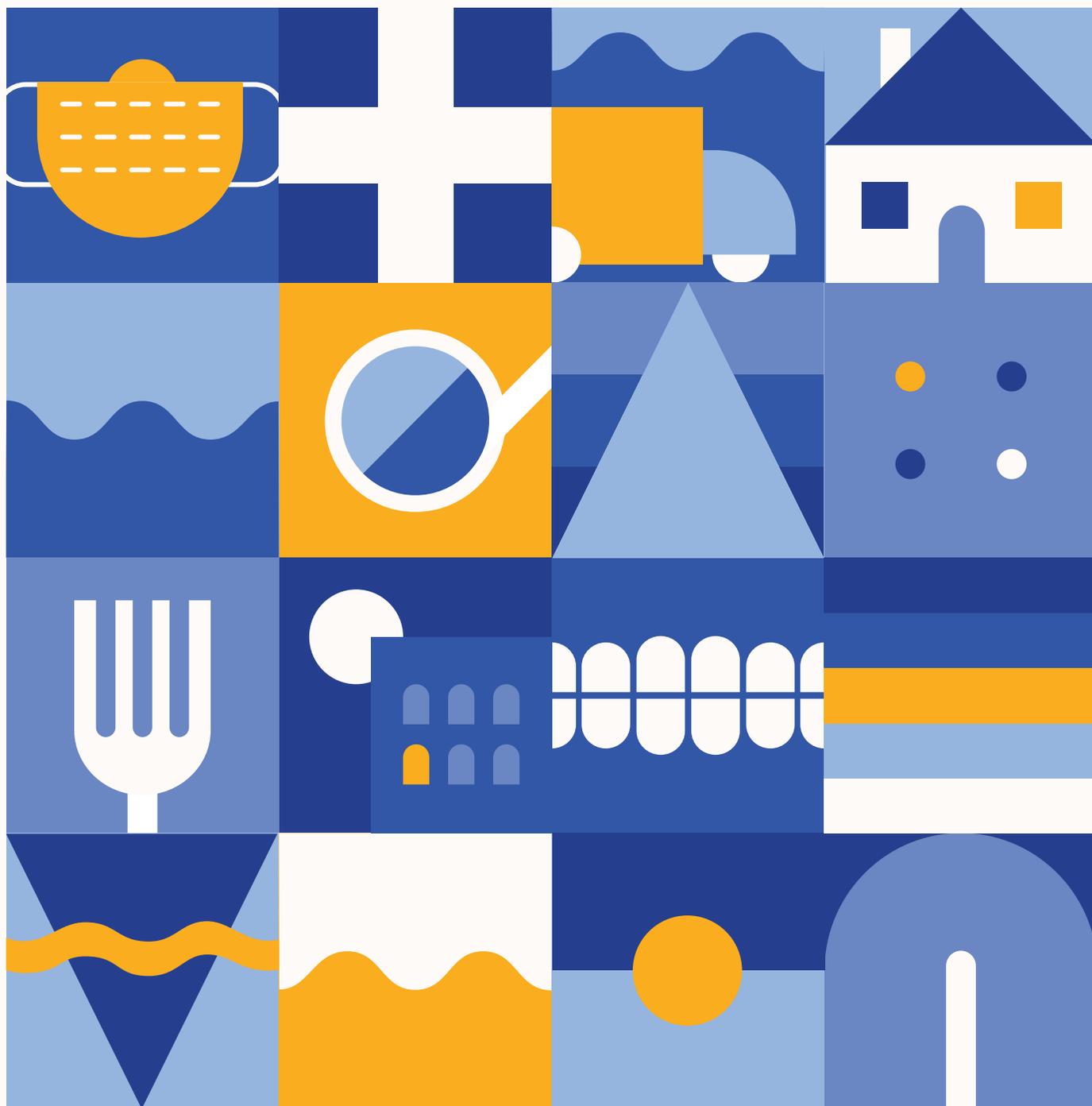


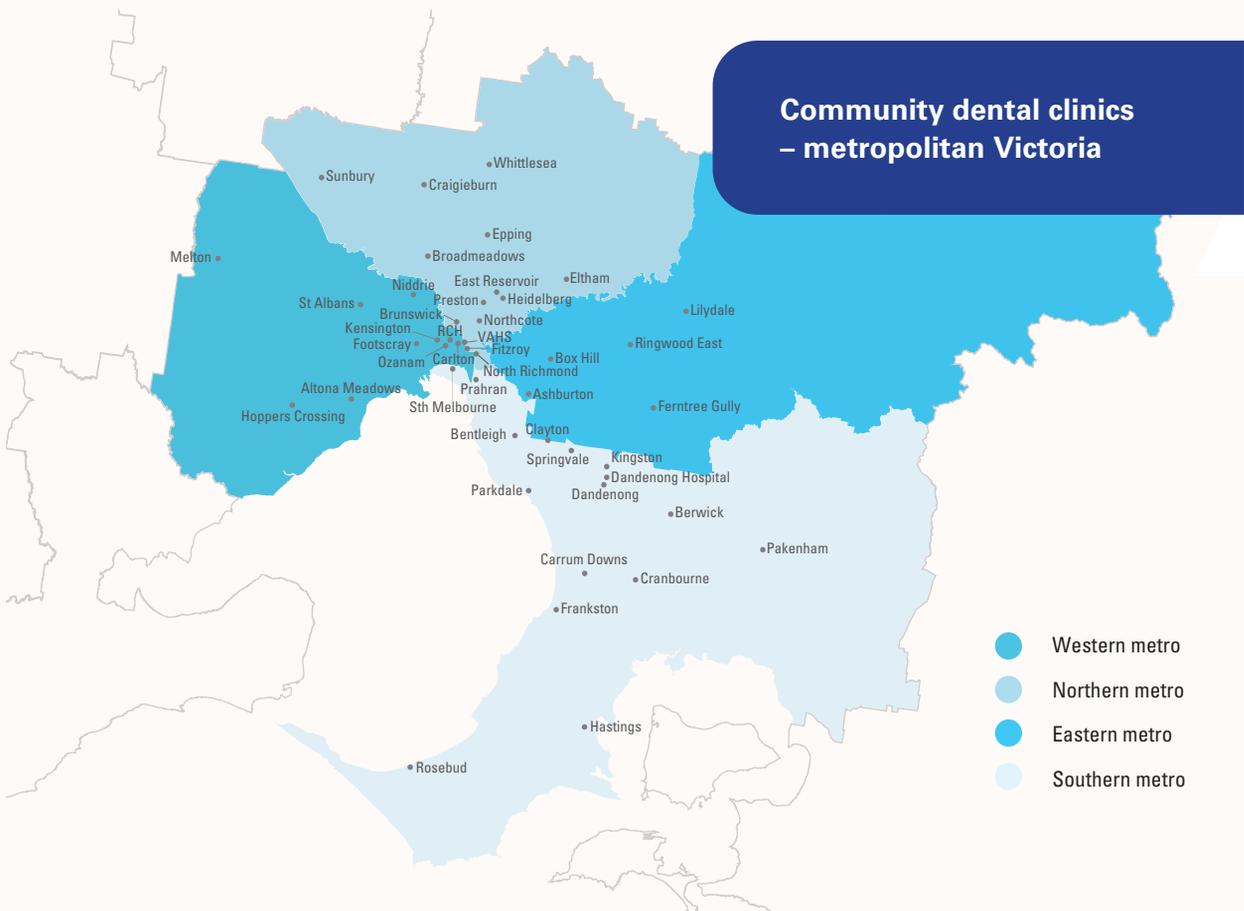
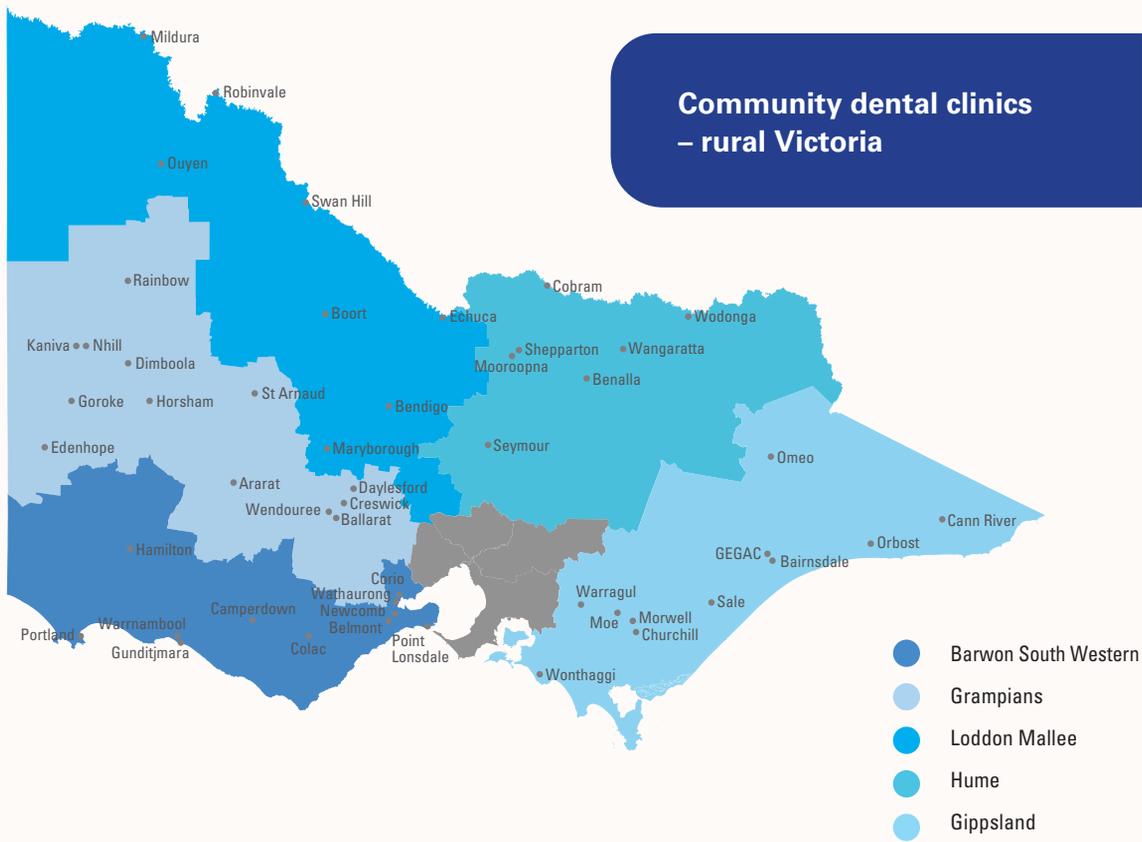
ANNUAL REPORT

2019-20

DENTAL HEALTH
SERVICES VICTORIA



dental health
services victoria
oral health for better health



DENTAL HEALTH SERVICES VICTORIA

Dental Health Services Victoria (DHSV) is the lead public oral health agency in Victoria. We aim to improve the oral health of all Victorians, particularly vulnerable groups and those most in need.

DHSV was established in 1996 and is funded by the Victorian Government to provide and purchase clinical dental services for eligible Victorians and improve the planning, integration, coordination and management of Victoria's public dental services.

We provide Victorians with quality oral healthcare through The Royal Dental Hospital of Melbourne (RDHM) and by purchasing dental services for clients from more than 50 community dental agencies throughout Victoria.

Our aim is to add value to the relationships we have with all agencies to provide support in the provision of oral health services to as many eligible people as possible.

Responsible to the Victorian Minister for Health, DHSV is a public health service which employs 690 staff who work to an agreed Statement of Priorities. As trusted advisors in public oral health policy, program and guideline development, we aim to lead the improvement of oral health across Victoria.

DHSV was established under the Health Services Act 1988. The responsible Minister for Health during the reporting period was Jenny Mikakos MP.

DHSV acknowledges the ongoing support of the Victorian Government.

Our mission

To lead the improvement in oral health for all Victorians, particularly vulnerable groups and those most in need

Our vision

Oral health for better health

Our values

✓ Respect

Act with respect towards every person or idea we encounter

✓ Accountable

Be accountable to the people we care for and those we work with

✓ Collaboration

Embrace collaboration with all partners that help us achieve our goals

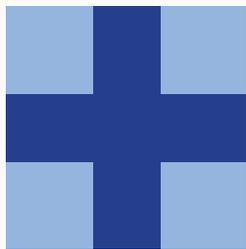
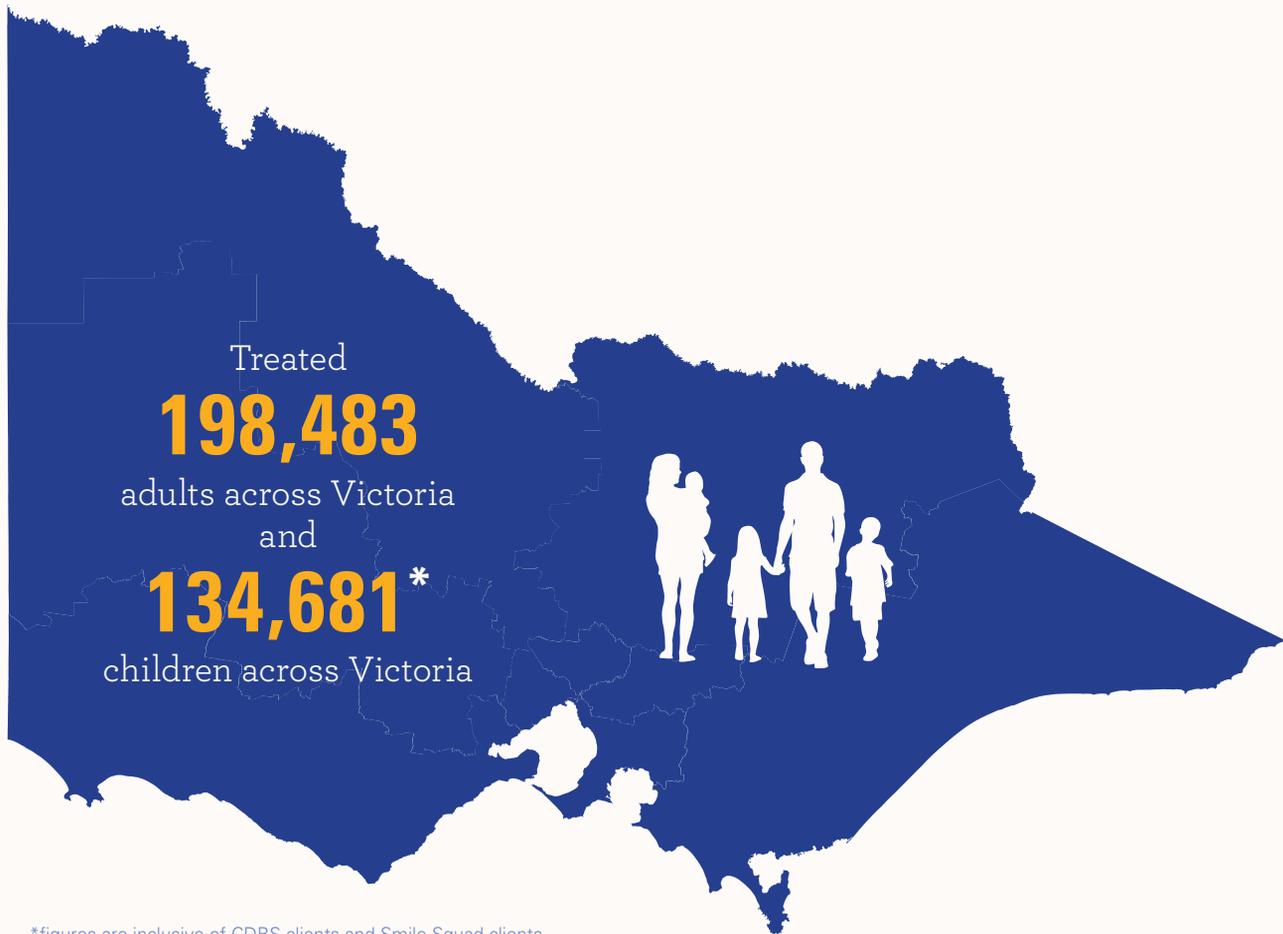
✓ Transform

Transform ourselves and our organisation to achieve better health outcomes

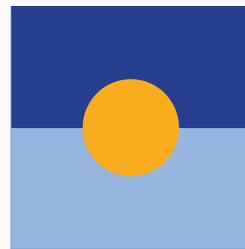
Where the term 'Aboriginal' is used it refers to both Aboriginal and Torres Strait Islander people.

Indigenous is retained when it is part of the title of a report, program or quotation.

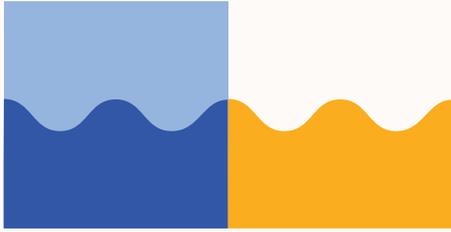
HIGHLIGHTS



138,771
people received emergency
care across the state

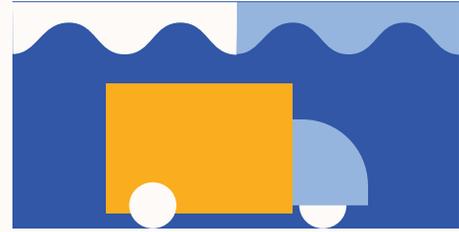


10,823
Aboriginal people were
treated statewide



14,529

refugees and people seeking asylum received treatment statewide



More than
3,300

students have received an examination from the Smile Squad



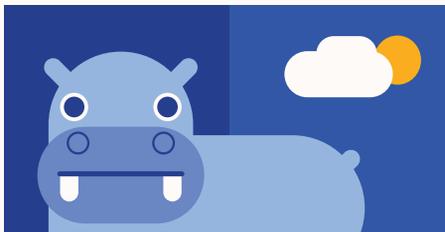
321

staff members received training to respond to family violence



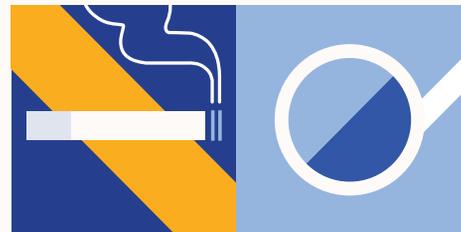
Smiles 4 Miles was able to reach more than

46,464
children



277

children were offered free on-site examinations as part of the partnership between DHSV and Zoos Victoria



116

oral health professionals have completed the Smokefree Smiles training package

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We apply the Victorian public sector values of responsiveness, integrity, impartiality, accountability, respect, leadership and human rights.

In accordance with the *Financial Management Act 1994*, I am pleased to present the Report of Operations for Dental Health Services Victoria for the year ending 30 June 2020.



Dr Zoe Wainer
Chair, Board of Directors

Dental Health Services Victoria Carlton VIC

24 September 2020

Consistent with the DataVic Access Policy issued by the Victorian Government in 2012, the information included in this Annual Report will be available at www.data.vic.gov.au in machine readable format.

FROM THE CEO AND BOARD CHAIR



We are proud to present the Dental Health Services Victoria (DHSV) Annual Report for 2019–20. While 2020 has proved to be incredibly challenging due to coronavirus (COVID-19), we have continued to focus on creating a better public oral health system for our clients and staff.

One of our core values is collaboration and 2020 has shown us how privileged we are to be supported by a diverse range of partners. We would not have been able to effectively respond to the rapidly changing landscape if it was not for the enduring support of the Minister for Health, the Department of Health and Human Services, our community dental agencies, our education partners, patients, staff and contractors.

We are so proud of the way our patients responded to the ever-shifting environment – embracing telehealth appointments, wearing masks, and accepting the limited availability of services as restrictions were increased.

