



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

To the Chair Lifetime Support Authority of South Australia

Opinion

I have audited the financial report of the Lifetime Support Authority of South Australia for the financial year ended 30 June 2026.

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 2026, 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 2026
- a Statement of Financial Position as at 30 June 2026
- a Statement of Changes in Equity for the year ended 30 June 2026
- a Statement of Cash Flows for the year ended 30 June 2026
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Chair, the Chief Executive, and the Director Corporate.

Emphasis of matter

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 2026.

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

18 September 2026

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

**Financial Statements
For the year ended
30 June 2026**

Lifetime Support Authority of South Australia
Notes to and forming part of the financial statements
For the year ended 30 June 2026

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 Treasury'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.



Dr Peta Smith

Chief Executive

15 September 2026



Maria Ross

Director Corporate

15 September 2026



Andrew Culley

Chair

15 September 2026

Lifetime Support Authority of South Australia
Statement of Comprehensive Income
For the year ended 30 June 2026

	Note	2026 \$'000	2025 \$'000
Income			
Revenues from LSS Fund levy	3.1	233 957	222 095
Investment revenues	3.2	232 328	167 634
Resources received free of charge	3.3	200	173
Other revenues		78	161
Total income		466 563	390 063
Expenses			
Duty on LSS Fund levy		23 185	22 009
Participant treatment, care and support expenses	4.2	248 118	193 417
Reinsurance		3 284	3 173
Employee related expenses	4.1	15 456	13 530
Service delivery and corporate expenses	4.3	4 862	4 507
Research Education Programs		2 762	2 141
Depreciation and amortisation	5.4	552	675
Borrowing Costs	6.2	102	97
Total expenses		298 321	239 549
Net result		168 242	150 514
Total comprehensive result		168 242	150 514

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 2026

		2026	2025
	Note	\$'000	\$'000
Current assets			
Cash and cash equivalents	5.1	9 732	8 378
Receivables	5.2	2 749	3 283
Total current assets		12 481	11 661
Non-current assets			
Financial assets at fair value	5.3	2 338 655	1 985 057
Property, plant and equipment	5.4	2 212	2 117
Total non-current assets		2 340 867	1 987 174
Total assets		2 353 348	1 998 835
Current liabilities			
Payables	6.1	6 552	8 665
Employee related liabilities	6.3	1 619	1 392
Other financial liabilities	6.2	562	519
Provisions	6.4	84 879	67 555
Total current liabilities		93 612	78 131
Non-current liabilities			
Employee related liabilities	6.3	1 537	1 668
Other financial liabilities	6.2	1 919	1 779
Provisions	6.4	2 061 577	1 890 796
Total non-current liabilities		2 065 033	1 894 243
Total liabilities		2 158 645	1 972 374
Net assets		194 703	26 461
Equity			
Retained earnings		194 703	26 461
Total equity		194 703	26 461

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 2026

	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2024	(124 053)	(124 053)
Net result for 2024-25	150 514	150 514
Total comprehensive result for 2024-25	150 514	150 514
Balance at 30 June 2025	26 461	26 461
Net result for 2025-26	168 242	168 242
Total comprehensive result for 2025-26	168 242	168 242
Balance at 30 June 2026	194 703	194 703

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 2026

	Note	2026 \$'000	2025 \$'000
Cash flows from operating activities			
Cash inflows			
LSS Fund levy		234 741	222 038
Interest received		213	186
GST recovered from the ATO		1 361	1 174
Other revenues		57	165
Cash outflows			
Duty on LSS Fund levy		(23 185)	(22 009)
Participant treatment, care and support expenses		(62 482)	(54 647)
Reinsurance		(3 432)	(3 042)
Employee related expenses		(15 345)	(13 481)
Service delivery and corporate expenses		(5 660)	(5 404)
Research, education and programs		(2 762)	(2 141)
Interest paid		(102)	(97)
Net cash provided by operating activities	7.1	123 404	122 742
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		(24)	-
Purchase of investments		(121 500)	(119 000)
Net cash used in investing activities		(121 524)	(119 000)
Cash flows from financing activities			
Cash outflows			
Repayment of leases		(526)	(485)
Net cash used in financing activities		(526)	(485)
Net increase in cash and cash equivalents		1 354	3 257
Cash and cash equivalents at the beginning of the period		8 378	5 121
Cash and cash equivalents at the end of the period	5.1	9 732	8 378

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 2026

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.

