

OFFICIAL

**Lifetime**  
S U P P O R T



**Government of  
South Australia**

# LIFETIME SUPPORT AUTHORITY

## 2020–21 Annual Report

LIFETIME SUPPORT AUTHORITY  
30 Wakefield Street, ADELAIDE SA 5000  
PO Box 1218, ADELAIDE SA 5000

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

Contact phone number: (08) 8463 6131

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

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

Date presented to Minister: 29 September 2021

OFFICIAL

**OFFICIAL**

2020-21 ANNUAL REPORT for the Lifetime Support Authority

To:

The Hon Stephen Wade  
Minister for Health and Wellbeing

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

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

Submitted on behalf of the LIFETIME SUPPORT AUTHORITY by:

**Juliet Brown OAM**

Chair  
Lifetime Support Authority Board

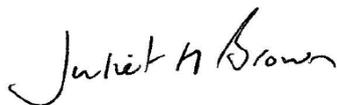
**Rick Howe**

Chief Executive  
Lifetime Support Authority

Date: 17/09/2021

Date: 17/09/2021

Signature:



Signature:



## From the Board Chair and Chief Executive

The annual report for the Lifetime Support Authority (LSA) sets out our performance for the financial year ended 30 June 2021. Having been in operation for 7 years (since 1 July 2014), the LSA is now moving into its next phase. The structure now being implemented reflects the requirements of a larger, more mature organisation and is designed to accommodate future growth.

During 2020–21, Rick Howe started with the LSA as Chief Executive. We are confident that the newly formed Executive team will continue to drive person-centred practices that support Lifetime Support Scheme (LSS) participants to rehabilitate and maximise their independence in the community.

Along with the Board, we would like to acknowledge the continued efforts and commitment of our staff during another year of challenging conditions. We have been pleased with how the LSA employees continue to respond to the changing COVID-19 conditions, including differing restrictions and lockdown. With an already mobile workforce, the LSA was able to support its staff to effectively and smoothly transition between working in the office and from home when required. Service delivery for participants has continued and we particularly thank the many service providers who continued to deliver those services, facilitated telehealth options and did their best to support participants throughout this time.

We were particularly pleased that despite COVID-19 restrictions, the first participant forum for 2021 was held on 21 May as a face-to-face meeting and was attended by participants, their families and friends with presentations from industry, the LSA and an LSS participant, Steve Blenkinsop, who shared his rehabilitation journey.

Participant Reference Group meetings were also held in February and June in the LSA office and discussions included consideration of the 2020 Participant Survey results and the upcoming LSS Rules review.

### 2020–21 results

The Lifetime Support Authority manages the Lifetime Support Scheme (the Scheme) to provide necessary and reasonable treatment, care and support for people very seriously injured in motor vehicle accidents in South Australia, regardless of fault.

With regard to our services to participants in 2020–21:

- At 30 June 2021, the LSA had 274 active participants receiving treatment, care and support services, of which 75 were interim participants and 199 were lifetime participants.
- A total of \$26.1 million was spent on treatment, care and support services during 2020–21, with a further \$65.9 million increase in provisions for future costs due to scheme growth.
- 61 applications to the LSS were assessed during the year, with 52 new participants accepted.

Key aspects of the LSA's financial performance in 2020–21 include:

## OFFICIAL

2020-21 ANNUAL REPORT for the Lifetime Support Authority

- Revenue from the LSS Levy was \$168.5 million, an increase of \$7.8 million compared to the revenue received in 2019–20.
- The nominal investment return was 23.7%, resulting in a \$214.8 million gain.
- Assets have grown to \$1,176 million as at 30 June 2021, as a result of LSS Levy contributions and investment performance.
- Treatment, care and support liabilities for the Lifetime Support Scheme were valued at \$1,197 million at 30 June 2021, an increase of \$591.3 million compared to the liability valued at 30 June 2020 (noting the methodology for calculating this has changed).
- The accounting funding ratio is 98% for the LSS, which is indicative of a close match between assets and liabilities.

During 2020–21, the LSA has adopted the risk-free discount rate for the purpose of calculating and reporting the value of outstanding scheme liabilities. This reporting approach is consistent with similar schemes across Australia. The total increase to scheme liabilities of \$590.8 million compared to last year results from the adoption of revised economic assumptions, including risk-free discounting (\$524.9 million), as well as new provisions for accidents which occurred during 2020–21 and changes to the expected cost of existing scheme participants (\$65.9 million).

The Board and the Executive look forward to continuing to support participants in their journey of rehabilitation and independence.



Juliet Brown OAM  
**Chair**  
Lifetime Support Authority Board



Rick Howe  
**Chief Executive**  
Lifetime Support Authority

## **Board Update**

The new financial year brings with it changes to the Board as we farewell two inaugural Board members. Juliet Brown, Board Chair, and Joe Ullianich, Audit Committee Chair, will both retire at the end of their current terms of appointment. Having served on the Board since its inception, both have played a valuable role in the formation and growth of the LSA and LSS and the Executive and remaining Board members thank them sincerely for their contributions.

Taking over as Chair will be Melinda OLeary, who has also been a Board member since the inception of the LSA. She and the remaining Board members will be joined by three new appointees - David Russell, Linda Matthews and Kevin Cantley. They bring a collective mix of skills and experience across insurance, finance, health and disability which will ensure the Board can continue its work in effectively guiding the LSA as it continues to grow.

The changes will be effective from early October 2021.

Rick Howe  
**Chief Executive**  
Lifetime Support Authority

**Contents**

**Overview: about the agency ..... 8**

Our strategic focus ..... 8

Our organisational structure ..... 10

    Changes to the agency ..... 10

Our Minister ..... 11

Our Executive team ..... 11

Legislation administered by the agency ..... 12

Other related agencies (within the Minister’s area/s of responsibility)..... 12

**The agency’s performance ..... 13**

Performance at a glance ..... 13

Agency response to COVID-19 ..... 14

Agency contribution to whole of Government objectives ..... 14

Agency specific objectives and performance ..... 14

Corporate performance summary ..... 17

Agency performance management and development systems ..... 17

Work health, safety and return to work programs ..... 18

**Financial performance ..... 20**

Financial performance at a glance ..... 20

Consultants disclosure ..... 20

Contractors disclosure ..... 21

Other information ..... 22

**Risk management..... 23**

Risk and audit at a glance ..... 23

Fraud detected in the agency ..... 23

Strategies implemented to control and prevent fraud ..... 23

Public interest disclosure ..... 24

**Reporting required under any other act or regulation ..... 25**

Reporting required under the *Carers’ Recognition Act 2005* ..... 25

**Public complaints..... 26**

Number of public complaints reported ..... 26

Additional Metrics ..... 27

Service Improvements ..... 28

**OFFICIAL**

2020-21 ANNUAL REPORT for the Lifetime Support Authority

Compliance Statement..... 28

**Appendix: Audited financial statements 2020–21 ..... 29**

## Overview: about the agency

### Our strategic focus

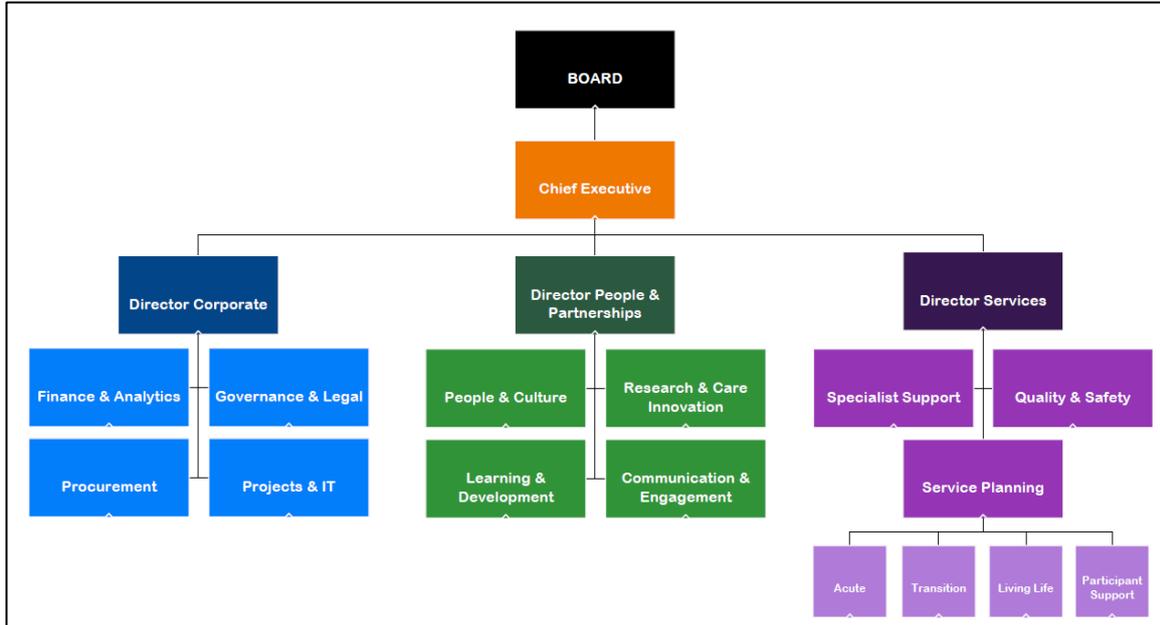
<p><b>Our Purpose</b></p>	<p>Working collaboratively, we manage and fund treatment, care and support services for LSS participants, which enhance the quality of their lives, and are person-centred, financially sustainable, innovative and efficient.</p>
<p><b>Our Vision</b></p>	<p>Our ordinary level of service is <b>extraordinary</b>.</p>
<p><b>Our Values</b></p>	<p>The LSA values have been based on the South Australian Public Sector values, developed to reflect the person-centred purposes of the LSA, and are focused on supporting the LSA to achieve its strategic outcomes.</p> <p>These values and associated behaviours have been designed with our staff. The overarching values of the LSA are:</p> <ul style="list-style-type: none"> <li>• Trust and respect</li> <li>• Innovation and growth</li> <li>• People and passion</li> </ul> <p>Our people are our most valuable and important resource and the greatest enabler of achieving our strategic outcomes. Our People and Culture Strategy is a framework for aligning organisational performance key deliverables to the broader strategic focus.</p> <p>We recognise strong relationships are a critical component of any scheme providing support to participants for their entire lives. With participants, we seek to continue trusting, honest and empathetic relationships, in a partnership approach. With stakeholders and the community, we build effective relationships through honest, open, consistent, and transparent communication.</p> <p>We are shaping a flexible and agile culture to seek, test and implement new ways of working to deliver on our vision and purpose and embrace ongoing change. We will learn how other successful organisations respond to change, provide support for participants, partners and staff to realise the benefits of innovation and improvement, and actively review our frameworks, systems and priorities.</p> <p>We aim to be nimble, responsive and available through technology. We actively identify and leverage advancements in technology to: empower participants and increase their independence and quality of life; improve our service delivery and interaction with stakeholders; support and enable our staff; and simplify and streamline processes.</p>