Our staff also demonstrated outstanding resilience and teamwork – supporting one another, adapting to new routines, and continuing to focus on our main aim, to improve the oral health outcomes of the Victorian community.

While the spirit of collaboration would be our overarching highlight for 2019–20, there are some notable initiatives that stand out.

In August 2019, the highly anticipated Smile Squad hit the road to deliver the first free oral health care to Victorian public school students. The proof of concept phase of this new school dental program was a great success and we reached 30 schools treating more than 3,300 children. By incorporating preventive techniques including fluoride protection and fissure sealants, the program hopes to set kids up for a lifetime of good oral health. We look forward to getting back on the road when it is safe and appropriate to do so.

We continued to refine and implement our value-based models of care completing a successful proof of concept trial in our general care department. Our research team evaluated the program, providing valuable insights into how we can improve the health outcomes that matter most to patients in a cost effective way.

With COVID-19 restrictions in place, we were determined to find new ways to reach the community. In May 2020, we launched our telehealth pilot which allowed patients

to access oral health consultations via the safety of home. We will continue to harness the power of technology to improve access to oral health care in 2020–21 and beyond.

Our health promotion team partnered with the health, education, early childhood and community sectors to support families to eat well, drink well and clean well. We also continued our exceptional track record of improving the oral health of Aboriginal Victorians. In November 2019, we officially launched our Reconciliation Action Plan 2019–21 and unveiled our possum skin cloak that is proudly displayed in the dental hospital foyer.

Our staff are the beating heart of our organisation and we want them to feel respected, valued, and heard. We continued to respond to staff feedback and focussed on developing a deeper understanding of their needs and challenges. This is a work in progress, but we are confident that we are heading in the right direction in effecting positive cultural change.

At the end of 2019 we farewelled our CEO, Dr Deborah Cole who decided to venture into semi-retirement. Deborah made an outstanding contribution to DHSV over her nearly nine years as CEO, helping us create a more effective and equitable oral health system. We wish Deborah all the best for the future and thank her for the impressive legacy she left behind.

In November 2019, the board appointed Susan McKee as DHSV's new CEO. The board were confident that Sue was the right person to lead us through an era of change. Little did we know how much change Sue would face in her first few months as CEO – facing a global pandemic within weeks of assuming her role, an unprecedented event in modern health. Sue has risen to the challenge and proved to be an exemplary leader – calm, strategic, inspiring and empathetic.

Thank you to every person who has helped us improve oral health over the past year – our clients, the Minister for Health, the Department of Health and Human Services, all the people working at public dental clinics, our board directors, our staff, and all our valued partners. It has not been an easy year by any means. But if we can get through this and still achieve so many great things, then the future is looking very bright for DHSV.

Stay safe, stay well.

Susan McKee
Chief Executive Officer (CEO)

Dr Zoe Wainer
Board Chair

YEAR IN REVIEW: REPORT OF OPERATIONS

SMILE SQUAD SCHOOL DENTAL PROGRAM

The Smile Squad school dental program carried out its first student examination on 14 August 2019 at Box Hill North Primary School.

DHSV and the Department of Health and Human Services (DHHS) are leading the development of the ambitious program that will provide free, high quality dental care to all Victorian government school students.

The service delivery component of the program is managed by DHSV and the service is being delivered in schools by community dental agencies across Victoria.

The new fleet of dental vans visited schools in Box Hill, Barwon South, Cranbourne, and Wodonga in Terms 3 and 4 2019 and the service expanded to reach schools in Brimbank, Buloke, Casey, Greater Bendigo, Latrobe, Mansfield, and Towong in Term 1 2020. In February 2020, an additional 146 schools in Campaspe, East Gippsland, Wangaratta, Dandenong, Narre Warren South, Maribyrnong and Melton were invited to participate from Term 3, 2020. The rollout has been determined by local government area (LGA) with all schools in each LGA invited to participate.

Smile Squad provides free examinations and treatment, including teeth cleaning, restorations, fluoride applications and fissure sealants to help improve the oral health of young Victorians.

Funding for the program was announced by the Andrews Labor Government in the 2019–20 State Budget. \$321.9 million has been allocated to deliver Smile Squad over four years to 2022.

Every student is given their own free dental pack, including a toothbrush, toothpaste and 'Eat well, drink well, clean well' brochure providing helpful tips on good oral health, at school and at home.

Proof of Concept

Smile Squad became fully operational in August 2019, six months ahead of schedule, launching examination and treatment services as part of a Proof of Concept (PoC) phase. PoC ran from August-December 2019. It was delivered by the local community dental agency in the following catchment areas:

- Box Hill – Carrington Health
- Cranbourne – Monash Health
- Wodonga – Albury Wodonga Health
- Barwon South – Barwon Health and Royal Flying Doctor Service.



PoC enabled DHSV to gather evidence of the technical viability of the Smile Squad program, building knowledge about the program's design, performance, requirements, and preliminary costs. Changes were made to the program ahead of full roll out based on the feedback received during PoC.

Key activities

- Successful completion of PoC phase that has informed the roll out of the program over the next three years
- Inviting schools in the areas selected for phase 1 and 2 of the state-wide roll out to participate in the program
- Commencement of state-wide roll out of Smile Squad, reaching more students in more LGAs
- Delivery of targeted Smile Squad advertising campaign in February 2020 across a range of channels, including television, radio, print, social and internet (online) and mobile
- Continued engagement with universities and graduate students to build a solid talent pipeline that will help achieve and maintain a strong and flexible workforce.

Key statistics

- 30 schools have been visited
- 15 examination vans and 15 treatment vans in operation
- More than 13,000 dental packs have been distributed to students
- More than 3,300 students have received an examination
- Fluoride prevention has been provided to more than 1,800 students
- Fissure sealants have been provided to more than 740 students.

On 30 March 2020, the Minister for Health announced all non-urgent public dental services, including Smile Squad, would be put on hold for at least three months to limit the spread of coronavirus (COVID-19).

VALUE-BASED HEALTHCARE

DHSV has continued on its transformational journey implementing the principles of value-based healthcare. DHSV's Value-based Healthcare (VBHC) Framework is guiding this transformation across all aspects of DHSV's business.

This innovative approach to oral health care is transforming the way we design and deliver care for patients, an approach that is in line with DHSV's 2016–21 Strategic Plan.

Model for General Care

A Proof of Concept was conducted and designed to: test the new ways of working and new tools; to assist DHSV to understand what client outcomes can be achieved and at what cost; to design new onboarding and training programs for staff; and to develop the ongoing metrics to track progress over time.

An evaluation of the Proof of Concept identified the following key highlights from the preliminary finding, including:

- following introductory sessions, 95% of clients have commenced active care or have a future appointment scheduled to commence care
- only 47% of assessed clients matched the Rapid Assessment Tool categories. The tool has since been changed to an Oral Health Questionnaire that better defines risk and need
- service data from the VBHC Proof of Concept clinic demonstrates a higher level of preventive service provision compared to general care provided in the Primary Care clinic under the traditional model.

In response to these findings a number of project artefacts and processes were revised and refined including:

- changed the Rapid Assessment Tool to an oral health questionnaire that better defined both risk and need
- simplified the Care Pathways from three to two – from Very High, High and Low risk to High Need and Low Need
- introduced multiple new tools in Titanium including a documented care plan
- multiple improvements to the introductory session following feedback from staff, patients and external agencies
- developed flow charts to represent clinical care pathways to support our clinicians' decision-making process
- change in the timing of when Patient Reported Outcome Measures (PROMs) are collected to ensure data is captured before every intervention.

A comprehensive evaluation was conducted by the Centre for Value Based Oral Health Care research team, which identified key recommendations including:

- extending the rollout of the Oral Health Questionnaire (ICHOM oral health standard set), mandating completion for every patient at the commencement and completion of care and any subsequent contact for check-in
- a protocol for measuring variation in oral health care should be developed and applied within Dental Health Services Victoria
- a workforce development plan should be developed to accompany the expansion of the value-based healthcare model of care
- further client testing of risk assessment tools should be carried out. Client co-design methods for formulation and implementation of questionnaires, using electronic modalities should be undertaken
- expanding the use of oral health coaching
- stringent protocol for time-based costings should be immediately developed and applied on a provider basis to ascertain actual costs of care over complete cycles for individual clients.

DHSV continue to utilise the principles of value-based healthcare to guide the development of new models of care, including the introduction of the Smile Squad and Telehealth and to improve the efficiency and effectiveness of the organisation.

IMPROVING ACCESS

DHSV is committed to improving the oral health of all Victorians. We continue to find ways to improve access to reach the most vulnerable members of our community.

DHSV mobile website

In May 2020, DHSV launched the new mobile responsive website. The site was co-designed with the assistance and engagement of staff and patients with the aim of streamlining the site to improve the experience for our patients. It allows easier access to pre-appointment information, simplified eligibility and fee details, and an improved dental clinic search function.

The new site specifically targets the shortfalls of the desktop site's inability to be easily accessed and navigated from a mobile device. Patient engagement and feedback via our committees was integral to the creation of a site that improves the patient experience at one of their first points of contact.

Telehealth

DHSV launched our Telehealth pilot in May 2020. This service enables us to support our community, particularly during the COVID-19 restrictions when it provides an extra level of safety for patients, staff and members of the broader community. Patients can access Telehealth consultations that allow them to contact a DHSV representative via video call using the HealthDirect platform. Telehealth enables our staff to triage patients and open a course of care for them before transferring the patient to a dentist who will perform a teledentistry consultation including a dynamic triage which provides clients with advice about how to look after their mouth at home.

Telehealth is available on computers and portable devices. Through the provision of virtual face-to-face conversations, patients who may be unwell or unable to visit the hospital, or may struggle to understand instructions over the phone without the assistance of facial cues, are able to access care remotely. We have implemented three streams of teledentistry at RDHM: client-initiated contact, support for clinicians, and clinician-initiated contact for self-care, oral health education and coaching for clients.

Mobile domiciliary unit

We successfully applied to the Collier Charitable Fund for funds to purchase a mobile dental unit for use by domiciliary clinicians in aged care facilities. The mobile unit enables clinicians to take the equipment to the patient to perform a wide array of treatments in a shorter amount of time, which allows us to improve the delivery of care to patients.

Aboriginal and Torres Strait Islander Peoples

DHSV strives to provide a culturally inclusive environment for all people. As part of DHSV's 2016–21 Aboriginal Employment Plan, we continue to increase our Aboriginal workforce as we believe this plays a crucial role in providing inclusive and culturally appropriate services for Aboriginal people and their families at RDHM.

Reconciliation Action Plan 2019–2021

DHSV celebrated the launch of our Reconciliation Action Plan (RAP) at the 2019 AGM. In an important step forward for the organisation, the RAP was developed to provide a framework to guide our work towards reconciliation in an ongoing journey towards historical acceptance, real equity and meaningful change. The RAP was launched alongside a traditional smoking ceremony led by Aunty Joy Murphy, a Senior Wurundjeri elder of the Kulin Nation, and the unveiling of a traditional possum skin cloak.

The RAP builds on the work we have done to improve the oral health of Aboriginal Victorians by increasing the number of Aboriginal people accessing public dental care. The four levels for RAPs are: Reflect, Innovate, Stretch, Elevate. Most organisations start at the 'Reflect' level but due to our past activities and achievements to increase opportunities particularly through our Aboriginal traineeships, having made services more accessible, and having built strong relationships with Aboriginal communities in Victoria, we were able to commence at the 'Innovate' level.

An Innovate RAP focuses on: developing and strengthening relationships with Aboriginal and Torres Strait Islander peoples; engaging staff and stakeholders in reconciliation; and developing and piloting innovative strategies to empower Aboriginal and Torres Strait Islander peoples. In June 2020, more than half of the agreed actions and deliverables had been completed.

Aboriginal Liaison Officer and Aboriginal Community Development Officer

The Aboriginal Liaison Officer (ALO) role is pivotal in providing culturally safe and supportive care for Aboriginal and Torres Strait Islander patients and their families accessing oral health services at RDHM. The ALO acts as an advocate for Aboriginal and Torres Strait Islander patients and empowers them to navigate the hospital system and make informed decisions about oral health.

The Aboriginal Community Development Officer (ACDO) was integral to the development and implementation of the RAP. The ACDO is also responsible for facilitating the RAP Working Group, which governs the implementation of the RAP. This role is shared between DHSV and Victorian Aboriginal Community Controlled Health Organisation Inc (VACCHO) and is responsible for informing the delivery of new oral health initiatives for Aboriginal and Torres Strait Islander people by maintaining close partnerships between Aboriginal and mainstream services in the area of oral health. The Aboriginal Community Development Officer (ACDO) plays a key role in strengthening partnerships with the Aboriginal community and improving the staff experience.

Possum skin cloak

The possum skin cloak was unveiled and presented at the RAP launch in November 2019. The culturally significant item was created during a series of 'Baagon Walert Walert' workshops meaning 'coming together with the possum cloak' in the Taungurung language.

The cloak is now displayed in RDHM's entry foyer, but the culturally significant item is also used for education, spiritual healing and cultural healing. Aboriginal community members are encouraged to access the cloak to help with anxiety and community misgivings and concerns centred around visiting a dentist.

The cloak is also important in:

- creating an increased confidence of the overall workforce in interacting with Aboriginal and Torres Strait Islander people and communities, and increased feeling of safety and engagement
- redressing historical associations of institutions including the impact of past unsafe policies, practices and treatment such as segregation and exclusion
- building more productive and meaningful collaboration and partnerships with Aboriginal and Torres Strait Islander communities.



FOSTERING A RESPECTFUL WORKPLACE

A commitment to fostering a respectful and constructive environment underpins the way DHSV works with all members of the community.

The DHSV Respectful Workplace Framework was founded on the pillars of equity, diversity, inclusion, flexibility, wellbeing and safety. The framework is operationalised through focused attention to guiding principles; culture and values; aligned leadership; employee and community engagement; and enabling systems and processes.

During 2019–20 we continued the implementation of our respectful workplace action plan through a range of key activities.

Positive cultural change

As part of our commitment to continuous improvement and to developing a workplace where everyone feels valued, we engaged Steople, a team of organisational development specialists who assist their clients to support positive change by building on what has already been done within the organisation.

Staff were invited to contribute to a series of 'story circles' which provided an opportunity to contribute personal stories and experiences, so a deeper understanding of culture and practice was gained. Feedback was deidentified and provided insights into areas working well as well as areas for improvement. The report from Steople including detailed recommendations has provided a pathway for future activities aimed at improving the workplace for all staff.

DHSV Open Forum

The fourth DHSV Learning Day was rebranded as the DHSV Open Forum and held in December 2019. It was attended by all staff, as well as members of the Board and the Community Advisory Committee.

The day's theme, Use Your Voice, provided staff with the opportunity to actively engage in concepts around speaking up and working together to create a respectful workplace. Workshops on person-centred care, resilience, and client communications provided staff with a forum to safely share their views in an environment where they felt respected, valued, and supported. The day's theme highlighted the importance of creating a workplace where patients feel welcome, understood and cared for in the best possible way.

Cultural Awareness eLearning Package

DHSV launched a new Aboriginal Cultural Awareness staff eLearning package to foster inclusion and to appreciate diversity. The package was developed for Public Health Services in Victoria by Wandeat Bangoongagat – Aboriginal Employment Working Group. The package was developed in consultation with more than 50 organisations and two consultative forums with Aboriginal community and health service representatives.

DHSV Rainbow Network

The DHSV Rainbow Network aims to create a supportive, inclusive, and respectful space for LGBTIQ staff. The network is open to any lesbian, gay, bisexual, trans, queer, and/or intersex employees as well as their allies and supporters.

This year the network expanded and held monthly meetings before transitioning online to conduct meetings during the pandemic. The achievements of the Rainbow Network include: creating more inclusive staff forms by changing how we ask for gender; adapting Safe Zone peer-based learning for ourselves; advocating for an 'all gender' bathroom project with patients and staff; and practising inclusive language and pronouns. The network is currently in the development stages of forming an official committee to co-create LGBTIQ initiatives.

Bring your kids to work

To support working parents who juggle work and family during term breaks, DHSV introduced a new initiative. We held our first Bring Your Kids to Work Week during the July 2019 school holidays with 82 children taking part in the week-long program. The initiative was developed in response to feedback from staff at DHSV Town Hall sessions who requested a day where parents could bring their children to work. Demand for the session was so high that the program was extended from one day to a full week.

Co-design: community engagement

During 2019–20, DHSV progressed the implementation of the action plan for community engagement with the adoption of a co-design framework. The Consumer Experience and Codesign Consultant joined DHSV in October 2018 to aid in this implementation and engage the community in co-design activities.

The Consumer Advisory Committee (CAC) was expanded to allow for a greater diversity of representation. In 2019–20 we welcomed six new members, each bringing a diversity of experiences and expertise to the CAC. The

CECC works closely with the CAC to increase participation in the design and testing of products and services such as:

- providing feedback on the new mobile website
- boosting access and equity for people with disabilities
- the design of how we ask for patient feedback after a visit.

The CAC meetings were moved online during the COVID-19 restrictions with a focus on:

- capturing feedback to inform our COVID-19 patient flows using video tours of RDHM
- developing information to promote telehealth to our communities.



WORKING IN PARTNERSHIP

DHSV continues to work with a range of organisations that are committed to making a difference in their communities to help spread the message about the importance of good oral health.

Oral cancer screening and prevention program

The Oral Cancer Screening and Prevention Program aims to reduce the impact of oral cancer on Victorians. Following a 2019 training pilot with oral health professionals across the state, participants reported a heightened awareness of oral cancer risk factors, increased conversations with patients about smoking cessation, and improved confidence to identify and refer suspicious lesions. More thorough clinical notetaking was also reported. Participants asked for more guidance on discussing alcohol intake, human papillomavirus (HPV) infection and oral cancer with patients and supporting them to reduce their risk.

Findings from the pilot evaluation are now being used to develop information, training and resources which will be offered to all Victorian oral health professionals in 2020–21. Champions across the oral health sector will provide further insights and help promote key messages. Phase 2 of the program will support other health professionals including GPs, to detect oral cancer earlier.

The program is led by DHSV in partnership with The University of Melbourne Dental School, the Australian Dental Association (Victorian Branch), La Trobe University Department of Dentistry, and the Department of Health and Human Services, which also funds the program.

Smokefree Smiles

DHSV has worked in partnership with Quit to improve the health outcomes for our clients. Based on a simple three-step framework of 'ask, advise and help', the Smokefree Smiles program provides training and support for oral health professionals to engage in brief interventions and initiate referrals to Quitline. Brief advice, combined with behavioural intervention and smoking cessation medications, gives patients the best chance of successfully quitting and aligns with RACGP Smoking Cessation Guidelines for Health Professionals.

DHSV partners with Quit Victoria, the Australian Dental Association Victorian Branch and the Department of Health and Human Services to provide a comprehensive online training package tailored specifically for oral health professionals as part of a suite of training packages for GPs and other health professionals. The package empowers oral health professionals to take a client's lifestyle into consideration while providing care.

Since the training program became available in November 2019, 116 oral health professionals have registered for the course and 71 of those have completed the training.



Partnership with Zoos Victoria

DHSV continues to work in partnership with Zoos Victoria. This unique partnership has engaged families with children aged 0 to 12 years at the Werribee Open Range Zoo.

Preventative programs and reinforcing the 'eat well, drink well, clean well' message helps families to avoid poor oral health becoming a significant issue later in life. The alignment of the partnership between DHSV and Werribee Open Range Zoo to the hippo enclosure highlights the importance of cleaning your teeth and dental visits, as the hippos require their teeth to be cleaned every day like humans do.

