.

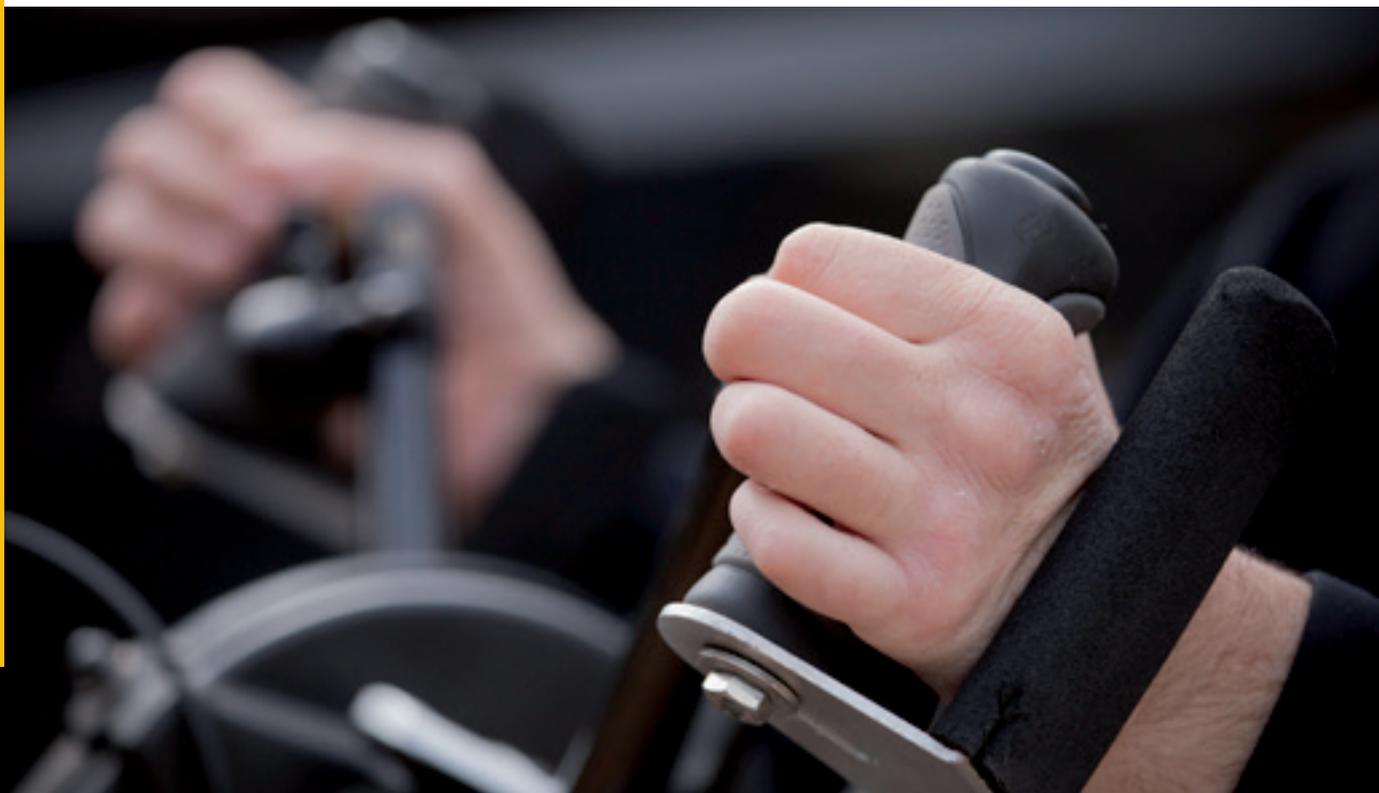
The Board endorsed the first tranche of participant policies that will guide LSA service delivery which include:

- Person-centred approach
- Consent
- Self-managed funding
- Equity in response to cultural diversity
- Meeting individual needs
- Supported decision making and choice
- Privacy, dignity and confidentiality
- Child protection

- Community and social inclusion
- Grief and loss
- Opportunities for developing potential
- Family members (unpaid carers)
- Maintaining home and lifestyle
- Dignity of risk

### Participant Services Practice Manual

The development of the Participant Services Practice Manual has been ongoing. It forms a significant part of the control framework for decision making around approved services to participants, procedural instructions and consistency of service delivery for participants.



## **LSS Application Procedures**

Building on the procedures in the LSS Rules for applications, the LSA worked with units within SA Health to design a notification and application system aiming to provide early recognition of and assistance to potential participants.

A serious injury notification process was developed for health professionals to advise the LSA of an injured person who may be eligible. This will enable us to provide advice about the LSS and assist eligible people to make applications.

Application and medical certificate forms were also developed to enable an injured person, their guardian or the CTP insurer to make an application to the LSS.

## **Attendant Care Service Providers**

The largest ongoing service to be provided through the LSS will be personal and attendant care which the LSA will contract from qualified service providers. To ensure the quality management regime without duplicating accreditation systems, the LSA sought interest from credentialed members of the South Australian Disability Services Provider Panel, administered by the Department for Communities and Social Inclusion.

In March 2014 an expression of interest was issued for attendant care providers. A total of twenty six (26) submissions were received. The evaluation panel shortlisted ten service providers and requested they submit a further proposal. CARA, PARAQUADSA/HomeCare Services and Hendercare were chosen as the LSA Approved Provider Panel for 2014–15.

A number of other private and non-government service providers have also been approved to provide services on a fee-for-service basis as and when an LSS participant's need is identified.

## **Service Provider Performance Framework**

The LSA developed a service provider performance framework to articulate the LSA's approach in ensuring the quality of treatment, care and support provided to participants of the LSS by contracted service providers. The approach is multi-dimensional and ensures regular dialogue between the LSA, service providers and participants, along with targeted surveys and reviews.

## **LSA Assessors**

Assessors are suitably experienced and qualified health professionals who will provide opinions on behalf of the LSA for the purpose of eligibility or treatment, care and support needs. They are engaged under section 30(4) of the Act. After consideration of various cost models, the LSA has determined to adopt the published NDIA hourly rates for the relevant allied health professionals.