In accordance with Treasurer's Instruction 22 *Tax Equivalent Payments*, income tax equivalent (ITE) payments become payable by LSA only when a profit has been made from insurance operations for the year and, following the ITE payment, LSA would maintain a probability of sufficiency of 75%.

Where these conditions are met, any ITE payable is calculated in accordance with the State Taxation Equivalent Regime using the accounting profit method, under which the applicable corporate income tax rate is applied to accounting profit.

The conditions for payment were not met in either 2025-26 or 2024-25. Accordingly, no ITE liability has been recognised, and no ITE payment was payable in either financial year.

Lifetime Support Authority of South Australia
Notes to and forming part of the financial statements
For the year ended 30 June 2026

1.2. Objectives

The LSS funds 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 2026, \$234m (2025: \$222.1m) 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 \$23.2m (2025: \$22.0m) 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 2026, the fair value of the investment was \$2 338.7m (2025: \$1 985.1m) as set out in note 5.3. The increase of \$353.6m (2025: \$286.5m) was comprised of funds invested of \$121.5m (2025: \$119.0m) and a return on investments of \$232.1m (2025: \$167.5m return on investments).
- Funding of \$7.5m (2025: \$5.9m) 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 2026 was \$3.9m (2025: \$6.2m).

Lifetime Support Authority of South Australia
Notes to and forming part of the financial statements
For the year ended 30 June 2026

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. Total compensation for key management personnel was \$2.0m in 2025-26 and \$1.5m in 2024-25.

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*.

	2026	2025
Compensation	\$'000	\$'000
Salaries and other short-term employee benefits	1 482	1 117
Post-employment benefits	186	389
Other long term employment benefits	114	-
Termination benefits	239	-
Total compensation	2 021	1 506

Transactions with Key Management Personnel and other related parties

Apart from the remuneration for key management personnel, the LSA did not have any material transactions with key management personnel, their close family members and/or their controlled or jointly controlled entities in 2024-25 and 2025-26.

2.2. Board and committee members

Members during the 2026 financial year were:

LSA Board

Andrew Culley (Chair)
Kevin Cantley
David Russell
Nicole Sykes, ceased October 2025
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, ceased October 2025
Sian Goodson, appointed October 2025

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 2026

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:

	2026	2025
	No	No
\$1 - \$19 999	1	-
\$20 000 - \$39 999	2	2
\$40 000 - \$59 999	4	5
\$60 000 - \$79 999	1	1
Total number of members	8	8

The total remuneration received or receivable by members was \$342 000 (\$366 000). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

3. Income

3.1. Revenues from LSS Fund Levy

	2026	2025
	\$'000	\$'000
Revenues from LSS Fund levy	233 957	222 095
Total revenues from LSS fund levy	233 957	222 095

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

	2026	2025
	\$'000	\$'000
Interest income	230	185
Net gain on financial assets designated at fair value through profit or loss	232 098	167 449
Total investment revenues	232 328	167 634

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 2026

3.3. Resources received free of charge

	2026	2025
	\$'000	\$'000
Services received free of charge - Shared Services SA	200	173
Total Resources received free of charge	200	173

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

	2026	2025
	\$'000	\$'000
Salaries and wages	10 817	9 551
Superannuation	1 680	1 546
Annual leave	1 130	994
Board and committee fees	341	366
Long service leave	316	199
Targeted voluntary separation packages	55	112
Skills and experience retention leave	30	32
Other employee related expenses	1 087	730
Total employee related expenses	15 456	13 530

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*.

Superannuation

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 2026

4.1. Employee related expenses (continued)

Employee remuneration

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

	2026	2025
	No	No
\$171 001 - \$177 000*	n/a	1
\$177 001 - \$197 000	1	-
\$197 001 - \$217 000	1	-
\$217 001 - \$237 000	1	-
\$237 001 - \$257 000	-	2
\$277 001 - \$297 000	1	-
\$417 001 - \$437 000	-	1
\$537 001 - \$557 000	1	-
Total number of employees	5	4

* This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2024-25.

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 \$1.46m (2025: \$1.10m).

Targeted voluntary separation packages (TVSPs)

The number of employees who received a TVSP during the reporting period was 1 (2).