During the 2019–20 period a total of 277 children were offered dental check-ups while visiting the zoo. Staff from RDHM provided dental check-ups during the 2019 Dental Health Week and staff from IPC Health provided dental check-ups at two Hippo Beach Party events in February 2020.

- During Dental Health Week 2019, 108 check-ups were offered during the toddler weekdays program at Werribee Open Range Zoo, with 32 children requiring a follow-up examination or treatment
- During the member events, 169 children were offered an examination over the two days with only 21 children needing a follow up examination or treatment.

DHSV & ASSCID

DHSV partnered with the Australian Society of Special Care in Dentistry (ASSCID) to deliver a two-day international conference in Melbourne in July 2019. The conference program focused on oral health in the aged care and disability sectors, attracting oral health and allied health clinicians from Australia and New Zealand. The conference facilitated discussions on the importance of oral health clinicians working alongside other health professionals to provide quality care.

Ozanam House

DHSV has been operating at Ozanam House since it was established in 1996. Australia's largest accommodation centre for rough sleepers, Ozanam House underwent a significant redevelopment this year. The building provides flexible accommodation to those experiencing homelessness and offers housing, health and social support services.

In 2019–20, DHSV provided care to 235 people without homes at Ozanam House before services were paused due to COVID-19 restrictions.

Local government

Local government plays an important role in supporting the objectives of the *Public Health and Wellbeing Act 2008*. Councils can make an impact on their residents' oral health by creating environments that promote oral health.

In partnership with DHHS, DHSV developed oral health profiles for local government to become more involved in promoting oral health in the community. The 79 comprehensive profiles specific to each of the local government areas (LGA) identified key indicators for oral health including:

- the oral health status of children
- potentially preventable dental hospitalisation rates
- self-reported oral health and last dental visit
- modifiable health risk behaviours that have an impact on oral health including rates of smoking, risk of alcohol-related harm, fruit and vegetable consumption and soft drink consumption.

The 2017 profiles that were developed during the 2017–21 municipal public health planning cycle resulted in the majority of LGAs including oral health as one of their priority actions in their municipal public health plans.

Smiles 4 Miles

Smiles 4 Miles is a DHSV initiative that works in partnership with organisations to improve the oral health of pre-school aged children (0 to 5 years), their families and staff. Smiles 4 Miles promotes three key messages: eat well, drink well, clean well.

In 2019, Smiles 4 Miles worked with stakeholders to implement the program effectively across Victoria, including 33 local community organisations, the Achievement Program, Healthy Eating Advisory Service, Cancer Council Victoria, Nutrition Australia, VACCHO, and the early childhood care and education sector.

Through the work of these community organisations, Smiles 4 Miles was able to reach over 46,464 children and their families across 741 early childhood services.

The program covered the areas at greatest risk of poor oral health in 58 LGAs across Victoria. 10,270 children received a dental screening through outreach dental services as a result of participating in Smiles 4 Miles, up 54 per cent from the previous year.

Oral health training in 2019 has been provided to:

- 60 Smiles 4 Miles coordinators attending the annual forum and through one-on-one training
- 554 early childhood educators taking part in oral health training.

Healthy Families, Healthy Smiles

Healthy Families, Healthy Smiles aims to improve the oral health of young children and pregnant women. The focus is on building the skills of health and early education professionals to promote oral health.

In 2019–20, DHSV received additional funding from DHHS to further deliver on the Brush Book Bed initiative that promotes toothbrushing routine with young children through the Supported Playgroup setting.

More than 300 professionals from a range of disciplines and tertiary students took part in professional development activities, including:

- 76 midwives completed the Midwifery Initiated Oral Health education program (MIOH)
- 100 supported playgroup facilitators from 15 LGAs were trained to deliver oral health promotion and implement the Brush, Book, Bed initiative
- 6 maternal and child health nurses
- 122 Graduate Diploma in Child and Family Health Nursing students from RMIT and La Trobe University
- lectures were delivered to 52 Bachelor of Oral Health students from The University of Melbourne and to 4 Certificate IV in Dental Assisting students from RMIT.

Healthy Families Healthy Smiles was nominated for the 2019 Victorian Public Healthcare Awards as one of the three finalists in the Minister for Health's award for improving maternal, child and family health category for our work embedding oral health promotion in midwifery practice.

Alliance for a cavity free future

On behalf of the Alliance for a Cavity Free Future, DHSV has been distributing tooth packs and oral health promotion resources to selected community-based programs since 2006. In 2019–20 more than 39,700 toothbrushes and approximately 30,000 toothpaste tubes were distributed to supported playgroups, Koori maternity services and early parenting centres.

This year marks the end of the Alliance for a Cavity Free Future initiative. DHSV would like to thank Colgate for their contribution to increasing the access to oral hygiene products in communities with high risk of poor oral health outcomes over the last 13 years.

EXCELLENCE IN LEADERSHIP

DHSV is committed to strengthening clinical governance and driving safe quality care across all of Victoria's public oral health services.

Clinician driven activity and engagement has grown this year beyond the Clinical Leadership in Practice committee with the introduction of the Office of Chief Oral Health Officer, the Senior Clinician Forum, and the Oral Health Clinical Council.

Office of the Chief Oral Health Officer

Coordinating all activity has been the Office of the Chief Oral Health Officer (COHO), a team of six clinicians under the leadership of the Chief Oral Health Officer which was established in Oct 2019. COHO has been pivotal in leading public dentistry's direction for pandemic-specific clinical practice and workflow adaptation. In addition, COHO has facilitated clinician engagement, clinical leadership, professional development and supported the Oral Health Clinical Council.

Clinical Leadership in Practice (CLiP)

The Clinical Leadership in Practice (CLiP) committee, chaired by the Director of Clinician Engagement – Agencies, is comprised of senior clinicians from key agencies across Victoria. A workshop early in the year established four priority areas of work: Clinical Scope of Practice, Prosthetist Reference Group, senior clinician development, and workforce.

CLiP activities included:

- engagement with the specialist departments at RDHM, including:
 - review and revision of the specialist paedodontic referral pathways
 - establishment of a revised scope of practice in the fixed prosthetics unit
- the development of the Prosthetist Reference Group including establishing a consensus on denture procedures
- support of senior clinicians across the state, which involved:
 - revision and update of an existing suite of clinical guidelines including treatment planning for multiple tooth replacement
 - development of new clinician guidelines including prevention of sports-related dentofacial injuries
 - continuous professional development – Oral Cancer Screening and Prevention Program and Advanced Radiological Interpretation Course
 - Clinical Leadership in Public Oral Health Practice (CLiPOHP) with four current mentors and one mentee serving in the group.

The committee identified priority areas around the state including the need for senior clinician professional development activities supporting clinical leadership.

This training will assist agencies in retaining high quality staff through the development of career and leadership opportunities to ensure the next generation of clinical leaders are highly engaged and supported.

Senior Clinician Network

The engagement with hospital and statewide clinical leaders was undertaken through the newly developed Senior Clinician Network. Online forums are held every four to six weeks and serve as a useful way to connect with the workforce and to build links between RDHM and agencies, and to encourage collaboration of specialists and general clinicians for comprehensive care.

Clinical Leadership Group

The Clinical Leadership Group (CLG) is responsible for quality improvement in the clinical areas of RDHM. The 2019–20 period was primarily a reformative period for the CLG due to organisational structure changes, the impact of COVID-19 and a renewed focus towards the integration of clinical leadership across RDHM.

The CLG represents all clinical areas across RDHM and brings together both existing and future clinical leaders from within DHSV as well as representatives from our strategic partners, the Melbourne Dental School and RMIT, including student and consumer representatives.

During 2019–20, the CLG has implemented several key projects including improved management of complex client care, training and development, and pathways to provide feedback and suggestions from all members of the clinical team to achieve better patient outcomes. The CLG has a strong focus on streamlining decision making and enacting change more efficiently.

CENTRE FOR VALUE BASED ORAL HEALTH CARE

The Centre for Value Based Oral Health Care (CVBOHC) leads population and clinical research, evaluation, policy, and analytics that align with DHSV's strategic priorities contributing to the improvement of oral health outcomes for the Victorian community.

Activities

- designing, implementing, reporting and disseminating applied research evidence from projects and program evaluations undertaken by DHSV and using the 'Knowledge to Action' framework to translate research and evaluation findings into practice
- contributing to the development of evidence-based strategies to improve oral health outcomes and transform service delivery
- contributing to the development of key strategic policies for DHSV's sustainability commitment to the Global Green and Healthy Hospitals initiative
- collaborating with key stakeholders in the implementation of initiatives to enhance patient and employee experience and engagement
- providing strategic advice to the CEO and Executive team regarding emerging policy issues and current evidence on oral health and prevention of oral disease.

Highlights

- formalising the final report with the DHHS on the implementation outcomes of the Victorian arm of the National Study of Adult Oral Health, which saw the examination of 1,421 participants in 30 community dental agencies across Victoria between October 2017 and December 2018
- contributing to the development of the International Consortium for Health Outcomes Measurement (ICHOM) standard set for adult oral health
- leading the ICHOM consumer validation survey in Australia and supporting the implementation and trialling of the ICHOM standard set as part of the VBHC proof of concept at DHSV
- leading the mixed-methods evaluation of the first phase of DHSV's VBHC model of care rollout
- leading the evaluation of DHSV's statewide community based oral health promotion programs including the Healthy Families Healthy Smiles program and the initiative between DHSV and Zoos Victoria
- developing national policy briefings for the Australian Healthcare and Hospitals Association's Deeble Institute for Health Policy Research on VBHC.

BUILDING A STRONGER WORKFORCE

DHSV remains committed to continuous improvement and provides opportunities for our staff to further develop their skills.

Oral health educators

DHSV continues in its commitment to building the capacity of its oral health educators and works alongside RMIT to deliver the Certificate IV Dental Assisting – Oral Health Education and the further training module 'Apply Fluoride Varnish'. There are now more than 135 oral health educators across the state using their skills with maternal and child health nurses, in primary schools, with community groups, in aged care settings, in public dental settings and with the Smile Squad in the school dental program.

Fluoride Varnish Register

The DHSV Fluoride Varnish Register has been established with more than 70 oral health educators from across Victoria registered to be able to apply fluoride varnish in a public oral health setting in Victoria. These oral health professionals have a requirement to maintain their skills by undertaking annual professional development activities.

Courses for overseas trained dentists

DHSV continues to provide tailored courses in a purpose-built simulation lab to assist overseas trained dentists and therapists to prepare for the Australian Dental Council examinations. Although COVID-19 has significantly impacted the ability of participants to travel to Australia, DHSV has developed online resources to support them with their study. We have run a dedicated online conference for this group which provided information on their professional responsibilities as a practitioner within the Australian health system.

Dental Assistants' Conference

The DHSV Dental Assistants' Conference was held in November 2019 and was attended by 230 people from across the state. The conference theme of 'developing yourself' was designed to highlight the wide variety of learning opportunities available to dental assistants and explored the many training options and expanded roles open to dental assistants (DAs). They were also introduced to a broad range of projects and research areas including family violence, mental health, first aid, LGBTIQ and Aboriginal issues, and autism.

Antarctic Doctors Program

For more than 40 years RDHM and then DHSV, has been delivering training to medical doctors undertaking an expedition to the Antarctic bases. In 2019, the training was formally recognised with the signing of a five-year contract between DHSV and the Australian Antarctic Division. The contract also covers the provision of 24/7 online support and specialist advice by DHSV staff.

Aboriginal staff network

An Aboriginal staff network has been created to support collaboration and foster cultural inclusion. The group meets monthly to co-design the Aboriginal action plan, amplify the voices of DHSV's Aboriginal workforce to improve the staff experience, provide an opportunity to develop leadership skills, and celebrate culturally significant events. We have also reviewed policies and procedures for recruitment to identify any barriers to Aboriginal and Torres Strait Islander participation in our workplace.

Aboriginal dental jobs page

To increase the talent pool of Aboriginal and Torres Strait Islander staff, a dedicated careers page was developed to provide pathways for employment at DHSV. The dental jobs page is an opportunity to attract, engage and develop the Aboriginal and Torres Strait Islander workforce.

National Safe Work Month

As part of an initiative to improve health and wellbeing, a range of sessions were made available to staff during National Safe Work month. Staff participated in mindfulness workshops, undertook health checks to better understand the physical aspects of their wellbeing, engaged in SunSmart education to explore the impact of UV damage, and attended first home-owner grant and super saver seminars to help them save for the future. The range of activities provided staff with the opportunity to improve their overall health and wellbeing.

Family violence response

A total of 321 staff have so far received training and resources to support RDHM's capacity to respond to family violence since the Strengthening Hospital Responses to Family Violence (SHRFV) initiative commenced in June 2019.

Additional training has also been delivered to Melbourne University students undertaking clinical placement at RDHM.

The SHRFV's social work service has so far received 70 referrals across a range of departments at RDHM. This role has been responsible for providing support, advocacy, assessment, safety planning and referrals to relevant community services for our patients.

The initiative continues to work in collaboration with department managers and staff to embed a whole-of-hospital response to family violence and is mentored by Melbourne Health.

DHSV regional forums

The 2019–20 regional community dental agency forums were held across regional and metropolitan areas including Sebastopol, Moe, Barooga (NSW) and Melbourne CBD. The forums provided participants with the opportunity to engage in key topics, network, and work towards collective innovation across the sector. Key topics included Smile Squad, VBHC and patient case studies.



Safety and quality

Patient Experience Trackers

DHSV utilised Patient Experience Tracker (PET) devices to collect feedback from patients at The Royal Dental Hospital of Melbourne. The data was reviewed on a monthly basis, and reported monthly, quarterly and annually to identify trends and opportunities for improvement.

The PET results for 2019–20 were:

- 93% Confidence in clinician
- 92.6% Equipment standard
- 91.4% Safety
- 98.7% Introductions
- The overall client satisfaction score for RDHM was 93.7%.

Patient Reported Experience Measures

In December 2019, a review of the question set commenced including investigation of alternative systems to seek feedback from our patients. In March 2020, a set of Patient Reported Experience Measures were finalised.

The Patient Reported Experience Measures are sent to clients via an SMS link following their appointment at RDHM and enable the patient to answer them in their own time. These questions were based on the Victorian Hospital Experience Survey and the Australian Hospital Patient Experience Question set and were consumer tested and endorsed by the Dental Health Services Victoria (DHSV) Community Advisory Committee (CAC). It is expected that this improved feedback source will replace the PETs.

DHSV RESPONSE TO COVID-19

Safety is at the core of everything we do. Throughout the COVID-19 pandemic, DHSV has stepped up to secure the safety of our patients, staff, students and the wider community.

Responding to COVID-19

We developed a COVID-19 response plan to identify potential risks and issues, and to guide public oral health services in preparing a business continuity plan ensuring safe, appropriate clinical services are still provided to our clients where possible. We developed a COVID Pandemic Oversight and Response Group who provide advice, direction, subject matter expertise and governance for the pandemic response activities at DHSV and community dental agencies across Victoria.

Patient screening process

Our staff quickly responded by establishing robust screening protocols to ensure the highest levels of safety. Upon arrival at RDHM, patients undergo a screening process before being triaged, including temperature checks.

Staff screening processes

Screening protocols were swiftly established to ensure staff were well when presenting for work. All staff undergo screening processes upon arrival, including temperature checks, COVID screening and a check-in process to monitor who has been on-site in the event of a COVID positive test result.

COVID Safe

We developed and implemented a COVID Safe Plan which contains information on DHSV's preparedness for outbreaks of COVID-19 and how we minimise the risk of infection in our workplace.

Safe flow management

DHSV established revised, socially distanced patient and staff flows through the building. Many staff members embraced new roles as temperature checkers, floor coordinators and duty coordinators to ensure people are safe when entering and while waiting for care in our clinics. This includes staggering appointments and rosters across all our services.

COVID-19 testing site at RDHM

In May, RDHM became a COVID-19 testing site as part of the state-wide testing blitz established by DHHS. More than 1,000 patients and community members were tested at the site between May and 30 June.

Enhanced communication

Staff across DHSV made a major adjustment to working from home, including our Patient Services Officers (call centre) team. This transition meant the team could continue to safely respond to 200 to 400 daily patient calls. They also expanded their reach by adopting our new Telehealth services to safely engage with patients.

Regular communications with staff were increased to improve engagement, including daily email updates, weekly CEO video updates, and regular online Town Hall meetings. Staff also received regular health and wellbeing resources and training and educational opportunities.

Scanning of patient records

In line with our digital strategic objectives, we commenced the digitisation of patient paper records. Our Health Information Services (HIS) team, with the support of our Information Communication Technology (ICT) team, commenced a proof of concept on the digitisation of presenting emergency patient records and referrals currently on file and scanning new patient records.

Cyber safety

Our ICT team developed a Cyber Safety Guide for staff to combat cyber-crime and online threats, particularly during the pandemic. The resource includes practical information to ensure staff remain informed and vigilant against cyber threats. The guide contains information on DHSV's cyber security.

Reopening our services

DHSV developed its own clinical roadmap for the safe return of services based on the COVIDSafe principles of wearing a face mask, ensuring physical distancing, good hand hygiene, ensuring staff stay home if they are unwell, and reinforcing the need to cough and sneeze into a tissue or elbow. As part of the roadmap we:

- provided guidance on the reduction/reintroduction of clinical services for community dental agencies and RDHM
- collaborated with universities and external stakeholders to develop protocol to safely return students to clinics
- supported our dental assistants to utilise the Oral Health Questionnaire to follow up with patients who had their care deferred to identify how we can provide support
- engage in ongoing monitoring and mapping of the COVID-19 guidelines and direction at a federal, state and departmental level.

PURPOSE, FUNCTIONS, POWERS AND DUTIES

DHSV is the lead public oral health agency in Victoria. The organisation coordinates statewide oral health promotion programs and leads research to reduce the prevalence of oral disease and inform best practice.

We are committed to ensuring that public dental services are sustainable, cost-effective and of a high quality while continuing to improve the oral health outcomes of all Victorians, particularly those most in need.

We work to educate the community and broader health sector about the links between oral health and general health.

We use our position as leaders in oral health and our partnerships with other health organisations and providers to promote the message that good oral health is essential for overall health and wellbeing to better the oral health outcomes for all Victorians.

DHSV is responsible for:

- providing dental services through RDHM
- purchasing dental services from more than 50 community dental agencies across Victoria
- developing the current workforce and supporting the education and training of future oral health professionals
- fostering, supporting and participating in oral health research
- advising the government on policy, funding and service development
- supporting oral health promotion programs across Victoria
- providing clinical leadership to the public oral health sector.

