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## To the Chair Lifetime Support Authority of South Australia

### Opinion

I have audited the financial report of the Lifetime Support Authority of South Australia for the financial year ended 30 June 2025.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Lifetime Support Authority of South Australia as at 30 June 2025, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2025
- a Statement of Financial Position as at 30 June 2025
- a Statement of Changes in Equity for the year ended 30 June 2025
- a Statement of Cash Flows for the year ended 30 June 2025
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Chair, the Chief Executive, and the Acting Director Corporate.

### Emphasis of matter

I draw attention to note 6.4 of the financial report. There is significant uncertainty surrounding the estimate of the provision for participant treatment, care and support because of the long-term nature of the provision and limited claim payment experience to date. My opinion is not modified in respect of this matter.

## **Basis for opinion**

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

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

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

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

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

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

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

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 21 (2) of the *Motor Vehicle Accident (Lifetime Support Scheme) Act 2013*, I have audited the financial report of the Lifetime Support Authority of South Australia for the financial year ended 30 June 2025.

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

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

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

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

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



Andrew Blaskett  
**Auditor-General**

22 September 2025

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

**Financial Statements  
For the year ended  
30 June 2025**

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2025*

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We certify that the:

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



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Rick Howe  
**Chief Executive**  
12 September 2025



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Maria Ross  
**A/Director Corporate**  
12 September 2025



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Andrew Culley  
**Chair**  
12 September 2025

**Lifetime Support Authority of South Australia**  
**Statement of Comprehensive Income**  
*For the year ended 30 June 2025*

	<b>Note</b>	<b>2025 \$'000</b>	<b>2024 \$'000</b>
<b>Income</b>			
Revenues from LSS Fund levy	3.1	222 095	209 279
Investment revenues	3.2	167 634	105 526
Resources received free of charge	3.3	173	174
Other revenues		161	1 089
<b>Total income</b>		<b>390 063</b>	<b>316 068</b>
<b>Expenses</b>			
Duty on LSS Fund levy		22 009	20 739
Participant treatment, care and support expenses	4.2	193 417	176 164
Reinsurance		3 173	3 052
Employee related expenses	4.1	13 530	13 980
Service delivery and corporate expenses	4.3	4 507	4 846
Research Education Programs		2 141	2 169
Depreciation and amortisation	5.4	675	1 078
Borrowing Costs	6.2	97	115
Other expenses	4.5	-	3 820
<b>Total expenses</b>		<b>239 549</b>	<b>225 963</b>
<b>Net result</b>		<b>150 514</b>	<b>90 105</b>
<b>Total comprehensive result</b>		<b>150 514</b>	<b>90 105</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 2025*

		<b>2025</b>	<b>2024</b>
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current assets</b>			
Cash and cash equivalents	5.1	8 378	5 121
Receivables	5.2	3 283	3 346
<b>Total current assets</b>		<b>11 661</b>	<b>8 467</b>
<b>Non-current assets</b>			
Financial assets at fair value	5.3	1 985 057	1 698 608
Property, plant and equipment	5.4	2 117	2 792
<b>Total non-current assets</b>		<b>1 987 174</b>	<b>1 701 400</b>
<b>Total assets</b>		<b>1 998 835</b>	<b>1 709 867</b>
<b>Current liabilities</b>			
Payables	6.1	8 665	8 779
Employee related liabilities	6.3	1 392	1 300
Other financial liabilities	6.2	519	485
Provisions	6.4	67 555	63 057
<b>Total current liabilities</b>		<b>78 131</b>	<b>73 621</b>
<b>Non-current liabilities</b>			
Employee related liabilities	6.3	1 668	1 657
Other financial liabilities	6.2	1 779	2 298
Provisions	6.4	1 890 796	1 756 344
<b>Total non-current liabilities</b>		<b>1 894 243</b>	<b>1 760 299</b>
<b>Total liabilities</b>		<b>1 972 374</b>	<b>1 833 920</b>
<b>Net assets/(liabilities)</b>		<b>26 461</b>	<b>(124 053)</b>
<b>Equity</b>			
Retained earnings		26 461	(124 053)
<b>Total equity</b>		<b>26 461</b>	<b>(124 053)</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 2025*

