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## CHARTER FOR 2019-20

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### Part 1: Preliminary

#### Purpose

This Charter sets out the strategic objectives, operational arrangements and financial requirements for the Lifetime Support Authority of South Australia (LSA).

The Minister directs the LSA to have a Charter, pursuant to section 8 of the *Motor Vehicle Accidents (Lifetime Support Scheme) Act 2013*.

This Charter has been approved by the Minister and the Treasurer, following consultation with the LSA.

This Charter may be amended at any time by the Minister or the Treasurer, following consultation with the LSA.

The LSA is to review and submit the Charter annually, including any variations, to the Minister and Treasurer for approval.

#### Governance context

This Charter should be read in conjunction with the following:

- Motor Vehicle Accidents (Lifetime Support Scheme) Act 2013*
- Public Corporations (Lifetime Support Authority) Regulations 2013, which applies provisions of the *Public Corporations Act 1993* to the LSA, as outlined in Appendix 1 to this Charter
- Public Finance and Audit Act 1987*, under which the LSA was proclaimed a semi-government authority on 8 October 2015
- Public Sector Act 2009*
- Superannuation Funds Management Corporation of South Australia Variation Regulations 2013, which declare the LSA a 'prescribed public authority' for the purposes of that Act
- the LSA's Code of Conduct including Annexure 1 – Participant Service Charter
- Code of Ethics for the South Australian Public Sector
- any other applicable legislation or government policy, including the Treasurer's Instructions.

#### Definitions

In this Charter the following definitions apply:

- 'Act' means the *Motor Vehicle Accidents (Lifetime Support Scheme) Act 2013*
- 'Board' means the Board of Directors established as the governing body of the LSA under section 9 of the Act
- 'Chair' means the Chair of the Board
- 'Chief Executive' means the Chief Executive of the LSA
- 'Director' means a member of the Board
- 'LSA' means the Lifetime Support Authority of South Australia

- ‘Scheme’ means the Lifetime Support Scheme under the Act for the lifetime treatment, care and support of certain persons injured in motor vehicle accidents
- ‘LSS Rules’ means the criteria for eligibility to be accepted under the Act as a participant of the Scheme, and the entitlements of a participant of the Scheme to necessary and reasonable treatment, care and support, as made by the Governor on the recommendation of the LSA, under section 56 of the Act
- ‘Minister’ means the Minister to which the Act is committed under the *Administrative Arrangements Act 1994*
- ‘Participant’ means a person accepted under the Act as a participant of the Scheme (either as a lifetime participant or an interim participant)
- ‘the Government’ means the Government of South Australia
- ‘the State’ means South Australia
- ‘Treasurer’ means the Treasurer of the Government of South Australia.

## Part 2: Purpose and direction

### Establishment

The LSA was established under section 7 of the Act as a body corporate.

The sections of the Act which establish the LSA, appoint the Board and establish the LSS Fund (sections 1 to 3 and Parts 2, 7 and 8) commenced 1 July 2013. The parts which bring the Scheme into operation commenced 1 July 2014.

The Public Corporations (Lifetime Support Authority) Regulations 2013 applies provisions of the *Public Corporations Act 1993* to the LSA, as outlined in Appendix 1 to this Charter.

### Commitment to supporting participants

The Government is committed to implementing practices that support the capacity of people with disability to pursue their goals and independence, in a way that is appropriate to their circumstances.

The LSA works to respect the individuality and diversity of participants.

The LSA provides 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 provide opportunities to participate and contribute to social and economic life.

The policies put in place by the LSA for treatment, care and support of participants are to be financially prudent and affordable for vehicle registration payers.

### Functions of the LSA

The functions of the LSA under section 16 of the Act are:

- to monitor the operation of the Scheme
- to provide advice to the Minister about the administration, efficiency and effectiveness of the Scheme

- to provide support and funding for programs that will provide high-quality services to participants in the Scheme; and research and education in connection with services provided to participants in the Scheme
- to disseminate information about the Scheme
- to keep the LSS Rules under review
- to be responsible for the LSS Fund
- other functions conferred on the LSA by or under the Act or any other legislation.

### **Governance arrangements**

The LSA owns assets for and on behalf of the Government for the benefit of the State (section 7 of the Act) and has the powers of a natural person (section 17 of the Act) and those conferred on it by legislation.

The Government (represented by the Minister) is the owner of the LSA, acting for and on behalf of the people of the State.

The LSA is subject to the general control and direction of the Minister, under section 8 of the Act.