<p><b>Our functions, objectives and deliverables</b></p>	<p>The Lifetime Support Authority (LSA) commenced on 1 July 2014 as a statutory authority, delivering the Lifetime Support Scheme (LSS) (the Scheme) under the <i>Motor Vehicle Accidents (Lifetime Support Scheme) Act 2013</i> (the Act).</p> <p>The LSA manages the Scheme to provide necessary and reasonable treatment, care and support for people very seriously injured in motor vehicle accidents in South Australia, regardless of fault.</p> <p>Serious injuries include brain and spinal cord injuries, amputations, serious burns, and permanent blindness. These injuries can require a lifetime of support to help people rehabilitate and maximise their independence in the community.</p> <p>Working collaboratively, the LSA manages and funds treatment, care and support services for LSS participants, which enhance the quality of their lives.</p> <p>The Scheme is managed in accordance with the LSS Rules which outline the eligibility criteria and how treatment, care and support needs are assessed.</p> <p>On average, the LSS is projected to accept approximately 50 new participants per year. This equates to a person entering the Scheme around every 8 days as a result of sustaining serious injuries in a motor vehicle accident.</p> <p>The functions of the LSA under section 16 of the Act include:</p> <ul style="list-style-type: none"> <li>• monitoring the operation of the LSS</li> <li>• funding of treatment care and support for participants under the LSS</li> <li>• support and funding for research, education and programs relevant to the LSS</li> <li>• review of the LSS Rules</li> <li>• disseminating information about the LSS</li> <li>• management of the LSS Fund.</li> </ul> <p>The LSA has identified three strategic outcomes, and related goals to guide our direction in 2020–21:</p> <ol style="list-style-type: none"> <li>1. Person-centred services <ul style="list-style-type: none"> <li>• best practice supports</li> <li>• enabling participants</li> <li>• develop market capacity</li> </ul> </li> <li>2. Scheme sustainability <ul style="list-style-type: none"> <li>• sound financial and operational management</li> <li>• strong relationships with service providers</li> </ul> </li> <li>3. People and partnerships <ul style="list-style-type: none"> <li>• driving innovation through research, education and programs</li> <li>• people</li> <li>• Scheme awareness</li> </ul> </li> </ol>
--	--

### Our organisational structure

The chart below reflects the LSA’s organisational structure as at 30 June 2021.

### Lifetime Support Authority Organisational Structure



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

During 2020–21, the Board members were:

- Juliet Brown OAM (Chair)
- Arabella Branson (Chair of the Applications & Rules Committee)
- Melinda OLeary
- George Potter
- Joseph Ullianich (Chair of the Audit Committee)
- Kenneth Williams (Chair of the Finance & Investment Committee)

The LSA organisational structure is comprised of three directorates: Services, Corporate, and People & Partnerships reporting to a Chief Executive.

### Changes to the agency

During 2020–21 there were no changes to the agency’s structure and objectives as a result of machinery of government changes.

## **Our Minister**

The Hon Stephen Wade MLC is the Minister for Health and Wellbeing in South Australia.

The minister oversees health, wellbeing, mental health, ageing well, substance abuse and suicide prevention. The *Motor Vehicle Accidents (Lifetime Support Scheme) Act 2013* was committed to the Minister for Health and Wellbeing on 22 March 2018 (The South Australian Government Gazette, No 20, 2018).

## **Our Executive team**



Rick Howe



Trudy Minett



Boris Petrovic



Mary Lewis

As at 30 June 2021, Rick Howe is the Chief Executive, who leads the LSA.

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

Mary Lewis is the Director People and Partnerships, responsible for overseeing people and culture, as well as communication and engagement functions and research and care innovation.

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

**Legislation administered by the agency**

[\*Motor Vehicle Accidents \(Lifetime Support Scheme\) Act 2013\*](#)

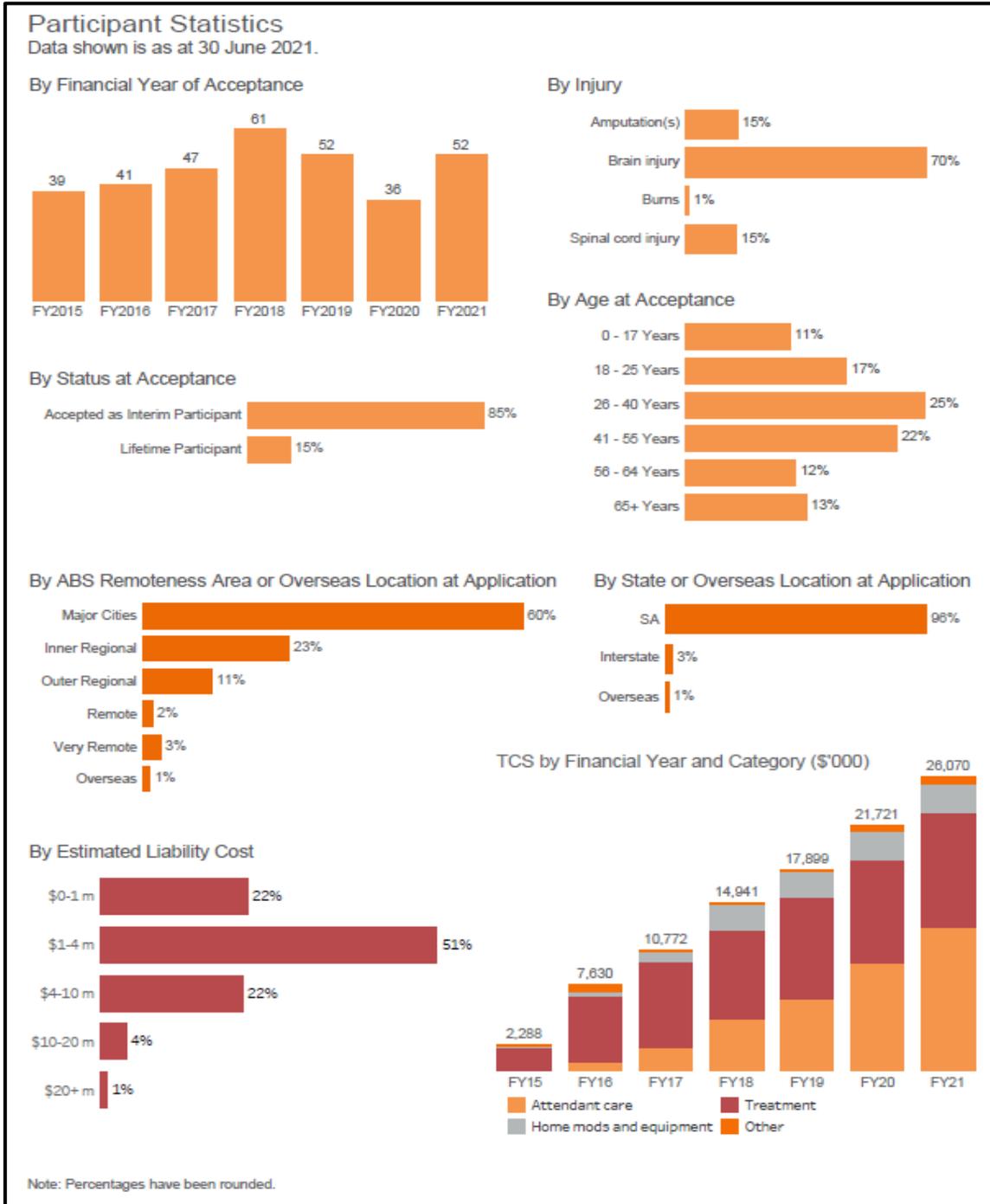
**Other related agencies (within the Minister's area/s of responsibility)**

The Minister for Health and Wellbeing consults with the Treasurer, in regards to determining the LSS Levy for the different vehicle classes as required under sections 43 and 44 of the Act.