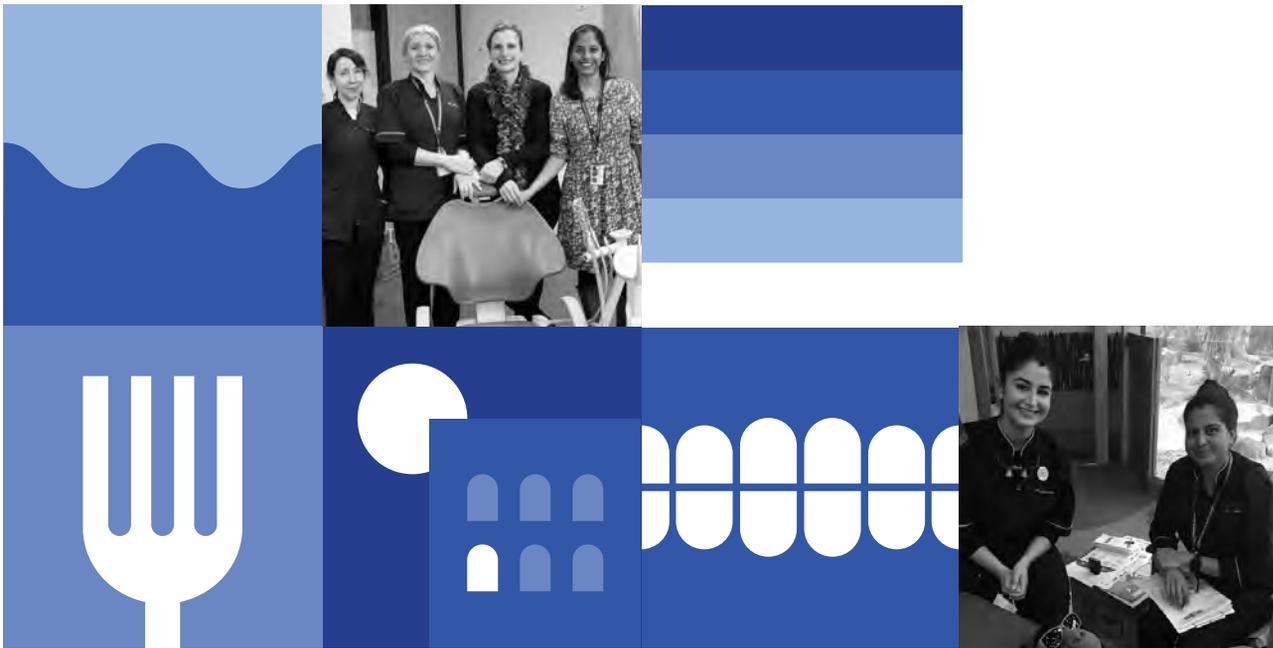
The following groups are eligible for public dental services:

- all children aged 0 to 12 years
- young people aged 13 to 17 years who are healthcare or pensioner concession cardholders or dependants of concession card holders
- 2 to 17-year-olds eligible for dental care under the Child Dental Benefits Schedule (CDBS)
- children and young people up to 18 years of age in out-of-home care provided by DHHS (including kinship and foster care)
- youth justice clients in custodial care
- adults, 18 years and over, who are healthcare or pensioner concession cardholders or dependants of concession cardholders
- refugees and people seeking asylum
- Aboriginal and Torres Strait Islander peoples who are treated at RDHM.

People who are eligible for public dental services may also have priority access to general dental care. People who have priority access are not required to go on a waiting list. They are offered the next available appointment for general care.

The following groups have priority access:

- Aboriginal and Torres Strait Islander peoples
- children and young people (0 to 17 years)
- people without homes and people at risk of homelessness
- pregnant women
- refugees and people seeking asylum
- people registered with mental health and disability services, supported by a letter of recommendation from their case manager or staff of special developmental schools.



SUMMARY OF SERVICES

Royal Dental Hospital of Melbourne

The Royal Dental Hospital of Melbourne (RDHM) provides emergency, general and specialist outpatient services to eligible Victorians through 140 dental chairs, outreach services to special needs, residential and nursing home facilities, and a day procedure facility. RDHM is also a teaching facility working closely with partners at The University of Melbourne and RMIT University to educate and train future dental professionals.

Community dental agencies

There are more than 50 community dental agencies located throughout metropolitan Melbourne and regional Victoria.

Community dental agencies can be independent entities or can sit within larger health services, community health services and hospitals. DHSV purchases services from these agencies to ensure eligible Victorians have access to public dental services.

Services

Emergency care

Emergency dental care is available to current Victorian healthcare and pensioner concession cardholders at RDHM and community dental clinics. Emergency care is also available to the public at RDHM on a fee-for-service basis.

General care

General dental care including fillings, dentures and preventive care is available to current healthcare and pensioner concession cardholders, as well as children and young people who are eligible for care under the CDBS at RDHM and community dental clinics across Victoria.

Specialist care

Eligible people may be referred to RDHM for specialist dental care including orthodontics, special needs dentistry, oral and maxillofacial surgery, endodontics, periodontics, prosthodontics, paediatric dentistry and oral medicine.

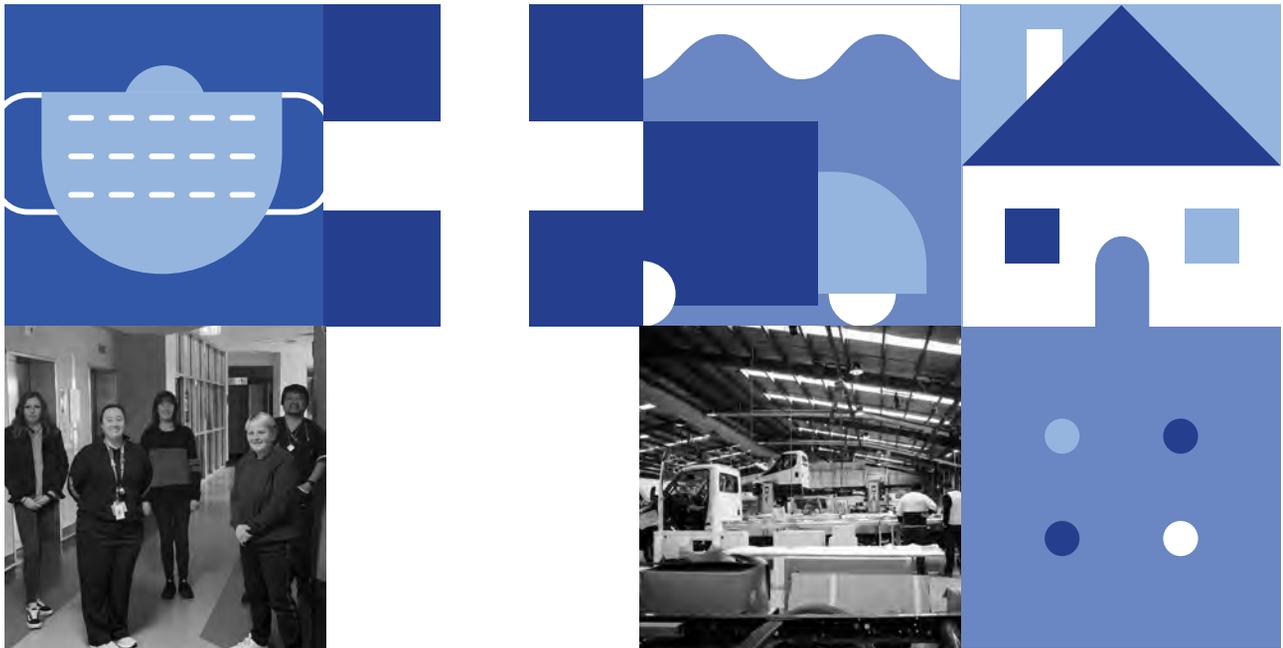
Oral health promotion

Integrated health promotion programs deliver benefits for the community by promoting wellbeing, strengthening community capacity and minimising the burden of disease. Our statewide health promotion team supports key policy objectives including prevention of oral disease for those in highest need, and building capacity to improve oral health outcomes.

Education

RDHM's specialist and teaching clinics support The University of Melbourne's education programs for dentists, specialists and oral health therapists. The teaching clinics also support RMIT University's education programs for dental assistants, technicians, prosthetists and hygienists. In addition, RDHM provides training for overseas-trained clinicians seeking to sit for the Australian Dental Council exams to gain professional registration.

DHSV works closely with La Trobe University's dentists and oral health therapists to support its rural oral health teaching program in a number of community dental agencies.



Purchased services

DHSV purchases oral health services from more than 50 community dental agencies.

DHSV ensures there is a fair and equitable distribution of public money used in the most effective and efficient way to improve public oral health. DHSV has developed policies and procedures to ensure that defined levels of community dental agency support are provided.

Safety and quality

The DHSV safety and quality system works in partnership with members of the community to identify and drive improvement of processes to solve problems and improve patient experience and outcomes; and to consistently deliver safe, quality care for every person. It also ensures maintenance of processes and standards of care to minimise risk to patients and staff including monitoring compliance with National Safety and Quality Healthcare Standards and quality indicators.

Partnering with the community

DHSV involves community members in all aspects of its business, particularly around improving the patient journey through our services.

Community members sit on Board sub-committees and are consulted wherever possible in service and program developments.

DHSV consults with the Victorian community on the way services are provided and our strategic goals for the future. The Strategic Framework for Consumer and Community Engagement 2016–21 involves communities in the formation of DHSV policies and strategies.

Information technology

DHSV develops and maintains patient management system solutions and infrastructure to support the activities at dental clinics across Victoria.

Management reporting and analysis

DHSV provides management reporting and analysis services to dental clinics across Victoria.

Agency relationships team

DHSV works closely with our community dental service partners to ensure delivery of safe, value-based and responsive care within the allocated resources. The team provides leadership, support and advice ensuring statewide consistency with the DHSV strategic plan and reinforcing a culture of continuous improvement in public oral health. The Agency Relationships Team is the key link between community dental agencies, DHSV and RDHM.

BOARD AND EXECUTIVE

The functions of the Board of a public health service are set by the *Health Services (Governance and Accountability) Act 2004*. On the Minister for Health's recommendation, the Governor in Council appoints the DHSV Board of Directors. Members have a mix of qualifications, skills and experience, particularly in the areas of oral health, community welfare, finance and business.



Dr Zoe Wainer (Chair)
BMBS, PhD, MPH, GAICD

Appointed to the Board in July 2015, reappointed in June 2018

Zoe is the Head of Public Health and Medical Director at Bupa Australia and

New Zealand and a Director on the Board of the Victorian Responsible Gambling Foundation. Her passion and expertise in public health has driven formal and informal collaborations with the ICHOM and Harvard Business School in value-based healthcare across multiple organisations. She has a continued advocacy focus on the importance of sex differences across health from basic research to health systems implications.

Zoe holds a Bachelor of Medicine, Bachelor of Surgery from Flinders University, and has a clinical background in cardiothoracic surgery and thoracic surgical oncology. She has a PhD and a Masters of Public Health from The University of Melbourne and is a graduate of the Australian Institute of Company Directors.



Ms Sue Banks
FCCA, MBA, GAICD

Appointed to the Board in July 2019

Sue has more than 15 years' board level executive and non-executive experience across a wide range of service sectors

with a more recent focus on organisations with a strong community perspective. She has worked at The Bridge Inc. since 2012 where she serves as Treasurer, Board Member and Chair – Finance Committee. She is also a Board Director for South East Melbourne Primary Health Network. Sue is a graduate of the Australian Institute of Company Directors and is also a qualified accountant and MBA consulting with commercial client-focused businesses and the not-for-profit sector.



Dr Pamela Dalglish
BDS, Cert Dental Therapy

Appointed to the Board in July 2011 until June 2020

Pamela has twenty-five years' experience in corporate governance and

an impressive oral health background. She has held leadership roles with the Health Issues Centre, Victorian Women's Dentists Association, ADAVB, Dental Practice Board of Victoria and the Registration and Notification Committee of Dental Board of Australia. Pamela has also been appointed as a Fellow of the Academy of Dentistry International and International College of Dentistry. In the past six years she has been involved in working with refugees from Africa and Burma with the Lutheran Church as its Community Development Facilitator. She is currently on the Board of Management for the Mansfield District Hospital.



Mr John Gavens
BCom (Hons), M.Acc., GAICD

Appointed to the Board in July 2019

John is a Partner in Crowe Melbourne's Audit & Assurance Division and has more than 30 years' experience in the

provision of internal and external audit, assurance, strategic, risk management, probity, compliance, fraud and governance advice. John provides strategic thinking combined with sound technical skills. John has been responsible for audits across many sectors with emphasis on public sector agencies, local government and not-for-profits. John has been an approved service provider to the Victorian Auditor General for over 20 years. He recently completed seven years as a member of the Australian Auditing and Assurance Standards Board.

John's board experience includes the water sector, coastal asset management and the disability sector. He is an independent member of several audit committees. John is a member of the Australian Institute of Company Directors, has a Bachelor of Commerce (Honours) University of Melbourne and a Master of Arts (Accounting) University of Kent at Canterbury.



Professor Jane Gunn
FAHMS, FRACGP, PhD, DRANZCOG, MBBS

Appointed to the Board in July 2019

Jane is a Professor and Foundation Chair of Primary Care Research and Deputy Dean of the Faculty of Medicine, Dentistry and Health Sciences at The University of Melbourne. She is a General Practitioner and has established a successful primary care mental health research group. In 2016 Jane was elected a Fellow of the Australian Academy of Health and Medical Sciences in recognition of her outstanding leadership in health and medical research.

Jane is a Director of the Board of the Eastern Melbourne Primary Health Network. In 2018 she chaired the NHMRC’s Mental Health Research Advisory Committee. Jane has served as a member of NHMRC’s Research Committee and as a Director of the Board of the Peter MacCallum Cancer Centre.



Ms Lucy Hunter
BA, LLB (Hons.I), Dip Ed

Appointed to the Board in August 2017 until June 2020

Lucy has expertise in law. Lucy has worked as a solicitor in private practice and is currently corporate counsel at Latrobe Regional Hospital.

Lucy has held appointments to governing bodies of various health and statutory agencies, as well as being a past member of human research and ethics committees.



Mr David Stevenson
BBus(Mgt) and GAICD

Appointed to the Board in July 2018

David has over 20 years’ experience as a CEO and Senior Executive, both in Australia and internationally. He has worked with iconic brands such as Nike, and Foot Locker in the consumer goods and retail sectors and in the sport sector, the AFL and the Western Bulldogs as CEO. He is also founder and partner of Bold Works, a company that helps businesses execute bold ideas.

David is passionate about developing people, setting a Bold vision, developing a strong strategic plan and focusing on execution to deliver results. David is a graduate of the Australian Institute of Company Directors and has a Bachelor of Business (Management) from Monash University.



Mr Andrew Saunders
BSc GradDipEd MBA MAICD

Appointed to the Board in July 2018

Andrew is an experienced transformation leader for complex business, organisation and digital change; with broad experience in Health, Insurance, Finance and Government. He is currently a Board Director for Eastern Health and Victoria Legal Aid in Melbourne, and Chair for the Health Information & Management Systems Society (HiMSS) Asia Pacific.

Previous roles have included the Health Chief Information Officer for Victoria, Chief Executive and CIO for WorkSafe, and the Transport Accident Commission’s information and technology shared solution, and Board Director of Alfred Health.



Mr Antony Tobin
MBBS, FRACP, FCICM, DTM&H, MEpi, MHM

Appointed to the Board in July 2018

Antony is the Chief Medical Officer at St Vincent’s Hospital Melbourne. He trained in respiratory and intensive care medicine and has worked as a consultant in the intensive care unit at St Vincent’s since 2003.

Antony chairs a number of quality and planning committees within the hospital and has research interests in clinical outcome analysis. He has post-graduate qualifications in epidemiology and health management.

BOARD MEETINGS

The Board requires all members to devote sufficient time to the work of the Board and to endeavour to attend meetings.

In addition to the Annual General Meeting, the Board met 12 times during 2019–20.

Attendance at Board meetings was as follows:

Member	Number of meetings eligible for	Number of meetings attended
Zoe Wainer	13	13
Pamela Dalgliesh	13	12
Lucy Hunter	13	11
David Stevenson	13	12
Andrew Saunders	13	13
Antony Tobin	13	13
Sue Banks	13	12
John Gavens	13	13
Jane Gunn	13	13

SUB-COMMITTEES

The following committees provided advice to the DHSV Board of Directors during the 2019–20 financial year.

Audit and Risk Committee

The Audit and Risk Committee assists the DHSV Board to fulfil its corporate governance and oversight responsibilities in relation to financial reporting, internal control systems, risk management systems and the internal and external audit functions.

Chair: Mr Andrew Saunders

Members: Dr Pamela Dalgliesh, Mr Kevin Quigley (independent, until November 2019), Mr David Stevenson, Mr John Gavens (from July 2019), Ms Elizabeth Davenport (independent) (from October 2019)

Community Advisory Committee

The Community Advisory Committee provides advice and leadership on strategies for effective community participation and ensures that community views are reflected in service delivery, planning and policy development.

Chair: Mr David Stevenson

Members: Prof Jane Gunn, Ms Roxanne Maule, Ms Sandra Anderson, Dr Virendra Khatana, Ms Jacqueline Gibson, Ms Andrea Cooper, Mr Billy Park, Mr Kevyn Morris, Ms Heather Smith, Ms Rana Ebrahimi, Mr Wolfie Sun

Executive Performance and Remuneration Committee

The Executive Performance and Remuneration Committee ensures the continuous and effective functioning of DHSV by monitoring the performance, remuneration and professional development of the CEO, Executive and DHSV Board of Directors.

Chair: Dr Zoe Wainer

Members: Dr Pamela Dalgliesh (until June 2020), Mr David Stevenson and Mr Andrew Saunders

Finance Committee

The Finance Committee advises the Board on matters relating to financial strategies and performance as well as capital management.

Chair: Mr David Stevenson (until July 2019), Ms Sue Banks (from July 2019)

Members: Dr Zoe Wainer, Mr John Gavens (from July 2019), Mr Andrew Saunders, Dr Deborah Cole (until December 2019), Ms Susan McKee (from January 2020)

Population Health Committee

The role of the Population Health Committee is to provide advice and recommendations to the Board on health issues affecting the population served by DHSV. It also served as the Victorian Oral Health Promotion Advisory Group, overseeing the development of the new Victorian action plan to prevent oral disease 2020–30.

Chair: Professor Jane Gunn

Members: Ms Lucy Hunter, Mr Antony Tobin, Mr Anil Raichur, Dr Matthew Hopcraft, Mr Gregory Morris, Dr Felicia Valianatos, Ms Claire Lewison, Mr Ron Knievel, Ms Stephanie Thow, Prof Julie Satur, Ms Rebekah Kaberry (until August 2019), Mr Tan Nguyen (until August 2019), Dr Sajeev Koshy (until August 2019)

Safety and Quality Committee

The Safety and Quality Committee provides advice and direction to the Board of Directors of DHSV on the continuous quality improvement of services provided and purchased by DHSV. The committee oversee the implementation and evaluation of safety, quality and clinical governance activities across these services.

Chair: Dr Pamela Dalgliesh (until December 2019), Mr Antony Tobin (January 2020)

Members: Ms Sandra Anderson, Ms Sue Banks, Mr Keegan Crow, Ms Nicolle Davies, Ms Rebekah Kaberry (until December 2019), Ms Judith Klepner, Mr Jonathon Teoh, Mr Antony Tobin, Dr Pamela Dalgleish (until June 2020)

Compensation arrangements

The Board reviews the compensation arrangements of the CEO and other senior executives via its Executive Performance and Remuneration Committee. DHSV complies with the Government Sector Executive Remuneration Panel policies. The remuneration of Board Directors is determined in accordance with government policy.

Managing risk

The Board retained the services of HLB Mann Judd in 2019–20 as internal auditors and risk consultants as part of our ongoing commitment to risk management.

EXECUTIVE

The DHSV Executive oversees all activity and ensures services provided are as efficient and effective as possible with the resources allocated to the service.



Susan McKee

Chief Executive Officer (from January 2020), Executive Director VBHC (August 2018 – January 2020)

RN, BSC (HMS), MBA, GAICD

Sue is a registered nurse with over 35 years' experience in the health sector and has worked across the healthcare sector with a range of organisations including public, not-for-profit, privately owned and the charitable sector. Her roles include both clinical and organisational leadership as a Nursing Director, Chief Operating Officer and Chief Executive. Sue has expertise as a strategic, values-driven executive with experience leading organisations through complex change and challenging external environments.