	2026	2025
	\$'000	\$'000
Amount paid to separated employees:		
Targeted Voluntary Separation Packages	55	112
Leave paid to separated employees	12	33
Net cost to the LSA	67	145

Lifetime Support Authority of South Australia
Notes to and forming part of the financial statements
For the year ended 30 June 2026

4.2. Participant treatment, care and support expenses

	2026	2025
	\$'000	\$'000
Attendant care	37 223	34 721
Hospital	7 341	5 566
Rehabilitation	9 481	7 632
Equipment	2 955	3 308
Medical treatment services	1 615	1 466
Home and vehicle modifications	1 147	1 454
Other	322	272
	60 084	54 419
Movement in the provision for participant treatment, care and support costs (refer note 6.4)	188 034	138 998
Total participant treatment care and support expenses	248 118	193 417

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 2025-26, 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 2025-26.

4.3. Service delivery and corporate expenses

	2026	2025
	\$'000	\$'000
Information technology	1 152	1 342
Consultants	970	1 080
Contractors and other outsourced services	486	326
Service level agreement fees	784	708
Training and development	285	231
Accommodation and telecommunication	134	157
General administration and consumables	251	186
Minor works maintenance and equipment	219	21
Professional fees	161	72
Other expenses*	420	384
Total service delivery and corporate expenses	4 862	4 507

*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 \$70 500 (2025: \$64 900). 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 include \$200 000 (2025: \$173 000) 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 2026

5. Assets

5.1. Cash and cash equivalents

	2026	2025
	\$'000	\$'000
Deposits with the Treasurer		
Lifetime Support Authority Operating Account	9 732	8 378
Total cash and cash equivalents in the Statement of Financial Position	9 732	8 378
Total cash and cash equivalents in the Statement of Cash Flows	9 732	8 378

Cash is measured at nominal amounts.

5.2. Receivables

	2026	2025
	\$'000	\$'000
Current		
Contractual receivables		
Accrued revenues	2 028	2 775
Receivables	51	21
Less impairment loss on receivables	(6)	(4)
Total contractual receivables	2 073	2 792
Statutory receivables		
GST receivable	151	141
Workers compensation recoveries	13	13
Total statutory receivables	164	154
Prepayments	512	337
Total current receivables	2 749	3 283
Total receivables	2 749	3 283

All receivables are non-interest bearing and measured at amortised cost. They are held with the objective of collecting the contractual cash flows.

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.

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, but not yet received by the LSA.

Other than as recognised in the allowance for impairment loss on contractual receivables, 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.

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.

Lifetime Support Authority of South Australia
Notes to and forming part of the financial statements
For the year ended 30 June 2026

5.2 Receivables (continued)

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.

Workers compensation recoveries are related to the interim benefits receivable from employees pursuant to Section 32(3) of *Return to Work Act 2014*. This receivable is recognised when the relevant employees' claims are rejected.

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

No impairment loss was recognised in relation to statutory receivables.

5.3. Financial assets at fair value

	2026	2025
	\$'000	\$'000
Funds SA LSA Strategy	2 338 655	1 985 057
Total financial assets at fair value	2 338 655	1 985 057

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.

Lifetime Support Authority of South Australia
Notes to and forming part of the financial statements
For the year ended 30 June 2026

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

Reconciliation 2025-26

	Leasehold improvements \$'000	Plant and equipment \$'000	Right-of-use buildings \$'000	Total \$'000
Carrying amount at 1 July 2025	-	-	2 117	2 117
Acquisitions	-	24	-	24
Depreciation and amortisation	-	(4)	(548)	(552)
Transfers in/(out)	-	-	623	623
Carrying amount at 30 June 2026	-	20	2 192	2 212

Gross carrying amount

Gross carrying amount	1 925	166	3 288	5 379
Accumulated depreciation	(1 925)	(146)	(1 096)	(3 167)
Carrying amount at 30 June 2026	-	20	2 192	2 212

Reconciliation 2024-25

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

Gross carrying amount

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

Lifetime Support Authority of South Australia
Notes to and forming part of the financial statements
For the year ended 30 June 2026

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 2026.

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:

Class of asset	Useful life (years)
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:

Lease floor	Lease Commencement	Initial lease term
Part of level 1	1 July 2024	6 years
All of level 5	1 July 2024	6 years
All of level 6	1 July 2024	6 years

The six-year lease term, with no extension option, reflects DIT's initiative to standardise lease durations across its precinct leases.