## The agency's performance

### Performance at a glance

Since the Scheme commenced, 328 participants have been accepted into the Scheme as at 30 June 2021. Due to injuries no longer being eligible or death, 54 participants are no longer in the Scheme.



The Participant Experience Survey for financial year 2020-21 returned a participant satisfaction rate of 81%.

### **Agency response to COVID-19**

Throughout the COVID-19 pandemic, the LSA has continued to effectively provide services for participants.

The Outbreak Action Group (OAG), established to manage the LSA response to the pandemic, continued to meet, as needed, during 2020–21 to lead the LSA’s COVID response. In accordance with Government direction, LSA staff worked from home for periods during the year. Relevant technology and WHS strategies were in place to support staff in working from home. LSA staff worked remotely, when required, to support LSS participants throughout the year.

### **Agency contribution to whole of Government objectives**

The LSA’s contribution to the Government’s objectives during 2020–21 are detailed below.

<b>Key objective</b>	<b>Agency’s contribution</b>
More jobs	The LSA increased its workforce to 81 FTE (up from 65 FTE reported 30 June 2020). This reflects the staffing requirements necessary, due to the growth and developing maturity of the Scheme (projected to be approximately 50 new participants each year).
Lower costs	LSA’s strategy is to adopt ‘break-even’ annual LSS Levy increases, and prudently manage the Scheme finances in order to deliver a solvent, fully-funded and affordable scheme for South Australian motorists.
Better services	LSA’s strategy is to have a person-centred approach with participants, with a focus on working with them to achieve their recovery and rehabilitation goals.

### **Agency specific objectives and performance**

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

LSS Levy collections during 2020–21 were \$168.5 million (compared to \$160.7 million in 2019–20) which is mainly related to an increase in the number of registered vehicles. The average annual levy paid by motor vehicle owners (\$108.50) increased by 1.7% compared to 2019–20. Currently, only a small part of the LSS Levy is required to fund current Scheme costs and LSA’s operating costs, with the balance required to meet the future liabilities associated with current participants. These unspent funds are invested in a diversified high growth investment portfolio until they are required.

The LSA invests with Funds SA, the South Australian Government owned corporation which invests and manages funds of approved authorities. Assets of the LSA have grown to \$1,176 million as at 30 June 2021, as a result of LSS Levy contributions being invested, and strong investment returns during 2020–21. The nominal investment return for the LSA investment fund was 23.7%, resulting in a \$214.8 million gain for the year ending 30 June 2021. LSA’s investments assets will be used to fund treatment, care and support for all current LSS participants over the next several decades.

The total payments for treatment, care, and support services in 2020-21 amounted to \$26.1 million (compared to \$21.7 million in 2019–20). The types of treatment, care and support funded are shown in the table below.

	2020–21		2019–20	
	\$'000s	%	\$'000s	%
Attendant Care and Support	12,686	48.7%	9,583	44.1%
Hospital	5,681	21.8%	5,481	25.2%
Rehabilitation	3,746	14.4%	3,181	14.6%
Equipment	2,012	7.7%	1,835	8.4%
Medical Treatment Services	837	3.2%	596	2.7%
Home and Vehicle Mods	518	2.0%	617	2.8%
Other	590	2.2%	428	2.0%
<b>TOTAL</b>	<b>26,070</b>		<b>21,721</b>	

In addition to the above expenses, a further \$590.8 million has been added to the provisions in relation to future treatment, care and support costs compared to last year. The increase compared to last year is related to the adoption of revisited economic assumptions, including risk-free discounting (\$524.9 million), as well as new provisions for accidents which occurred during 2020–21 and changes to the expected cost of existing scheme participants (\$65.9 million).

The LSS is growing, and it is expected that approximately 50 new participants will enter the Scheme each year for the next several decades. As such, the increase in total costs compared to last year is expected and is within the amount modelled by the independent actuary.

The LSA sets Key Performance Indicators which are contained in the 2021–22 Strategic Plan on a Page. These are used for the purpose of reporting on LSA’s performance to the Board and the Minister as required by LSA’s Charter.

Agency objectives	Indicators (Target)	Performance
<i>Strategic Theme 1: Person-Centred Services</i>		
Participant Experience Survey – Satisfaction Rate	95%	81% of participants reported that they were satisfied with the LSA.  Whilst this does not meet the target, 81% remains a positive result for the Scheme. A

Agency objectives	Indicators (Target)	Performance
		number of strategies are underway to improve processes and experiences for participants.
Experience Survey Participation	50%	44% of participants participated in the Experience Survey. The 44% participation rate was sufficient to ensure statistically valid results.
Current MyPlan in place for active participants	100%	The 100% target for a current MyPlan was achieved.
<i>Strategic Theme 2: Scheme Sustainability</i>		
Funding Probability of Sufficiency (PoS)	75%	The probability that the investment assets, including future investment returns (assuming the long-term investment return target), will be sufficient to meet all future liability payments as they fall due is 92%.
Investment return since inception	6.25%	The investment return since inception for the LSS Fund is 8.5%, which is 2.25% above the long term return target of 6.25%. This is largely in part due to significant investment returns realised during 2020–21.
Administration costs as a % of treatment, care and support	<12.6%	Administration costs expressed as a percentage of treatment, care and support costs (including movement in outstanding claims provision) equates to 15.2%, which is 2.6% worse than the target of 12.6%. This is due to favourable underwriting performance during 2020–21 rather than exceeding expense budgets.
Variance to operating expense budget	≥\$0	Operating expenses (excluding treatment, care and support) are favourable compared to budget by \$1.6 million as at 30 June 2021.
<i>Strategic Theme 3: People &amp; Partnerships</i>		
Research, Education and Programs	90%	The Research, Education and Programs (REP) KPI was not met. The KPI measures the proportion of progress reports that were provided on time by grantees. Performance was 53%, largely due to grantees experiencing COVID related impacts (delays in progressing grants, etc).

<b>Agency objectives</b>	<b>Indicators (Target)</b>	<b>Performance</b>
Staff Engagement	70%	Average staff engagement (reported via Teamgage) for the 12-month period ending 30 June is 75%.
Performance & Goals Completion	100%	100% of LSA staff completed biannual performance assessments.

**Corporate performance summary**

<b>Program name</b>	<b>Performance</b>
Placements	The LSA actively engages universities to provide student placements, with a focus on Allied Health students. During the year, the LSA hosted placements for three students. Student placement numbers were reduced this year due to COVID-19.
Graduates	The LSA employed one graduate this year.

**Agency performance management and development systems**

<b>Performance management and development system</b>	<b>Performance</b>
Performance Review	100% of LSA staff completed biannual performance assessments.
Learning and development	LSA staff participate in professional development activities including training, conferences and study assistance. Online learning is facilitated predominantly through the LSA’s learning management system. LSA staff maintain access to DTF development initiatives, both online and face to face workshops. The LSA has also commenced the rollout of a new leadership and management skills program and implemented a professional development program for Service Planners.

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

Program name	Performance
Employee Assistance Program (EAP)	LSA staff are provided with access to an independent and free counselling service through the Employee Assistance Program.
Mental Health First Aid	All employees are eligible to nominate for this training with health and safety representatives and first aid officers given first preference.
Wellbeing for Our People Program (DTF)	LSA staff have access to DTF work health and safety initiatives such as the Wellbeing for Our People program.

Workplace injury claims	2020–21	2019–20	% Change (+ / -)
Total new workplace injury claims	2	2	0%
Fatalities	0	0	N/A
Seriously injured workers*	0	0	N/A
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	0	0	N/A

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

Work health and safety regulations	2020–21	2019–20	% Change (+ / -)
Number of notifiable incidents ( <i>Work Health and Safety Act 2012, Part 3</i> )	0	0	N/A
Number of provisional improvement, improvement and prohibition notices ( <i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i> )	0	0	N/A

<b>Return to work costs**</b>	<b>2020–21</b>	<b>2019–20</b>	<b>% Change (+ / -)</b>
Total gross workers compensation expenditure (\$)	\$86,305	\$14,583	+492%
Income support payments – gross (\$)	\$44,096	\$3,293	+1,239%

\*\*before third-party recovery

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

**Executive employment in the agency**

<b>Executive classification</b>	<b>Number of executives</b>
Non-SAES Executives	7

The number of executives is based on the number as at 30 June 2021.

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

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

## Financial performance

### Financial performance at a glance

The following is a brief summary of the overall financial position of the agency. Full audited financial statements for 2020–21 are attached to this report.