Dr Deborah Cole

Chief Executive Officer (until December 2019)

BDS, GDHA, MBA, GradCertLead and CathCulture, FAICD, FAIM, GAIST, FICD

Appointed in February 2011, Deborah has substantial experience in managing major public healthcare organisations. She has held CEO positions at Calvary Health Care and Yarra City Council as well as senior executive positions at Mercy Health and St Vincent's Health. Deborah was Director of RDHM from 1995 to 1999 and has also held senior positions at the South Australian Dental Service. Deborah ended her term as CEO in December 2019.



Mr Tim Hogan

Chief Financial Officer (from September 2019)

BBus, FCPA, FAICS, GAICD

Tim has over 25 years' experience managing corporate administration functions. As Chief Financial Officer he provides financial and corporate management leadership and is responsible for the implementation of the DHSV strategic plan, achieving Statement of Priority performance targets and annual business plan goals. He also provides leadership and operational management oversight for the operations of finance and accounting, governance and corporate services, and asset management. Tim is a Board Director and Chair of the Finance Committee at Catholic Ladies' College Ltd (CLC) in Eltham.



Mr Nuno Goncalves

Chief Information Officer

MAICD, BchA Psyc, AdvDip IT, Dip IT Serv, Dip Netwk Mgm, ITIL V3 Serv Mgmt, Cert IV Workpl Training/Assessment

Nuno has over 10 years' experience in Health Information Technology, and over 20 years of ICT experience across numerous industries. He has held the following positions – CTO at Peter Mac, CIO at the Eye and Ear Hospital and the Senior Director of ICT for HSEQ at Queensland Health.



Mr Mark Sullivan

Chief Operating Officer

MBA, GDHA, Cert Purchasing/Planning, AFACHSE

Mark has over 30 years' experience in the public health sector. He is responsible for purchasing services and administering funding for statewide public oral health services, as well as service provision through the Royal Dental Hospital of Melbourne. Mark is responsible for overseeing health promotion and service performance, service improvement and statewide safety and quality. He is also the executive lead for the Smile Squad school dental program. Mark has expertise in project management, continuous improvement and customer service and has held senior executive positions in regional and specialist hospitals.



Dr Martin Hall

Chief Oral Health Officer

BDS, MPH, AdvDipManagement, FICD

Martin has over 35 years' experience as a dentist working to improve the oral health of vulnerable communities both in Australia and overseas. He previously held positions of Senior Dentist and General Manager Clinical and Oral Health Services at North Richmond Community Health. He is also currently Adjunct Professor, Latrobe School of Rural Health, Honorary Fellow at The University of Melbourne's Faculty of Medicine, Dentistry and Health Sciences and Director of Kose Nehan – Oral Health Project in East Timor.



Ms Louise Palmer

Chief Experience Officer (until December 2019)

CertDenThrpy, AssDipArts, DipT, GCertAppSci, MEd, CertIVTAA, CertGovPrac

Louise has significant senior and executive management experience, most recently in the tertiary education sector. She has expertise in the areas of leadership and management, strategy and culture, workforce learning and development, organisational design and innovation, and Lean people systems and processes.



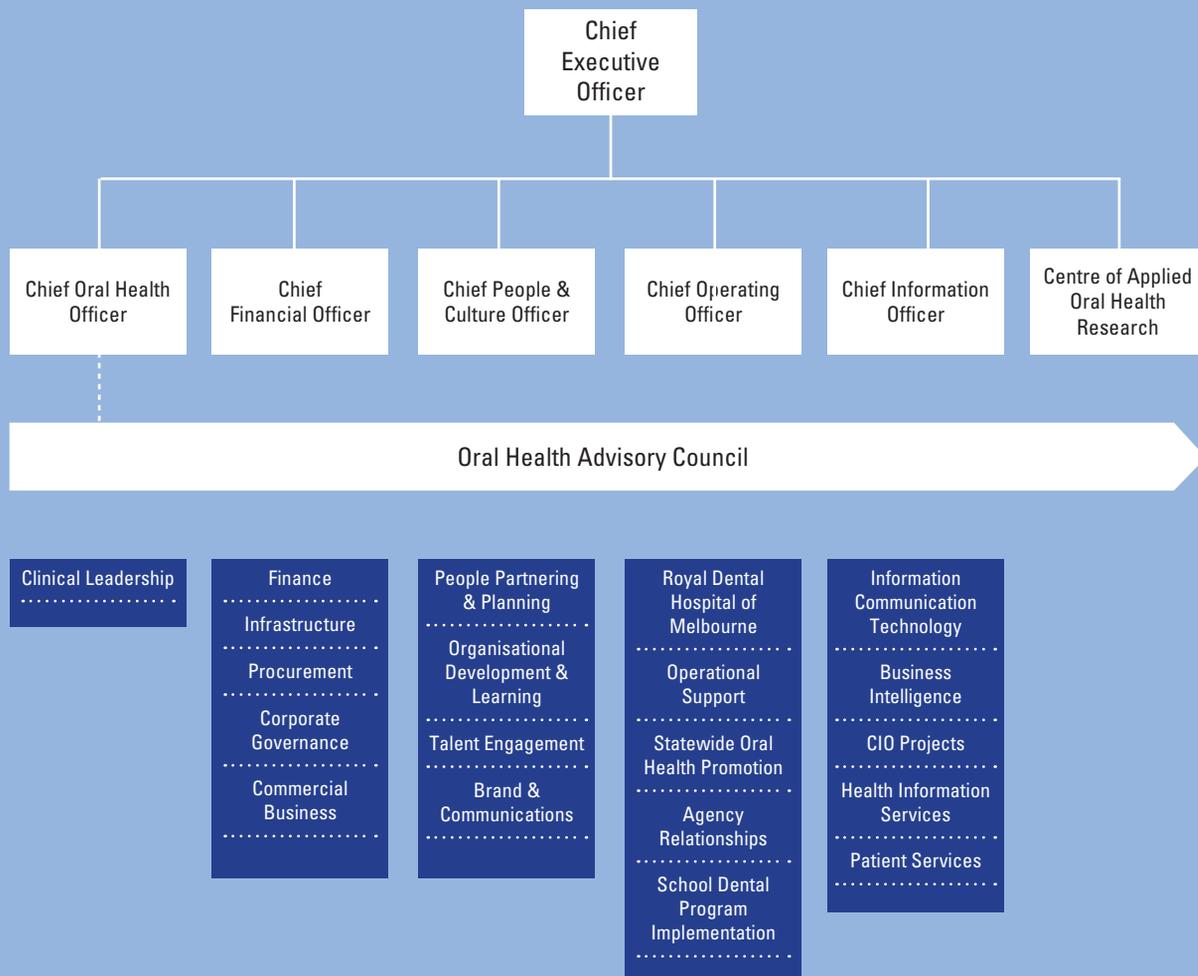
Mr Peter Branov

Chief People and Culture Officer (from October 2019)

BBus and GradDip IR/HRM

Peter has over 25 years' executive and HR leadership experience across many sectors. Peter leads the People and Culture portfolio and is committed to delivering high quality and client-centred services using innovative and creative solutions. Peter aligns his experience in strategic workforce planning, workplace relations, change management, talent engagement, health, wellbeing and diversity to his keen interest in cultural development and engagement. Peter mentors emerging HR practitioners and supports the community by volunteering his HR expertise in the not-for-profit sector and emerging start-ups.

ORGANISATIONAL CHART



Financial Management Compliance

I, Dr Zoe Wainer, on behalf of the Responsible Body, certify that Dental Health Services Victoria has complied with the applicable Standing Directions of the Minister for Finance under the *Financial Management Act 1994* and Instructions.



Dr Zoe Wainer
Chair, Board of Directors
Dental Health Services Victoria Carlton VIC

24 September 2020

Data Integrity

I, Susan McKee certify that Dental Health Services Victoria has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. Dental Health Services Victoria has critically reviewed these controls and processes during the year.



Susan McKee
Chief Executive Officer
Dental Health Services Victoria Carlton VIC

24 September 2020

Social Procurement Framework

Dental Health Services Victoria submitted our social procurement strategy to the Department of Treasury and Finance for review in 2019 and is yet to receive feedback from the Department of Treasury and Finance at the time of printing. As such, the following strategy is yet to be finalised and endorsed by Dental Health Services Victoria's Board.



Susan McKee
Chief Executive Officer
Dental Health Services Victoria Carlton VIC

24 September 2020

WORKFORCE INFORMATION

DHSV applies the classification guidelines as set down by the Victorian Public Sector Commission for all workforce data collection purposes.

Employment principles

DHSV is committed to equal opportunity (including equal employment opportunity) and inclusive, fair and reasonable processes in all human resource management procedures. DHSV applies a framework that incorporates the employment principles outlined in the *Public Administration Act 2004*.

Our recruitment and selection processes apply the principles of merit and equity, relevant award and statutory requirements and best practice public sector approaches.

The principles of natural justice and procedural fairness underpin our procedures for handling staff complaints and grievances, which seek to achieve an effective resolution of issues that contribute to positive workplace relationships.

We have in place policies and procedures addressing legislative requirements in the areas of bullying, harassment and discrimination, occupational health and safety and other areas of government policy governing employment terms and conditions.

All policies and procedures and associated documentation are readily accessible for staff via the staff portal.

Organisational values and staff code of conduct

DHSV's core values of respect, accountability, collaboration and transformation, provide both a guide for employee behaviour and a framework for fostering a respectful workplace culture that promotes employee engagement and performance. Our ethos, The DHSV Way, forms part of our Code of Conduct. It incorporates a suite of above and below the line behaviours for each of the core values. The DHSV Way (and Code) has been communicated to staff through various channels and was a focus at Respectful Workplace Learning Day and Open Forum events.

Occupational health and safety

The Workplace Health and Safety strategic direction focuses on leadership and employee engagement in Occupational Health and Safety (OHS), supported by an OHS Consultant. The OHS management system provides a framework for risk management ensuring compliance with relevant legislation and supporting continuous improvement.

Employee engagement and consultation is achieved through established Designated Work Groups, each with an elected Health and Safety Representative (HSR) who is provided with training in OHS Legislation, hazard identification and consultation. These representatives, along with management representatives, form the Workplace Health, Safety and Wellbeing Committee, who set the direction of OHS and monitoring risk management programs, including workplace inspections and musculoskeletal disorder risk management.

DHSV has established an Occupational Violence & Aggression (OVA) Committee which monitors and reports against the Board endorsed Occupational Violence Framework.

The framework outlines the DHSV risk management approach to Occupational Violence and Aggression, with a strong focus on risk control measures within DHSV. Over the past year, the OVA Committee has worked to progress the OVA action plan, including the implementation of additional Code Grey duress buttons, CCTV located at the entry and exit points throughout the Swanston and Lynch Street exits, a review of the Code Grey procedures, Security Audits, and cross referencing incident reports to ensure data is at all times accurate and compliant with the OVA Framework.

Employees receive regular feedback and updates from the Workplace Health Safety & Wellbeing Committee via the HSRs and written communication. The OHS Consultant ensures safety is paramount for all who work at and visit RDHM.

WORKFORCE BREAKDOWN

Labour category	June Current Month FTE*		June YTD FTE*	
	2019	2020	2019	2020
Nursing Registered nurses	16.46	17.81	16.63	16.02
Administration and clerical Admin, clerical, management	200.52	210.95	185.69	212.46
Medical support CSSD techs/ radiologists	22.99	22.33	24.24	23.60
Hotel and allied services Other (e.g. storepersons, maintenance technicians, orderlies)	8.63	10.47	8.58	11.17
Medical officers Anaesthetists	5.05	4.39	5.27	4.75
Ancillary staff (Allied Health) Speech therapists	0.34	0.34	0.33	0.34
Specialist dentists	17.20	17.78	16.79	17.11
Dentists	31.46	37.84	34.52	34.46
Dental therapists	7.95	7.76	8.17	7.69
Dental hygienists	0.05	0.40	0.17	0.40
Dental assistants	104.45	98.97	103.17	99.74
Dental technicians	12.05	11.00	13.94	11.13
Prosthetists	3.96	3.28	3.95	3.97
Total	433.11	443.32	421.45	442.84

* FTE: Full time equivalent

Occupational violence statistics	2019–20
WorkCover accepted claims with an occupational violence cause per 100 FTE	0
Number of accepted work cover claims with lost time injury with an OVA cause per 1,000,000 hours worked	0
Number of occupational violence incidents reported	45
Number of occupational violence incidents reported per 100 FTE	10.32
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	0
Number of reported hazards/incidents for the year per 100 full-time equivalent staff members	25
OH&S statistics	
The number 'lost time' standard claims for the year per 100 full-time equivalent staff members	.38
The average cost per claim for the year 2020 – payments to date (as at 30 June 2020)	\$49,170.99
An estimate of outstanding claim costs as advised by WorkSafe	0
A minimum of two prior years' data on these indicators and explanations for significant variations from one year to the next; and two prior years' data (actual)	TBC
• 2017–18 Average claims cost (payments made)	\$35,353.00
• 2017–19 Average claims cost (payments made)	\$49,491.00
• Premium projection based on current claims	\$697,206.42
Significant variations:	
Significant variances due to two psychological claims with both claimants remaining off work.	
In the event of a fatality, a discussion of the circumstances that led to the fatality and the preventative measures that have been taken to prevent recurrence. If the fatality is under investigation or subject to an inquiry, a statement to that effect shall be included.	N/A



FEES AND CHARGES

Eligible adults:

- a fee of \$29 per visit to a maximum of \$116 for a general course of care, which includes an examination and all general dental treatment
- a flat fee of \$29 for an emergency course of care, which includes assessment and treatment of the tooth/gums/false teeth that is causing pain
- fees for dentures are dependent on the type of dentures required – \$69.50 per denture capped at \$139 for a full upper and lower denture.

Children aged 0 to 12 years who are not healthcare or pensioner concession card holders or not dependants of concession card holders:

- free of charge for an emergency course of care
- a flat fee of \$34 per child for a general course of care, which includes an examination and all general dental treatment. Fees per family will not exceed \$136.

Fees for specialist services (RDHM only):

- depend on the treatment. It will not be more than \$350 for a course of care.

FEE EXEMPTIONS

Exemption from fees for public dental services apply to:

- Aboriginal and Torres Strait Islander peoples*
- all children and young people aged 0-17 years who hold a health care or pensioner concession card, or who are dependants of concession card holders
- people without homes and people at risk of homelessness
- refugees and people seeking asylum
- children and young people up to 18 years of age in out-of-home care provided by DHHS (including kinship and foster care)
- all youth justice clients in custodial care
- people registered with a mental health and disability services, supported by a letter of recommendation from their case manager or staff of special development schools
- those receiving care from undergraduate students
- those experiencing financial hardship.

*Fee exemption is not applicable to specialist services at RDHM for non-concession card holding Aboriginal clients over the age of 12.

MEETING ACCREDITATION

Dental Health Services Victoria is passionate about providing safe, high quality care to our clients and the community. To demonstrate our commitment to the continuous improvement of our services, ensuring they are person-centred, safe and effective, we are assessed against a range of standards including the National Safety and Quality Health Service Standards (NSQHS) for Day Procedure Centres, a set of nationally consistent standards established by the Australian Commission on Safety and Quality in Healthcare (the Commission).

In December 2017, Dental Health Services Victoria (DHSV) was assessed by the Australian Council on Healthcare Standards against nine of the ten NSQHS and awarded full accreditation for four years.

The second edition of the NSQHSS came into effect January 2019. The development of resources and information to assist with transitioning to the second edition of the NSQHS is in place and DHSV's next full assessment was due in September 2020. However, given the COVID-19 pandemic, the Commission has placed all accreditation under the National Standards (including all scheduled on-site assessments) on hold during the acute phase of the pandemic response. When Victoria enters the recovery phase, our accrediting body will re-schedule DHSV's assessment.

DHSV also has a lead role supporting all public community dental agencies to successfully maintain accreditation with six NSQHS for dental practices. Since the standards were introduced, DHSV has continued to provide updated resources, advice and ongoing support for over 50 public community dental agencies and this will continue with the second edition of the NSQHS.

The DHSV Radiology department is currently fully accredited against the Diagnostic Imaging Scheme from 2016–20 and will be assessed by Quality Innovation Performance in December 2020.

In September 2017, the Oral and Maxillofacial Surgery Department was assessed by the Royal Australasian College of Dental Surgeons against the Standards and Criteria for Oral and Maxillofacial Surgery and awarded accreditation for five years, until 2022, as an education and training facility in Oral and Maxillofacial Surgery.

QUALITY RESOURCES

DHSV develops a range of educational and informative written materials and resources for public dental patients, other health professionals and members of the public. These resources include a suite of brochures, pamphlets and flyers. All written materials can be obtained via the DHSV website or by contacting the DHSV Brand and Communications team via communications@dhsv.org.au.

STATEMENT OF AVAILABILITY OF OTHER INFORMATION

Compliant with the requirements of the Standing Directions of the Minister for Finance, details in respect of the items listed on the right have been retained by DHSV and are available to the relevant ministers, Members of Parliament and the public on request (subject to the freedom of information requirements, if applicable):

- a) a statement of pecuniary interests has been completed
- b) details of shares held by senior officers as nominee or held beneficially
- c) details of publications produced by the Department about the activities of DHSV and where they can be obtained
- d) details of changes in prices, fees, charges, rates and levies charged by DHSV
- e) details of any major external reviews carried out on DHSV
- f) details of major research and development activities undertaken by DHSV that are not otherwise covered either in the Report of Operations or in a document that contains the financial statements and Report of Operations
- g) details of overseas visits undertaken including a summary of the objectives and outcomes of each visit
- h) details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of DHSV and its services
- i) details of assessments and measures undertaken to improve the occupational health and safety of employees
- j) general statement on industrial relations within DHSV and details of time lost through industrial accidents and disputes, which is not otherwise detailed in the Report of Operations
- k) a list of major committees sponsored by DHSV, the purposes of each committee and the extent to which the purposes have been achieved
- l) details of all consultancies and contractors including consultants/contractors engaged, services provided, and expenditure committed for each engagement.

Conflict of Interest

I, Susan McKee, certify that Dental Health Services Victoria has put in place appropriate internal controls and processes to ensure that it has complied with the requirements of hospital circular 07/2017 Compliance reporting in health portfolio entities (Revised) and has implemented a 'Conflict of Interest' policy consistent with the minimum accountabilities required by the VPSC. Declaration of private interest forms have been completed by all executive staff within Dental Health Services Victoria and members of the Board, and all declared conflicts have been addressed and are being managed. Conflict of interest is a standard agenda item for declaration and documenting at each Executive Board meeting.



Susan McKee,
Chief Executive Officer
Dental Health Services Victoria Carlton VIC

24 September 2020

Health Purchasing Policies

I, Susan McKee certify that Dental Health Services Victoria has put in place appropriate internal controls and processes to ensure that it has complied with all requirements set out in the Health Purchasing Victoria Health Purchasing Policies including mandatory Health Purchasing Victoria collective agreements as required by the *Health Services Act 1988 (Vic)* and has critically reviewed these controls and processes during the year.



Susan McKee,
Chief Executive Officer
Dental Health Services Victoria Carlton VIC

24 September 2020

Integrity, fraud and corruption

I, Susan McKee, certify that Dental Health Services Victoria, has put in place appropriate internal controls and processes to ensure that integrity, fraud and corruption risks have been reviewed and addressed at Dental Health Services Victoria during the year.



Susan McKee,
Chief Executive Officer
Dental Health Services Victoria Carlton VIC

24 September 2020

Buildings management

DHSV buildings are maintained in accordance with the *Building Act 1993*, the Building Code of Australia and DHHS guidelines: Fire Safety Compliance Series 7.

Risk Management Framework and Processes

I, Susan McKee, certify that Dental Health Services Victoria has complied with Ministerial Direction 3.7.1 – Risk Management Framework and Processes. The Dental Health Services Victoria Audit and Risk Committee has verified this.