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	<b>Retained earnings \$'000</b>	<b>Total equity \$'000</b>
<b>Balance at 1 July 2023</b>	<u>(214 158)</u>	<u>(214 158)</u>
Net result for 2023-24	90 105	90 105
<b>Total comprehensive result for 2023-24</b>	<u><b>90 105</b></u>	<u><b>90 105</b></u>
<b>Balance at 30 June 2024</b>	<u><b>(124 053)</b></u>	<u><b>(124 053)</b></u>
Net result for 2024-25	150 514	150 514
<b>Total comprehensive result for 2024-25</b>	<u><b>150 514</b></u>	<u><b>150 514</b></u>
<b>Balance at 30 June 2025</b>	<u><b>26 461</b></u>	<u><b>26 461</b></u>

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 2025*

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	Note	2025 \$'000	2024 \$'000
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
LSS Fund levy		222 038	207 892
Interest received		186	192
GST recovered from the ATO		1 174	1 021
Other revenues		165	1 116
<b>Cash outflows</b>			
Duty on LSS Fund levy		(22 009)	(20 739)
Participant treatment, care and support expenses		(54 647)	(50 531)
Reinsurance		(3 042)	(3 112)
Employee related expenses		(13 481)	(13 717)
Service delivery and corporate expenses		(5 404)	(3 245)
Research, education and programs		(2 141)	(2 169)
Interest paid		(97)	(115)
<b>Net cash provided by operating activities</b>	7.1	<b>122 742</b>	<b>116 593</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Purchase of investments		(119 000)	(115 000)
<b>Net cash used in investing activities</b>		<b>(119 000)</b>	<b>(115 000)</b>
<b>Cash flows from financing activities</b>			
<b>Cash outflows</b>			
Repayment of leases		(485)	(453)
<b>Net cash used in financing activities</b>		<b>(485)</b>	<b>(453)</b>
<b>Net increase in cash and cash equivalents</b>		<b>3 257</b>	<b>1 140</b>
Cash and cash equivalents at the beginning of the period		5 121	3 981
<b>Cash and cash equivalents at the end of the period</b>	5.1	<b>8 378</b>	<b>5 121</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 2025*

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

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

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

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

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

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

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

The financial statements are prepared based on a 12-month reporting period and presented in Australian currency. Any transactions in foreign currency are translated into Australian dollars at the exchange rate at the date the transaction occurs. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

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

Material accounting policies are set out throughout the notes.

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

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

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

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

Assets that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets. Liabilities that are due to be settled within 12 months after the end of the reporting period or for which the LSA has no right to defer the settlement for at least 12 months after the end of the reporting period are classified as current liabilities. All other assets and liabilities are classified as non-current.

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

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

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2025*

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**1.2. Objectives**

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

The functions of the LSA under the Act are to:

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

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

Significant transactions with the SA Government include:

- The LSA is funded by the LSS Fund Levy, paid on motor vehicle registrations in South Australia. During 2025, \$222.1m (2024: \$209.3m) 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 \$22.0m (2024: \$20.7m) 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 2025, the fair value of the investment was \$1 985.1m (2024: \$1 698.6m) as set out in note 5.3. The increase of \$286.5m (2024: \$220.3m) was comprised of funds invested of \$119.0m (2024: \$115.0m) and a return on investments of \$167.5m (2024: \$105.3m return on investments).
- Funding of \$5.9m (2024: \$6.8m) was provided to the Department for Health and Wellbeing to fund the costs of Lifetime Support Scheme participants receiving acute and non-acute services in Public Hospitals.
- The LSA has a Memorandum of Administrative Agreement (MoAA) with the Department of Human Services (DHS) in relation to the provision of attendant care and supported accommodation for Lifetime Support Scheme participants. The cost incurred under this agreement in 2025 was \$6.2m (2024: \$5.6m).

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2025*

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**2. Board and committees**

**2.1. Key management personnel**

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

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

	<b>2025</b>	<b>2024</b>
<b>Compensation</b>	<b>\$'000</b>	<b>\$'000</b>
Salaries and other short-term employee benefits	1 117	1 078
Post-employment benefits	389	364
Termination benefits	-	184
<b>Total compensation</b>	<b>1 506</b>	<b>1 626</b>

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

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

**2.2. Board and committee members**

Members during the 2025 financial year were:

**LSA Board**

Andrew Culley (Chair)  
Kevin Cantley  
David Russell  
Nicole Sykes  
Linda Matthews  
Talia Begley  
Sian Goodson  
Tim Binks