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.

Lifetime Support Authority of South Australia
Notes to and forming part of the financial statements
For the year ended 30 June 2026

6. Liabilities

6.1. Payables

	2026	2025
	\$'000	\$'000
Current		
Contractual payables	6 481	8 589
Statutory payables	71	76
Total current payables	6 552	8 665
 Total payables	 6 552	 8 665

Payables and accrued expenses are recognised for all amounts owing but unpaid and are measured at amortised cost. All payables are non-interest bearing.

Contractual payables

Contractual payables are liabilities that arises from contracts. They include trade payables and accrued expenses. Accrued expenses are expenses incurred but not yet invoiced or paid. The balances are transferred to trade payables when invoices are received.

Contractual payables are normally settled within 15 days from the date the invoice is first received.

Statutory payables

Statutory payables do not arise from contracts. Statutory payables include government taxes and equivalents as well as statutory fees and charges.

Lifetime Support Authority of South Australia
Notes to and forming part of the financial statements
For the year ended 30 June 2026

6.2. Other financial liabilities

	2026	2025
	\$'000	\$'000
Current		
Lease liabilities	562	519
Total current financial liabilities	562	519
Non-current		
Lease liabilities	1 919	1 779
Total non-current financial liabilities	1 919	1 779
Total other financial liabilities	2 481	2 298

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

	2026	2025
Financial Liabilities	\$'000	\$'000
1 to 3 years	1 977	1 836
3 to 5 years	692	643
Total financial liabilities (undiscounted)	2 669	2 479

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 \$102 000 (2025: \$97 000).

Lifetime Support Authority of South Australia
Notes to and forming part of the financial statements
For the year ended 30 June 2026

6.3. Employee related liabilities

	2026	2025
	\$'000	\$'000
Current		
Accrued salaries and wages	108	40
Annual leave	917	836
Long service leave	279	229
Skills and experience retention leave	38	34
Employment on-costs	277	253
Total current employee related liabilities	1 619	1 392
Non-current		
Long service leave	1 390	1 509
Employment on-costs	147	159
Total non-current employee related liabilities	1 537	1 668
Total employee related liabilities	3 156	3 060

Employee related liabilities are accrued as a result of services provided up to the reporting date that remain unpaid. Apart from long service leave liability, 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.

Lifetime Support Authority of South Australia
Notes to and forming part of the financial statements
For the year ended 30 June 2026

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 has increased from 4.25% in 2025 to 4.75% in 2026.

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 DTF resulted in the salary inflation rate remaining unchanged at 3.5% in 2026 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 at 44% in both 2025 and 2026. The average factor for the calculation of employer superannuation on-costs has also remained the same at 12%. These rates are used in the employment on-cost calculation.

6.4. Provisions

	2026	2025
	\$'000	\$'000
Current		
Provision for participant treatment, care and support	84 662	67 389
Provision for non-resident insurers tax withheld	36	46
Provision for workers' compensation	114	120
Provision for legal claims	67	-
Total current provisions	84 879	67 555
Non-current		
Provision for participant treatment, care and support	2 061 231	1 890 471
Provision for workers' compensation	346	325
Total non-current provisions	2 061 577	1 890 796
Total provisions	2 146 456	1 958 351

Lifetime Support Authority of South Australia
Notes to and forming part of the financial statements
For the year ended 30 June 2026

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 2026, 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:

	2026	2025
	\$'000	\$'000
Not later than one year	84 662	67 389
Later than one year but not later than five years	318 469	274 731
Later than five years but not later than ten years	345 647	331 707
Later than ten years	1 397 116	1 284 033
Total provisions	2 145 894	1 957 860

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

Lifetime Support Authority of South Australia
Notes to and forming part of the financial statements
For the year ended 30 June 2026

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.

