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## To the Chief Executive and CTP Regulator CTP Regulator

### Opinion

I have audited the financial report of the Compulsory Third Party Insurance Regulator (CTP Regulator) for the financial year ended 30 June 2024.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the CTP Regulator as at 30 June 2024, 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 2024
- a Statement of Financial Position as at 30 June 2024
- a Statement of Changes in Equity for the year ended 30 June 2024
- a Statement of Cash Flows for the year ended 30 June 2024
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Chief Executive and CTP Regulator and the Director, Analytics and Performance.

### 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 CTP Regulator. 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 CTP Regulator for the financial report**

The Chief Executive and CTP Regulator 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 and CTP Regulator is responsible for assessing the entity's ability to continue as a going concern, 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.

## **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*, I have audited the financial report of the CTP Regulator for the financial year ended 30 June 2024.

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 CTP Regulator's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive and CTP Regulator
- conclude on the appropriateness of the Chief Executive and CTP Regulator'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 CTP Regulator 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.



Daniel O'Donohue  
**Assistant Auditor-General (Financial Audit)**

26 September 2024

# **Compulsory Third Party Insurance Regulator (CTP Regulator)**

## **Financial Statements**

For the year ended 30 June 2024

**CTP Regulator**  
**Statement of Certification**  
*For the year ended 30 June 2024*

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We certify that the:

- financial statements of the CTP Regulator:
  - are in accordance with the account and records of the CTP Regulator;
  - comply with relevant Treasurer's Instructions;
  - comply with relevant accounting standards; and
  - present a true and fair view of the financial position of the CTP Regulator at the end of the financial year and the result of its operation and cash flows for the financial year.
- internal controls employed by the CTP Regulator for the financial year over its financial reporting and its preparation of financial statements have been effective.



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David Price

**Chief Executive & CTP Regulator**

25 September 2024



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Ivan Lebedev

**Director, Analytics and Performance**

25 September 2024

**CTP Regulator**  
**Statement of Comprehensive Income**  
*For the year ended 30 June 2024*

	Note	2024 \$'000	2023 \$'000
<b>Income</b>			
Administration premium component collections	2.1	69 942	67 648
Interest	6.1	2 332	1 289
Resources received free of charge	2.2	10	10
Other income	2.3	2 159	-
<b>Total income</b>		<b>74 443</b>	<b>68 947</b>
<b>Expenses</b>			
Employee related expenses	3.2	3 129	3 124
Supplies and services	4.1	1 822	1 918
Administration premium component distributions	4.3	61 316	58 731
Administration premium component refunds	4.4	1 056	940
Depreciation and amortisation	5.1, 5.2	46	37
<b>Total expenses</b>		<b>67 369</b>	<b>64 750</b>
<b>Net result</b>		<b>7 074</b>	<b>4 197</b>
<b>Total comprehensive result</b>		<b>7 074</b>	<b>4 197</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.

**CTP Regulator**  
**Statement of Financial Position**  
*As at 30 June 2024*

	Note	2024 \$'000	2023 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6.1	53 571	46 874
Receivables	6.2	1 820	1 631
<b>Total current assets</b>		<b>55 391</b>	<b>48 505</b>
<b>Non-current assets</b>			
Property plant and equipment	5.1	52	7
Intangible assets	5.2	182	167
Receivables	6.2	1	-
<b>Total non-current assets</b>		<b>235</b>	<b>174</b>
<b>Total assets</b>		<b>55 626</b>	<b>48 679</b>
<b>Current liabilities</b>			
Payables	7.1	9 888	10 113
Employee related liabilities	3.3	342	310
Provisions	7.2	14	8
<b>Total current liabilities</b>		<b>10 244</b>	<b>10 431</b>
<b>Non-current liabilities</b>			
Employee related liabilities	3.3	486	437
Provisions	7.2	40	29
<b>Total non-current liabilities</b>		<b>526</b>	<b>466</b>
<b>Total liabilities</b>		<b>10 770</b>	<b>10 897</b>
<b>Net assets</b>		<b>44 856</b>	<b>37 782</b>
<b>Equity</b>			
Retained earnings		44 856	37 782
<b>Total equity</b>		<b>44 856</b>	<b>37 782</b>