**Rules & Organisational Performance Committee**

Linda Matthews (Chair)  
Andrew Culley  
Talia Begley  
Sian Goodson

**Audit Committee**

Kevin Cantley (Chair)  
Andrew Culley  
David Russell  
Nicole Sykes

**Finance and Investment Committee**

Tim Binks (Chair)  
Kevin Cantley  
David Russell  
Linda Matthews

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2025*

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

**Board and committee remuneration**

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

	<b>2025</b>	<b>2024</b>
	<b>No</b>	<b>No</b>
\$1 - \$19 999	-	2
\$20 000 - \$39 999	2	5
\$40 000 - \$59 999	5	3
\$60 000 - \$79 999	1	1
<b>Total number of members</b>	<b>8</b>	<b>11</b>

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received or receivable by members was \$366 000 (2024: \$365 000).

Amounts paid to a superannuation plan for board/committee members was \$42 000 (2024: \$41 000).

**3. Income**

**3.1. Revenues from LSS Fund Levy**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Revenues from LSS Fund levy	222 095	209 279
<b>Total revenues from LSS fund levy</b>	<b>222 095</b>	<b>209 279</b>

The LSS Fund levy is recognised as earned on the date of receipt in the DIT Transport Regulation User Management Processing System. The gross amount is inclusive of stamp duty payable to Revenue SA.

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

**3.2. Investment revenues**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest from entities external to the SA Government	185	208
Net gain on financial assets designated at fair value through profit or loss	167 449	105 318
<b>Total investment revenues/ (losses)</b>	<b>167 634</b>	<b>105 526</b>

Refer to financial assets note 5.3 for further information.

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2025*

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**3.3. Resources received free of charge**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Services received free of charge - Shared Services SA	173	174
<b>Total Resources received free of charge</b>	<b>173</b>	<b>174</b>

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

A corresponding expense is recognised in the financial statements, refer to note 4.3.

**4. Expenses**

**4.1. Employee related expenses**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages	9 551	9 623
Superannuation	1 530	1 470
Annual leave	994	985
Board and committee fees	366	365
Long service leave	199	431
Targeted voluntary separation packages	112	-
Skills and experience retention leave	32	42
Other employee related expenses	746	1 064
<b>Total employee related expenses</b>	<b>13 530</b>	<b>13 980</b>

**Employment on-costs – superannuation**

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

The superannuation employment on-cost charges represent the LSA's contributions to superannuation plans in respect of current services of current employees. As the LSA is a controlled entity of the Crown, the Department of Treasury and Finance (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 2025*

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**4.1. Employee related expenses (continued)**

**Employee remuneration**

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

	<b>2025</b>	<b>2024</b>
	<b>No</b>	<b>No</b>
\$166,001 - \$171,000*	n/a	2
\$171,001 - \$191,000	1	-
\$211,001 - \$231,000	-	1
\$231,001 - \$251,000	1	1
\$251,001 - \$271,000	1	-
\$391,001 - \$411,000	-	1
\$411,001 - \$431,000	1	-
<b>Total number of employees</b>	<b>4</b>	<b>5</b>

\* This band has been included for the purpose of reporting comparative figures based on the executive base level remuneration rate for 2023-24.

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflect all costs of employment including salaries and wages, payments in lieu of leave, termination payments, superannuation contributions, salary sacrifice benefits, fringe benefits and any related fringe benefits tax. The total remuneration received by those employees for the year was \$1.10m (2024: \$1.22m).

**Targeted voluntary separation packages (TVSPs)**

The number of employees who received a TVSP during the reporting period was 2 (0).

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Amount paid to separated employees:		
Targeted Voluntary Separation Packages	112	-
Leave paid to separated employees	33	-
<b>Net cost to the LSA</b>	<b>145</b>	<b>-</b>

**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2025*

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

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Attendant care	34 721	29 679
Hospital	5 566	6 275
Rehabilitation	7 632	6 629
Equipment	3 308	3 677
Medical treatment services	1 466	1 137
Home and vehicle modifications	1 454	1 727
Other	272	229
	<b>54 419</b>	<b>49 353</b>
Movement in the provision for participant treatment, care and support costs (refer note 6.4)	138 998	126 811
<b>Total participant treatment care and support expenses</b>	<b>193 417</b>	<b>176 164</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 are in line with criteria detailed in the LSS Rules, from the date of acceptance into the LSS. The costs reported represent the treatment, care and support expenses paid during 2024-25, 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 2024-25.