Susan McKee,
Chief Executive Officer
Dental Health Services Victoria Carlton VIC

24 September 2020

Purchasing and tendering

DHSV purchasing and tendering complies with Health Purchasing Victoria procurement policies.

Competitive neutrality

DHSV applies competitive neutral pricing principles to all of its identified business units in accordance with the requirements of the government policy statement, Competitive Neutrality Policy Victoria and subsequent reforms.

Probity

DHSV has undertaken public tenders for contracts in accordance with Victorian Government Purchasing Board policies and has a rigorous supplier evaluation and relationship management process in place. When necessary DHSV utilises the services of an independent probity advisor.

Freedom of Information

The *Victorian Freedom of Information (FOI) Act 1982* provides members of the public the right to apply for access to information held by DHSV. The majority of applications under Freedom of Information are requests by patients for access to their own personal dental records. DHSV received 196 requests during the year and all requests were granted in full.

Protected Disclosure Act 2012 (the Act)

DHSV is committed to the aims and objectives of the Act. DHSV does not tolerate improper conduct by employees, nor the taking of reprisals against people who come forward to disclose such conduct. DHSV is not a public organisation prescribed under the Act to receive a protected disclosure, therefore disclosures about DHSV, its directors and employees must be made directly to the Independent Broad-based Anti-corruption Commission (IBAC). Although DHSV is not able to receive disclosures, DHSV has a procedure in place (as required under section 58 of the Act), which sets out how DHSV will protect people against detrimental action that might be taken against them in reprisal for making a protected disclosure or cooperating in an investigation into a protected disclosure complaint.

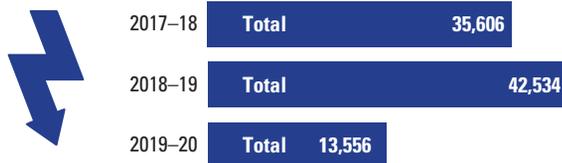
ENVIRONMENT PERFORMANCE REPORT

DHSV is committed to continuous improvement in the area of sound environmental practices. We are committed to protecting and enhancing the environment for future generations. DHSV has developed the Sustainability and Environmental Management Plan, to support delivery of the organisation's stated environmental objectives.

DHSV also continues to work with the Department of Health and Human Services to report our energy, water and waste usage on a monthly basis. The data presented in this report has been collated over three years from 2017–20 inclusive, as at 30 June.

Energy consumption

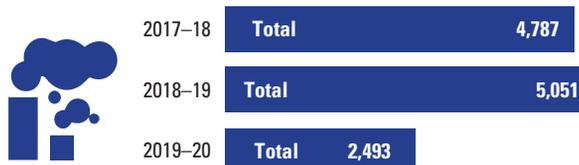
Total energy consumption by energy type (GJ)			
	2017–18	2018–19	2019–20
Electricity	11,453	11,637	7,741
Natural gas	24,153	30,897	5,815



Normalised energy consumption			
	2017–18	2018–19	2019–20
Energy per unit of floor space RDHM (GJ/m ²)	1	2	1

Greenhouse gas emissions

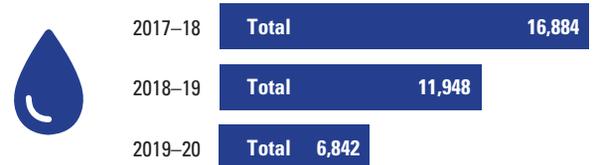
Total greenhouse gas emissions (tonnes CO ₂ e)			
	2017–18	2018–19	2019–20
Scope 1—calculated on natural gas consumption	1,351	1,592	300
Scope 2—calculated on electricity consumption	3,436	3,459	2,193



Normalised greenhouse gas emissions			
	2017–18	2018–19	2019–20
Emissions per unit of floor space RDHM (kgCO ₂ e/m ²)	262	276	136

Water consumption

Total water consumption by type (KL)			
	2016–17	2017–18	2018–19
Potable water	16,884	11,948	6,842



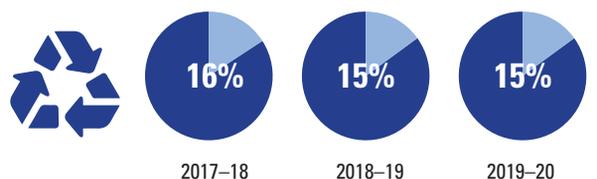
Normalised water consumption			
	2017–18	2018–19	2019–20
Water per unit of floor space RDHM (kL/m ²)	1	1	0.40

Waste generation

Total waste generation by type (tonnes)			
	2017–18	2018–19	2019–20
Clinical waste	15	18	15
General waste	257	260	254
Recycled waste	31	56	43
Total	303	334	312

Normalised waste generation			
	2017–18	2018–19	2019–20
Waste per activity (kg/activity)	39	46	43

Waste recycling			
	2017–18	2018–19	2019–20
Waste recycling rate (percentage)	16%	15%	15%



STATEMENT OF PRIORITIES

PART A: STRATEGIC PRIORITIES

In 2019–20 Dental Health Services Victoria (DHSV) will contribute to the achievement of the Government’s commitments by:

Goals	Strategies	Health Service Deliverables	Comments
Better Health	Better Health		
A system geared to prevention as much as treatment	Reduce statewide risks	Continue the implementation of the value-based healthcare framework in the Royal Dental Hospital of Melbourne (RDHM).	The principles of value-based healthcare are being embedded into business as usual as we bring services back online.
Everyone understands their own health and risks	Build healthy neighbourhoods		Work is underway in collaboration with Safer Care Victoria to identify low value care and adjust patient care pathways accordingly.
Illness is detected and managed early	Help people to stay healthy		The ICHOM data set has been published enabling DHSV to now move forward to implement these outcome measures more broadly outside RDHM.
Healthy neighbourhoods and communities encourage healthy lifestyles	Target health gaps	Partner with the Department of Health and Human Services (DHHS) to deliver the agreed response to the recommendations arising from the Victorian Auditor General’s Office review <i>Access to public dental services in Victoria</i> .	DHHS is leading the oral health promotion and oral health data, funding model, DWAU price and dental reporting. DHSV is leading VBHC models of care, wait list management practice and prioritisation, and regional public dental service collaboration models. In July and August 2019, VAGO conducted a follow-up audit. A final report was published in November 2019 detailing the outcome of VAGO assessment of action taken to address the 2016 audit: <ul style="list-style-type: none"> Oral health promotion (recommendation 5) was noted as completed. The remaining 10 were noted as in progress. The recommendations from the follow up audit of Access to public dental services in Victoria have been recorded in the DHSV action register.
		Partner with DHHS and other organisations to launch and implement the <i>Victorian Action Plan to Prevent Oral Disease 2019–23</i> .	The Victorian Action Plan to Prevent Oral Disease has been submitted to the Minister for Health and is awaiting release.

Goals	Strategies	Health Service Deliverables	Comments
Better Access	Better Access		
Care is always there when people need it	Plan and invest	Employ a range of strategies to increase the reach of public dental services to Victorian 0 to 4 year olds, including utilisation of the Child Dental Benefits Schedule, and develop a pre-school dental program that is aligned with the value-based healthcare framework.	<p>Utilising following strategies to increase our reach to 0-4 year olds:</p> <p>Smiles 4 Miles (S4M) referrals, increasing participation from 46,748 children to 52,035.</p> <p>Maternity services referrals</p> <ul style="list-style-type: none"> 63 midwives completed the Midwifery Initiated Oral Health Education (MIOH) training and another round started in March 2020 (round 12) with 23 midwives enrolled. <p>Our partnership with Zoos Victoria is extending the reach to children 0-12 years who are visiting Werribee Open Range Zoo. A total of 1,265 children have had a dental check-up at the Werribee Open Range Zoo with an additional 237 registering online for a check-up since the initiative began. That's a total of 1,502 children involved in the program since it began.</p> <ul style="list-style-type: none"> 162 check-ups were provided during the Hippo Beach parties in February. <p>Expansion of prevention initiatives for pre-schoolers through funding, Healthy Families, Health Smiles and Smiles 4 Miles, including:</p> <ul style="list-style-type: none"> Increasing the number of early childhood services (ECS) participating in Smiles 4 Miles by recruiting new services/sites to participate in the program. Additional funding to five existing Smiles 4 Miles sites resulted in 37 new early childhood services participating in 2019 An existing face to face oral health promotion training package that was developed for the supported playgroup sector has been converted to an online delivery mode and is currently being tested by a select group of services. Connect Health joined S4M program to support delivery of Community Support Fund Project (commencing 2020) Extending the Brush, Book, Bed initiative (funded by DHHS), building capacity of supported playgroup facilitators to deliver toothbrushing instruction demonstration and dental health information, through professional development session and a toothbrushing puppet, in order to support families with toothbrushing. Families are supported with resources including oral hygiene packs. <ul style="list-style-type: none"> 19 Brush Book Bed workshops delivered, reaching 62 professionals 50 Supported Playgroup facilitators have been recruited to implement the initiative. Online version of training developed and tested. Online training access provided to 10 professionals, two have completed the training to date. <p>The participating Supported Playgroup facilitators will potentially reach approximately 810 families (32.4% of the target). Major disruptions to the sector due to COVID-19 have impacted delivery of the program.</p>
More access to care in the home and community	Unlock innovation		
People are connected to the full range of care and support they need	Provide easier access		
Equal access to care	Ensure fair access		

Goals	Strategies	Health Service Deliverables	Comments
		<p>Implement the school dental program, <i>Smile Squad</i>, in accordance with the deliverables identified in the agreed project plan, using the value-based healthcare framework.</p>	<p>DHSV, DHHS, and the Department of Education and Training (DET)) are overseeing implementation.</p> <p>Governance structure has been reviewed and amended by DHHS to provide stronger oversight of the program brief, key deliverables and milestones to deliver the school dental program.</p> <p>Plan for statewide roll out in 2020 was developed and implemented but service provision in schools was put on hold late March due to COVID-19. 185 schools invited by Minister for Health and Minister for Education for phase 1 rollout in 2020 and a further 120 invited for phase 2 of the rollout.</p> <p>Five streams are being coordinated to facilitate implementation of the program. A Proof of Concept (PoC) ran from August to December 2019 with four community dental agencies. The PoC evaluation has been completed and is being utilised to assist with program enhancements.</p> <p>Model of care</p> <ul style="list-style-type: none"> • Care pathways and service delivery model developed and trialled during PoC • Further enhancements of these care pathways were undertaken to finalise the documents for Phase 1 rollout. • A Clinical Manual developed for PoC and updated based on feedback for Phase 1 rollout <p>Workforce</p> <ul style="list-style-type: none"> • Confirmed workforce availability and capacity • Workforce strategy developed and Workforce Working Group established • Eight agencies have been onboarded and were providing Smile Squad services. Onboarding for remaining Phase 1 and Phase 2 agencies was put on hold due to COVID-19. A plan is being developed for onboarding Q1 2020–21. • Engaged with universities and graduating Bachelor of Oral Health (BOH) students <p>Fleet and infrastructure</p> <ul style="list-style-type: none"> • Current fleet consists of 10 examination vans and 10 treatment vans • An additional 30 exam vans have been ordered for 2020 delivery. Five treatment vans to be delivered by current supplier by end July 2020 • The tender for an additional 25 single chair treatment vans completed with recommendation pending <p>ICT platforms</p> <ul style="list-style-type: none"> • Implemented an interim single database for the Smile Squad school dental program • Projects underway for network architecture for full program rollout and mobile diagnostic imaging • Integration • Funding model options developed • Identified strategies to increase CDBS utilisation <p>Comprehensive Program Manual developed to support agency staff in provision of Smile Squad services.</p>

Goals	Strategies	Health Service Deliverables	Comments
		Continue to work with the department to deliver the requirements of the <i>National Partnership Agreement on Public Dental Services</i> for adults to improve the access of eligible Victorians to oral health care.	<p>NPA funding was allocated to agencies following an Expressions of Interest process.</p> <p>Agencies were advised of their NPA allocation as part of the Purchasing Agreement process.</p> <p>DHSV continues to manage compliance with targets and supports agency to achieve funding allocation.</p>
Better Care	Better Care		
Targeting zero avoidable harm	Put quality first	Develop action plans to eliminate sentinel 'never events' at RDHM as part of a clinical culture that is aligned with improving oral health outcomes.	Action plan has been developed that relates to specific priority areas identified by the DHSV Board for monitoring and reporting as well as other Never Events in dentistry.
Healthcare that focuses on outcomes	Join up care		
Consumers and carers are active partners in care	Partner with patients	Establish a program, through partnership with clients and staff, that supports the development of individual co-designed care plans for clients at RDHM.	The implementation of the oral health questionnaire across Emergency and General care is underway. The oral health questionnaire requires clinicians to capture client's oral health goals and include this information during the development of client's individual co-designed care plans.
Care fits together around people's needs	Strengthen the workforce	Establish and implement a professional development program for staff to enhance their skills in the context of delivering a value based health care experience for clients.	In line with the release of the ICHOM oral health data set a new program to support staff to understand the importance and use of outcome measures is under development.
	Embed evidence		
	Ensure equal care		

Goals	Strategies	Health Service Deliverables	Comments
Specific 2019–20 priorities (mandatory)			
	<p>Supporting the Mental Health System</p> <p>Improve service access to mental health treatment to address the physical and mental health needs of patients.</p>	<p>Continue to roll out mental health first aid training to front line clinicians to help ensure clients with mental health needs are identified.</p>	<p>A suitable clinician has been identified to deliver first aid training to front line clinicians. Training schedule is currently under development.</p>
	<p>Addressing Occupational Violence</p> <p>Foster an organisational-wide occupational health and safety risk management approach, including identifying security risks and implementing controls, with a focus on prevention and improved reporting and consultation.</p> <p>Implement the DHHS security training principles to address identified security risks.</p>	<p>Continue the rollout of the DHSV occupational violence training program for all frontline staff.</p>	<p>The October 2019 pilot of the occupational violence training program for front line staff was held with Patient Services Officers (PSO) and Patient Liaison Officers (PLO).</p> <p>Participant feedback and three-month check-in with the PLO and PSO managers have been resoundingly positive, with the managers reporting a decline in patient complaints against these staff and raised morale amongst those who attended the training.</p>
	<p>Addressing Bullying and Harassment</p> <p>Actively promote positive workplace behaviours, encourage reporting and action on all reports.</p> <p>Implement the DHHS <i>Framework for promoting a positive workplace culture: preventing bullying, harassment and discrimination; and Workplace culture and bullying, harassment and discrimination training: guiding principles for Victorian health services.</i></p>	<p>Continue to roll out DHSV's Respectful Workplace Framework, including providing our annual mandatory respectful workplace learning day.</p>	<p>Annual Learning Day has been delivered, held on 6 December 2019. Feedback from attendees was received and summarised.</p> <p>The Introduction to The DHSV Way/Respectful Workplace orientation sessions have been booked for 2020.</p> <p>The Steople report was delivered in November 2019 and a Culture and Engagement Action Plan accepted. The implementation of the plan has commenced.</p>

Goals	Strategies	Health Service Deliverables	Comments
	<p>Supporting Vulnerable Patients</p> <p>Partner with patients to develop strategies that build capability within the organisation to address the health needs of communities and consumers at risk of poor access to health care.</p>	<p>Work with the Diverse Ability Advisory Group within DHSV's Consumer Advisory Network to provide advice on improving access to oral health services and programs for clients that are at most risk of poor oral health outcomes.</p>	<p>Expressions of interest sent to consumers and employees to join the Disability Advisory Group. Diversity and inclusion will form part of the Director, Organisational Development and Learning role. Recruitment for that role will be finalised in July 2020.</p>
	<p>Supporting Aboriginal Cultural Safety</p> <p>Improve the health outcomes of Aboriginal and Torres Strait Islander people by establishing culturally safe practices across all parts of the organisation to recognise and respect Aboriginal culture and deliver services that meet the needs, expectations and rights of Aboriginal patients, their families, and Aboriginal staff.</p>	<p>Commence the implementation of the DHSV Reconciliation Action Plan (RAP) for 2019–2023 that enables DHSV to determine its vision for reconciliation and provide strategies to assist with Closing the Gap.</p>	<p>The Reconciliation Action Plan was launched at the DHSV AGM in November 2019.</p> <p>RAP implementations began in November/December 2019 with current targets being met.</p> <p>A monitoring system has been established to track and measure RAP commitments.</p> <p>The RAP Working Group (RAPWG) will continue to oversee RAP implementation progress.</p> <p>Progress to date has seen almost 50% of the actions being completed.</p>
	<p>Addressing Family Violence</p> <p>Strengthen responses to family violence in line with the Multiagency Risk Assessment and Risk Management Framework (MARAM) and assist the government in understanding workforce capabilities by championing participation in the census of workforces that intersect with family violence.</p>	<p>Continue implementation of the Strengthening Hospital Responses to Family Violence (SHRFV) initiative by training staff to ensure they identify and respond sensitively and appropriately to family violence disclosures.</p>	<p>129 staff have received family violence training between Sept – Dec. By end of 2019, a total of 288 staff received family violence training, as appropriate to their role.</p> <p>In addition to RDHM staff, SHRFV training was also delivered to Melbourne University's:</p> <ul style="list-style-type: none"> • Bachelor of Oral Health students • 3rd year Dentistry students • Bachelor of Oral Health Clinical Demonstrators, and • RMIT social work students. <p>25 referrals were received to the social work clinical service, three of which required community follow-up.</p> <p>The project lead co-facilitated Grand Round 'Working with Vulnerable Children at RDHM: Understanding our responsibilities and de-mystifying the role of Child Protection'.</p> <p>Review of the 'Reporting Suspected Child Abuse Procedure' has been completed and awaiting review and approval by the Oral Health Clinical Council.</p>

Goals	Strategies	Health Service Deliverables	Comments
	<p>Implementing Disability Action Plans</p> <p>Continue to build upon last year's action by ensuring implementation and embedding of a disability action plan which seeks to reduce barriers, promote inclusion and change attitudes and practices to improve the quality of care and employment opportunities for people with disability.</p>	<p>Finalise the DHSV Disability Action Plan by 31 December 2019.</p>	<p>Patients and employees have been consulted and requested to provide feedback on the draft disability plan. Feedback has been collated and the plan will be amended where required.</p>
	<p>Supporting Environmental Sustainability</p> <p>Contribute to improving the environmental sustainability of the health system by identifying and implementing projects and/or processes to reduce carbon emissions.</p>	<p>Continue to implement the Global Green and Healthy Hospitals Framework within DHSV in accordance with the Global Green and Healthy Hospitals goals to promote greater sustainability and environmental health.</p>	<p>The Sustainability Leadership Committee has been established and is meeting regularly.</p> <p>Environmental Action Plan under development.</p> <p>Installation of the of BMCS (Building Management Control System) which will assist our direct control of energy consumption, has been completed.</p>

PART B: PERFORMANCE PRIORITIES

High quality and safe care

Key Performance Measure	Target	Actual
Accreditation		
Patient satisfaction at the Royal Dental Hospital of Melbourne, as measured by the Patient Experience Trackers.	85%	93%