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

**CTP Regulator**  
**Statement of Changes in Equity**  
*For the year ended 30 June 2024*

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	Retained earnings \$'000	Total equity \$'000
<b>Balance at 1 July 2022</b>	<b>33 585</b>	<b>33 585</b>
Net result for 2022-23	4 197	4 197
<b>Total comprehensive result for 2022-23</b>	<b>4 197</b>	<b>4 197</b>
<b>Balance at 30 June 2023</b>	<b>37 782</b>	<b>37 782</b>
Net result for 2023-24	7 074	7 074
<b>Total comprehensive result for 2023-24</b>	<b>7 074</b>	<b>7 074</b>
<b>Balance at 30 June 2024</b>	<b>44 856</b>	<b>44 856</b>

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



**CTP Regulator**  
**Statement of Cash Flows**  
For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
Receipts from administration fees		69 597	67 621
Interest received		2 298	1 127
GST recovered from DTF		2 379	2 098
Other receipts		2 158	24
<b>Cash generated from operating activities</b>		<b>76 432</b>	<b>70 870</b>
<b>Cash outflows</b>			
Employee related payments		(3 032)	(3 138)
Payments to suppliers and services		(1 816)	(1 670)
Payments for administration fees		(64 783)	(60 315)
<b>Cash used in operating activities</b>		<b>(69 631)</b>	<b>(65 123)</b>
<b>Net cash provided by operating activities</b>	8.1	<b>6 801</b>	<b>5 747</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Purchase of property, plant and equipment		(39)	-
Purchase of intangibles		(65)	(77)
<b>Cash used in investing activities</b>		<b>(104)</b>	<b>(77)</b>
<b>Net cash used in investing activities</b>		<b>(104)</b>	<b>(77)</b>
<b>Net increase in cash and cash equivalents</b>		<b>6 697</b>	<b>5 670</b>
Cash and cash equivalents at the beginning of the reporting period		46 874	41 204
<b>Cash and cash equivalents at the end of the reporting period</b>	6.1	<b>53 571</b>	<b>46 874</b>

The accompanying notes form part of these financial statements.

# CTP Regulator

## Notes to and forming part of the financial statements

### For the year ended 30 June 2024

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#### 1. About the CTP Regulator

The CTP Regulator (the Regulator) is an instrumentality of the Crown and a not-for-profit statutory authority of the South Australian government.

The financial statements and accompanying notes include all the controlled activities of the Regulator. Transactions and balances relating to administered resources are not recognised as Regulator income, expenses, assets or liabilities.

Administered items are disclosed in the schedule of administered items in Note 9.3 except as otherwise disclosed. Administered items are accounted for on the same basis and using the same accounting policies as for the Regulator transactions.

Administered financial statements relating to administered resources are presented separately. The administered activities include the receipt and payment of stamp duty on CTP premiums.

##### 1.1. Basis of preparation

The financial statements are general purpose financial statements prepared in accordance 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 have been prepared based on a 12-month period and presented in Australian currency. All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000). The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

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

Significant accounting policies are set out throughout the notes.

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), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

The Regulator is grouped with the Department of Treasury and Finance (DTF) for GST purposes and accordingly DTF prepares the Business Activity Statement on behalf of the Regulator via the grouping provisions of the GST legislation. Notwithstanding the use of these grouping provisions, intercompany cash alignment occurs to ensure the Regulator either recovers the net amount of GST recoverable from or disburses the amount payable to the ATO from DTF.

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.

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.

## CTP Regulator

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

For the year ended 30 June 2024

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#### 1.2. Objectives and programs

The Regulator is an independent statutory authority established under the *Compulsory Third Party Insurance Regulation Act 2016* (CTPIR Act).

The Regulator is responsible for an efficient, competitive, and viable CTP insurance industry in South Australia, and the oversight, monitoring and reporting of CTP Insurer activities.

From 1 July 2016, private CTP Insurers have underwritten the insurer premium component of the total premium in South Australia. Motorists actively choose their own CTP Insurer for each registration renewal period.

The total CTP premium (premium) is made up of:

- the insurer premium component
- the administration premium component
- GST and stamp duty.

The full stamp duty payable on the premium is disbursed by the Regulator to RevenueSA. This occurs under a specific arrangement with the Commissioner of State Taxation under section 35 of the *Taxation Administration Act 1996* that is detailed in a Memorandum of Administered Arrangement (MoAA) between the Regulator and Commissioner of State Taxation.