**4.3. Service delivery and corporate expenses**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Information technology	1 342	1 278
Consultants	1 080	999
Contractors and other outsourced services	326	732
Service level agreement fees	708	683
Training and development	231	242
Accommodation and telecommunication	157	235
General administration and consumables	186	104
Minor works maintenance and equipment	21	71
Professional fees	72	58
Other expenses*	384	444
<b>Total service delivery and corporate expenses</b>	<b>4 507</b>	<b>4 846</b>

\*Includes audit fees paid/payable to the Audit Office of South Australia relating to work performed under the *Public Finance and Audit Act 1987* of \$76 100 (2024: \$90 000). No other services were provided by the Audit Office of South Australia.

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

Service level agreement fees includes \$173 000 (2024: \$174 000) resources received free of charge. Refer note 3.3.



**Lifetime Support Authority of South Australia**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2025*

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**4.4. Expenditure – SA Business and Non-SA Business**

The following table includes all expenditure in relation to contracts above \$55,000 (GST inclusive) resulting from a procurement as defined in Treasurer's Instructions 18 – Procurement (TI 18). Arrangements between public authorities and arrangements with other governments are not included.

Expenditure is inclusive of non-recoverable GST.

	<b>2025</b>	<b>Proportion</b>
	<b>\$'000</b>	<b>SA and non-SA businesses</b>
Total expenditure with South Australian businesses	26 812	81%
Total expenditure with non-South Australian businesses	6 188	19%
<b>Total</b>	<b>33 000</b>	<b>100%</b>

Classification as SA business or non-SA business is generally based on circumstances as at the time of entering into a contract. For contracts entered into before 20 February 2023, where sufficient evidence of an assessment made under previous procurement requirements is known to the LSA, this was used to determine classification. For contracts where such evidence of prior assessment is not available and for all other contracts, classification is based on the definition of an SA business provided in TI 18.

TI 18 defines a business as being South Australian where it operates in South Australia and more than 50% of the workforce delivering the contract resulting from the procurement on behalf of the business are South Australian residents.

The disclosure for expenditure with SA businesses reflects the total spent on contracts within the TI 18 definition and in some instances includes the cost of goods sourced from outside South Australia.

In many cases, the determination has been made on the basis of representations made by suppliers at a point in time which has not been subject to independent verification.

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**4.5. Other expenses**

**Derecognition of intangible asset**

In 2023-24, \$3.8m of project expenditure that was capitalised in prior years as 'Intangible assets – Work in progress' was recognised as an expense. This expenditure related to the replacement of the LSA's core participant management system with a modern SaaS CRM platform. The LSA determined that the project implementation (configuration and customisation) costs incurred in the prior as well as 2023-24 financial years since commencement of the implementation project did not meet the definition of an 'intangible asset' under AASB 138.

**5. Assets**

**5.1. Cash and cash equivalents**

	<b>2025</b>	<b>2024</b>
<b>Deposit with the Treasurer</b>	<b>\$'000</b>	<b>\$'000</b>
Lifetime Support Authority Operating Account	8 378	5 121
<b>Total cash and cash equivalents in the Statement of Financial Position</b>	<b>8 378</b>	<b>5 121</b>
<b>Total cash and cash equivalents in the Statement of Cash Flows</b>	<b>8 378</b>	<b>5 121</b>

Cash is measured at nominal amounts.

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**5.2. Receivables**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
<b>Contractual receivables</b>		
Accrued revenues	2 775	2 706
Receivables	34	19
Less impairment loss on receivables	(4)	-
<b>Total contractual receivables</b>	<b>2 805</b>	<b>2 725</b>
<b>Statutory receivables</b>		
GST receivable	141	153
<b>Total statutory receivables</b>	<b>141</b>	<b>153</b>
Prepayments	337	468
<b>Total current receivables</b>	<b>3 283</b>	<b>3 346</b>
<b>Total receivables</b>	<b>3 283</b>	<b>3 346</b>

Accrued revenue reflects the LSS Fund levy which is received by the LSA in arrears of collection by the Registrar of Motor Vehicles. The receivable represents the amount collected by the Registrar to 30 June 2025, but not yet received by the LSA.

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**5.2 Receivables (continued)**

The LSA has adopted the simplified impairment approach under AASB 9 and measured lifetime expected credit losses on all trade receivables using an allowance matrix as a practical expedient to measure the impairment allowance.