# Finance

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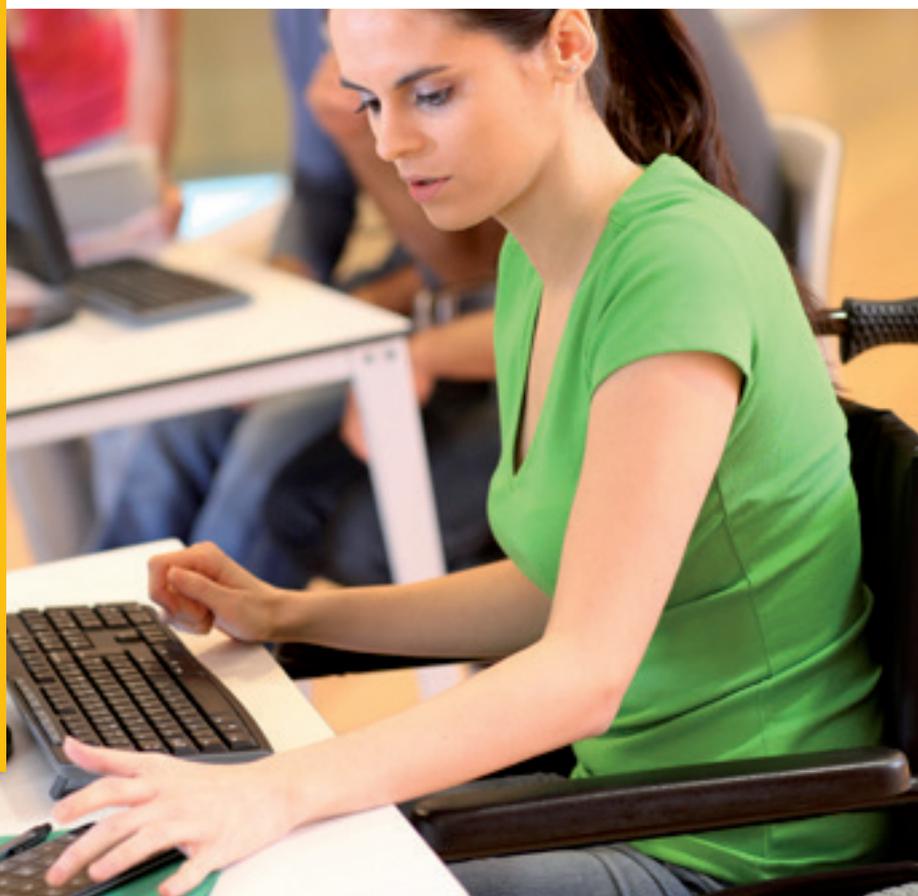
## Financial governance

*During the year, significant work was carried out to establish sound financial governance arrangements for the LSA going forward.*

The LSA is subject to the requirements of the Public Finance and Audit Act 1983, including the Treasurer's Instructions. The LSA ensured that its operations were undertaken in line with established DTF policies and procedures.

Finity Consulting Pty Ltd was contracted for actuarial services, to monitor and value the liabilities of the LSS, and PricewaterhouseCoopers for internal audit

services, to review the establishment of the LSA's operations and systems. The LSA also ensured that appropriate authorisations and delegations were established to approve financial activities and decisions under the Act, and that the requirements of the Treasurer's Instructions and best practice financial governance would be met through the LSA's own policies, procedures and practices from 1 July 2014.



## LSS Fund levy

The LSS is funded by a levy, applied to South Australian motor vehicle registrations from 1 July 2014. The levy each year is based on a financial assessment, performed by an independent LSS actuary, calculated to fund the present and future likely liabilities of the LSS in that period.

In accordance with the Act, in December 2014, the LSA Board recommended to the Minister the amount estimated to be required for contribution to the LSS Fund for the 2014–15 financial year. This determination was based on independent actuarial advice from PricewaterhouseCoopers who modelled the original no-fault catastrophic care scheme for the South Australian Government as part of the CTP reforms.

The LSA also provided advice to the Minister to inform his determination of the LSS Fund levy for various classes of motor vehicles in 2014–15.

## Transitional financial contribution

In accordance with Schedule 2, Clause 23 of the Act, the Treasurer, in consultation with MAC and the LSA, determined a contribution to be paid from the Compulsory Third Party Fund to the LSS Fund. This contribution was calculated by an independent actuary to reflect the transfer of liabilities to the LSA from MAC and to provide for full funding of the LSS from its commencement on 1 July 2014.

## Investment Strategy

An important part of the LSA's operations is the appropriate investment of levy collections, to allow for the LSS to be financially sustainable into the future and manage the funds for each participant's lifetime supports and services. The LSA worked closely with Funds SA, the South Australian Government's investment manager, to develop an investment strategy for the LSS Fund levy from 1 July 2014 and agree procedures for the regular monitoring and review of the strategy.

## Reinsurance

In recognition that the LSS may experience early volatility in liabilities, due to varying accident rates in a period, the Board determined to purchase reinsurance for an initial period from 1 July 2014 through to 30 September 2015. The 'event excess of loss' reinsurance strategy is designed to provide cover for a large liability arising from single events, where a number of people suffer serious lifelong disabilities. The key purpose of this initial reinsurance is to minimise the risk that the LSS Levy might not be sufficient to cover the cost of participants entering the LSS while the scheme is maturing and the asset base is built up.

The LSA worked closely with its reinsurance broker to structure reinsurance to its risk profile, and secure terms with a panel of highly rated international reinsurers. The LSA entered into reinsurance contracts in conjunction with MAC to achieve the most efficient price for extreme risk scenarios.

## Human Resource Information

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In 2013–14 the LSA was provided assistance with its establishment by employees of DTF's Motor Injury Insurance Reform Branch. The human resource information for these employees is reported in the DTF Annual Report.

The sole employee of the LSA is the Chief Executive.

Lois Boswell commenced her employment with the LSA in February 2014. Her fixed period Executive contract is for a SAES 2 equivalent salary on a full time basis. The CE has no right to be appointed to a further

position in the public sector at the end of her limited term appointment. The CE had six days of sick leave in the 2013–14 financial year.

### Leadership and Management development

The Chief Executive undertook a company directors' course in June 2014.

### Work Health and Safety and Injury management

The LSA operated under DTF's arrangements for work health and safety and injury management.

## Reporting Requirements

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### Reporting against the Carers Recognition Act 2005

The LSA is not required to report on compliance with section 6 of the *Carers Recognition Act 2005*. The LSA's agreements with service providers (signed post 30 June 2014) include an obligation on the service providers to meet the requirements of the *Carers Recognition Act 2005*.

### Disability access and inclusion plans

The LSA operated under DTF's disability access and inclusion plans during 2013–14.

### Asbestos management in Government Buildings

Data relating to the LSA's accommodation is included in DTF's annual report for 2013–14.