In line with section 10 of the Act, the Board includes Directors with qualifications or experience in governance, health, disability, legal, financial management and investment (to carry out its functions effectively).

The LSA is to undertake its functions and exercise its powers in line with the Government's vision and direction, and policies and governance frameworks for statutory authorities. The LSA strategic planning process will be linked to the Government's strategic directions.

The LSA is to ensure it adopts a collaborative approach to working with other Government agencies, and relationships with key stakeholders are managed appropriately for the benefit of the Scheme.

The LSA shall discharge its duties under the legislation listed in this Charter, as well as under any other piece of legislation which has an impact on the LSA's activities.

Each Committee of the Board – the Audit Committee, the Finance and Investment Committee and the Applications and Rules Committee – is required to have a terms of reference including performance objectives. The LSA will assess each Committee's performance against its terms of reference.

The Chief Executive, appointed by the Board in consultation with the Minister, is accountable to the Board for day-to-day management of the LSA and the implementation of the Board's decisions, directions and policies and discharge of delegated powers or functions.

### **Strategy and Performance**

Annually, the LSA reviews its strategy, risk appetite statement and performance objectives. The LSA will report to the Minister and the Treasurer on performance against objectives at the end of each financial year.

The LSA's Strategy is provided at Appendix 2 and performance measures at Appendix 3.

## Functions of the Board

### Board powers

The Board is empowered under section 9 of the Act to make binding decisions in the administration of the LSA.

The Board shall have authority to interpret the meaning of this Charter and any other matter relating to the affairs of the Board on which this Charter is silent.

The Board, through the Chair, may make recommendations to the Minister about improvements or modifications to the Charter.

### Board responsibilities

The Board, through the Chair, is responsible to the Minister for:

- sound management and stewardship of the LSA and its assets for and on behalf of the Government in accordance with the law
- setting and approving plans for resource budget allocation, strategic direction and performance objectives for the LSA
- ensuring the LSA implements management and operational policies which provide high quality services and are respectful of participants, their families and carers.

The Board's responsibilities include to:

- manage the Scheme to provide necessary and reasonable treatment, care and support to people who acquire an eligible injury as a result of a motor vehicle accident in South Australia, in a manner that is financially prudent and supports the inclusion and independence of participants
- manage the LSS Fund in a manner that protects its long-term financial sustainability and considers the affordability of the Scheme for South Australian vehicle owners.

The Board will have documented decision-making procedures modelled on good governance practice and exemplify high standards of corporate and business ethics and respect for the dignity of people with disability.

### Minister's or Treasurer's representative

The Minister or the Treasurer may authorise a person (a representative) in writing to attend, as an observer, any meeting of the Board and have access to papers provided to Directors for the purposes of the meeting. The representative attends Board meetings for the purposes of representing and conveying the views of the Minister or the Treasurer to the Board, and for reporting the activities of the Board to the Minister or the Treasurer.

## Part 3: Operational matters

### Operational activities

#### Strategic and business plans

The Board must ensure that appropriate strategic and business plans are established, consistent with this Charter and the LSA's performance objectives, and there are appropriate structures and systems to monitor performance and take corrective action when necessary.

**LSS Fund – contributions**

Under the Act, the LSA must establish and maintain the LSS Fund. The Act provides that:

- the LSA is to determine, and report to the Minister, the amount it considers is required to be contributed to the LSS Fund for a period, which will (amongst other things) cover the present and likely future liabilities of the LSA in respect of people who become participants in the Scheme, in accordance with a report of an independent actuary
- on the report from the LSA, the Minister must, in consultation with the Treasurer, determine the required contribution to the LSS Fund
- the required contribution to the LSS Fund is to be made by the payment to the LSA of the LSS Fund levy, that is imposed on the registration of a motor vehicle, and
- the LSS Fund levy is an amount calculated under a Scheme determined by the Minister after consultation with the Treasurer and the LSA.

**LSS Fund – investment**

The LSA must adopt a prudent investment and management strategy for the LSS Fund, which should be framed to achieve a portfolio with characteristics which appropriately take account of the long tail of liabilities created under the Scheme. The investment and management strategy adopted by the LSA for the LSS Fund must be approved by the Minister and the Treasurer.

**Borrowings**

Under section 19 of the Act, the Treasurer may advance money to the LSA from the Consolidated account, by way of grant or loan on terms and conditions as determined by the Treasurer in consultation with the Board.