It is important to note that the significant operating loss reported in 2020-21 is primarily related to the adoption of the risk-free discounting assumptions for the purpose of calculating the Scheme's liabilities, which has resulted in the recognition of a \$524.9 million expense in 2020-21.

Statement of Comprehensive Income	2020–21 Budget \$000s	2020–21 Actual \$000s	Variation \$000s	2019–20 Actual \$000s
Expenses	185,515	653,426	(467,911)	159,349
Revenues	218,280	383,392	165,112	150,503
<b>Net result</b>	<b>32,765</b>	<b>(270,034)</b>	<b>(302,799)</b>	<b>(8,846)</b>
<b>Total Comprehensive Result</b>		<b>(270,034)</b>		<b>(8,846)</b>

Statement of Financial Position	2020–21 Actual \$000s	2019–20 Actual \$000s
Current assets	5,436	12,307
Non-current assets	1,178,879	848,556
<b>Total assets</b>	<b>1,184,315</b>	<b>860,863</b>
Current liabilities	46,115	45,263
Non-current liabilities	1,160,147	567,513
<b>Total liabilities</b>	<b>1,206,262</b>	<b>612,776</b>
<b>Net assets</b>	<b>(21,947)</b>	<b>248,087</b>
<b>Equity</b>	<b>(21,947)</b>	<b>248,087</b>

### Consultants disclosure

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

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

Consultancies	Purpose	\$ Actual payment
All consultancies below \$10,000 each - combined	Various	\$12,298

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

<b>Consultancies</b>	<b>Purpose</b>	<b>\$ Actual payment</b>
The Catapult Effect	Participant workbook & Service Delivery Project	\$17,310
Remcast Pty Ltd T/AS Adept Technology	Salesforce Project	\$99,837
Kindling Solutions Pty Ltd	LSS Rules Review	\$15,000
Le Faire Consulting	Adaptive Insight Consulting	\$12,088
Synergy IQ Pty Ltd	Training & development review	\$43,584
Accru Harris Orchard	Accounts Payable process review	\$27,000
PricewaterhouseCoopers	Internal audit services	\$252,962
Finity Consulting Pty Ltd	Actuarial services	\$449,097
MAGOO Actuarial Consulting	Actuarial Peer Review Services	\$45,600
Willis Re	Reinsurance broker services	\$135,000
	Total	\$ 1,097,478

Data for previous years is available at: [lifetimesupport.sa.gov.au/about-us/annual-report/](https://lifetimesupport.sa.gov.au/about-us/annual-report/)

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

**Contractors disclosure**

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

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

<b>Contractors</b>	<b>Purpose</b>	<b>\$ Actual payment</b>
All contractors below \$10,000 each – combined	Various	\$13,550

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

<b>Contractors</b>	<b>Purpose</b>	<b>\$ Actual payment</b>
Hays Specialist Recruitment	Temporary Staff Recruitment	\$92,078
Randstad P/L	Temporary Staff Recruitment	\$48,088
Premier & Cabinet Dept	Website Setup and Hosting Fee	\$13,200
Talent International	Temporary Staff Recruitment	\$71,220
	Total	\$224,586

Data for previous years is available at: [lifetimesupport.sa.gov.au/about-us/annual-report/](https://lifetimesupport.sa.gov.au/about-us/annual-report/)

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

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

**Other information**

Not applicable

## Risk management

### Risk and audit at a glance

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

### Fraud detected in the agency

Category/nature of fraud	Number of instances
Suspected fraudulent activity	2
Suspected staff misconduct and maladministration	2

*NB: Fraud reported includes actual and reasonably suspected incidents of fraud.*

### Strategies implemented to control and prevent fraud

The LSA has a Fraud and Corruption Control Framework, Fraud and Corruption Policy, Fraud and Corruption Reporting Procedure, and maintains a Fraud Incident Register. The policy incorporates the South Australian Public Sector Fraud and Corruption Policy, the Code of Ethics for the South Australian Public Sector, Independent Commissioner against Corruption Directions and Guidelines, Public Interest Disclosure Act, Treasurer’s Instructions, Public Sector (Honesty and Accountability) Act 1995, and the LSA Code of Conduct and Participant Service Charter.

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

All matters have been investigated and closed during the 2020–21 period. These matters have been found to have no financial impact.

Data for previous years is available at: [lifetimesupport.sa.gov.au/about-us/annual-report/](https://lifetimesupport.sa.gov.au/about-us/annual-report/)

**Public interest disclosure**

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

Zero

Data for previous years is available at: [lifetimesupport.sa.gov.au/about-us/annual-report/](https://lifetimesupport.sa.gov.au/about-us/annual-report/)

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

## Reporting required under any other act or regulation

Act or Regulation	Requirement
Not applicable	Not applicable

## Reporting required under the *Carers' Recognition Act 2005*

Not applicable

## Public complaints

### Number of public complaints reported

<b>Complaint categories</b>	<b>Subcategories</b>	<b>Example</b>	<b>Number of Complaints 2020–21</b>
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	2
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	1
Professional behaviour	Staff knowledge	Lack of service specific knowledge; incomplete or out-of-date knowledge	-
Communication	Communication quality	Inadequate, delayed or absent communication with customer	4
Communication	Confidentiality	Customer’s confidentiality or privacy not respected; information shared incorrectly	-
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	-
Service delivery	Access to services	Service difficult to find; location poor; facilities/ environment poor standard; not accessible to customers with disabilities	-
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process not customer responsive	2
Policy	Policy application	Incorrect policy interpretation; incorrect policy applied; conflicting policy advice given	-
Policy	Policy content	Policy content difficult to understand; policy unreasonable or disadvantages customer	-

**OFFICIAL**

2020-21 ANNUAL REPORT for the Lifetime Support Authority

<b>Complaint categories</b>	<b>Subcategories</b>	<b>Example</b>	<b>Number of Complaints 2020–21</b>
Service quality	Information	Incorrect, incomplete, out dated or inadequate information; not fit for purpose	-
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	-
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	3
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	-
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	6
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	9
		<b>Total</b>	<b>27</b>

<b>Additional Metrics</b>	<b>Total</b>
Number of positive feedback comments	16
Number of negative feedback comments	5
Total number of feedback comments	21

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

**Service Improvements**

In 2020–21, the LSA strengthened its approach to service quality and safety by expanding its Quality and Safety team and implementing a Quality Assurance Program. This was in addition to the continuation of its existing complaints handling process.

The LSA also undertook a review of its complaints handling framework (called the Feedback and Incident Review – FAIR Framework) and is in the process of implementing improvements to streamline the process.

Other service improvements implemented in 2020–21 include:

- Review and implementation of a revised Service Delivery Model for the support of LSS participants.
- Establishment of dedicated specialist services to support Service Planners in their work with LSS participants.
- Development and implementation of a Participant Workbook to support LSS participants in the annual MyPlan process.
- Review and implementation of a revised risk-based participant assessment process to support Service Planners in identifying factors relevant to effective person-centred care.

The LSA reports on the performance of its complaints management system to the Application and Rules Committee at each meeting.

**Compliance Statement**

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

## **Appendix: Audited financial statements 2020–21**

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

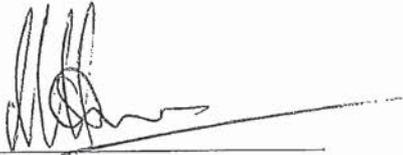
**Financial Statements  
For the year ended  
30 June 2021**

**Lifetime Support Authority of South Australia**  
**Statement of Certification**  
*for the year ended 30 June 2021*

---

We certify that the:

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



Rick Howe  
**Chief Executive**  
17 September 2021



Boris Petrovic  
**Director Corporate**  
17 September 2021



Juliet Brown  
**Chair**  
17 September 2021

**Lifetime Support Authority of South Australia**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2021*

---

	Note	2021 \$'000	2020 \$'000
<b>Income</b>			
Revenues from LSS Fund levy	2.1	168 514	160 651
Investment revenues/ (losses)	2.2	214 767	(10 232)
Other revenues		34	2
Resources received free of charge	2.3	77	82
<b>Total income</b>		<b>383 392</b>	<b>150 503</b>
<b>Expenses</b>			
Participant treatment, care and support expenses	4.1	616 832	125 479
Duty on LSS Fund levy		16 701	15 921
Reinsurance		2 916	3 047
Employee benefits expenses	3.3	9 666	8 324
Service delivery and corporate expenses	4.2	3 348	3 541
Research Education Programs		3 123	2 630
Depreciation and amortisation		813	378
Borrowing Costs		27	29
<b>Total expenses</b>		<b>653 426</b>	<b>159 349</b>
<b>Net result</b>		<b>(270 034)</b>	<b>(8 846)</b>
<b>Total comprehensive result</b>		<b>(270 034)</b>	<b>(8 846)</b>