All premiums are collected by the Department for Infrastructure and Transport (DIT), through the motor vehicle registration process using the Transport Regulation User Management Processing System.

DIT disburses the insurer premium component of the premium and the associated GST to CTP Insurers and the stamp duty and administration premium component of the premium to the Regulator on a net basis, that is, after the deduction of customer refunds.

The administrative premium component of the premium is managed by the Regulator and funds:

- health and emergency services provided by SA Public Hospitals, SA Ambulance (including the State Rescue Helicopter service), and the Attorney-General's Department Forensic Science SA service as a result of motor vehicle trauma
- road safety services provided by DIT and SA Police designed to reduce the incidence or impact of road accidents and injuries
- customer support and transaction services provided by DIT for the collection, recording and processing of premiums
- CTP Scheme regulation and administration services provided by the Regulator, including the operations of the Motor Accident Injury Accreditation Scheme.

These arrangements, with the exception of the services provided by the Regulator, are detailed in funding agreements between the Regulator and the individual government agencies.

## CTP Regulator

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

For the year ended 30 June 2024

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#### 1.2. Objectives and programs (continued)

The Regulator has the following functions under the CTPIR Act:

- to regulate approved insurers and perform any other function relating to approved insurers conferred on the Regulator under the *Motor Vehicles Act 1959*
- to determine premium amounts payable in respect of CTP insurance policies
- to determine the minimum terms and conditions of CTP insurance policies
- to monitor audit and review the operation and efficiency of the CTP insurance business
- to provide or facilitate the provision of information to consumers about the CTP insurance business and approved insurers
- to make, monitor the operation of, and review, from time to time, rules with which approved insurers must comply, and guidelines for approved insurers relating to:
  - the determination of premiums
  - the management of claims
  - dispute resolution
  - the provision of information to consumers
  - any other relevant matter
- to make recommendations to the Treasurer in relation to:
  - eligibility criteria for insurers seeking approval under Part 4 of the *Motor Vehicles Act 1959*
  - the terms and conditions of any undertaking, agreement or contract entered into between the Minister and an approved insurer relating to the provision of CTP insurance
  - the assessment of an application from an insurer for approval or withdrawal of approved under Part 4 of the *Motor Vehicles Act 1959*
- to approve the novation of CTP insurance policies between approved insurers
- to regulate such other insurance business as may be prescribed by the regulations
- to administer the CTPIR Act
- to exercise any other function conferred on the Regulator by or under the CTPIR Act or any other Act.

#### *Nominal Defendant*

A Nominal Defendant claim arises where an at-fault vehicle is either uninsured or unidentified, as described in Part 4 of the *Motor Vehicles Act 1959*.

From 1 July 2016, the Regulator allocated Nominal Defendant claims to CTP Insurers and assumed full responsibility for these claims from 1 January 2017.

#### *The Motor Accident Injury Assessment Scheme (MAIAS)*

The South Australian MAIAS was established by the Attorney-General under section 76 of the *Civil Liability Act 1936* to accredit health professionals to undertake Injury Scale Value (ISV) medical assessments.

An ISV medical assessment is used to assist in determining an injured person's eligibility for compensation under the CTP Scheme.

On 20 February 2019, the Attorney-General appointed the Regulator as administrator for the MAIAS.

**CTP Regulator**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2024*

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

Significant transactions with the SA Government are identifiable throughout this financial report. In 2023-24, these transactions are comprised of the Regulator's administered payments to SA Government agencies.

**2. Income**

**2.1. Administration premium component of the premium collections**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Hospital and emergency fees	38 105	36 300
Road safety fees	14 050	14 007
Customer support and transaction fees	11 292	10 980
CTP Scheme regulation and administration fees	6 495	6 361
<b>Total administration premium component of the premium collections</b>	<b>69 942</b>	<b>67 648</b>

The stamp duty and administration premium component of the premium collections are recognised as earned on the date of receipt in DIT's Transport Regulation User Management Processing System. The stamp duty component of the total premium is shown under note 9.3 Administered Items. Refer to note 1.2 for details about the nature of this income. Refunds are recognised on receipt on a gross basis in accordance with AASB 101 para 32.

**2.2. Resources received free of charge**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Services received free of charge	10	10
<b>Total resources received free of charge</b>	<b>10</b>	<b>10</b>

Contributions of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated.