### Freedom of Information

The LSA received one Freedom of Information request during the financial year and the response was provided within the required 30 calendar days.

### Whistleblowers Protection Act 1993

The LSA has utilised DTF's responsible officer for the purposes of the *Whistleblowers Protection Act 1993* (WPA) pursuant to Section 7 of the *Public Sector Act 2009*. There were nil instances of disclosure of public interest information to a responsible officer of DTF under the WPA arising from the LSA.

### Energy Efficiency Action Plan Reports

Data relating to the LSA is included in DTF's annual report for 2013–14.

### Greening of Government Operations Framework

Data relating to the LSA is included in DTF's annual report for 2013–14.

# Our financial performance

## Contract arrangements

The LSA did not enter into any contracts exceeding \$4 million including GST.

## Account Payment Performance

Particulars	Number of accounts paid	Percentage of accounts paid (by number)	Value in \$A of accounts paid	Percentage of accounts paid (by value)
Paid by due date*	6	100%	88,773	100%
Paid late, but paid within 30 days of due date	0	0	0	0
Paid more than 30 days from due date	0	0	0	0

### Comments/Explanation of Account Payment Performance:

All accounts payable by the LSA were paid within 30 days of receipt of invoice.

*\*Note: The due date is defined under section 11.7 of Treasurer's Instruction 11 Payment of Creditors' Accounts.*

## Use of consultants

In 2013–14 consultants providing advice associated with project and policy work for the establishment of the LSA were contracted by the Motor Injury Insurance Reform Branch of DTF.

## Employee Overseas travel

The LSA joined with MAC in its April 2014 international reinsurance market presentations. The Chief Executive and Chair travelled to Singapore for presentations in April 2014 and the CE continued on to England and France for further meeting with reinsurers.

Number of Employees	Destination/s	Reasons for Travel	Total Cost to Agency
2	Singapore	Meetings with reinsurers.	11,000
1	UK, France	Meetings with reinsurers.	8,000

## Fraud and Anti-Corruption

No instances of fraud were detected in 2013–14.

The LSA utilised DTF's strategies for the control and prevention of fraud.

# Audited Financial Statements:

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## Lifetime Support Authority of South Australia **Financial Statements** For the year ended 30 June 2014

# Contents

Certification of the Financial Statements	23
Statement of Comprehensive Income	24
Statement of Financial Position	25
Statement of Changes in Equity	26
Statement of Cash Flows	27
Note Index	28
Notes to and Forming Part of the Financial Statements	29
Independent Auditor's Report	43

## Certification of the Financial Statements

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We certify that the:

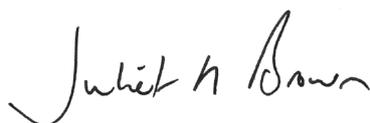
- financial statements of the Lifetime Support Authority:
  - are in accordance with the accounts and records of the authority;
  - comply with relevant Treasurer’s instructions;
  - comply with relevant accounting standards; and
  - present a true and fair view of the financial position of the authority at the end of the financial year and the results of its operations and cash flows for the financial year.
- Internal controls employed by the Lifetime Support Authority over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.



**Chief Executive**  
*Lifetime Support Authority of SA*  
26 September 2014



**Chief Financial Officer**  
*Lifetime Support Authority of SA*  
26 September 2014



**Chair**  
*Lifetime Support Authority of SA*  
26 September 2014

# Statement of Comprehensive Income

For the year ended 30 June 2014

	Note	2014 \$'000
<b>Expenses</b>		
Employee benefit expenses	4	411
Duty on LSS Fund levy	6	249
Supplies and services	7	92
<b>Total expenses</b>		<b>752</b>
<b>Income</b>		
Revenues from LSS Fund levy, fees and charges	9	2 263
Interest revenues	10	127
Resources received free of charge	11	411
<b>Total income</b>		<b>2 801</b>
<b>Net benefit of providing services</b>		<b>2 049</b>
<b>Revenues from SA Government</b>		
Transitional Contribution	12	41 500
<b>Total Revenues from SA Government</b>		<b>41 500</b>
<b>Net Result</b>		<b>43 549</b>
<b>Total Comprehensive result</b>		<b>43 549</b>

The net result and total comprehensive result are attributable to the SA Government as owner.

*The above Statement should be read in conjunction with the accompanying notes.*

# Statement of Financial Position

**As at 30 June 2014**

	Note	2014 \$'000
<b>Current Assets</b>		
Cash and cash equivalents	13	42 928
Receivables	14	1 050
<b>Total current assets</b>		<b>43 978</b>
<b>Non-Current Assets</b>		
Intangible Assets	15	37
<b>Total non-current assets</b>		<b>37</b>
<b>Total Assets</b>		<b>44 015</b>
<b>Current Liabilities</b>		
Payables	16	339
Employee benefits	17	65
<b>Total Current Liabilities</b>		<b>404</b>
<b>Non-Current Liabilities</b>		
Employee benefits	17	62
<b>Total Non-Current Liabilities</b>		<b>62</b>
<b>Total Liabilities</b>		<b>466</b>
<b>Net Assets</b>		<b>43 549</b>
<b>Equity</b>		
Retained earnings		43 549
<b>Total Equity</b>		<b>43 549</b>

**The Total Equity is attributable to the SA Government as owner.**

**Unrecognised Contractual Commitments** 18

**Contingent Assets and Liabilities** 19

*The above Statement should be read in conjunction with the accompanying notes.*

## Statement of Changes in Equity

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### For the year ended 30 June 2014

	Retained Earnings \$'000
<b>Balance at 30 June 2013</b>	—
Net result for 2013–14	<b>43 549</b>
Total comprehensive result for 2013–14	<b>43 549</b>
<b>Balance at 30 June 2014</b>	<b>43 549</b>

**All changes in Equity are attributable to the SA Government as owner.**

*The above Statement should be read in conjunction with the accompanying notes.*

# Statement of Cash Flows

## For the year ended 30 June 2014

	Note	2014 \$'000
<b>Cash flows from operating activities</b>		
<b>Cash Outflows</b>		
Payments for supplies and services		(66)
<b>Cash used in operations</b>		(66)
<b>Cash Inflows</b>		
LSS Fund levy, fees and charges		1 466
Interest received		45
<b>Cash generated from operations</b>		1 511
<b>Cash Flows from SA Government</b>		
Receipts from SA Government – Transitional Contribution		41 500
<b>Cash generated from SA Government</b>		41 500
<b>Net cash provided by operating activities</b>	20(b)	42 945
<b>Cash flows from investing activities</b>		
<b>Cash Outflows</b>		
Purchase of intangible assets		(17)
<b>Cash used in investing activities</b>		(17)
<b>Net increase in cash and cash equivalents</b>		42 928
Cash and cash equivalents at the beginning of the period		—
<b>Cash and cash equivalents at the end of the period</b>	20(a)	42 928

The above Statement should be read in conjunction with the accompanying notes.