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

**Lifetime Support Authority of South Australia**  
**Statement of Financial Position**  
*as at 30 June 2021*

	Note	2021 \$'000	2020 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6.1	3 548	10 840
Receivables	6.2	1 888	1 467
<b>Total current assets</b>		<b>5 436</b>	<b>12 307</b>
<b>Non-current assets</b>			
Financial assets at fair value	6.3	1 175 950	846 686
Property, plant and equipment	5.1	2 882	1 733
Intangible assets	5.3	47	137
<b>Total non-current assets</b>		<b>1 178 879</b>	<b>848 556</b>
<b>Total assets</b>		<b>1 184 315</b>	<b>860 863</b>
<b>Current liabilities</b>			
Payables	7.1	5 595	3 826
Employee benefits	3.4	1 220	832
Financial liabilities	7.2	450	258
Provisions	7.3	38 850	40 462
<b>Total current liabilities</b>		<b>46 115</b>	<b>45 378</b>
<b>Non-current liabilities</b>			
Payables	7.1	124	106
Employee benefits	3.4	1 320	1 148
Financial liabilities	7.2	960	833
Provisions	7.3	1 157 743	565 311
<b>Total non-current liabilities</b>		<b>1 160 147</b>	<b>567 398</b>
<b>Total liabilities</b>		<b>1 206 262</b>	<b>612 776</b>
<b>Net assets</b>		<b>(21 947)</b>	<b>248 087</b>
<b>Equity</b>			
Retained earnings		(21 947)	248 087
<b>Total equity</b>		<b>(21 947)</b>	<b>248 087</b>

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

**Lifetime Support Authority of South Australia**  
**Statement of Changes in Equity**  
*for the year ended 30 June 2021*

---

	<b>Retained earnings \$'000</b>	<b>Total equity \$'000</b>
<b>Balance at 1 July 2019</b>	256 933	256 933
Net result for 2019-20	(8 846)	(8 846)
<b>Total comprehensive result for 2019-20</b>	<b>(8 846)</b>	<b>(8 846)</b>
<b>Balance at 30 June 2020</b>	<b>248 087</b>	<b>248 087</b>
Net result for 2020-21	(270 034)	(270 034)
<b>Total comprehensive result for 2020-21</b>	<b>(270 034)</b>	<b>(270 034)</b>
<b>Balance at 30 June 2021</b>	<b>(21 947)</b>	<b>(21 947)</b>

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

**Lifetime Support Authority of South Australia**  
**Statement of Cash Flows**  
*for the year ended 30 June 2021*

	2021	2020
	Inflows (Outflows)	Inflows (Outflows)
Note	\$'000	\$'000
<b>Cash flows from operating activities</b>		
<b>Cash inflows</b>		
LSS Fund levy	168 391	161 404
Interest received	4	21
GST recovered from the ATO	(21)	(4)
Other revenues	119	-
Receipts for Paid Parental Leave Scheme	-	2
<b>Cash generated from operating activities</b>	<b>168 493</b>	<b>161 423</b>
<b>Cash outflows</b>		
Duty on LSS Fund levy	(16 747)	(15 921)
Participant treatment, care and support expenses	(24 883)	(21 691)
Employee benefits expenses	(9 002)	(7 911)
Reinsurance	(2 880)	(2 978)
Service delivery and corporate expenses	(3 343)	(4 352)
Interest paid	(27)	(29)
Research, education and programs	(2 787)	(2 628)
Payments for Paid Parental Leave Scheme	(4)	-
<b>Cash used in operating activities</b>	<b>(59 673)</b>	<b>(55 510)</b>
<b>Net cash provided by/(used in) operating activities</b>	<b>8.1 108 820</b>	<b>105 913</b>
<b>Cash flows from investing activities</b>		
<b>Cash outflows</b>		
Purchase of property, plant and equipment	(1 232)	(739)
Purchase of intangibles	-	(29)
Purchase of investments	(114 501)	(96 000)
<b>Cash used in investing activities</b>	<b>(115 733)</b>	<b>(96 768)</b>
<b>Net cash provided by / (used in) investing activities</b>	<b>(115 733)</b>	<b>(96 768)</b>
<b>Cash flows from financing activities</b>		
<b>Cash outflows</b>		
Repayment of leases	(379)	(153)
<b>Cash used in financing activities</b>	<b>(379)</b>	<b>(153)</b>
<b>Net cash provided by / (used in) financing activities</b>	<b>(379)</b>	<b>(153)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(7 292)</b>	<b>8 992</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>10 840</b>	<b>1 848</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>6.1 3 548</b>	<b>10 840</b>

The accompanying notes form part of these financial statements.

# **Lifetime Support Authority of South Australia**

## **Notes to and forming part of the financial statements**

*for the year ended 30 June 2021*

---

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

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

The LSA was established on 1 July 2013 under section 7 of the *Motor Vehicle Accident (Life 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.

#### **1.1. Basis of preparation**

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

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

The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

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

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

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

No provision has been made in these accounts for Income Tax Equivalent payment as the LSA has not made a profit from insurance operations in this financial year.

There were no changes in accounting policies.

Significant accounting policies are set out throughout the notes.

#### **Change in discount rate**

For the 2020-21 financial statements the LSA adopted the risk free discount rate for the purpose of calculating its provision for participant, treatment care and support, and further information is provided in note 7.3.

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

---

**1.2. Objectives**

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

The functions of the LSA under the Act are to:

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

**1.3. Impact of COVID-19 pandemic on the LSA**

The COVID-19 pandemic has not had a material impact on the operations of LSA.

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

Significant transactions with the SA Government are defined as exceeding \$5.0m in the financial year. In 2020-21, these comprise the below:

- The LSA is funded by the LSS Fund levy, paid on motor vehicle registrations in South Australia. During 2021 \$168.5m (2020: \$160.7m) of LSS Fund levy was collected by the Department for Infrastructure and Transport (DIT) and remitted to the LSA (refer to Statement of Comprehensive Income).
- Duty on the LSS Fund levy of \$16.7m (2020: \$15.9m) was paid to Revenue SA (refer to Statement of Comprehensive Income).
- The LSA invests with Funds SA, the South Australian Government owned corporation, which invests and manages funds of approved authorities. As at 30 June 2021, the fair value of the investment was \$1 175.9m (2020: \$846.7m) as set out in note 6.3. The increase of \$329.3m (2020: \$85.8m) was comprised of funds invested of \$114.5m (2020: \$96.0m) and a return on investments of \$214.8m (2020: loss on investments of \$10.2m).
- The LSA has a Memorandum of Administrative Agreement (MoAA) with the Department for Health and Wellbeing (DHW) in relation to the funding for Lifetime Support Scheme participants receiving acute and non-acute services in Public Hospitals. The cost incurred under this agreement in 2021 was \$5.7m (2020: \$5.2m).

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

---

**2. Income**

**2.1. Revenues from LSS Fund Levy**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Revenues from LSS Fund levy	168 514	160 651
<b>Total revenues from LSS fund levy</b>	<b>168 514</b>	<b>160 651</b>

The LSS Fund levy revenue received or receivable is calculated on an accrual basis. The gross amount is inclusive of stamp duty payable to Revenue SA.

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

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest income/(loss)	4	(16)
Net gain/(loss) on financial assets designated at fair value through profit or loss	214 763	(10 216)
<b>Total investment revenues/ (losses)</b>	<b>214 767</b>	<b>(10 232)</b>

Refer to financial assets note 6.3 for further information.

**2.3. Resources received free of charge**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Services received free of charge - Shared Services SA	77	82
<b>Total Resources received free of charge</b>	<b>77</b>	<b>82</b>

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

---

**3. Board, committees and employees**

**3.1. Key management personnel**

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

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

	<b>2021</b>	<b>2020</b>
<b>Compensation</b>		
Short term benefits	1 123	1 126
Post-employment benefits	136	491
<b>Total compensation</b>	<b>1 259</b>	<b>1 617</b>

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

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

**3.2. Board and committee members**

Members during the 2021 financial year were:

**LSA Board**

Juliet Brown (Chair)  
 Arabella Branson  
 Melinda OLeary  
 George Potter  
 Joseph Ullianich  
 Kenneth Williams

**Audit Committee**

Joseph Ullianich (Chair)  
 Juliet Brown  
 George Potter  
 Kenneth Williams

**Applications and Rules Committee**

Arabella Branson (Chair)  
 George Potter  
 Joseph Ullianich

**Finance and Investment Committee**

Kenneth Williams (Chair)  
 Juliet Brown  
 Melinda OLeary

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

---

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

**Board and committee remuneration**

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

	<b>2021</b>	<b>2020</b>
\$40 000 - \$59 999	5	5
\$80 000 - \$99 999	1	1
<b>Total number of members</b>	<b>6</b>	<b>6</b>

The total remuneration received or receivable by members was \$347 000 (2020: \$348 000). Remuneration of members reflects all costs of performing board/committee member duties including includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

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

**3.3. Employee benefits expenses**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages	7 053	5 789
Employment on-costs - superannuation	797	626
Annual leave	669	590
Employment on-costs - Payroll Tax	417	348
Board and committee fees	317	319
Long service leave	155	542
Skills and experience retention leave	30	22
Other employee related expenses	228	88
<b>Total employee benefits expenses</b>	<b>9 666</b>	<b>8 324</b>

**Employment on-costs – superannuation**

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

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

---

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

***Executive remuneration***

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

	<b>2021</b>	<b>2020</b>
\$154 001 - \$174 000	-	1
\$174 001 - \$194 000	1	-
\$194 001 - \$214 000	1	-
\$254 001 - \$274 000	-	1
\$274 001 - \$294 000	2	-
\$534 001 - \$554 000	-	1
<b>Total number of employees</b>	<b>4</b>	<b>3</b>

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflect all costs of employment including salaries and wages, payments in lieu of leave, termination payments, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax. The total remuneration received by those employees for the year was \$946 000 (2020: \$966 000).