The Regulator receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA, ICT services and media monitoring services (from 2022-23) from the Department of the Premier and Cabinet following Cabinet's approval to cease intra-government charging.

**2.3. Other Income**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Other income	2 159	-
<b>Total other income</b>	<b>2 159</b>	<b>-</b>

Current year other income mainly comprises hospital expense recoveries, which in past years were offset against hospital services expenses. This change in accounting treatment followed a review of offsetting in the Regulator's financial statements. The accounting policy change was not applied retrospectively as it was considered impracticable to do so.

**CTP Regulator**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2024*

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**3. Committees and employees**

**3.1. Key management personnel**

Key management personnel of the Regulator include the Chief Executive and the two members of the executive team who have responsibility for the strategic direction and management of the Regulator.

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b><u>Compensation</u></b>		
Salaries and other short term employee benefits	500	674
Post-employment benefits	338	140
<b>Total</b>	<b>838</b>	<b>814</b>

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

No significant transactions were identified between key management personnel and other related parties during the reporting period.

**3.2. Employee related expenses**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages	2 092	2 350
Employment on-costs - superannuation	543	342
Employment on-costs - payroll tax	146	140
Long service leave	99	8
Targeted voluntary separation packages	-	71
Annual leave	219	193
Skills and experience retention leave	8	8
Other employee related expenses	22	12
<b>Total employee related expenses</b>	<b>3 129</b>	<b>3 124</b>

The Regulator's employees (excluding the Regulator) are employed under Part 7 of the *Public Sector Act*. The Regulator is appointed by the minister under Part 8 of the *Compulsory Third Party Insurance Regulation Act 2016*.

The superannuation employment on-cost charge represents the Regulator's contributions to superannuation plans in respect of current services of current employees. DTF centrally recognises the superannuation liability in the whole of government financial statements.

**CTP Regulator**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2024*

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

<b>Employee remuneration</b>	<b>2024</b>	<b>2023</b>
	<b>No.</b>	<b>No.</b>
The number of employees whose remuneration received or receivable falls within the following bands:		
\$206 001 - \$226 000	1	1
\$226 001 - \$246 000	1	1
\$366 001 - \$386 000	-	1
\$386 001 - \$406 000	1	-
<b>Total</b>	<b>3</b>	<b>3</b>

The total remuneration received by those employees for the year was \$838 000 (2023: \$821 000)

Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and any related fringe benefits tax paid.

***Targeted voluntary separation packages***

There were no TVSP payments made during 2023-24 by the CTP Regulator (2023: 1).

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Amounts paid to separated employees:		
Targeted Voluntary Separation Packages	-	71
Leave paid to separated employees	-	33
<b>Net cost to the Regulator</b>	<b>-</b>	<b>104</b>

**CTP Regulator**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2024*

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**3.3. Employee related liabilities**

	2024	2023
	\$'000	\$'000
<b><u>Current</u></b>		
Annual leave	239	229
Long service leave	30	17
Skills and experience retention leave	24	21
Employment on-costs	49	43
<b>Total current employee related liabilities</b>	<b>342</b>	<b>310</b>
<b><u>Non-current</u></b>		
Long service leave	441	397
Employment on-costs	45	40
<b>Total non-current employee related liabilities</b>	<b>486</b>	<b>437</b>
<b>Total employee related liabilities</b>	<b>828</b>	<b>707</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 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.

The salary inflation rate for annual leave and skills, experience and retention leave liability has increased from 2.0% (2023) to 2.4% (2024). This change had an immaterial net financial effect in the current financial year.

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.



**CTP Regulator**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2024*

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**3.3. Employee related liabilities (continued)**

***Long service leave***

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

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

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 departure and periods of service.

The discount rate used in measuring the liability is reflective of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds increased from 4.0% in 2023 to 4.25% in 2024.

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

Following the actuarial assessment performed by DTF, the salary inflation rate has increased from 2.5% (2023) to 3.5% in 2024 for the long service leave liability. This increase to the percentage has led to an overall increase in the reported long service leave for 2024.