## Note Index

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Note 1	Objective of the Lifetime Support Authority
Note 2	Summary of Significant Accounting Policies
Note 3	New and revised accounting standards and policies

### Expense Notes

Note 4	Employee benefit expenses
Note 5	Remuneration of Board Members
Note 6	Duty on LSS Fund levy
Note 7	Supplies and services
Note 8	Auditor's Remuneration

### Income Notes

Note 9	Revenues from LSS Fund levy, fees and charges
Note 10	Interest Revenues
Note 11	Resources received free of charge
Note 12	Revenues from SA Government

### Asset Notes

Note 13	Cash and cash equivalents
Note 14	Receivables
Note 15	Intangible Assets

### Liability Notes

Note 16	Payables
Note 17	Employee Benefits

### Other Notes

Note 18	Unrecognised Contractual Commitments
Note 19	Contingent Assets and Contingent Liabilities
Note 20	Cash Flow Reconciliation
Note 21	Financial Instruments/Financial Risk Management
Note 22	Events after the reporting period

# Notes to and forming part of the Financial Statements

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## 1 Objective of the Lifetime Support Authority of South Australia

The Lifetime Support Authority of South Australia (LSA) is a not-for-profit Statutory Authority of the South Australian Government. The LSA was established on 1 July 2013 under section 7 of the *Motor Vehicle Accidents (Lifetime Support Scheme) Act 2013* (the Act).

The Board is the governing body of the LSA, and was appointed by the Governor effective from 8 October 2013.

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

The LSS provides necessary and reasonable treatment, care and support for people who suffer serious lifelong disabilities in motor vehicle accidents in South Australia that occur on or after 1 July 2014, regardless of fault. People who receive serious injuries that cause paraplegia or quadriplegia, brain injury, whole limb or multiple amputations, major burns or blindness will qualify for support. The LSS is funded by the LSS Fund levy paid on motor vehicle registrations. The LSS is governed by the Lifetime Support Scheme Rules (LSS Rules) as approved by the Governor.

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.

## 2 Summary of Significant Accounting Policies

### 2.1 Statement of Compliance

The LSA has prepared these financial statements in compliance with section 23 of the *Public Finance and Audit Act 1987* and section 21 of the Act.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provision of the *Public Finance and Audit Act 1987*.

The LSA has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the LSA is a not-for-profit entity.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the LSA for the period ending 30 June 2014. Refer to Note 3.

# Notes to and forming part of the Financial Statements

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## 2.2 Basis of Preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying the LSA's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements are outlined in the applicable notes;
- that accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported; and
- compliance with accounting policy statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the accounting policy statements require the following note disclosures, which have been included in this financial report:
  - a) revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature.
  - b) board/committee member and remuneration information.

The LSA's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets that were valued in accordance with the valuation policy applicable.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared for the period 1 July 2013 (the date on which the LSA was established) to 30 June 2014 and presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2014.

## 2.3 Reporting Entity

The LSA is a not-for-profit Statutory Authority of the South Australian Government.

## 2.4 Comparative Information

Comparative information for the LSA is not applicable as the LSA was established on 1 July 2013.

## 2.5 Rounding

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

## 2.6 Taxation

The LSA is liable for payroll tax, fringe benefits tax and goods and services tax (GST). Reflecting the LSA's status as a not-for-profit entity, a nil tax rate is currently approved by the Treasurer for the calculation of income tax equivalent payments to the South Australian Government.

The Department of Treasury and Finance (DTF) prepares the Business Activity Statement on behalf of the LSA under the grouping provisions of the GST legislation. Under these provisions, DTF is liable for the payments and entitled to the receipt of GST. As such, GST applicable to the LSA forms part of the Statement of Financial Position of DTF.

# Notes to and forming part of the Financial Statements

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## **2.7 Expenses**

Expenses are recognised to the extent that it is probable that the flow of economic benefits from the LSA will occur and can be reliably measured.

Expenses have been aggregated according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

**The following are specific recognition criteria:**

### ***Funding for expenses of the Compulsory Third Party Reform Project and the LSA to 30 June 2014***

In January 2013, the South Australian Government established the Compulsory Third Party (CTP) Governance Group to oversee the implementation of reforms to the state's CTP insurance scheme, including the establishment of a new catastrophic injury care scheme for motor vehicle accidents. A secretariat was established to undertake project work for the Governance Group, including changes to CTP insurance policies and payments and the implementation of the scheme that later became known as the LSS as approved. The secretariat was funded by the Motor Accident Commission (MAC) through DTF until 30 June 2014. The costs for the project and policy work associated with the establishment of the LSA and the LSS up to this date included staff contracted to DTF, accommodation, corporate services, communications and office equipment. The expenses for the support relating to the reform project for the year ended 30 June 2014 are shown in the financial statements for MAC and DTF.

Certain expenses incurred by the LSA in the course of meeting its legislative responsibilities up to 30 June 2014 were funded under the arrangement with MAC and DTF, being the remuneration of the Board from its establishment in October 2013 and employee benefits expenses for the Chief Executive employed by the LSA. The expenses have been recognised in the LSA's Statement of Comprehensive Income, with corresponding income recognised as Resources Received Free of Charge.

All other expenses which are a liability of the LSA (i.e. contracts entered into by the LSA, for the operation of the LSS from 1 July 2014) have been recognised in the LSA's Statement of Comprehensive Income, funded from income received by the LSA.

### ***Employee benefits expenses***

Employee benefit expenses include all costs related to employment under the LSA's legislative responsibilities including wages and salaries, non-monetary benefits and leave entitlements. These are recognised when incurred.

### ***Superannuation***

The amount charged to the Statement of Comprehensive Income represents the contributions made by the LSA to the superannuation plan in respect of current services of current LSA staff. DTF centrally recognises the superannuation liability in the whole of government financial statements.

### ***Duty on LSS Fund levy***

The Duty on LSS Fund levy is a duty payable to the Government equivalent to 11% of LSS Fund levies paid to the LSA. The duty is payable on the levies collected monthly in arrears. Refer to Note 2.8 for further details of the LSS Fund levy.