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

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

**Contractual receivables**

Contractual receivables arise in the normal course of selling goods and services to other government agencies and to the public. Contractual receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

**Statutory receivables**

Statutory receivables do not arise from contracts with customers. They are related to taxes and equivalents as well as statutory fees and charges. Statutory receivables are recognised and measured similarly to contractual receivables. Statutory receivables are not financial assets.

The net amount of GST receivable is included as a part of statutory receivables.

**5.3. Financial assets at fair value**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Funds SA LSA Strategy	1 985 057	1 698 608
<b>Total financial assets at fair value</b>	<b>1 985 057</b>	<b>1 698 608</b>

Categorisation of financial instruments and risk exposure information is referred to in note 9.2.

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

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

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

**Reconciliation 2024-25**

	<b>Leasehold improvements \$'000</b>	<b>Plant and equipment \$'000</b>	<b>Right-of-use buildings \$'000</b>	<b>Total \$'000</b>
Carrying amount at 1 July 2024	138	8	2 646	2 792
Depreciation and amortisation	(138)	(8)	(529)	(675)
<b>Carrying amount at 30 June 2025</b>	<b>-</b>	<b>-</b>	<b>2 117</b>	<b>2 117</b>

**Gross carrying amount**

Gross carrying amount	1 925	156	3 484	5 565
Accumulated depreciation	(1 925)	(156)	(1 367)	(3 448)
<b>Carrying amount at 30 June 2025</b>	<b>-</b>	<b>-</b>	<b>2 117</b>	<b>2 117</b>

**Reconciliation 2023-24**

	<b>Leasehold improvements \$'000</b>	<b>Plant and equipment \$'000</b>	<b>Right-of-use buildings \$'000</b>	<b>Total \$'000</b>
Carrying amount at 1 July 2023	655	40	3 175	3 870
Depreciation and amortisation	(517)	(32)	(529)	(1 078)
<b>Carrying amount at 30 June 2024</b>	<b>138</b>	<b>8</b>	<b>2 646</b>	<b>2 792</b>

**Gross carrying amount**

Gross carrying amount	1 925	156	3 484	5 565
Accumulated depreciation	(1 787)	(148)	(838)	(2 773)
<b>Carrying amount at 30 June 2024</b>	<b>138</b>	<b>8</b>	<b>2 646</b>	<b>2 792</b>

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

**Acquisition and recognition**

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

Property, plant and equipment is recorded at fair value. Details about the LSA's approach to fair value is set out in note 9.1.

There were no indications of impairment for property, plant and equipment as at 30 June 2025.

Refer to note 5.5 for right-of-use assets leased by the LSA.

**Review of accounting estimates**

Asset 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
Plant and equipment	3 - 5 Years

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

**5.5. Leased Property**

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

The LSA leases three floors for staff office accommodation in Wakefield House at 30 Wakefield Street Adelaide from its landlord DIT. Key aspects of the lease are as follows:

<b>Lease floor</b>	<b>Lease Commencement</b>	<b>Initial lease term</b>	<b>Extension option</b>
Part of level 1	1 July 2019	5 years	5 years
All of level 5	1 January 2020	4.5 years	5 years
All of level 6	1 July 2020	4 years	5 years

In December 2022 the LSA opted to exercise all 5-year right of renewal extension options.

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

Short-term leases of 12 months or less and low value leases where the underlying asset value is less than \$15 000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and are disclosed in note 4.3 as other expenses.

The lease liabilities and interest expenses related to the right-of-use assets are disclosed in note 6.2. The LSA's maturity analysis of the lease liabilities is disclosed in note 6.2. Depreciation is disclosed at note 5.4. Cash outflows related to leases are disclosed in note 7.1.