The net financial effect of the changes to actuarial assumptions in the current financial year is an increase in the long service leave liability of \$22 000 and employee benefits expense of \$22 000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

***Employment on-costs***

Employment on-costs include payroll tax, ReturnToWorkSA levies and superannuation contributions and are settled when the respective employee benefits that they relate to are discharged. These on-costs primarily relate to the balance of leave owing to employees. Estimates as to 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 taken as leave has increased from 43% in 2023 to 44% in 2024. The average factor for the calculation of employer superannuation cost on-costs has increased from 11.1% in 2023 to 11.5% in 2024. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year are immaterial.

**CTP Regulator**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2024*

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**4. Expenses**

**4.1. Supplies and services**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Consultants	590	736
Service level agreement fees	369	326
Accommodation	317	300
Contractors and other outsourced services	189	228
Information technology expenses	139	167
General administration and consumables	72	60
Other*	69	27
Training and development	53	29
Legal costs	17	28
Minor works maintenance and equipment	7	17
<b>Total supplies and services</b>	<b>1 822</b>	<b>1 918</b>

\* Includes audit fees paid/payable to the Audit Office of South Australia relating to work performed under the *Public Finance Audit Act 1987* of \$27 000 (2023: \$26 000). No other services were provided by the Audit Office of South Australia.

**Accommodation**

The Regulator's accommodation is provided by DTF under a Memorandum of Administrative Arrangement issued in accordance with Government wide accommodation policies between DTF and DIT. These arrangements do not meet the definition of a lease and accordingly is expensed (included in Accommodation).

**4.2. 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 government are not included.

Expenditure is inclusive of non-recoverable GST.

<b>Expenditure summary</b>	<b>2024</b>	<b>Proportion SA and non-SA businesses</b>
	<b>\$'000</b>	
Total expenditure on South Australian businesses	176	22%
Total expenditure on non-South Australian businesses	642	78%
<b>Total expenditure - SA Business and Non-SA Business</b>	<b>818</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 CTP Regulator, 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.

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**4.2 Expenditure – SA Business and Non-SA Business (continued)**

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.

**4.3. Administration premium component of the premium distributions**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Hospital and emergency services	36 153	34 283
Road safety services	13 922	13 481
Customer support and transaction services	11 241	10 967
<b>Total administration premium component of the premium distributions</b>	<b>61 316</b>	<b>58 731</b>

The administration premium component of the premium distributions fund the costs of a range of government services associated with the CTP Scheme. Refer to note 1.2 for details about the nature of these distributions.

**4.4. Administration premium component refunds**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Hospital and emergency services	610	526
Road safety fees	197	184
DIT premium collection fees	158	144
Regulator operations	91	86
<b>Total administration premium component refunds</b>	<b>1 056</b>	<b>940</b>

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**5. Non-financial assets**

**5.1. Property, plant and equipment**

Property, plant and equipment with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed.

Property, plant and equipment is recorded at fair value.

**Impairment**

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

<b>Reconciliation 2023-24</b>	<b>IT equipment</b>	<b>Furniture</b>	<b>Work in progress</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at the beginning of the period</b>	7	-	-	7
Additions	-	15	39	54
Capital transfers from work in progress	39	-	(39)	-
Depreciation	(9)	-	-	(9)
<b>Carrying amount at the end of the period</b>	<b>37</b>	<b>15</b>	<b>-</b>	<b>52</b>
<b>Gross carrying amount</b>				
Gross carrying amount	56	15	-	71
Accumulated depreciation	(19)	-	-	(19)
<b>Carrying amount at the end of the period</b>	<b>37</b>	<b>15</b>	<b>-</b>	<b>52</b>

<b>Reconciliation 2022-23</b>	<b>IT equipment</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at the beginning of the period</b>	10	10
Depreciation	(3)	(3)
<b>Carrying amount at the end of the period</b>	<b>7</b>	<b>7</b>
<b>Gross carrying amount</b>		
Gross carrying amount	17	17
Accumulated depreciation	(10)	(10)
<b>Carrying amount at the end of the period</b>	<b>7</b>	<b>7</b>

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**5.2. Intangible assets**

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

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

<b>Reconciliation 2023-24</b>	<b>Externally purchased software</b>	<b>Externally developed software in progress</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at the beginning of the period</b>	149	18	167
Additions	-	52	52
Capital work in progress transfers	70	(70)	-
Amortisation	(37)	-	(37)
<b>Carrying amount at the end of the period</b>	<b>182</b>	<b>-</b>	<b>182</b>
<b>Gross carrying amount</b>			
Gross carrying amount	253	-	253
Accumulated depreciation	(71)	-	(71)
<b>Carrying amount at the end of the period</b>	<b>182</b>	<b>-</b>	<b>182</b>