### ***Supplies and Services***

Supplies and Services generally represent the 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.

# Notes to and forming part of the Financial Statements

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## 2.8 Income

Income is recognised to the extent that it is probable that the flow of economic benefits to or from the LSA will occur and can be reliably measured.

Income has been aggregated according to its nature and has not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

**The following are specific recognition criteria:**

### ***Revenues from LSS Fund levy, fees and charges***

Revenue from LSS Fund levy, fees and charges includes the LSS Fund levy collected by the LSA.

Pursuant to section 44 of the Act, the LSS is funded by a levy applied to the registration of a motor vehicle under the *Motor Vehicles Act 1959*. The levy is collected by the Registrar of Motor Vehicles on behalf of the LSA, and recognised as revenue by the LSA when it is paid to the Registrar. The LSS Fund levy is exempt from GST under the operation of Division 81 of *A New Tax System (Goods and Services Tax) Act 1999*.

The amount of the LSS Fund levy collected by the LSA in 2013/2014 represents motor vehicle registrations paid by motorists for a renewal date of 1 July 2014 and thereafter.

### ***Interest***

Interest income includes interest received on deposits held with the Treasurer and the South Australian Government Financing Authority (SAFA). Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

### ***Resources received free of charge***

Resources received free of charge are recorded as revenue in the Statement of Comprehensive Income at their fair value. Contributions of services are recognised only when a fair value can be determined reliably and the services would have been purchased if they had not been donated. Refer to Note 2.7 Expenses for further details of the nature of resources received free of charge up to 30 June 2014.

### ***Revenues from SA Government***

A transitional contribution of \$41.5 million was paid by the Motor Accident Commission from the Compulsory Third Party Fund to the LSS Fund in accordance with Schedule 2, section 23 of the Act. The transitional contribution was a once-off contribution (paid in two instalments), calculated by an independent actuary and determined by the Treasurer to fully fund the LSS from its commencement on 1 July 2014. Revenue has been recognised on a receipts basis.

## 2.9 Current and Non-Current Classification

Assets and liabilities are characterised as either current or non-current in nature. The LSA has a clearly identifiable operating cycle of twelve months. Assets and liabilities that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

## 2.10 Assets

Assets have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

# Notes to and forming part of the Financial Statements

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## ***Cash and Cash Equivalents***

Cash and cash equivalents in the Statement of Financial Position includes cash at bank and deposits at call that are readily converted to cash and which are subject to insignificant risk of change in value.

Cash is measured at nominal value.

The LSA's physical cash balances are held within the Department of Treasury and Finance Operating Bank Account and an at call cash management account with SAFA. The LSA's bank accounts are managed in accordance with Treasurer's Instruction 6 Deposit Accounts and Banking.

## ***Receivables***

Receivables include amounts receivable from goods and services, prepayments and other accruals.

The major receivable is the LSS Fund levy. The LSS Fund levy is received by the LSA 2 days in arrears of collection by the registrar. The receivable represents the amount collected by the registrar and yet to be received by the LSA.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that the LSA will not be able to collect the debt. Bad debts are written off when identified.

## ***Intangible assets***

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. The LSA only has intangible assets with finite lives. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition criteria (identifiability, control and the existence of future economic benefits) and recognition criteria (probability of future economic benefits and cost can be reliably measured) and when the amount of expenditure is greater than or equal to \$10,000.

## ***Impairment***

All non-current tangible and intangible assets are tested for indication of impairment at each reporting date. When there is an indication of impairment, the recoverable amount is estimated. An amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

For revalued assets, an impairment loss is offset against the respective asset revaluation surplus.

## **2.11 Liabilities**

Liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

## ***Payables***

Payables include creditors, accrued expenses and employment on-costs.

Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to the normal operations of the LSA.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

# Notes to and forming part of the Financial Statements

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All payables are measured at their nominal amount and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

Employee benefits on-costs include payroll tax and superannuation contributions in respect of outstanding liabilities for salaries and wages, long service leave and annual leave.

## ***Employee Benefits***

These benefits accrue for employees 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 amount.

## ***Salaries and, wages, annual leave, skills and experience retention leave and sick leave***

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

The annual leave liability and the skills and experience retention leave liability is expected to be payable within twelve 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.

The estimated liability for long service leave is based on actuarial assumptions over expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data from similar SA Government entities. Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match as closely as possible to the estimated future cash outflows.

## **2.12 Unrecognised contractual commitments and contingent assets and liabilities**

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

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the Australian Taxation Office. If GST is not payable to, or recoverable from the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

## **3 New and Revised Accounting Standards and Policies**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the LSA for the period ending 30 June 2014. The LSA has assessed the impact of the new and amended standards and Interpretations and considers there will be no impact on the accounting policies or the financial statements of the LSA.

# Notes to and forming part of the Financial Statements

<b>4 Employee benefit expenses</b>	<b>2014 \$'000</b>
Board and Committee fees	261
Employment on-costs – superannuation	32
Employment on-costs – payroll tax	19
Salaries and Wages*	99
<b>Total Employee benefit expenses</b>	<b>411</b>

The LSA has no other employee expenses. Refer to Note 2.7 Expenses for detail of the staff costs associated with the establishment of the LSA and the Lifetime Support Scheme.

\* The Chief Executive was appointed by the LSA effective 1 February 2014. Executive remuneration is disclosed in DTF's Financial Statements.

## 5 Remuneration of Board Members

Members that were entitled to receive remuneration for membership during the 2013–14 financial year were:

<b>LSA Board (Established 8 October 2013)</b>	<b>Applications and Rules Committee (Established 13 December 2013)</b>
Ms Juliet Brown (Chair)	Mr Joseph Ullianich (Chair)
Ms Melinda OLeary	Ms Arabella Branson
Mr Joseph Ullianich	Ms Melinda OLeary
Mr Kenneth Williams	Dr George Potter*
Hon Patricia White	
Mr George Potter*	
Ms Arabella Branson	

<b>Audit Committee (Established 21 October 2013)</b>	<b>Finance and Investment Committee (Established 13 December 2013)</b>
Hon Patricia White (Chair from 13 December 2013)	Mr Kenneth Williams (Chair)
Mr Joseph Ullianich (Chair from 21 October to 12 December 2013)	Ms Juliet Brown
Ms Juliet Brown	Hon Patricia White
Mr Kenneth Williams	

<b>Applications Committee (in operation from 21 October 2013 to 12 December 2013. Merged with LSS Rules Committee to become Applications and Rules Committee)</b>
Mr Kenneth Williams (Chair)
Ms Juliet Brown
Dr George Potter*
Mr Joseph Ullianich

# Notes to and forming part of the Financial Statements

## LSS Rules Committee (From 21 October to 12 December 2013. Merged with the Applications Committee to become the Applications and Rules Committee)

Hon Patricia White (Chair)  
Ms Melinda OLeary  
Ms Arabella Branson  
Ms Juliet Brown

There were no changes to Board and Committee members other than stated.