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**6. Liabilities**

**6.1. Payables**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Accrued expenses	7 663	8 714
Contractual payables	1 002	58
Paid Parental Leave Scheme payable	-	7
<b>Total current payables</b>	<b>8 665</b>	<b>8 779</b>
<b>Total payables</b>	<b>8 665</b>	<b>8 779</b>

Payables and accruals are recognised for all amounts owing but unpaid. Contractual payables are normally settled within 15 days from the date the invoice is received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

**Lifetime Support Authority of South Australia**  
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**6.2. Other financial liabilities**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Lease liabilities	519	485
<b>Total current financial liabilities</b>	<b>519</b>	<b>485</b>
<b>Non-current</b>		
Lease liabilities	1 779	2 298
<b>Total non-current financial liabilities</b>	<b>1 779</b>	<b>2 298</b>
<b>Total other financial liabilities</b>	<b>2 298</b>	<b>2 783</b>

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

	<b>2025</b>	<b>2024</b>
<b>Financial Liabilities</b>	<b>\$'000</b>	<b>\$'000</b>
1 to 3 years	1 836	1 791
3 to 5 years	643	1 270
5 to 10 years	-	-
<b>Total financial liabilities (undiscounted)</b>	<b>2 479</b>	<b>3 061</b>

The LSA measures financial liabilities at amortised cost. Lease liabilities have been measured via discounting lease payments using either the interest rate implicit in the lease (where it is readily determined), or DTF's incremental borrowing rate. There were no defaults or breaches on any of the financial liabilities throughout the year. Borrowing costs associated with lease liability payments was \$97 000 (2024: \$115 000).



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**6.3. Employee related liabilities**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Accrued salaries and wages	40	-
Annual leave	836	776
Long service leave	229	205
Skills and experience retention leave	34	37
Employment on-costs	253	282
<b>Total current employee related liabilities</b>	<b>1 392</b>	<b>1 300</b>
<b>Non-current</b>		
Long service leave	1 509	1 504
Employment on-costs	159	153
<b>Total non-current employee related liabilities</b>	<b>1 668</b>	<b>1 657</b>
<b>Total employee related liabilities</b>	<b>3 060</b>	<b>2 957</b>

Employee related liabilities are accrued as a result of services provided up to the reporting date that remain unpaid. Non-current employee related liabilities are measured at present value and current employee related liabilities 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 that are current at the reporting date.

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

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

**Long service leave**

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

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

### **6.3. Employee related liabilities (continued)**

The expected timing and amount of long service leave payments is determined through whole-of-government actuarial calculations, which are based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service.

The discount rate used in measuring the liability is reflective of the yield on long-term Commonwealth Government bonds. The yield on long-term Commonwealth Government bonds remained at 4.25% for both 2024 and 2025.

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.

Following the actuarial assessment performed by DTF the salary inflation rate remains the same from 2024 (3.5%) to 2025 (3.5%) for long service leave liability.

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

#### ***Employment on-costs***

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

As a result of an actuarial assessment performed by DTF, the proportion of long service leave estimated to be taken as leave remains the same from 44% (2024) to 44% (2025). The average factor for the calculation of employer superannuation on-costs has increased from 11.5% (2024) to 12% (2025). These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is immaterial.

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**6.4. Provisions**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Provision for participant treatment, care and support	67 389	62 880
Provision for non-resident insurers tax withheld	46	47
Provision for workers' compensation	120	130
<b>Total current provisions</b>	<b>67 555</b>	<b>63 057</b>
<b>Non-current</b>		
Provision for participant treatment, care and support	1 890 471	1 755 982
Provision for workers' compensation	325	362
<b>Total non-current provisions</b>	<b>1 890 796</b>	<b>1 756 344</b>
<b>Total provisions</b>	<b>1 958 351</b>	<b>1 819 401</b>

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**6.4. Provisions (continued)**

**Employee workers compensation**

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

Accordingly, a liability has been reported to reflect unsettled workers compensation claims (statutory and additional compensation schemes). The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2025, which is provided by a consulting actuary engaged through the Office of the Commissioner of Public Sector Employment.

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

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

**Maturity analysis of provision for participant treatment, care and support**

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

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Not later than one year	67 389	62 880
Later than one year but not later than five years	274 731	246 246
Later than five years but not later than ten years	331 707	296 556
Later than ten years	1 284 033	1 213 180
<b>Total provisions</b>	<b>1 957 860</b>	<b>1 818 862</b>

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

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

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

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**6.4. Provisions (continued)**

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

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

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at the beginning of the period</b>	1 818 862	1 692 051
Less expected payments	(63 901)	(58 525)
Discount unwind	77 343	74 331
Provision for new participants	253 079	240 551
Impact of Scheme Experience	(86 463)	20 435
Changes in actuarial assumptions due to scheme experience	(23 016)	(102 032)
Changes in other actuarial assumptions	2 929	26 763
Impact of Actual v Expected Inflation	(9 522)	(13 838)
Changes in Economic Assumptions	(11 451)	(60 874)
<b>Carrying amount at the end of the period</b>	<b>1 957 860</b>	<b>1 818 862</b>