**3.4. Employee benefits liability**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b><u>Current</u></b>		
Accrued salaries and wages	374	195
Annual leave	782	585
Long service leave	41	39
Skills and experience retention leave	23	13
<b>Total current employee benefits</b>	<b>1 220</b>	<b>832</b>
<b><u>Non-current</u></b>		
Long service leave	1 320	1 148
<b>Total non-current employee benefits</b>	<b>1 320</b>	<b>1 148</b>
<b>Total employee benefits</b>	<b>2 540</b>	<b>1 980</b>

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

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

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

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

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

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

---

**3.4. Employee benefits liability (continued)**

**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. Details about the measurement of long service leave liability is provided as note 10.1.

**4. Expenses**

Employee benefits expenses are disclosed in note 3.3.

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

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Attendant care	12 686	9 583
Hospital	5 681	5 481
Rehabilitation	3 746	3 181
Equipment	2 012	1 835
Medical treatment services	837	596
Home and vehicle modifications	518	617
Other	590	428
	<b>26 070</b>	<b>21 721</b>
Movement in the provision for participant treatment, care and support costs (refer note 7.3)	590 762	103 758
<b>Total participant treatment care and support expenses</b>	<b>616 832</b>	<b>125 479</b>

**Participant treatment, care and support expenses**

People very seriously injured in motor vehicle accidents from 1 July 2014 are accepted as participants of the LSS under the eligibility criteria provided in the LSS Rules. Participant treatment, care and support expenses relate to the necessary and reasonable benefits provided to participants, in connection with the motor vehicle injury and in line with criteria detailed in the LSS Rules, from date of acceptance into the LSS. The costs reported represent the treatment, care and support expenses paid during 2020-21, plus the movement in the provision consisting of the actuarially assessed liabilities associated with previously accepted participants as well as new participants entering into the scheme in 2020-21. The significant increase in the movement in the provision for participant treatment, care and support costs is due primarily to the LSA's change to risk-free discounting in 2020-21. Further information is provided in note 7.3.

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

---

**4.2. Service delivery and corporate expenses**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Consultants	1 110	980
Information technology	777	710
Service level agreement fees	410	377
Accommodation and telecommunication	262	273
Contractors and other outsourced services	238	475
Training and development	134	84
Minor works maintenance and equipment	73	107
Professional fees	74	101
General administration and consumables	63	200
Other expenses	207	234
<b>Total service delivery and corporate expenses</b>	<b>3 348</b>	<b>3 541</b>

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

Audit fees paid/payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act* were \$50 000 (2020: \$46 000). No other services were provided by the Auditor-General's Department.

**Consultants**

The number of consultancies and the dollar amount paid/payable (included in service development & corporate services expense) to consultants that fell within the following bands:

	<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
	<b>Number</b>	<b>\$'000</b>	<b>Number</b>	<b>\$'000</b>
Below \$10 000	2	12	2	5
\$10 000 or above	10	1 098	7	975
<b>Total</b>	<b>12</b>	<b>1 110</b>	<b>9</b>	<b>980</b>

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

**5. Non-financial assets**

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

**Reconciliation 2020-21**

	Leasehold improvements	Plant and equipment	Work in Progress	Right-of-use buildings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2020	-	71	667	995	1 733
Acquisitions	-	-	1 232	660	1 892
Capital transfers from work in progress	1 477	69	(1 546)	-	-
Depreciation and amortisation	(295)	(34)	-	(414)	(743)
<b>Carrying amount at 30 June 2021</b>	<b>1 182</b>	<b>106</b>	<b>353</b>	<b>1 241</b>	<b>2 882</b>

**Gross carrying amount**

Gross carrying amount	2 174	156	353	1 904	4 587
Accumulated depreciation	(992)	(50)	-	(663)	(1 705)
<b>Carrying amount at 30 June 2021</b>	<b>1 182</b>	<b>106</b>	<b>353</b>	<b>1 241</b>	<b>2 882</b>

**Reconciliation 2019-20**

**5.1: Reconciliation of property, plant and equipment**

	Leasehold improvements	Plant and equipment	Work in Progress	Right-of-use buildings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2019	-	10	-	-	10
Acquisitions	-	72	667	1 244	1 983
Depreciation and amortisation	-	(11)	-	(249)	(260)
<b>Carrying amount at 30 June 2020</b>	<b>-</b>	<b>71</b>	<b>667</b>	<b>995</b>	<b>1 733</b>

**Gross carrying amount**

Gross carrying amount	732	87	667	1 244	2 730
Accumulated depreciation	(732)	(16)	-	(249)	(997)
<b>Carrying amount at 30 June 2020</b>	<b>-</b>	<b>71</b>	<b>667</b>	<b>995</b>	<b>1 733</b>

**Acquisition and recognition**

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

Property, plant and equipment is recorded at fair value. Detail about the authority's approach to fair value is set out in note 10.2.

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

---

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

**Review of accounting estimates**

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

**Depreciation**

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

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

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

**5.2. Leased Property**

Right of use assets leased by the LSA as lessee are measured at cost and there were no indications of impairment. Additions to right of use assets during the year were \$660 000 (2020: \$1 244 000).

The authority leases three floors for staff office accommodation in Wakefield House at 30 Wakefield Street Adelaide (part of level 1, all of level 5 and level 6) from its landlord the Department for Infrastructure and Transport. The lease terms commenced 1 July 2019 for part level 1 for 5 years and 4 and a half years commencing 1 January 2020 for level 5. The lease term commenced 01 July 2020 for level 6 for 4 years. All three leases have 5 year right of renewal extension options.

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

The Lease liabilities and interest expenses related to the right-of-use assets are disclosed in note 7.2. The authority's maturity analysis of the lease liabilities is disclosed in note 10.3. Depreciation is disclosed at note 5.1. Cash outflows relates to leases are disclosed in note 8.1.

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

---

**5.3. Intangible assets**

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

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$10 000. Capitalised software is amortised over 5 years.

There were no indications of impairment for intangible assets as at 30 June 2021.

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

**Reconciliation 2020-21**

	<b>Internally developed software \$'000</b>	<b>Work in progress \$'000</b>	<b>Total \$'000</b>
<b>Carrying amount at 1 July 2020</b>	<b>107</b>	<b>30</b>	<b>137</b>
Amortisation	(70)	-	(70)
Capital work in progress transfers	-	(20)	(20)
<b>Total as at 30 June 2021</b>	<b>37</b>	<b>10</b>	<b>47</b>
<b>Gross carrying amount</b>			
Gross carrying amount	521	10	531
Accumulated amortisation	(484)	-	(484)
<b>Carrying amount at 30 June 2021</b>	<b>37</b>	<b>10</b>	<b>47</b>

**Reconciliation 2019-20**

**5.3: Reconciliation of Intangible assets**

	<b>Internally developed software \$'000</b>	<b>Work in progress \$'000</b>	<b>Total \$'000</b>
<b>Carrying amount at 1 July 2019</b>	<b>117</b>	<b>109</b>	<b>226</b>
Acquisitions	-	29	29
Capital work in progress transfers	108	(108)	-
Amortisation	(118)	-	(118)
<b>Total as at 30 June 2020</b>	<b>107</b>	<b>30</b>	<b>137</b>
<b>Gross carrying amount</b>			
Gross carrying amount	520	30	550
Accumulated amortisation	(413)	-	(413)
<b>Carrying amount at 30 June 2020</b>	<b>107</b>	<b>30</b>	<b>137</b>

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

---

**6. Financial assets**

**6.1. Cash and cash equivalents**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Special deposit account</b>		
Lifetime Support Authority Operating Account	3 548	10 840
<b>Total cash and cash equivalents</b>	<b>3 548</b>	<b>10 840</b>

Cash is measured at nominal amounts.

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

Special deposits accounts are interest bearing and earn a variable interest rate. From November 2020, the official interest rate for interest bearing deposit accounts changed to zero. The carrying amount of cash and cash equivalents represents fair value.

**6.2. Receivables**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Accrued revenues	1 375	1 252
From government entities	145	90
From non-government entities	6	1
GST input tax recoverable	65	44
Prepayments	297	80
<b>Total current receivables</b>	<b>1 888</b>	<b>1 467</b>
<b>Total receivables</b>	<b>1 888</b>	<b>1 467</b>

Accrued revenue reflects the LSS Fund levy which is received by the LSA two days in arrears of collection by the Registrar of Motor Vehicles. The receivable represents the amount collected by the Registrar to 30 June 2021, but not yet received by the LSA.

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

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

Receivables, prepayments and accrued revenues are non-interest bearing.