	2014 Number of Members
The number of members whose remuneration received or receivable falls within the following bands:	
\$30,000 – \$39,999	3
\$40,000 – \$49,999	3
\$60,000 – \$69,999	1
<b>Total Number of Board Members</b>	<b>7</b>

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, fringe benefits tax and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$283 845.

Amounts paid to a superannuation plan for board/committee members was \$23 113.

*\* In accordance with the Department of Premier and Cabinet Circular No. 016, the LSA received an exemption for the remuneration of a Government employee for Board/Committee duties during the financial year.*

<b>6 Duty on LSS Fund levy</b>	2014 \$'000
Duty on LSS Fund Levy	249
<b>Total Duty on LSS Fund levy</b>	<b>249</b>

<b>7 Supplies and services</b>	2014 \$'000
<b>Supplies and services</b>	
Reinsurance Brokerage	49
General Administration and Consumables	20
Other	23
<b>Total supplies and services</b>	<b>92</b>
<b>Supplies and services provided by entities within the SA Government</b>	
General Administration and Consumables	20
Other	15
<b>Total Supplies and services by entities within the SA Government</b>	<b>35</b>

# Notes to and forming part of the Financial Statements

<b>8 Auditor's Remuneration</b>	<b>2014 \$'000</b>
Audit Fees paid or payable to the Auditor-General's Department	15
<b>Total Audit Fees</b>	<b>15</b>

### *Other Services*

No other services were provided by the Auditor-General's Department.

Auditor's remuneration costs are recognised in the Statement of Comprehensive Income and included in the balance of 'Supplies and Services – Other Supplies and Services' (refer to Note 7).

<b>9 Revenues from LSS Fund levy, fees and charges</b>	<b>2014 \$'000</b>
LSS Fund levy	2 263
<b>Total LSS Fund levy, fees and charges</b>	<b>2 263</b>

<b>10 Interest Revenues</b>	<b>2014 \$'000</b>
Interest Income – SAFA	127
	127

<b>11 Resources received free of charge</b>	<b>2014 \$'000</b>
Resources received free of charge	411
	411

Resources received free of charge relates to employee benefit expenses directly attributable to the LSA and paid by DTF.

<b>12 Revenues from SA Government</b>	<b>2014 \$'000</b>
Transitional Contribution – MAC	41 500
<b>Total Revenues from SA Government</b>	<b>41 500</b>

<b>13 Cash and cash equivalents</b>	<b>2014 \$'000</b>
At call deposits with SAFA	42 050
Deposits with the Treasurer	878
<b>Total Cash and cash equivalents</b>	<b>42 928</b>

### *Interest rate risk*

Deposits with the Treasurer are interest bearing and earn a variable interest rate. The carrying amount of cash and cash equivalents represents fair value.

# Notes to and forming part of the Financial Statements

<b>14 Receivables</b>	<b>2014 \$'000</b>
<b>Current</b>	
Accrued revenue	879
DTF – Reimbursement of leave provisions	142
Prepayments	29
<b>Total Current Receivables</b>	<b>1 050</b>
<b>Total Receivables</b>	<b>1 050</b>
<b>Receivables from SA Government Entities</b>	
Accrued revenue	82
DTF – Reimbursement of leave provisions	142
<b>Total Receivables from SA Government Entities</b>	<b>224</b>

### *Interest rate and credit risk*

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 30 days. Receivables and accrued revenues are non-interest bearing.

Other than as recognised in the allowance for doubtful debts, 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.

**Maturity Analysis of Receivables** – refer to Table 21.2 in Note 21.

**Categorisation of financial instruments and risk exposure information** – refer to Note 21.

<b>15 Intangible assets</b>	<b>2014 \$'000</b>
Work in Progress	37
<b>Total Work in Progress</b>	<b>37</b>
<b>Total Intangible assets</b>	<b>37</b>

### *Reconciliation of Intangible assets*

The following table shows the movement of intangible assets during 2013–14:

	<b>Work in Progress \$'000</b>	<b>Total 2014 \$'000</b>
Carrying amount at the beginning of the period	—	—
Additions	37	37
<b>Carrying amount at the end of the period</b>	<b>37</b>	<b>37</b>

Additions relate to development of the LSA's participant management computer software.

There were no indications of impairment for Intangible Assets as at 30 June 2014.

# Notes to and forming part of the Financial Statements

<b>16 Payables</b>	<b>2014 \$'000</b>
<b>Current</b>	
Accrued Expenses	323
Employment on-costs	16
<b>Total Current Payables</b>	<b>339</b>
<b>Payables to SA Government Entities</b>	
Accrued Expenses	284
Employment on-costs	7
<b>Total Payables to SA Government Entities</b>	<b>291</b>

### *Interest rate and credit risk*

All payables are non-interest bearing. The carrying amount of payables approximates net fair value due to the amounts being payable on demand. There is no concentration of credit risk.

**Maturity Analysis of Payables** – refer to Table 21.2 in Note 21.

**Categorisation of financial instruments and risk exposure information** – refer to Note 21.

<b>17 Employee benefits</b>	<b>2014 \$'000</b>
<b>Current</b>	
Annual leave	57
Long service leave	8
<b>Total Current Employee benefits</b>	<b>65</b>
<b>Non-Current</b>	
Long service leave	62
<b>Total Non-Current Employee Benefits</b>	<b>62</b>
<b>Total Employee Benefits</b>	<b>127</b>

The LSA's long service leave liability was estimated in accordance with AASB 119, using assumptions based on employee experience from a range of similar SA government entities.

This estimate for 2014 used a salary inflation rate of 4%.

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 was 3.50% (2014).

# Notes to and forming part of the Financial Statements

## 18 Unrecognised Contractual Commitments

2014  
\$'000

<b>Capital Commitments</b>	
Capital expenditure contracted for at the reporting date but not recognised as liabilities in the financial report	
Within one year	133
Later than one year but not longer than five years	—
<b>Total Capital Commitments</b>	<b>133</b>
<b>Expenditure Commitments – other</b>	
Within one year	2 738
Later than one year but not longer than five years	953
<b>Total Other Commitments</b>	<b>3 691</b>

## 19 Contingent Assets and Contingent Liabilities

The LSA is not aware of any contingent assets or liabilities. In addition the LSA has made no guarantees.