<b>Reconciliation 2022-23</b>	<b>Externally purchased software</b>	<b>Externally developed software in progress</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at the beginning of the period</b>	-	124	124
Additions	-	77	77
Capital work in progress transfers	183	(183)	-
Amortisation	(34)	-	(34)
<b>Carrying amount at the end of the period</b>	<b>149</b>	<b>18</b>	<b>167</b>
<b>Gross carrying amount</b>			
Gross carrying amount	183	18	201
Accumulated depreciation	(34)	-	(34)
<b>Carrying amount at the end of the period</b>	<b>149</b>	<b>18</b>	<b>167</b>

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**5.3. Depreciation and amortisation**

All non-current assets, having a limited useful life, are systematically depreciated over their useful lives in a manner that reflects the consumption of their service potential.

**Review of accounting estimates**

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, on an annual basis. No adjustments were made during the reporting period.

**Useful life**

Depreciation is calculated on a straight-line basis over the estimated useful life of the following classes of assets as follows:

	Useful life (years)
Office equipment - IT	5
Externally purchased software	5

**6. Financial assets**

**6.1. Cash and cash equivalents**

	2024	2023
	\$'000	\$'000
<b>Special deposit account</b>		
Deposits with the Treasurer	53 571	46 874
<b>Total cash and cash equivalents in the Statement of Financial Position</b>	<b>53 571</b>	<b>46 874</b>
<b>Total cash and cash equivalents in the Statement of Cash Flows</b>	<b>53 571</b>	<b>46 874</b>

**Deposits with the Treasurer**

The CTP Regulator's cash balance is held within the DTF's Operating Bank Account.

The CTP Regulator's Deposit Account earns a floating interest rate, based on daily bank deposit rates.

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**6.2. Receivables**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Accrued revenue	862	517
Accrued interest revenue	196	162
GST Recoverable from DTF	712	914
Prepayments	50	38
<b>Total current receivables</b>	<b>1 820</b>	<b>1 631</b>
<b>Non-current</b>		
Workers compensation recoveries	1	-
<b>Total non-current receivables</b>	<b>1</b>	<b>-</b>
<b>Total receivables</b>	<b>1 821</b>	<b>1 631</b>

Prepayments are recognised for amounts paid for services not rendered by 30 June 2024. Accrued revenues are recognised for the administration premium component of the total premium collection up to and including 30 June 2024 but not yet received.

Prepayments and accrued revenues are non-interest bearing.

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**7. Liabilities**

**7.1. Payables**

	2024	2023
	\$'000	\$'000
<b>Current</b>		
Creditors and accrued expenses	9 888	10 113
<b>Total current payables</b>	<b>9 888</b>	<b>10 113</b>
<b>Total payables</b>	<b>9 888</b>	<b>10 113</b>

Payables are measured at nominal amounts.

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

**7.2. Provisions**

All provisions represent workers compensation.

	2024	2023
	\$'000	\$'000
<b>Movement in provisions</b>		
Carrying amount at the beginning of the period	37	30
Additional provisions recognised	17	7
<b>Carrying amount at the end of the period</b>	<b>54</b>	<b>37</b>

The Regulator is an exempt employer under the *Return to Work Act 2014*. Under a scheme arrangement, the Regulator 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 2024 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment.

The additional compensation scheme provides continuing benefits to workers who have suffered eligible work-related injuries and whose entitlements have ceased under the statutory workers compensation scheme. Eligible injuries are nonserious injuries sustained in circumstances which involved, or appeared to involve, the commission of a criminal offence, or which arose from a dangerous situation.

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

In addition to these uncertainties, the additional compensation scheme is impacted by the limited claims history and the evolving nature of the interpretation of, and evidence required to meeting, eligibility criteria. Given these uncertainties, the actual cost of additional compensation claims may differ materially from the estimate.