Strong governance, leadership and culture

Key Performance Measure	2019–20 Target	2019–20 Actual
Organisational Culture		
People matter survey - percentage of staff with an overall positive response to safety and culture questions	80%	N/A*
People matter survey – percentage of staff with a positive response to the question, “I am encouraged by my colleagues to report any patient safety concerns I may have”	80%	N/A
People matter survey – percentage of staff with a positive response to the question, “Patient care errors are handled appropriately in my work area”	80%	N/A
People matter survey – percentage of staff with a positive response to the question, “My suggestions about patient safety would be acted upon if I expressed them to my manager”	80%	N/A
People matter survey – percentage of staff with a positive response to the question, “The culture in my work area makes it easy to learn from the errors of others”	80%	N/A
People matter survey – percentage of staff with a positive response to the question, “Management is driving us to be a safety-centred organisation”	80%	N/A
People matter survey – percentage of staff with a positive response to the question, “This health service does a good job of training new and existing staff”	80%	N/A
People matter survey – percentage of staff with a positive response to the question, “Trainees in my discipline are adequately supervised”	80%	N/A
People matter survey – percentage of staff with a positive response to the question, “I would recommend a friend or relative to be treated as a patient here”	80%	N/A

*The annual People matter survey was not conducted in the 2019–20 period

Timely access to care

Key Performance Measure	2019–20 Agencies Target	2019–20 Actual	2019–20 RDHM Target	YTD Q4 RDHM Actual	2019–20 Statewide Target	YTD Q4 Statewide Actual
Emergency Care						
Category 1 clients treated within 24 hours	85%	93%	85%	97%	85%	94%
Percentage of Dental Emergency Triage Category 2 clients treated within 7 days	80%	94%	80%	95%	80%	94%
Percentage of Dental Emergency Triage Category 3 treated within 14 days	75%	93%	75%	93%	75%	93%

Key Performance Measure	2019–20 Agencies Target	2019–20 Actual	2019–20 RDHM Target	YTD Q4 RDHM Actual	2019–20 Statewide Target	YTD Q4 Statewide Actual
General and Denture Care						
Number of hospital initiated postponements per 100 scheduled appointments.	-	-	3	9.7	-	-
Average recall interval for high caries risk eligible clients aged 0 – 17 years (months)	12	10	12	6	12	8
Average recall interval for low caries risk eligible clients aged 0 – 17 years (months)	24	12	24	11	24	12
Waiting time for prosthodontics, endodontic, and orthodontics specialist services patients (months)	-	-	15	12	-	-
Waiting time for other dental specialist services patients (months)	-	-	9	8	-	-
Waiting time for general care (months)	-	-	-	-	23	19
Waiting time for denture care (months)	-	-	-	-	22	18
Waiting time for priority denture care (months)	-	-	-	-	3	3
Activity						
Total number of individuals treated (full year target – 365,000) ^{1&2}	-	-	-	-	365,000	323,637
Priority and emergency clients treated (full year target – 273,800) ²	-	-	-	-	273,800	291,679
Dental Weighted Activity Units (DWAUs – full year target – 351,488) ^{1&2}	-	-	-	-	351,488	293,472

Effective financial management

Key Performance Indicator	2019–20 Target Q4	2019–20 Actual YTD Q4	2019–20 Variance YTD Q4
Operating result (\$m)	\$0.00m	\$0.14m	\$0.14m
Average number of days to pay trade creditors	60	34	26
Average number of days to receive patient fee debtors	60	42	18
Actual number of days available cash each month.	14	41	27

¹ Targets reflect additional activity to be delivered under the one-year extension to the National Partnership Agreement on Public Dental Services for Adults until 30 June 2020.

² Targets exclude services provided via the Child Dental Benefits Schedule.

FINANCIAL OVERVIEW

The DHSV operating result for the financial year was a surplus of \$140,215. The net entity result was a deficit of \$3.4 million, due to depreciation expenses of \$6.7 million, capital purpose expenses of \$2.5 million, and other economic flows of \$1.5 million; offset by an increase in capital grants (\$7.2 million) flowing from the school dental program.

Total revenue increased by \$7.4 million (3.6% increase on previous year) due to CPI increases and additional funding for the school dental program. Total expenditure increased by \$6.8 million – 3.2% on the previous year. The increase was attributable to additional operations for the school dental program and EBA increments.

The net effect of COVID-19 on DHSV was minimal as DHHS provided funding to compensate for the lost

revenue that resulted from limited activity. Additional expenditure that occurred due to COVID-19 was offset by savings in other activity driven areas. As responses by government continue to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on DHSV, its operations, its future results and financial position.

The total equity decreased by \$3.4 million, the entity deficit for the year ended 30 June 2020.

The key operational and financial objectives at DHSV are documented in the Statement of Priorities 2019–20.

Detailed financial statements are available in the back cover of this report.

Summary of financial results					
	2020	2019	2018	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000
Total revenue	214,583	207,196	197,524	186,849	195,851
Total expenses	(216,513)	(209,740)	(200,065)	(191,659)	(192,920)
Other operating flows included in the net result	(1,487)	(561)	(86)	104	(1)
Net result for the year	(3,417)	(3,105)	(2,627)	(4,706)	2,930
Operating result	140	(31)	(91)	(53)	1,637
Total assets	162,460	160,735	162,192	140,449	132,883
Total liabilities	40,756	35,614	41,723	30,946	21,443
Net assets	121,704	125,121	120,469	109,503	111,440
Total equity	121,704	125,121	120,469	109,503	111,440

*The operating result is the result which DHSV is monitored against its Statement of Priorities.

Details of Information and Communication Technology (ICT) expenditure

The total ICT expenditure incurred during 2019–20 is \$5.150 million (excluding GST) with the details shown below.

Business As Usual (BAU) ICT expenditure
Total (excluding GST)
\$3,885
Non-Business As Usual (non-BAU) ICT expenditure
(Total=Operational expenditure and capital expenditure) (excluding GST)
\$1,265
Operational expenditure (excluding GST)
\$747
Capital expenditure (excluding GST)
\$518

Consultancies

Details of consultancies (under \$10,000)

In 2019–20, there were 31 consultancies where the total fees payable to the consultants were less than \$10,000.

The total expenditure incurred during 2019–20 in relation to these consultancies was \$138,806 (excl. GST).

Details of consultancies (valued at \$10,000 or greater)

In 2019–20, there were 22 consultancies where the total fees payable to the consultants were \$10,000 or greater.

The total expenditure incurred during 2019–20 in relation to these consultancies was \$1,201,046 (excl. GST).

Details of individual consultancies can be viewed at www.dhsv.org.au/consultancies

DISCLOSURE INDEX

The annual report of DHSV is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the Department's compliance with statutory disclosure requirements.

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FRD 22H	Manner of establishment and the relevant Minister	3
FRD 22H	Purpose, functions, powers and duties	19
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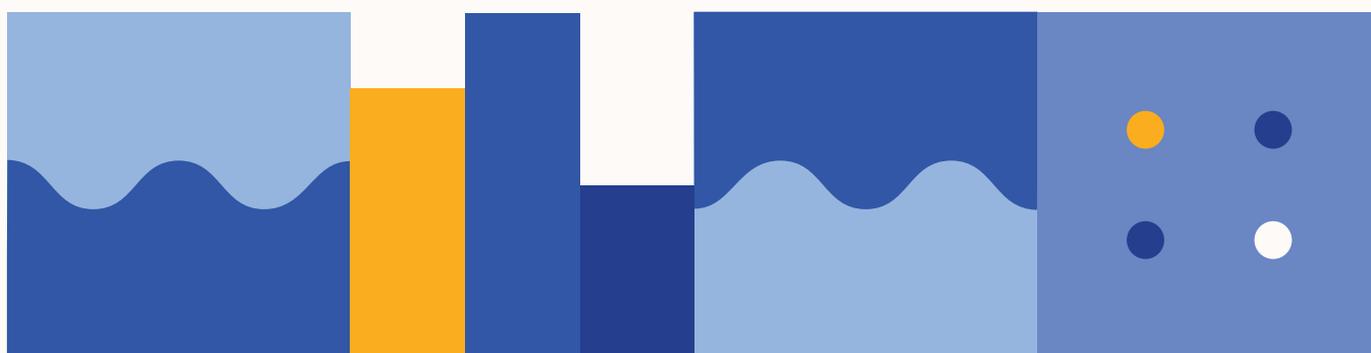
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Reporting of obligations under the <i>Safe Patient Care Act 2015</i>	Nil return
Reporting of compliance regarding Car Parking Fees	NA

GLOSSARY

ADAVB	Australian Dental Association Victorian Branch Inc
ACDO	Aboriginal Community Development Officer
ALO	Aboriginal Liaison Officer
ASSCID	Australian Society of Special Care in Dentistry
CAC	Consumer Advisory Committee
CDBS	Child Dental Benefits Schedule
CLiP	Clinical Leadership in Practice Committee
CLiPOHP	Clinical Leadership in Public Oral Health Practice
CLG	Clinical Leadership Group
COHO	Office of the Chief Oral Health Officer
The Commission	Australian Commission on Safety and Quality in Healthcare
CVBOHC	Centre for Value Based Oral Health Care
DHHS	Department of Health and Human Services
DHSV	Dental Health Services Victoria
DWAU	Dental Weighted Activity Unit
FOI	Freedom of Information
FTE	Full time equivalent
GST	Goods and services tax
HFHS	Healthy Families, Healthy Smiles
ICHOM	International Consortium for Health Outcomes Measurement
KPI	Key performance indicator
LGA	Local government area
LGBTIQ	Lesbian, gay, bisexual, transgender, intersex and queer
MCHN	Maternal and child health nurse
MIOH	Midwifery Initiated Oral Health education program
MOU	Memorandum of Understanding
NPA	National Partnership Agreement
NSQHS	National Safety and Quality Health Service Standards
OHS	Occupational health and safety
PET	Patient Experience Tracker
POC	Proof of Concept
RACGP	Royal Australasian College of General Practitioners
RAP	Reconciliation Action Plan
RAPWG	Reconciliation Action Plan Working Group
RDHM	The Royal Dental Hospital of Melbourne
RFDS	Royal Flying Doctor Service
SDP	School dental program
SHRFV	Strengthening Hospital Responses to Family Violence
UOM	University of Melbourne
VACCHO	Victorian Aboriginal Community Controlled Health Organisation
VAGO	Victorian Auditor General's Office
VBHC	Value-based healthcare

**DENTAL HEALTH
SERVICES VICTORIA**
ABN: 55 264 981 997

FINANCIAL STATEMENTS



**FOR THE YEAR ENDED
30 JUNE 2020**

DENTAL HEALTH SERVICES VICTORIA

Dental Health Services Victoria has presented its audited general purpose financial statements for the financial year ended 30 June 2020 in the following structure to provide users with the information about DHSVs stewardship of the resources entrusted to it.

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Dental Health Services Victoria

Board Member's, Accountable Officer's and Chief Financial & Accounting Officer's declaration

The attached financial statements for Dental Health Services Victoria have been prepared in accordance with the Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, present fairly the financial transactions during the year ended 30 June 2020 and the financial position of Dental Health Services Victoria at 30 June 2020.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 24 September 2020.

Zoe Wainer
Board Chair

Carlton
24 September 2020

Susan McKee
Chief Executive Officer

Carlton
24 September 2020

Tim Hogan
Chief Financial Officer

Carlton
24 September 2020



dental health
services victoria
oral health for better health

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Independent Auditor's Report

To the Board of Dental Health Services Victoria

Opinion I have audited the financial report of Dental Health Services Victoria (the health service) which comprises the:

- balance sheet as at 30 June 2020
- comprehensive operating statement for the year then ended
- statement of changes in equity for the year then ended
- cash flow statement for the year then ended
- notes to the financial statements, including significant accounting policies
- board member's, accountable officer's and chief financial & accounting officer's declaration.

In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2020 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.

Basis for Opinion I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Board's responsibilities for the financial report The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the health service'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 it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report

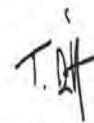
As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and 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 the 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 the 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 health service's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board'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 health service'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 my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the health service 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.

I communicate with the Board regarding, 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 my audit.

MELBOURNE
30 September 2020



Travis Derricott
as delegate for the Auditor-General of Victoria

DENTAL HEALTH SERVICES VICTORIA
Financial Statements for the year ended 30 June 2020

DENTAL HEALTH SERVICES VICTORIA
Comprehensive Operating Statement
For the financial year ended 30 June 2020

	Note	Total 2020 \$'000	Total 2019 \$'000
Income from transactions			
Operating activities	2.1	214,258	204,655
Non-operating activities	2.1	325	730
Specific income	2.2	-	1,811
Total income from transactions		214,583	207,196
Expenses from transactions			
Employee expenses	3.1	(51,368)	(45,856)
Supplies and consumables	3.1	(3,915)	(4,335)
Grants to other health services and community agencies	3.1	(137,553)	(138,623)
Depreciation and amortisation	4.4	(6,697)	(5,761)
Other operating expenses	3.1	(15,218)	(14,277)
Specific expenses	3.2	(1,762)	(888)
Total expenses from transactions		(216,513)	(209,740)
Net result from transactions - net operating balance		(1,930)	(2,544)
Other economic flows included in net result			
Net loss on sale of non-financial assets	3.3	(245)	(9)
Net loss on financial instruments at fair value	3.3	(251)	(86)
Other loss from other economic flows	3.3	(991)	(466)
Total other economic flows included in net result		(1,487)	(561)
Net result for the year		(3,417)	(3,105)
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment revaluation surplus	4.1(f)	-	7,795
Total other comprehensive income		-	7,795
Comprehensive result for the year		(3,417)	4,690

This Statement should be read in conjunction with the accompanying notes.

DENTAL HEALTH SERVICES VICTORIA

Balance Sheet

As at 30 June 2020

	Note	Total 2020 \$'000	Total 2019 \$'000
Current assets			
Cash and cash equivalents	6.2	26,304	21,225
Receivables	5.1(a)	1,798	5,763
Inventories	4.4	747	1,115
Prepayments		831	1,005
Total current assets		29,680	29,108
Non-current assets			
Receivables	5.1(a)	1,441	1,395
Property, plant and equipment	4.1(a)	129,799	128,807
Intangible assets	4.2	1,540	1,425
Total non-current assets		132,780	131,627
Total assets		162,460	160,735
Current liabilities			
Payables	5.2	26,280	24,523
Borrowings	6.1	99	-
Provisions	3.5	11,311	9,480
Total current liabilities		37,690	34,003
Non-current liabilities			
Borrowings	6.1	581	-
Provisions	3.5	2,485	1,611
Total non-current liabilities		3,066	1,611
Total liabilities		40,756	35,614
Net assets		121,704	125,121
Equity			
Property, plant and equipment revaluation surplus	4.1(f)	109,189	109,189
General purpose surplus		512	512
Contributed capital		52,612	52,612
Accumulated surpluses/(deficits)		(40,609)	(37,192)
Total equity		121,704	125,121
Commitments for expenditure	6.3		
Contingent assets and contingent liabilities	7.2		

This Statement should be read in conjunction with the accompanying notes.

DENTAL HEALTH SERVICES VICTORIA
Statement of Changes in Equity
For the financial year ended 30 June 2020

Total	Property, plant & equipment revaluation surplus	General purpose surplus	Contributed capital	Accumulated surpluses / (deficits)	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2018	101,394	512	52,612	(34,049)	120,469
Opening balance adjustment on adoption of AASB 9	-	-	-	(38)	(38)
Net result for the year	-	-	-	(3,105)	(3,105)
Other comprehensive income for the year	4.1(f)	-	-	-	7,795
Balance at 30 June 2019	109,189	512	52,612	(37,192)	125,121
Net result for the year	-	-	-	(3,417)	(3,417)
Other comprehensive income for the year	4.1(f)	-	-	-	-
Balance at 30 June 2020	109,189	512	52,612	(40,609)	121,704

This Statement should be read in conjunction with the accompanying notes.

DENTAL HEALTH SERVICES VICTORIA

Cash Flow Statement

For the financial year ended 30 June 2020

	Note	Total 2020 \$'000	Total 2019 \$'000
Cash flows from operating activities			
Operating grants from government		198,281	184,109
Capital grants from government		13,377	1,129
Patient fees received		1,923	2,553
Donations and bequests received		25	22
GST received from ATO		10,394	9,823
Interest and Investment Income received		327	757
Other receipts		8,515	8,152
Total receipts		232,842	206,545
Employee expenses paid		(49,336)	(45,187)
Payments for supplies and consumables		(4,000)	(4,335)
GST paid to ATO		(592)	(716)
Grant payments to other Health Services and Community Agencies		(138,431)	(138,380)
Purchase of inventories for resale		(3,018)	(4,011)
Other payments		(25,017)	(21,935)
Total payments		(220,394)	(214,564)
Net cash flow from / (used in) operating activities	8.1	12,448	(8,019)
Cash flows from investing activities			
Purchase of non-financial assets		(6,544)	(3,899)
Purchase of intangible assets		(789)	(854)
Proceeds from disposal of non-financial assets		30	49
Proceeds from disposal of investments		-	2,000
Net cash flow from / (used in) investing activities		(7,303)	(2,704)
Cash flows from financing activities			
Repayment of borrowings		(66)	-
Net cash outflow from financing activities		(66)	-
Net increase/(decrease) in cash and cash equivalents held		5,079	(10,723)
Cash and cash equivalents at beginning of financial year		21,225	31,948
Cash and cash equivalents at end of financial year	6.2	26,304	21,225

This Statement should be read in conjunction with the accompanying notes.

DENTAL HEALTH SERVICES VICTORIA
Notes to the Financial Statements for the year ended 30 June 2020

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 1: Summary of significant accounting policies

These annual financial statements represent the audited general purpose financial statements for Dental Health Services Victoria (DHSV) for the year ended 30 June 2020. The report provides users with information about DHSVs stewardship of resources entrusted to it.

Basis of preparation

These financial statements are presented in Australian dollars (the functional and presentation currency of DHSV) and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

All amounts shown in the financial statements have been rounded to the nearest thousand dollars, unless otherwise stated. Minor discrepancies in tables between totals and sum of components are due to rounding.

Except for cash flow information, the accrual basis of accounting has been applied in preparing these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

(a) Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Financial Management Act 1994 and applicable AASBs, which include interpretations issued by the Australian Accounting Standards Board (AASB). They are presented in a manner consistent with the requirements of AASB 101 *Presentation of Financial Statements*.

The financial statements also comply with relevant Financial Reporting Directions (FRDs) issued by the Department of Treasury and Finance, and relevant Standing Directions (SDs) authorised by the Assistant Treasurer.

DHSV is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to "not-for-profit" Health Service under the AASBs.

(b) Reporting entity

The financial statements include all the controlled activities of DHSV.

Its principal address is:
The Royal Dental Hospital of Melbourne
720 Swanston Street
CARLTON Victoria 3053

A description of the nature of DHSVs operations and its principal activities are included in the report of operations, which does not form part of these financial statements.

(c) Basis of accounting preparation and measurement

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies have been applied in preparing the financial statements for the year ended 30 June 2020 and the comparative information presented in these financial statements for the year ended 30 June 2019.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 1 (c): Basis of accounting preparation and measurement (continued)

The financial statements are prepared on a going concern basis (refer to Note 8.8 Economic Dependency).

DHSV operates on a fund accounting basis and maintains three funds: Operating, Specific Purpose and Capital Funds.

Judgments, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. The estimates and associated assumptions are based on professional judgments derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgments and assumptions made by management in the application of AABSs that have significant effects on the financial statements and estimates relate to:

- The fair value of land, buildings and plant and equipment (refer to Note 4.1 Property, Plant and Equipment); and
- Employee benefit provisions are based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3.5 Employee Benefits in the Balance Sheet).

On 16 March 2020, a state of emergency was declared in Victoria due to the global pandemic COVID-19 virus, known as coronavirus. A state of disaster was subsequently declared on 2 August 2020.

To contain the spread of the virus and to prioritise the health and safety of our communities, various restrictions have been announced and implemented by the state government, which in turn has impacted the manner in which businesses operate, including DHSV.