	2026	2025
	\$'000	\$'000
Carrying amount at the beginning of the period	1 957 860	1 818 862
Less expected payments	(68 531)	(63 901)
Discount unwind	64 397	77 343
Provision for new participants	261 100	253 079
Impact of Scheme Experience	54 576	(86 463)
Changes in actuarial assumptions due to scheme experience	(137 102)	(23 016)
Changes in other actuarial assumptions	85 476	2 929
Impact of Actual v Expected Inflation	14 582	(9 522)
Changes in Economic Assumptions	(86 464)	(11 451)
Carrying amount at the end of the period	2 145 894	1 957 860

The following is a summary of the key reasons for movement in the provision for participant treatment, care and support during 2026:

- The reduction in provision for expected payments during 2026 was \$68.5 million (2025: \$63.9 million).
- Short term discount rates in 2026 were similar to those in 2025, resulting in a similar discount unwind.
- New participants that became eligible for the Scheme during 2026, including Incurred but Not Reported (IBNR) claims has resulted in an increase in the provision of \$261.1 million (2025: 253.1 million).
- The actual scheme experience in 2026, which includes IBNR development, the severity of injuries and age distribution of new participants, varied to actuarial modelling resulting in an increase in provision of \$54.6 million (2025: \$86.5 million decrease).
- A review of actuarial assumptions based on scheme experience has resulted in a reduction in provision of \$137.1 million (2025: \$23 million).
- Other actuarial assumption changes in 2026 include expected increases in the future cost of care services and updated mortality assumptions resulting in an increase in provision of \$85.5 million (2025: \$2.9 million increase due to other actuarial assumption changes).
- A review of actual inflation against expected inflation has increased the provision during 2026 by \$14.6 million (2025: \$9.5 million decrease).
- Changes to the assumed risk-free discount rates and inflation assumptions in 2026 have resulted in a decrease of \$86.5 million (2025: \$11.5 million) in the total provision for participant treatment, care and support.

Lifetime Support Authority of South Australia
Notes to and forming part of the financial statements
For the year ended 30 June 2026

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.

	<u>2026</u>	<u>2025</u>
Weighted mean term	Years	Years
Uninflated, undiscounted	21.1	21.1
Inflated, discounted	19.3	19.4
	<u>2026</u>	<u>2025</u>
Equivalent single rate (all future years)	%	%
Inflation rate	4.25	4.12
Discount rate	5.08	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. As at 30 June 2026, the single equivalent annual rate of economic inflation adopted is 2.70% p.a. (2025: 2.57%) for attendant care payments and 3.32% p.a. (2025: 3.31% p.a.) 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 (2025: 0.75%) for all services plus an additional 0.5% per annum (2025: 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 (2025: 0.25%) to allow for increased utilisation with an additional allowance of 1.43% per annum (2025: 1.43%) 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.

Lifetime Support Authority of South Australia
Notes to and forming part of the financial statements
For the year ended 30 June 2026

6.4. Provisions (continued)

Sensitivity analysis for the valuation as at 30 June 2026

The liability for participant treatment, care and support represents the Gross 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, closing the gap for average attendant care rates to the NDIS, higher levels of future treatment, care and support provided to participants years post injury and uncertainty in discount rate assumptions.

	30 June 2026 Liability \$m	Effect on Liability \$m	Percentage Effect %
Central estimate of provisions	2145.9	-	-
Different long term economic gap assumptions:			
a. One per cent per annum lower for all future years	2611.6	465.7	22.0
b. One per cent per annum higher for all future years	1806.1	(339.8)	(16.0)
Attendant Care Assumptions:			
a. Increase in Average Attendant Care Hourly Rates to match NDIS	2235.3	89.4	4.0
b. 8% uplift to Attendant Care costs beyond 5 years post injury	2292.6	146.7	7.0
Other Assumptions:			
a. Long term economic assumptions adopted (6.25% discounting and 3% wage inflation)	1681.8	(464.1)	(22.0)

Lifetime Support Authority of South Australia
Notes to and forming part of the financial statements
For the year ended 30 June 2026

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.

	2026	2025
	\$'000	\$'000
<u>Reconciliation of net cash provided by operating activities to net result</u>		
Net cash provided by operating activities	123 404	122 742
<u>Add / (less) non-cash items</u>		
Depreciation and amortisation expense of non-current assets	(552)	(675)
Gain on financial assets designated at fair value through profit or loss	232 098	167 449
Adjustment of ROU assets	(96)	-
<u>Movement in assets and liabilities</u>		
(Decrease) in receivables	(534)	(63)
Decrease in payables	2 123	114
(Increase) in employee related liabilities	(96)	(103)
(Increase) in provisions	(188 105)	(138 950)
Net result	<u>168 242</u>	<u>150 514</u>

Total cash outflows for leases were \$627 000 (2025: \$582 000)

Lifetime Support Authority of South Australia
Notes to and forming part of the financial statements
For the year ended 30 June 2026

8. Outlook

8.1. Unrecognised contractual commitments

Contractual commitments including operating, grant agreements and outsourcing arrangements arising from contractual or statutory sources are disclosed at their nominal value.