## 20 Cash Flow Reconciliation

### a) Reconciliation of Cash and Cash Equivalents at the end of the reporting period

2014  
\$'000

Statement of Cash Flows	42 928
Statement of Financial Position	42 928

### b) Reconciliation of Net Cash provided by Operating Activities to Net benefit of providing Services:

2014  
\$'000

<b>Net cash provided by operating activities</b>	<b>42 945</b>
Less revenues from SA Government	(41 500)
<b>Add Non cash items</b>	
Accrued expenses in Non Current Assets	20
<b>Changes in Assets / Liabilities</b>	
Increase in receivables	1 050
(Increase) in payables	(339)
(Increase) in employee benefits	(127)
<b>Net Benefit of Providing Services</b>	<b>2 049</b>

# Notes to and forming part of the Financial Statements

## 21 Financial Instruments/Financial Risk Management

**Table 21.1 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 Note 2 Summary of Significant Accounting Policies.

### 2014

Category of financial asset and financial liability	Statement of Financial Position line item	Note	Carrying amount 2014 \$'000	Fair value 2014 \$'000
<b>Financial assets</b>				
Cash and cash equivalents	Cash and cash equivalents	13	42 928	42 928
Receivables	Receivables <sup>(1)(2)</sup>	14	82	82
	Total Financial Assets		43 010	43 010
<b>Financial liabilities</b>				
Financial liabilities at cost	Payables <sup>(1)</sup>	16	58	58
	Total Financial Liabilities		58	58

(1) Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. In Government, certain rights to receive or pay cash may not be contractual and therefore in these situations the requirements will not apply. Where rights or obligations have their source in legislation such as levy receivables/payables, tax equivalents, Commonwealth tax, audit receivables/payables etc. they would be excluded from the disclosure. The standard defines contract as an enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

(2) Receivable amount disclosed here excludes prepayments. Prepayments are presented in Note 14 as trade and other receivables in accordance with paragraph 78(b) of AASB 101. However, prepayments are not financial assets as defined by AASB 132 as the future economic benefits of these assets is the receipt of goods and services rather than right to receive cash or another financial asset.

# Notes to and forming part of the Financial Statements

## Credit risk

Credit risk arises when there is the possibility of the LSA's debtors defaulting on their contractual obligations resulting in financial loss to the LSA. The LSA measures credit risk on a fair value basis and monitors risk on a regular basis.

The LSA has no concentration of credit risk. The LSA does not engage in high risk hedging for its financial assets.

The LSA has no financial assets past due.

The following table discloses the maturity analysis of financial assets and financial liabilities.

**Table 21.2: Maturity analysis of financial assets and liabilities**

	Carrying amount \$'000	Contractual Maturities		
		< 1 year \$'000	1–5 years \$'000	> 5 years \$'000
<b>2014</b>				
<b>Financial assets</b>				
Cash and cash equivalents	42 928	42 928	—	—
Receivables	82	82	—	—
<b>Total financial assets</b>	<b>43 010</b>	<b>43 010</b>	<b>—</b>	<b>—</b>
<b>Financial liabilities</b>				
Payables	58	58	—	—
<b>Total financial liabilities</b>	<b>58</b>	<b>58</b>	<b>—</b>	<b>—</b>

## 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.

The carrying amount of financial liabilities recorded in Table 21.1 represent the LSA's maximum exposure to financial liabilities.

## Market risk

Market risk for the LSA is primarily through interest rate risk. Exposure to interest rate risk may arise through its internal interest bearing assets. The LSA's interest bearing assets are managed through SAFA and any movements in interest rate are monitored. There is no exposure to foreign currency or other price risks.

## 22 Events after the reporting period

The LSS commenced on 1 July 2014 under the Act. From this date, the LSA provides treatment, care and support to participants accepted into the scheme in line with the eligibility requirements provided in the LSS Rules. The LSA's arising liability will be assessed and determined by the LSA's appointed independent actuary.

On 1 July 2014, the LSA transferred \$42 million from its at call deposit with SAFA for investment with Funds SA. These funds were recognised at the reporting date in the Statement of Financial Position as Cash and cash equivalents. The LSA will continue to manage its investment strategy and maximise the level of funds held in investment.



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## To the Chair of the Board Lifetime Support Authority

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 21(2) of the *Motor Vehicle Accidents (Lifetime Support Scheme) Act 2013*, I have audited the accompanying financial report of the Lifetime Support Authority for the financial year ended 30 June 2014. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2014
- a Statement of Financial Position as at 30 June 2014
- a Statement of Changes in Equity for the year ended 30 June 2014
- a Statement of Cash Flows for the year ended 30 June 2014
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Chair, Chief Executive and the Chief Financial Officer.

## The Board's Responsibility for the Financial Report

The Directors of the Board are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board, as well as the overall presentation of the financial report.