The following is a summary of the key reasons for movement in the provision for participant treatment, care and support during 2025:

- The reduction in provision for expected payments during 2025 was \$63.9 million (2024: \$58.5 million).
- Short term discount rates in 2025 were similar to those in 2024, resulting in a similar discount unwind.
- New participants that became eligible for the Scheme during 2025, including Incurred but Not Reported (IBNR) claims has resulted in an increase in the provision of \$253.1 million (2024: 240.6 million).
- The actual scheme experience in 2025, which includes IBNR development, the severity of injuries and age distribution of new participants, varied to actuarial modelling resulting in a decrease in provision of \$86.5 million (2024: \$20.4 million increase).
- A review of actuarial assumptions based on scheme experience has resulted in a reduction in provision of \$23.0 million (2024: \$102.0 million).
- Other actuarial assumption changes in 2025 include expected increases in the future cost of care services resulting in an increase in provision of \$2.9 million (2024: \$26.8 million increase due to other actuarial assumption changes).
- A review of actual inflation against expected inflation has decreased the provision during 2025 by \$9.5 million (2024: \$13.8 million).
- Changes to the assumed risk-free discount rates and inflation assumptions in 2025 have resulted in a decrease of \$11.5 million (2024: \$60.9 million) in the total provision for participant treatment, care and support.

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**6.4. Provisions (continued)**

**Actuarial assumptions and methods**

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

	<b><u>2025</u></b>	<b><u>2024</u></b>
<b>Weighted mean term</b>	<b>Years</b>	<b>Years</b>
Uninflated, undiscounted	21.1	20.9
Inflated, discounted	19.4	19.6
	<b><u>2025</u></b>	<b><u>2024</u></b>
<b>Equivalent single rate (all future years)</b>	<b>%</b>	<b>%</b>
Inflation rate	4.12	4.16
Discount rate	4.69	4.69

*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*

Consumer Price Index (CPI) is adopted as the basis for general economic inflation for attendant care payments and the Wage Price Index (WPI) is adopted for all other payments. In 2024-25, a single equivalent inflation rate of 2.57% p.a. (2024: 2.68%) has been adopted for attendant care payments and 3.31% p.a. (2024: 3.32%) has been adopted for all other payments.

The overall inflation expectation also includes an allowance for components other than general economic 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 (WPI) of 0.75% per annum (2024: 0.75%) for all services plus an additional 0.5% per annum (2024: 0.5%) for medical services for participants with a brain injury;
- attendant care costs to grow faster than underlying inflation (CPI) by 0.25% per annum (2024: 0.25%) to allow for increased utilisation with an additional allowance of 1.43% per annum (2024: 1.38%) for the future cost of care services.

*Discount rates*

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

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**6.4. Provisions (continued)**

**Sensitivity analysis for the valuation as at 30 June 2025**

The liability for participant treatment, care and support represents the Net Central Estimate and is based on an actuarial assessment in accordance with *Actuarial Professional Standards PS 302*. The table below shows sensitivities to some of the key actuarial assumptions used in the valuation. The long term economic gap assumptions relate to the long term expected investment return that is used to discount the liability. 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 2025 Liability \$m</b>	<b>Effect on Liability \$m</b>	<b>Percentage Effect %</b>
<b>Central estimate of provisions</b>	1 957.9	-	-
<b>Different long term economic gap assumptions:</b>			
a. One per cent per annum lower for all future years	2 386.2	428.4	21.9
b. One per cent per annum higher for all future years	1 643.8	(314.0)	(16.0)
<b>Attendant Care Assumptions:</b>			
a. Increase in Attendant Care Hourly Rates to match NDIS	2 045.6	87.7	4.5
b. Supported accommodation (SA) for life	2 015.4	57.6	2.9
<b>Other Assumptions:</b>			
a. Long term economic assumptions adopted	1 453.2	(504.6)	(25.8)