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

---

**6.3. Financial assets at fair value**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Funds SA LSA Strategy	1 175 950	846 686
<b>Total financial assets at fair value</b>	<b>1 175 950</b>	<b>846 686</b>

Categorisation of financial instruments and risk exposure information – refer to note 10.3.

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

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

**7. Liabilities**

Employee benefits liabilities are disclosed in note 3.4.

**7.1. Payables**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Accrued expenses	5 121	3 663
Trade payables	250	-
Employment on-costs	221	156
Paid Parental Leave Scheme payable	3	7
<b>Total current payables</b>	<b>5 595</b>	<b>3 826</b>
<b>Non-current</b>		
Employment on-costs	124	106
<b>Total non-current payables</b>	<b>124</b>	<b>106</b>
<b>Total payables</b>	<b>5 719</b>	<b>3 932</b>

Payables are measured at nominal amounts.

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

***Employment on-costs***

Employment on-costs include payroll tax, ReturnToWorkSA levies and superannuation contributions and are settled when the respective employee benefits that they relate to is discharged.

As a result of an actuarial assessment performed by DTF, the portion of long service leave taken as leave has remained at 42% for 2021. The average factor for the calculation of employer superannuation on-cost has increased to 10.1% (9.8%). These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is immaterial.

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

---

**7.1. Payables (continued)**

***Paid parental leave scheme***

Paid Parental Leave Scheme payable represents amounts which the LSA has received from the Commonwealth Government to forward onto eligible employees via the LSA's standard payroll processes. That is, the LSA is acting as a conduit through which the payment to eligible employees is made on behalf of the Family Assistance Office.

**7.2. Financial liabilities**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Lease liabilities	450	258
<b>Total current financial liabilities</b>	<b>450</b>	<b>258</b>
<b>Non-current</b>		
Lease liabilities	960	833
<b>Total non-current financial liabilities</b>	<b>960</b>	<b>833</b>
<b>Total financial liabilities</b>	<b>1 410</b>	<b>1 091</b>

Lease liabilities have been measured via discounting lease payments using either the interest rate implicit in the lease (where it is readily determined) or Treasury's incremental borrowing rate. There were no defaults or breaches on any of the above liabilities throughout the year. Borrowing costs associated with lease liability payments was \$27,000 (\$29,000).

All material cash outflows are reflected in the lease liabilities disclosure above.

The LSA has entered into long-term leases with the DIT relating to office accommodation at 30 Wakefield Street, Adelaide, (part of level 1, all of level 5 and level 6). As at 30 June 2021, the leases have remaining terms of 3 years.

As at 30 June 2021 it is not reasonably certain that the authority will take up an option to extend the lease due to uncertainty regarding office space requirements as a result of ongoing growth in staff numbers, and ongoing considerations of alternative accommodation models which incorporate a flexible approach to working arrangements.

**7.3. Provisions**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>All provisions</b>		
<b>Current</b>		
Provision for participant treatment, care and support	38 800	40 452
Provision for non-resident insurers tax withheld	36	-
Provision for workers' compensation - current	14	10
<b>Total current provisions</b>	<b>38 850</b>	<b>40 462</b>
<b>Non-current</b>		
Provision for participant treatment, care and support	1 157 705	565 290
Provision for workers' compensation - non current	38	21
<b>Total non-current provisions</b>	<b>1 157 743</b>	<b>565 311</b>
<b>Total provisions</b>	<b>1 196 593</b>	<b>605 773</b>

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

---

**7.3 Provisions (continued)**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Provision for participant treatment, care and support only</b>		
<b>Current</b>		
Provision for participant treatment, care and support	38 800	40 452
<b>Total current provisions</b>	<b>38 800</b>	<b>40 452</b>
<b>Non-current</b>		
Provision for participant treatment, care and support	1 157 705	565 290
<b>Total non-current provisions</b>	<b>1 157 705</b>	<b>565 290</b>
<b>Total provisions</b>	<b>1 196 505</b>	<b>605 742</b>
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Not later than one year	38 800	40 452
Later than one year but not later than five years	132 690	106 421
Later than five years but not later than ten years	170 795	108 169
Later than ten years	854 220	350 700
<b>Total provisions</b>	<b>1 196 505</b>	<b>605 742</b>

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

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

**Movement in provisions**

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

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at the beginning of the period</b>	605 743	501 984
Payments	(24 133)	(19 078)
Changes in Actuarial Assumptions	334 597	142
Additional provisions recognised	280 298	122 694
<b>Carrying amount at the end of the period</b>	<b>1 196 505</b>	<b>605 742</b>

**Change in discount rate**

As the LSA does not issue insurance contracts, claims liabilities are accounted for in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

**7.3 Provisions (continued)**

Under AASB 137, these liabilities are valued at the inflated and discounted value of the expected future payments for all claims incurred up to valuation date. Paragraph 47 of AASB 137 states the discount rate (or rates) shall be a pre-tax rate (or rates) that reflect(s) current market assessments of the time value of money (interpreted as risk-free rate) and the risks specific to the liability. The discount rate(s) shall not reflect risks for which future cash flow estimates have been adjusted. The LSA had previously, and since its inception, applied a 6.25% discount rate (based on the long term investment target return) together with a 4.25% inflation rate when valuing this liability based on their informed assessment. In 2020-21, LSA determined that the discount rate applied to the provision for participant treatment, care and support measured in accordance with AASB 137 should be based on the risk-free rate. In 2020-21, it has been determined that the yields on Commonwealth Government Bonds are the most appropriate basis for risk-free discounting. This also provides consistency in approach and improves comparability across similar schemes in Australia. As at 30 June 2021, the risk-free discount applied was 2.60%.

The financial effect of the change to risk-free discount rates in the current financial year is an increase of \$524.9 million in the net central estimate. This results in an increase in the total provision for participant treatment, care and support and in the expense for participant treatment, care and support. The impact on future periods is impracticable to estimate as the liability is calculated using a number of assumptions including the risk-free discount rate.

**Sensitivity analysis for the valuation as at 30 June 2021**

The liability represents the best estimate and is based on standard actuarial assessment. The table below shows sensitivities to some of the key actuarial assumptions used in the valuation. Significant uncertainty exists in the estimate due to the long-term nature of the liability, and the ultimate liability is subject to the outcomes of events yet to occur.

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

	<b>30 June 2021 Liability \$m</b>	<b>Effect on Liability \$m</b>	<b>Percentage Effect %</b>
<b>Central estimate of provisions</b>	1 196.5		
<b>Alternative CANS transitions</b>			
a. Improvement of 1 CANS severity for all Brain Injury Participants	948.4	(248.1)	-21%
b. Deterioration of 1 CANS severity for all Brain Injury Participants	1 524.2	327.7	27%
c. No further CANS improvement	1 279.7	83.2	7%
<b>Mortality improvement</b>			
a. One percent per annum higher than expected	1 294.4	97.9	8%
b. One percent per annum lower than expected	1 094.6	(101.9)	-9%
<b>Discount rate</b>			
a. One percent per annum higher than expected	980.3	(216.2)	-18%
b. One percent per annum lower than expected	1 496.5	300.0	25%
c. Previous long- term economic assumptions <sup>^</sup>	671.6	(524.9)	-44%

<sup>^</sup>The previous long-term economic assumption refers to the 6.25% discount rate and 4.25% inflation rate applied when valuing the scheme liabilities in 2019-20.

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

---

**7.3 Provisions (continued)**

**Actuarial assumptions and methods**

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

	<u>2021</u>	<u>2020</u>
<b>Weighted mean term</b>	<b>Years</b>	<b>Years</b>
Uninflated, undiscounted	20.6	20.8
Inflated, discounted	21.7	16.4
	<u>2021</u>	<u>2020</u>
<b>Equivalent single rate (all future years)</b>	<b>%</b>	<b>%</b>
Inflation rate	3.64	4.25
Discount rate	2.60	6.25

*Inflated mean term*

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

*Discounted mean term*

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

*Inflation*

Wage inflation is adopted as the base for the inflation of projected future payments and is set by reference to long term economic indicators. In 2020-21, a wages growth rate of 2.89% p.a. (2020: 3.50%) has been adopted.

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

- medical inflation costs to grow faster than underlying inflation (0.75% p.a. for all services plus an additional 0.5% per annum for medical services for participants with a brain injury)
- attendant care costs to grow faster than underlying inflation (market supply and demand for services) by 0.75% per annum.

*Discount rates*

In 2020-21, the discount rate reflected the risk-free rate, which is based on the expected yield on Commonwealth Government bonds. In 2019-20, the discount rate reflected the expected long-term return for the LSA's portfolio of assets.

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

---

**7.3 Provisions (continued)**

*Provision for workers compensation*

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Provision for workers compensation</b>		
<b>Current</b>		
Provision for workers compensation - current	14	10
<b>Total current provisions</b>	<b>14</b>	<b>10</b>
<b>Non-current</b>		
Provision for workers compensation - non-current	38	21
<b>Total non-current provisions</b>	<b>38</b>	<b>21</b>
<b>Total provisions for workers compensation</b>	<b>52</b>	<b>31</b>

LSA is responsible for the payment of workers compensation claims.