Other contractual commitments

	2026	2025
	\$'000	\$'000
Within one year	6 230	2 909
Later than one year but no longer than five years	4 030	2 788
Total expenditure commitments	10 260	5 697

8.2. Contingent assets and liabilities

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

Contingent assets

The LSA maintains reinsurance arrangements to mitigate the financial impact of catastrophic injury claims under the LSS. The actuarial valuation undertaken by Finity Consulting Pty Ltd, assesses the potential for future reinsurance recoveries under these arrangements. As at 30 June 2026, there is an estimated reinsurance recovery of \$1.3 million.

Recoveries remain dependent on future participant outcomes, including eligibility decisions, injury severity changes, mortality experience, claims development and application of the reinsurance contract terms. Accordingly, the recovery is not certain and has not been recognised in the financial statements.

Contingent liabilities

The LSA is not aware of any contingent liabilities as at 30 June 2026.

Lifetime Support Authority of South Australia
Notes to and forming part of the financial statements
For the year ended 30 June 2026

8.3. Impact of standards and statements not yet implemented

AASB 17 *Insurance Contracts* is applicable to the Lifetime Support Authority (LSA) for annual reporting periods commencing on or after 1 July 2026.

The LSA has concluded that the Lifetime Support Scheme (LSS) arrangements fall within the scope of AASB 17 and meet the definition of an insurance contract under the Standard. In reaching this conclusion, the LSA assessed the nature of its obligations to Scheme participants and the existence of an identifiable coverage period associated with levies collected under the Scheme.

The LSA has undertaken an assessment of the application of AASB 17 to the LSS and has established methodologies for the measurement of insurance contract liabilities.

In preparation for transition to AASB 17, the LSA has:

- determined to apply the fully retrospective transition approach, which will require comparative information to be restated and insurance contract liabilities to be measured using the principles of AASB 17 from the start of the comparative period.
- assessed the coverage period associated with levies collected under the Scheme
- adopted a bottom-up methodology for determining discount rates, including an illiquidity premium
- assessed the appropriate treatment of non-financial risk within the measurement model
- obtained actuarial advice supporting the measurement of insurance contract liabilities under AASB 17.

Based on the transition assessment performed to date, the estimated insurance contract liability for participant treatment, care and support obligations (including participant management expenses) as at 30 June 2026 is approximately \$1.969 billion. This compares to the corresponding liability of \$2.146 billion recognised under AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*, representing a decrease of approximately \$177 million.

The reduction primarily reflects differences in the discounting requirements under AASB 17, including the application of an illiquidity premium.

The adoption of AASB 17 is expected to affect the measurement, disclosure and presentation of insurance contract liabilities and the recognition of related revenue and expenses. The underlying cash flows associated with participant treatment, care and support services are not expected to be affected.

The disclosed impact remains subject to completion of implementation activities and any further refinements arising from first-time adoption of AASB 17 for the reporting period commencing 1 July 2026.

8.4. Events after the reporting period

The 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 2026

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, or 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 that had a fair value at the time of acquisition less than \$1.5 million or had an estimated useful life that is less than three years have not been revalued. The carrying value of these items are deemed to approximate fair value.

Lifetime Support Authority of South Australia
Notes to and forming part of the financial statements
For the year ended 30 June 2026

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 2026 were categorised as level 2 using the above fair value measurement hierarchy, which is unchanged from the 2024-25 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.

Lifetime Support Authority of South Australia
Notes to and forming part of the financial statements
For the year ended 30 June 2026

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 28.9% (2025: 27.8%) to -12.0% (2025: -12.4%), 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	
2026	2025	2026	2025	2026	2025
%	%	\$'000	\$'000	\$'000	\$'000
28.90	27.80	675 871	551 848	675 871	551 848
(12.00)	(12.40)	(280 639)	(246 147)	(280 639)	(246 147)

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 2026, the reported solvency ratio for the LSS is 109% (2025: 103%) and is within the Board's target range.