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**7. Other disclosures**

**7.1. Cash flow**

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

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b><u>Reconciliation of net cash provided by operating activities to net result</u></b>		
Net cash provided by operating activities	122 742	116 593
<b><u>Add / (less) non-cash items</u></b>		
Depreciation and amortisation expense of non-current assets	(675)	(1 078)
Intangible asset derecognition	-	( 3 820)
Gain/(losses) on financial assets designated at fair value through profit or loss	167 449	105 318
<b><u>Movement in assets and liabilities</u></b>		
(Decrease) / increase in receivables	(63)	1 498
Decrease / (increase) in payables	114	(1 326)
(Increase) in employee related liabilities	(103)	(100)
(Increase) in provisions	(138 950)	(126 980)
<b>Net result</b>	<b>150 514</b>	<b>90 105</b>

Total cash outflows for leases were \$582 000 (2024: \$568 000)



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## 8. Outlook

### 8.1. Unrecognised contractual commitments

Contractual commitments to acquire property, plant and equipment including operating, and outsourcing arrangements arising from contractual or statutory sources are disclosed at their nominal value.

#### Other contractual commitments

	2025	2024
	\$'000	\$'000
Within one year	2 909	3 569
Later than one year but no longer than five years	2 788	1 372
<b>Total expenditure commitments</b>	<b>5 697</b>	<b>4 941</b>

### 8.2. Contingent assets and liabilities

#### Contingent liabilities

The LSA is not aware of any contingent liabilities as at 30 June 2025.

#### Contingent assets

The LSA is not aware of any contingent assets as at 30 June 2025.

### 8.3. Impact of standards and statements not yet implemented

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

#### AASB 17 Insurance Contracts

The Australian Accounting Standards Board has expanded the scope of AASB 17 to include Government injury insurance schemes like the LSS, by way of *AASB 2022-9 Amendments to Australia Accounting Standards – Insurance Contracts in the Public Sector*. This standard makes amendments to AASB 17 to simplify reporting requirements for public sector entities. The LSA expects that it will have to comply with AASB 17 for the reporting period beginning 1 July 2026.

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

- assess whether a liability for remaining coverage is required for participants arising from future accidents that occur in the time period remaining on levies already collected.
- apply risk free economics to projected cash flows.
- consider an allowance for an illiquidity premium on projected cash flows.
- consider adopting a risk margin above the central estimate of liabilities.

Under AASB 17, the LSA's liability for participant treatment care and support (including participant management expenses) as at 30 June 2025, could increase to \$2 251.5 million or decrease to \$1 890.4 million. The increase in liability is made up of \$1 957.9 million for participant treatment, care and support (including participant management expenses), and the addition of a 15% risk adjustment amounting to \$293.7 million, with no liability for remaining coverage. Should the LSA adopt a 1% illiquidity premium, the provision required would reduce from \$2 251.5 million to \$1 890.4 million.

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**8.4. Events after the reporting period**

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

**9. Measurement and risk**

**9.1. Fair value**

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

**Initial recognition**

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

**Revaluation**

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

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

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

**Fair value hierarchy**

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

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

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

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

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

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

**Plant and equipment**

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

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## **9.2. Financial instruments**

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

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

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

### **Fair value measurement**

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

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

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

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

The LSA measures all financial instruments, other than the financial assets measured at fair value in note 5.3, at amortised cost.

All of the LSA's financial assets as at 30 June 2025 were categorised as level 2 using the above fair value measurement hierarchy, which is unchanged from the 2023-24 financial year.

### **Categorisation of financial instruments**

Details of the material 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.

### **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 15 days from the date of the invoice or date the invoice is first received. In the event of a dispute, payment is made 15 days from resolution.

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

### **Market risk**

Market risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The LSA's exposure to market risk is 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 the current assessment of risk.

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**9.2. Financial instruments (continued)**

**Sensitivity disclosure analysis**

A sensitivity analysis for a movement in the unit price of the investments with Funds SA is provided in the table below. The sensitivity analysis uses historically based volatility information collected over a 10-year period, quoted at two standard deviations (that is, 95% probability). The 95% confidence interval for one year represents the expected range of return outcomes from 27.8% (2024: 26.9%) to -12.4% (2024: -11.9%), 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	
2025	2024	2025	2024	2025	2024
%	%	\$'000	\$'000	\$'000	\$'000
27.80	26.90	551 848	456 926	551 848	456 926
(12.40)	(11.90)	(246 147)	(202 134)	(246 147)	(202 134)

**Capital management**

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

The LSA has adopted for the LSS a target solvency ratio range of between 80-120%. As at 30 June 2025, the reported solvency ratio for the LSS is 101% (2024: 93%) and is within the Board's target range.