A provision has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2021 provided by a consulting actuary engaged through the Office of the Commissioner for the Public Sector Employment. The provision was calculated in accordance with AASB 137 as the present value of the expenditure expected to be required to settle obligations incurred as at 30 June. No risk margin is included in this estimate.

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

---

**8. Other disclosures**

**8.1. Cash flow**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Leases</b>		
Right-Of-Use buildings	407	182
<b>Net cash outflow for leases</b>	<b>407</b>	<b>182</b>

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b><u>Reconciliation of cash and cash equivalents at the end of the reporting period</u></b>		
Cash and cash equivalents disclosed in the Statement of Financial Position	3 548	10 840
<b>Balance as per the Statement of Cash Flows</b>	<b>3 548</b>	<b>10 840</b>

<b><u>Reconciliation of net cash provided by operating activities to net result</u></b>		
Net cash provided by/(used in) operating activities	108 820	105 913

<b><u>Add / (less) non-cash items</u></b>		
Depreciation and amortisation expense of non-current assets	(813)	(378)
Gain/losses on financial assets designated at fair value through profit or loss	214 763	(10 216)

<b><u>Movement in assets and liabilities</u></b>		
Increase/(decrease) in receivables	421	(732)
Increase/(decrease) in payables	(1 845)	769
Increase/(decrease) in employee benefits	(560)	(433)
Increase/(decrease) in provisions	(590 820)	(103 769)
<b>Net result</b>	<b>(270 034)</b>	<b>(8 846)</b>

Total cash outflows for leases was \$407 005 (2020: \$182 000)

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

---

## 9. Outlook

### 9.1. Unrecognised contractual commitments

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

#### Expenditure commitments

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Within one year	1 599	3 511
Later than one year but no longer than five years	993	354
<b>Total expenditure commitments</b>	<b>2 592</b>	<b>3 865</b>

Unrecognised grant commitments in 2021 total \$693 000 (2020: \$3 283 000).

### 9.2. Contingent assets and liabilities

The LSA is not aware of any contingent assets or contingent liabilities as at 30 June 2021.

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

The LSA has assessed the impact of new and changed Australian Accounting Standards Board Standards and Interpretations not yet effective.

#### AASB 17 Insurance Contracts

The Australian Accounting Standards Board is currently consulting on expanding the scope of AASB 17 to include Government injury insurance schemes like the LSA. If this occurs, the LSA will have to comply with AASB 17 for the reporting period beginning 1 July 2023.

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

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

Adopting AASB 17 would increase LSA's liability for participant treatment, care and support as at 30 June 2021 to \$1 471.6 million. This is made up of \$1 380.0 million for participant treatment, care and support and \$91.6 million for unexpired levy liability.

### 9.4. Events after the reporting period

LSA is not aware of any after balance date events.

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

---

## **10. Measurement and risk**

### **10.1. Long service leave liability - measurement**

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

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

AASB 119 requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has changed from 0.75% (2020) to 1.25% (2021).

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

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$201 000 and employee benefits expense of \$201 000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

The actuarial assessment performed by the DTF left the salary inflation rate at 2.5% for long service leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

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

### **10.2. Fair value**

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

#### **Initial recognition**

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

#### **Revaluation**

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

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

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

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

---

## **10.2. Fair value (continued)**

### **Fair value hierarchy**

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

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

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

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

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

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

### **Plant and equipment**

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

## **10.3. Financial instruments**

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

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

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

### **Impairment**

Property, plant and equipment have not been assessed for impairment as they are non-cash generating assets, that are specialised in nature and held for continual use of their service capacity and are subject to regular revaluation.

LSA holds its property, plant and equipment and intangible assets for their service potential (value in use).

All non-current tangible assets are valued at fair value. Specialised assets would rarely be sold and typically any cost of disposal will be negligible, accordingly the recoverable amount will be close to or greater than fair value.

The LSA also expects for all other non-current tangible assets that any costs of disposal will be negligible, and the recoverable amount to be close to or greater than fair value.

There were no indications of impairment of property, plant and equipment at 30 June 2021.

Refer to table 10.3 for the carrying amounts of each of the categories of financial assets and liabilities.

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

---

**10.3. Financial instruments (continued)**

**Fair value measurement**

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

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

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

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

The table below presents LSA's financial assets, consisting of investments managed by Funds SA, and measured and recognised at fair value.

**Table LSA Categories of fair value measurement**

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets at fair value 30 June 2021</b>				
Funds SA LSA Strategy	-	1 175 950	-	1 175 950
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets at fair value 30 June 2020</b>				
Funds SA LSA Strategy	-	846 686	-	846 686

**Categorisation of financial instruments**

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

**Classification of financial instruments**

The LSA measures all financial instruments at amortised cost.

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

---

**10.3. Financial instruments (continued)**

**Maturity analysis of financial instruments**

Category of financial asset and financial liability	Note	Carrying amount / fair value \$'000	2021 Contractual maturities			
			Current \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
<b>Financial assets</b>						
<b>Cash and cash equivalents</b>						
Cash and cash equivalents	6	3 548	3 548	-	-	-
<b>Financial assets at amortised cost</b>						
Receivables**	6	145	145	-	-	-
Financial assets at fair value	6	1 175 950	1 175 950	-	-	-
<b>Total financial liabilities</b>		<b>1 179 643</b>	<b>1 179 643</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Financial liabilities**

**Financial liabilities at amortised cost**

Payables**	7	250	250	-	-	-
Lease liabilities	7	1 410	-	450	960	-
<b>Total financial liabilities</b>		<b>1 660</b>	<b>250</b>	<b>450</b>	<b>960</b>	<b>-</b>

Category of financial asset and financial liability	Note	Carrying amount / fair value \$'000	2020 Contractual maturities			
			Current \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
<b>Financial assets</b>						
<b>Cash and cash equivalents</b>						
Cash and cash equivalents	6	10 840	10 840	-	-	-
<b>Financial assets at amortised cost</b>						
Receivables**	6	1 252	1 252	-	-	-
Financial assets at fair value	6	846 686	846 686	-	-	-
<b>Total financial liabilities</b>		<b>858 778</b>	<b>858 778</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Financial liabilities**

**Financial liabilities at amortised cost**

Payables**	7	2 306	2 306	-	-	-
Lease liabilities	7	1 091	-	258	833	-
<b>Total financial liabilities</b>		<b>3 397</b>	<b>2 306</b>	<b>258</b>	<b>833</b>	<b>-</b>

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

---

**10.3. Financial instruments (continued)**

\*Maturities analysis is presented using the undiscounted cash flows and therefore may not total to equal the carrying amount/fair value of the financial instrument.

\*\* Total amounts disclosed here exclude statutory amounts. Receivables do not include prepayments as these are not financial instruments. Prepayments are presented in note 6.2.

**Statutory receivables and payables**

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. This includes Commonwealth, State and Local Government taxes, fees and charges, Auditor-General's Department audit fees. This is in addition to employee related payables, such as payroll tax, Fringe Benefits Tax, Pay As You Go Withholding and ReturnToWorkSA levies. In government, certain rights to receive or pay cash may not be contractual but have their source in legislation and therefore in these situations, the disclosure requirements of AASB 7 will not apply. The standard defines contract as enforceable by law. All amounts recorded are carried at cost.

The LSA invests in Funds SA's untaxed funds. The intention is to hold the investments on a long term basis, however, investments are available for a withdrawal at call.

**Expected credit loss**

The total outstanding debt for LSA is immaterial and there is no material credit loss risk. All receivables are with government entities. The expected credit loss is considered to be nil based on the external credit ratings and nature of the counterparties.

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

---

**10.3. Financial instruments (continued)**

**Liquidity risk**

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

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

The carrying amount of financial liabilities recorded in the maturity analysis table above represents the LSA's maximum exposure to financial liabilities.

**Market risk**

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

**Sensitivity disclosure analysis**

A sensitivity analysis for a movement in the unit price of the investments with Funds SA is provided in the table below. The sensitivity analysis uses historically based volatility information collected over a 10 year period, quoted at two standard deviations (that is, 95% probability). The 95% confidence interval for one year represents the expected range of return outcomes from 23.7% (2020:27.9%) to -11.5% (2020: -12.2%) for the LSA strategy over a one year period. The impact of these expected range of returns on profit and loss and equity is demonstrated in the table below.

Change in unit price		Impact on profit and loss		Impact on equity	
2021	2020	2021	2020	2021	2020
%	%	\$'000	\$'000	\$'000	\$'000
23.7	27.9	278 700	236 225	278 700	236 225
(11.5)	(12.2)	(135 234)	(103 296)	(135 234)	(103 296)

**Capital management**

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

The LSA has adopted for the LSS a minimum probability of sufficiency of 75% (the chance that the capital of the LSS is expected to be adequate to cover actual outcomes) through a solvency margin in excess of actuarial provisions. As at 30 June 2021, the probability of sufficiency for the LSS was 92%.

This measure is derived from dynamic modelling of asset and liability outcomes, assuming a discount rate equal to the LSA's long-term investment return target of 6.25%. The Board continually reviews the LSA's funding position, and assesses the policy on an annual basis to ensure it remains appropriate.