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**8. Other disclosures**

**8.1. Cash flow**

	2024	2023
	\$'000	\$'000
<b>Reconciliation of net cash provided by/(used in) operating activities to net result</b>		
Net cash provided by operating activities	6 801	5 747
<b>Add / (less) non-cash items</b>		
Depreciation and amortisation expense	(46)	(37)
<b>Movement in assets and liabilities</b>		
Increase/(decrease) in receivables	190	451
Decrease/(increase) in payables	227	(1 986)
Decrease in employee related liabilities	(81)	29
(Increase) in provisions	(17)	(7)
<b>Net result</b>	<b>7 074</b>	<b>4 197</b>

**9. Outlook**

**9.1. Unrecognised commitments**

Commitments include expenditure and other contractual commitments arising from contractual sources and are disclosed at their nominal value. As at 30 June 2024, the Regulator has contractual commitments for the provision of CTP Scheme actuarial services and internal audit functions as reported.

***Other contractual commitments***

	2024	2023
	\$'000	\$'000
No later than one year*	795	564
Later than one year but not longer than five years	417	955
<b>Total other commitments</b>	<b>1 212</b>	<b>1 519</b>

\*The CTP Regulator's expenditure commitments includes the Memoranda of Administrative Arrangements (MoAA) with Department of Treasury and Finance for accommodation. The CTP Regulator incurs a rental cost in accordance with this MoAA.

**9.2. Impact of Standards and Statements not yet effective**

The Regulator has assessed the impact of the new and changed Australian Accounting Standards and Interpretations not yet effective and does not expect these to have a material impact on the Regulator's statements.

No Australian Accounting Standards have been early adopted.

**CTP Regulator**  
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**9.3. Administered items**

<b>Statement of Comprehensive Income for the year ended 30 June 2024</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Administered income</b>		
Stamp duty collected	42 340	45 062
<b>Total administered income</b>	<b>42 340</b>	<b>45 062</b>
<b>Administered expenses</b>		
Stamp duty expenses	41 635	44 398
Stamp duty refunds	705	664
<b>Total administered expenses</b>	<b>42 340</b>	<b>45 062</b>
<b>Net result</b>	<b>-</b>	<b>-</b>
<b>Statement of Financial Position as at 30 June 2024</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Administered assets</b>		
Receivables	512	335
Cash and cash equivalents	3 251	5 080
<b>Total administered assets</b>	<b>3 763</b>	<b>5 415</b>
<b>Administered liabilities</b>		
Payables	3 763	5 415
<b>Total administered liabilities</b>	<b>3 763</b>	<b>5 415</b>
<b>Net administered assets</b>	<b>-</b>	<b>-</b>
<b>Statement of Cash Flows for the year ended 30 June 2024</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>		
<b>Cash inflows</b>		
Taxation receipts	42 163	45 062
<b>Cash generated from operating activities</b>	<b>42 163</b>	<b>45 062</b>
<b>Cash outflows</b>		
Taxation payments	(43 992)	(43 758)
<b>Cash used in operations</b>	<b>(43 992)</b>	<b>(43 758)</b>
<b>Net cash provided by / (used in) operating activities</b>	<b>(1 829)</b>	<b>1 304</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(1 829)</b>	<b>1 304</b>
Cash and cash equivalents at the beginning of the reporting period	5 080	3 776
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>3 251</b>	<b>5 080</b>

Refer to Note 1.2 for details on administered items.

**CTP Regulator**  
**Notes to and forming part of the financial statements**  
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**9.4. Events after the reporting period**

No circumstance has arisen that has affected or may significantly affect the Regulator's operations since 30 June 2024.

**10. Measurement and risk**

**10.1. Financial instruments**

**Financial risk management**

The Regulator's risk management policies are in accordance with the *SA Government Risk Management Guide* and the principles established in the *Australian Standard Risk Management Principles and Guidelines*.

The Regulator's exposure to financial risk (liquidity risk, credit risk and market risk) is low due to the nature of the financial instruments held.

**Liquidity risk**

The Regulator is funded from the administrative premium component of the total premiums. The Regulator notifies DTF of the cash flows associated with its legislated functions and ensures funding is available to meet the expected cash flows.

**Impairment of financial assets**

The Regulator considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties and therefore the expected credit loss is nil.

**Market risk**

The Regulator does not trade in foreign currency, nor enter into transactions for speculative purposes.

The Regulator does not undertake any hedging in relation to interest or foreign currency risk and manages its risk as per the government's risk management strategy articulated in *TI 23 Management of Foreign Currency Exposures*.

**Categorisation of financial instruments**

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

**Classification of financial instruments**

The Regulator measures all financial instruments at amortised cost.