**Operations and transactions outside of the State**

The LSA may undertake operations or transactions outside of the State which are ancillary to the functions of the LSA, such as to:

- avoid exposure to excessive levels of insurance risk by reinsuring its risks
- implement an appropriate investment strategy for the LSS Fund
- enter contracts, to obtain expert advice on the administration of the Scheme
- provide treatment, care and support services to participants who reside outside of the State
- make reciprocal arrangements with other states and territories to provide treatment, care and support services to participants.

The LSA will not engage in operations or transactions outside of the State, which are not ancillary to the LSA's functions, unless approval to any acceptance and commencement of an activity has been obtained from the Minister and the Treasurer.

**Subsidiaries, associated and allied organisations**

Note that there are no subsidiaries of the LSA, or other companies or entities related to the LSA. The LSA is not to undertake any activities or transactions through partnership, or under any arrangement for the sharing of profits, co-operation or joint venture with another person, unless approval to any acceptance and commencement of an activity has been obtained from the Minister.

**Asset management**

The LSA will comply with the Treasurer's Instructions and other Government policies relating to the acquisition and disposal of assets.

**Tax equivalent payments**

The LSA will comply with the Government policy and relevant Treasurer's Instructions in relation to tax equivalent payments, in accordance with any exemption or variation provided by the Treasurer in accordance with paragraph 1.12 of Treasurer's Instruction 1 'Interpretation and Application'.

*A five-year variation for a nil tax rate will expire from 1 July 2019. The LSA is working with the Department of Treasury and Finance on advice to the Minister and the Treasurer on the impact to the LSS levy (or, otherwise, LSS solvency) of applying an income tax equivalent policy.*

**Codes of conduct**

Directors are bound by the *Public Sector (Honesty and Accountability) Act 1995* and the Public Corporations (Lifetime Support Authority) Regulations 2013, outlined in Appendix 1 of this Charter, to discharge their duties, act honestly, and disclose conflicts of interest.

The Code of Ethics for the South Australian Public Sector will apply to staff engaged directly by the LSA, or who are involved in the operation of the LSA by way of arrangement with a government department, agency or instrumentality or any other entity.

The LSA's Code of Conduct (including the Participant Service Charter) created under section 23 of the Act sets out procedures and standards required for providing services to people who interact with the LSA.

**Delegations**

The LSA will maintain a register of its financial and administrative delegations.

Every delegation made by the Board or a delegate of the Board under section 15 of the Act, which will or could give rise to a liability or a contingent liability, must contain a limitation which requires that the delegate must not incur a liability that exceeds the monetary amount specified in the instrument of delegation.

**Part 4: Financial reports, systems and practices****Financial reports, systems and practices****Obligations to report on operations**

In addition to statutory reporting, the LSA must provide the following reports to the Minister and the Treasurer, as required:

- financial, budget and investment performance information and reports, as presented to the Board
- reporting of the performance of the LSS, including levy revenue, participants and payments under the Scheme
- the annual report of the LSA
- performance against standards for customer service
- any other information that is requested at any time by the Minister or the Treasurer
- any other information which, in the opinion of the Board, should be provided to the Minister or Treasurer.

The annual report of the LSA must contain, in addition to the audited accounts and financial statements for the financial year:

- achievement of its legislative and statutory obligations, functions and expectations of the Minister
- comparisons between strategic plan objectives and actual results, and reasons for the results
- implementation of policies for the administration of the Scheme and management of the LSS Fund.

The LSA must advise the Minister and the Treasurer whenever it enters into any arrangements which give rise to a material contingent liability, and of any material development (as soon as practicable) which adversely affects the operating or financial capacity of the LSA or gives rise to an expectation that the LSA may not be able to meet its debts as and when they fall due.

#### **Form and contents of accounts and financial statements**

The LSA will maintain proper financial and accounting processes, practices and systems, and prepare financial statements in accordance with applicable Australian Accounting Standards, generally accepted accounting principles and practices, and all relevant Government policies including Treasurer's Instructions (unless specifically exempted) issued under the *Public Finance and Audit Act 1987*.

#### **Accounting and internal auditing systems and practices**

The LSA will establish and maintain effective records of all asset acquisitions and disposals and establish and maintain effective internal auditing of its operations via the Audit Committee in accordance with appropriate standards of practice.

### **Part 5: Date of operation**

#### **Date of operation**

This Charter or any amendment comes into operation on approval by the Minister and the Treasurer, and is binding on the LSA.