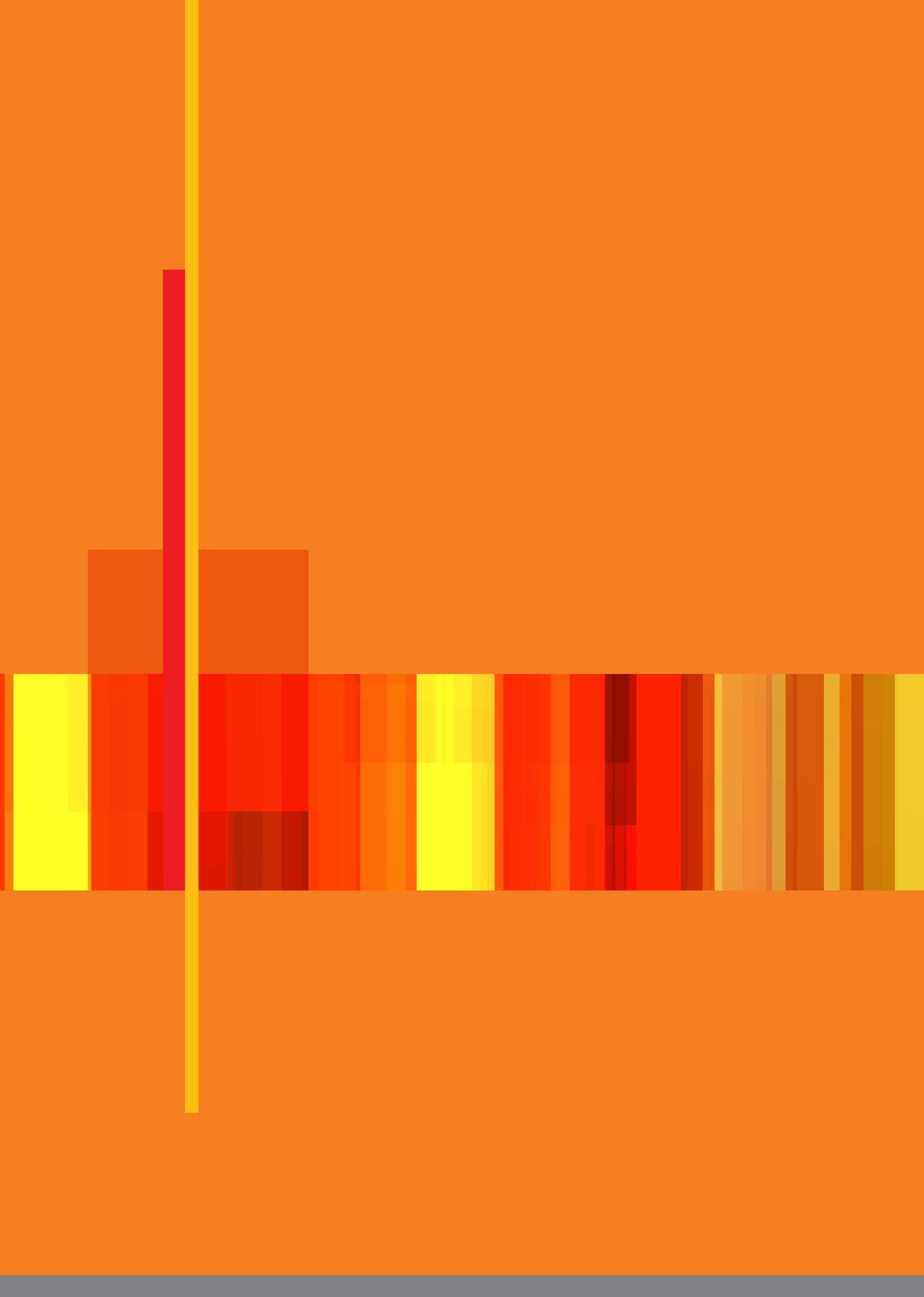
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

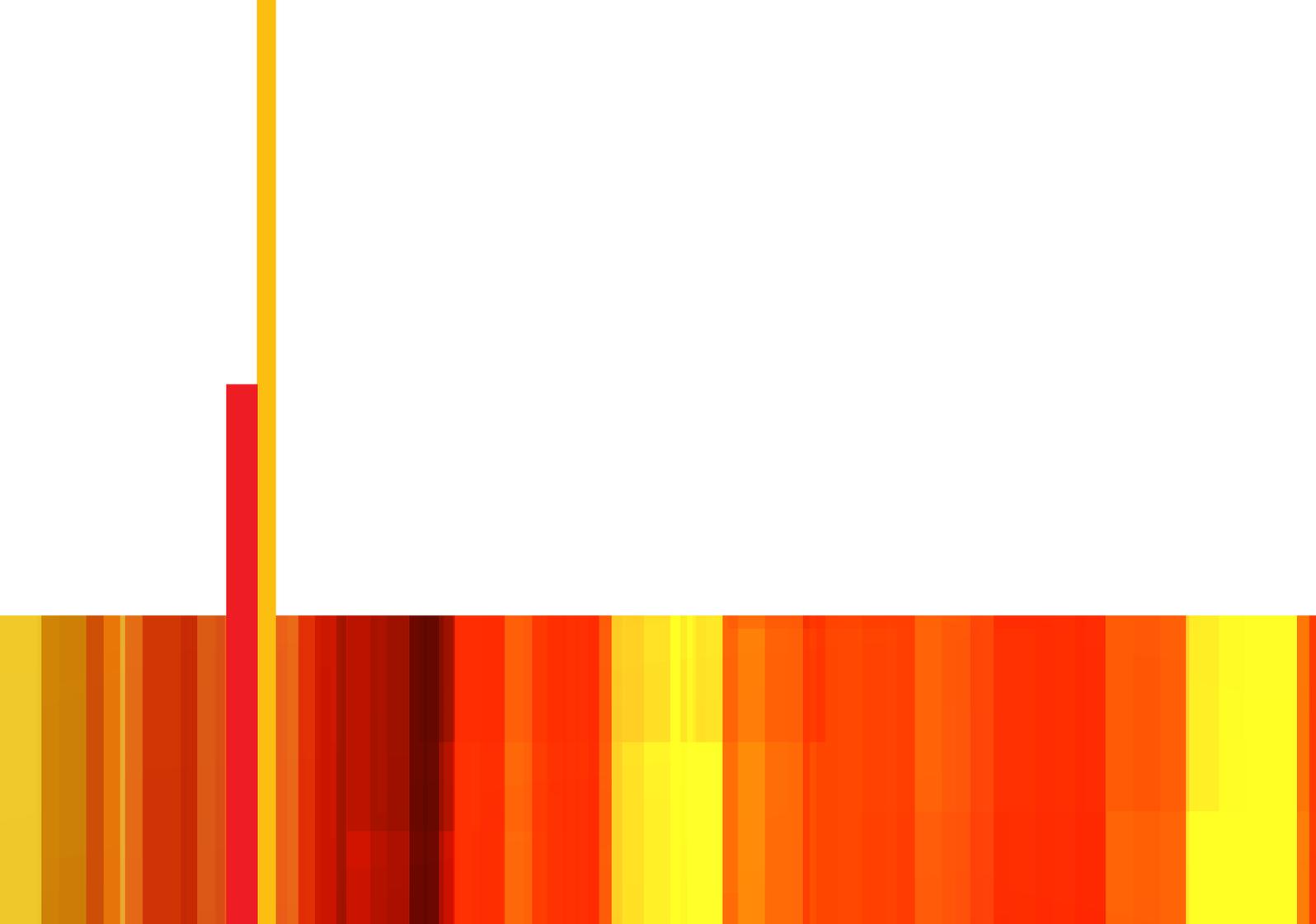
### **Opinion**

In my opinion, the financial report gives a true and fair view of the financial position of the Lifetime Support Authority as at 30 June 2014, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.



**S O'Neill**  
**AUDITOR-GENERAL**  
26 September 2014





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