## Appendix 1 – Application of Public Corporations (Lifetime Support Authority) Regulations

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### Provisions of *Public Corporations Act 1993* to apply to the LSA by the Public Corporations (Lifetime Support Authority) Regulations 2013

The *Public Corporations Act 1993* (the PC Act) provides a legislative framework for the duties and obligations of public corporations. The LSA as a body corporate meets the definition of a public corporation.

Under section 5(1) of the PC Act, a provision applies to a statutory corporation to which the provision is declared to apply by the corporation's incorporating Act, or by regulation.

Consistent with the Government's aims of strong governance and oversight of the public corporations, the Public Corporations (Lifetime Support Authority) Regulations 2013 applies the following sections of the PC Act to the LSA:

- s 7 Provision of information and records to Minister
- s 8 Minister's or Treasurer's representatives may attend meetings
- s 10 No breach of duty to report matter to Minister
- s 14 General management duties of board
- s 15 Directors' duties of care etc.
- s 16 Director's duty to act honestly
- s 17 Transactions with directors or associates of directors
- s 18 Directors' and associates' interests in corporation or subsidiary
- s 19 Conflict of interest
- s 20 Removal of director
- s 21 Civil liability if director or former director contravenes this Part
- s 22 Immunity for directors
- s 23 Formation of subsidiary companies
- s 29 Tax and other liabilities of corporation
- s 31 Internal audits and audit committee
- s 35 Minister to be consulted as to appointment or removal of chief executive officer
- s 36A Duty of employees to act honestly
- s 36B Duty of senior executives with respect to conflict of interest
- s 37 Transactions with executives or associates of executives
- s 38 Executives' and associates' interests in corporation or subsidiary
- s 38A Duty of employees with respect to conflict of interest
- s 39 Validity of transactions of corporati

### Appendix 2 – LSA Strategy

#### LSA Strategic Plan on a Page – 2019/20

<b>Our vision</b>	<b>Our ordinary level of service is extraordinary.</b>					
<b>Our purpose</b>	We design and deliver treatment, care and support services, which enhance quality of life for participants and their families, and are person centred, financially sustainable, innovative and efficient.					
<b>Strategic Themes</b>	<b>Person Centred Services</b>		<b>Scheme Sustainability</b>		<b>People &amp; Partnerships</b>	
<b>Strategic Goals</b>	<b>Best practice supports</b> We will provide participants with necessary and reasonable best practice services and supports that maximise their outcomes and quality of life.		<b>Sound financial and operational management</b> We will manage the scheme with a dynamic, prudent, long-term view of financial management, and ongoing innovation and improvement in our operations, to deliver a fully-funded and affordable scheme for South Australia.		<b>Driving innovation through REP</b> We will implement a best-practice research, education and programs (REP) framework, to drive innovation in high quality treatment, care and supports for participants and scheme operations.	
	<b>Enabling participants</b> We will build participants' capacity to exercise choice and control, be independent and live their best lives, through increased social and economic participation.		<b>Scheme awareness</b> We will strengthen our partnerships with our key stakeholders, and ensure the South Australian community are aware of the scheme.		<b>People</b> We are committed to maintain and enhance our culture, values, leadership and processes to be 'employer of choice' for our people.	
	<b>Develop market capacity</b> We will strengthen the availability of appropriate and high quality supports and services for participants, now and in the future				<b>Strong relationships with service providers</b> We will ensure service providers know who we are, and what we do, and how we work with and for participants.	
<b>Balanced Scorecard KPIs</b>	<b>Measure:</b>	<b>Target:</b>	<b>Measure:</b>	<b>Target:</b>	<b>Measure:</b>	<b>Target:</b>
	Participant Experience	95%	Funding PoS	75%	Research Funding Allocation	100%
	Experience Survey Participation	50%	Cumulative Investment Returns	3.5%	Research Framework Priorities	100%
	My Way Pilot Satisfaction	80%	LSS Levy % Admin & Stamp Duty	10%	Staff Engagement	70%
	My Way Pilot Participation	10 participants			Performance & Goals Completion	100%
<b>Programs</b>	<b>Services</b>		<b>Participants</b>		<b>Systems</b>	
<b>Priority Projects</b>	Services: (1.1.1) Services Review Project		Systems: (2.1.1) Salsa Review & Upgrade Project		Organisation: (2.1.2) Office Accommodation Project	
	Participants: (1.2.1) MyWay Pilot – Phase 2		Governance: (2.1.3) Governance Framework Review		Organisation: (2.3.1) HR Governance Project	
			Governance: (2.1.4) Procurement Authority Project			