DHSV, in response, placed restrictions on non-essential dental services, deferred elective surgery and reduced activity, performed COVID-19 testing and implemented work from home arrangements. For further details refer to Note 2.1 Income from transactions and Note 4.1 Property, plant and equipment.

Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case the GST payable is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Balance Sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented as operating cash flow.

Commitments are presented on a gross basis.

(d) Equity

Contributed Capital

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of DHSV.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

Other transfers that are in the nature of contributions or distributions or that have been designated as contributed capital are also treated as contributed capital.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 2: Funding delivery of our services

DHSVs overall objective is to deliver programs and services that support and enhance the wellbeing of all Victorians.

DHSV is predominantly funded by accrual based grant funding for the provision of outputs. DHSV also receives income from the supply of goods and services.

Structure

2.1 Income from transactions

2.2 Specific income

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 2.1(a): Income from transactions

	Total 2020 \$'000	Total 2019 \$'000
Government grants (State) - Operating ⁽ⁱ⁾	197,960	191,185
Government grants (State) - Capital	7,173	2,739
Patient fees	1,963	2,571
Commercial activities ⁽ⁱⁱ⁾	4,366	5,490
Assets received free of charge	370	349
Other revenue from operating activities	2,426	2,321
Total income from operating activities	214,258	204,655
Interest income	325	730
Total income from non-operating activities	325	730
Specific income (refer note 2.2)	-	1,811
Total other income	-	1,811
Total income from transactions⁽ⁱⁱⁱ⁾	214,583	207,196

⁽ⁱ⁾ Government Grant (State) – Operating includes repurposed funding of \$31.57m to cover operational costs due to impacts of COVID-19.

⁽ⁱⁱ⁾ Commercial activities represent business activities which DHSV enter into to support its operations.

⁽ⁱⁱⁱ⁾ Total income from transactions includes \$150m of revenue from contracts with customers (AASB 15) and \$64m is recognised as income for not-for-profit entities (AASB 1058). There was no material financial impact as a result of these new accounting standards.

Impact of COVID-19 on Revenue and Income

As indicated at Note 1, DHSVs response to the pandemic included the deferral of non-urgent dental services and reduced activity. This resulted in DHSV incurring lost revenue as well as direct and indirect COVID-19 costs. The Department of Health and Human Services provided funding which was spent due to COVID-19 impacts on DHSV. DHSV also received essential personal protective equipment free of charge under the state supply arrangement.

Government Grants

Income from grants to procure dental vans and associated equipment to provide dental care to children under the School Dental Project is recognised progressively as the asset is assembled. As per AASB 1058, the progressive costs incurred are used to recognise income because this most closely reflects the progress to completion, as costs are incurred as the works are done (see Note 5.2 (a)).

Income from grants that are enforceable and with sufficiently specific performance obligations are accounted for under AASB 15 as revenue from contracts with customers, with revenue recognised as these performance obligations are met.

DENTAL HEALTH SERVICES VICTORIA
Notes to the Financial Statements for the year ended 30 June 2020

Note 2.1(a): Income from transactions (continued)

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when DHSV has an unconditional right to receive the cash which usually coincides with receipt of cash. On initial recognition of the asset, DHSV recognises any related contributions by owners, increases in liabilities, decreases in assets, and revenue ('related amounts') in accordance with other Australian Accounting Standards. Related amounts may take the form of:

- a) contributions by owners, in accordance with AASB 1004;
- b) revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15;
- c) a lease liability in accordance with AASB 16;
- d) a financial instrument, in accordance with AASB 9; or
- e) a provision, in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

As a result of the transitional impacts of adopting AASB 15 and AASB 1058, a portion of the grant revenue has been deferred. If the grant income is accounted for in accordance with AASB 15, the deferred grant revenue has been recognised in contract liabilities whereas grant revenue in relation to the construction of capital assets which the health service controls has been recognised in accordance with AASB 1058 and recognised as deferred grant revenue (refer note 5.2).

If the grant revenue was accounted for under the previous accounting standard AASB 1004 in 2019-20, the total grant revenue received would have been recognised in full.

Performance Obligations

The types of government grants recognised under AASB15 Revenue from Contracts with Customers includes:

- Activity Based Funding (ABF) paid as Dental Weighted Average Units (DWAUs)
- Other one-off grants if funding conditions contain enforceable and sufficiently specific performance obligations.

The performance obligations for ABF are the number of DWAUs generated in providing dental services to patients in accordance with levels of activity agreed to with the Department of Health and Human Services (DHHS) in the annual Statement of Priorities (SoP). Revenue is recognised when a patient is provided dental services and in accordance with the DWAU activity for each treatment type. The performance obligations have been selected as they align with funding conditions set out in the Policy and funding guidelines issued by the DHHS.

For other grants with performance obligations, DHSV exercises judgment over whether the performance obligations have been met, on a grant by grant basis.

Previous accounting policy for 30 June 2019

Grant income arises from transactions in which a party provides goods or assets (or extinguishes a liability) to DHSV without receiving approximately equal value in return. While grants may result in the provision of some goods or services to the transferring party, they do not provide a claim to receive benefits directly of approximately equal value (and are termed non-reciprocal' transfers). Receipt and sacrifice of approximately equal value may occur, but only by coincidence.

Some grants are reciprocal in nature (i.e. equal value is given back by the recipient of the grant to the provider). DHSV recognises income when it has satisfied its performance obligations under the terms of the grant.

For non-reciprocal grants, DHSV recognises revenue when the grant is received.

Grants can be received as general purpose grants, which refers to grants which are not subject to conditions regarding their use. Alternatively, they may be received as specific purpose grants, which are paid for a particular purpose and/or have conditions attached regarding their use.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 2.1(a): Income from transactions (continued)

The following are transactions that DHSV has determined to be classified as revenue from contracts with customers in accordance with AASB 15. Due to the modified retrospective transition method chosen in applying AASB 15, comparative information has not been restated to reflect the new requirements.

Patient Fees

The performance obligations related to patient fees are dependent on type of treatments and number of visits. These performance obligations have been selected as they align with the terms and conditions of the provision of dental services. Revenue is recognised as these performance obligations are met.

Donations and Other Bequests

Donations and bequests are recognised as revenue when received. If donations are for a special purpose, they may be appropriated to a surplus, such as the specific restricted purpose surplus as per AASB 1058.

Commercial activities

Revenue from commercial activities are predominantly from sales of goods and services to community agencies for technical support, and fees for overseas training courses. Performance obligations are satisfied when goods and services are delivered to and accepted by the customers. These performance obligations have been selected as they align with customers' expectations.

Other Revenue from Operating Activities

Other income is recognised as revenue when earned. Other income includes expense recoveries from The University of Melbourne and RMIT associated with tenancy agreements, recoveries for salaries and wages and external services provided, and donations and bequests. If donations are for a specific purpose, they may be appropriated to a surplus.

Interest Revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield of the financial asset, which allocates interest over the relevant period.

Note 2.1(b): Fair value of assets and services received free of charge

	Total 2020 \$'000	Total 2019 \$'000
Personal Protective Equipment (PPE) from Monash Health ⁽ⁱ⁾	215	-
Cash donations	25	22
Non-cash revenue from DHHS - Insurance	84	84
Non-cash revenue from DHHS - Long Service Leave	46	243
Total fair value of assets and services received free of charge	370	349

⁽ⁱ⁾ These were received free of charge from Monash Health due to Covid-19 and were subsequently redistributed to community agencies and The Royal Dental Hospital of Melbourne (a Division of DHSV).

Contributions of resources provided free of charge or for nominal consideration are recognised at their fair value when the recipient obtains control over the resources, irrespective of whether restrictions or conditions are imposed over the use of the contributions.

The exception to this would be when the resource is received from another government department (or agency) as a consequence of a restructuring of administrative arrangements, in which case such a transfer will be recognised at its carrying value in the transferring department or agency as a capital transfer.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 2.1(b): Fair value of assets and services received free of charge or nominal consideration (continued)

Non-cash contributions from the Department of Health and Human Services

The Department of Health and Human Services (DHHS) makes some payments on behalf of DHSV as follows:

- The Victorian Managed Insurance Authority non-medical indemnity insurance payments are recognised as revenue following advice from DHHS.
- Long Service Leave (LSL) revenue is recognised upon finalisation of movements in LSL liability in line with long service leave funding arrangements set out in the relevant DHHS Hospital Circular.
- Fair value of assets and services received free of charge.

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in the contract with customer. DHSV recognises revenue when it transfers control of a good or service to the customer i.e. revenue is recognised when, or as, the performance obligations for the sale of goods and services to the customer are satisfied.

- Customers obtain control of goods at a point in time when the goods are delivered to and have been accepted at their premises.
- Revenue from rendering of services is recognised at a point in time when the performance obligation is satisfied when the service is completed; and over time when the customer simultaneously receives and consumes the services as it is provided.

Historically, refund obligations were not material.

Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability (Note 5.2(b)). Where the performance obligations are satisfied but not yet billed, a contract asset is recorded (Note 5.1(c)).

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 2.1(c): Other income

	Total 2020 \$'000	Total 2019 \$'000
Rental income - operating leases	159	204
Interest income	325	730
Total other income	484	934

Interest income

Interest revenue is recognised on a time proportionate basis and takes into account the effective yield of the financial asset, which allocates interest over the relevant period.

Rental and lease income

Rental income from operating leases relates to sections of the building leased out to university, commercial, and telecommunication businesses.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

In the event that lease incentives are given to the lessee, the aggregate cost of incentives is recognised as a reduction of rental income over the lease term, on a straight-line basis unless another systematic basis is more appropriate of the time pattern over which the economic benefit of the leased asset is diminished.

Entity as lessor

The following table sets out the maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

Note 2.1(d): Operating lease income

	Total 2020 \$'000	Total 2019 \$'000
Non-cancellable operating lease receivables		
Not longer than one year	46	87
Longer than one year but not longer than five years	233	324
Total other income	279	411

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 2.2: Specific income

	Total 2020 \$'000	Total 2019 \$'000
Specific income		
Litigation settlements - CDO ⁽ⁱ⁾	-	1,811
Total	-	1,811

(i) This is the final payment for the class action regarding the failed CDO that was settled with Standard & Poor (S & P), ratings agency. DHSV received \$2.9m in settlement of its claim against Commonwealth Bank of Australia and S & P.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 3: The cost of delivering our services

This section provides an account of the expenses incurred by DHSV in delivering services and outputs. In Section 2 the funds that enable the provision of services were disclosed and in this note the costs associated with provision of services are recorded.

Structure

3.1 Expenses from transactions

3.2 Specific expenses

3.3 Other economic flows

3.4 Analysis of expenses and revenue by internally managed and restricted specific purpose funds

3.5 Employee benefits in the balance sheet

3.6 Superannuation

DENTAL HEALTH SERVICES VICTORIA
Notes to the Financial Statements for the year ended 30 June 2020

Note 3.1: Expenses from transactions

	Total 2020 \$'000	Total 2019 \$'000
Salaries and wages	40,987	36,321
On-costs	8,982	8,183
Agency expenses	563	832
Work cover premium	836	520
Total employee expenses	51,368	45,856
Drug supplies	302	366
Medical and surgical supplies	3,613	3,969
Total supplies and consumables	3,915	4,335
Grants to other health services and community agencies	137,553	138,623
Finance costs	19	-
Medical indemnity insurance	84	84
Fuel, light, power and water	772	837
Repairs and maintenance	470	319
Maintenance contracts	433	414
Other administrative expenses	12,369	12,188
Expenses related to leases of low value assets	47	-
Expenditure for capital purposes	809	435
Assets provided free of charge	215	-
Sub-total	15,218	14,277
Specific expenses	1,762	888
Total other operating expenses	154,533	153,788
Depreciation and amortisation (refer note 4.3)	6,697	5,761
Total other non-operating expenses	6,697	5,761
Total expenses from transactions	216,513	209,740

Impact of COVID-19 on Expenses

As indicated at Note 1, DHSVs daily activities were impacted by the pandemic. This resulted in direct and indirect costs being included, such as hiring of additional security guards, cleaners, registered nurses, salary maintenance of casual staff members, increased annual leave liability and setting up of COVID-19 testing clinic.

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

Employee expenses

Employee expenses include:

- Salaries and wages (including fringe benefits tax, leave entitlements, termination payments);
- On-costs;
- Agency expenses;
- Fee for service medical officer expenses; and
- Work cover premium.

Grants and other transfers

Grants and other transfers to third parties are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as: dental grants to other health services and community agencies.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 3.1: Expenses from transactions (Continued)

Other operating expenses

Other operating expenses generally represent the day-to-day running costs incurred in normal operations and includes such things as:

- Fuel, light and power
- Repairs and maintenance
- Other administrative expenses
- Expenditure for capital purposes (represents expenditure related to the purchase of assets that are below the capitalisation threshold).

The Department of Health and Human Services also makes certain payments on behalf of DHSV. These amounts have been brought to account as grants in determining the operating result for the year by recording them as revenue and also recording the related expense.

Supplies and consumables

Supplies and service costs are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any inventories held for distribution are expensed when distributed.

Finance costs

Finance costs include:

- finance charges in respect of leases which are recognised in accordance with AASB 16 *Leases*.

Non-operating expenses

Other non-operating expenses generally represent expenditure for outside the normal operations such as depreciation and amortisation, and assets and services provided free of charge or for nominal consideration.

Note 3.2: Specific expenses

	Total 2020 \$'000	Total 2019 \$'000
Specific expenses		
Amounts paid for the purchase of dental equipment on behalf of external Dental agencies ⁽ⁱ⁾	1,489	888
Legal expenses -claim settlement	273	-
Total specific expenses	1,762	888

(i) DHSV receives funding from DHHS to provide dental equipment to external dental agencies. This funding is recognised as a specific income in the year they are received. Specific expenses are recognised once dental equipment is provided to the agencies.

DENTAL HEALTH SERVICES VICTORIA
Notes to the Financial Statements for the year ended 30 June 2020

Note 3.3: Other economic flows

	Total 2020 \$'000	Total 2019 \$'000
Net gain / (loss) on sale of non-financial assets		
Impairment of intangible assets	(263)	(34)
Net gain on disposal of non-financial assets	18	25
Total net gain / (loss) on disposal of non-financial assets	(245)	(9)
Net gain / (loss) on financial instruments		
Allowance for impairment losses of contractual receivables	(251)	(86)
Total net gain / (loss) on financial instruments	(251)	(86)
Other gain / (loss) from other economic flows		
Net loss arising from revaluation of long service liability	(991)	(466)
Total net gain / (loss) from other economic flows	(991)	(466)
Total other gains/(losses) from economic flows	(1,487)	(561)

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/(losses) from other economic flows include the gains or losses from:

- the revaluation of the present value of the long service leave liability due to changes in bond interest rates; and
- reclassified amounts relating to available-for-sale financial instruments from the reserves to net result due to a disposal or derecognition of the financial instrument. This does not include reclassification between equity accounts due to machinery of government changes or 'other transfers' of assets.

Net gain/ (loss) on non-financial assets

Net gain/ (loss) on non-financial assets and liabilities includes realised and unrealised gains and losses as follows:

- Revaluation gains/ (losses) of non-financial physical assets (Refer to Note 4.1 Property plant and equipment.)
- Net gain/ (loss) on disposal of non-financial assets
- Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal.

Net gain/ (loss) on financial instruments at fair value

Net gain/ (loss) on financial instruments at fair value includes:

- realised and unrealised gains and losses from revaluations of financial instruments at fair value;
- impairment and reversal of impairment for financial instruments at amortised cost; and
- disposals of financial assets and derecognition of financial liabilities.

Amortisation of non-produced intangible assets

Intangible non-produced assets with finite lives are amortised as an 'other economic flow' on a systematic basis over the asset's useful life. Amortisation begins when the asset is available for use that is when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Impairment of non-financial assets

Goodwill and intangible assets with indefinite useful lives (and intangible assets not available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired.

Other gains/ (losses) from other economic flows

Other gains/ (losses) include:

- the revaluation of the present value of the long service leave liability due to changes in the bond rate movements, inflation rate movements and the impact of changes in probability factors.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 3.4: Analysis of expenses and revenue by internally managed funds

	Expense		Revenue	
	Total 2020 \$'000	Total 2019 \$'000	Total 2020 \$'000	Total 2019 \$'000
Other activities				
Technical support	3,654	4,144	3,836	4,478
Overseas dentists training program	539	706	300	744
Executive CPD	24	58	68	61
Car park	-	-	3	3
Property income	-	-	159	204
Total	4,217	4,908	4,366	5,490

DENTAL HEALTH SERVICES VICTORIA
Notes to the Financial Statements for the year ended 30 June 2020

Note 3.5: Employee benefits in the balance sheet

	Total 2020 \$'000	Total 2019 \$'000
Current provisions		
Employee benefits ⁽ⁱ⁾		
Accrued days off		
- Unconditional and expected to be settled wholly within 12 months ⁽ⁱⁱ⁾	355	253
Annual leave		
- Unconditional and expected to be settled wholly within 12 months ⁽ⁱⁱ⁾	2,423	1,954
- Unconditional and expected to be settled wholly after 12 months ⁽ⁱⁱⁱ⁾	696	641
Long service leave		
- Unconditional and expected to be settled wholly within 12 months ⁽ⁱⁱ⁾	736	595
- Unconditional and expected to be settled wholly after 12 months ⁽ⁱⁱⁱ⁾	5,335	5,164
Employee Termination Benefits		
- Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	761	-
Provisions related to employee benefit on-costs		
- Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	339	266
- Unconditional and expected to be settled after 12 months ⁽ⁱⁱⁱ⁾	666	607
Total current provisions	11,311	9,480
Non-current provisions		
Conditional long service leave ^{(i) (iii)}	2,244	1,463
Provisions related to employee benefit on-costs ⁽ⁱⁱⁱ⁾	241	148
Total non-current provisions	2,485	1,611
Total provisions	13,796	11,091
(a) Employee benefits and related on-costs		
Current employee benefits and related on-costs		
Unconditional long service leave entitlements	6,744	6,366
Annual leave entitlements	3,451	2,861
Employee termination benefits	761	-
Accrued days off	355	253
Non-current employee benefits and related on-costs		
Conditional long service leave entitlements ⁽ⁱⁱⁱ⁾	2,485	1,611
Total employee benefits and related on-costs	13,796	11,091
<i>Notes:</i>		
<i>(i) Employee benefits consist of amounts for accrued days off, annual leave and long service leave accrued by employees, not including on-costs.</i>		
<i>(ii) The amounts disclosed are nominal amounts.</i>		
<i>(iii) The amounts disclosed are discounted to present values.</i>		
(b) Movements in long service leave		
Balance at start of year	7,977	7,072
Provision made during the year		
- Revaluations	991	466
- Expense recognising employee service	1,278	853
Settlement made during the year	(1,017)	(414)
Balance at end of year	9,229	7,977

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 3.5: Employee benefits in the balance sheet (continued)

Employee Benefit Recognition

Provision is made for benefits accruing to employees in respect of wages and salaries, accrued days off, annual leave and long service leave for services rendered to the reporting date as an expense during the period the services are delivered.

Provisions

Provisions are recognised when DHSV has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a liability is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

Annual leave and accrued days off

Liabilities for annual leave and accrued days off are all recognised in the provision for employee benefits as 'current liabilities', because DHSV does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries, annual leave and accrued days off are measured at:

- Nominal value – if DHSV expects to wholly settle within 12 months; or
- Present value – if DHSV does not expect to wholly settle within 12 months.

Long Service Leave (LSL)

The liability for long service leave (LSL) is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the notes to the financial statements as a current liability, even where DHSV does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months. An unconditional right arises after a qualifying period.

The components of this current LSL liability are measured at:

- Nominal value – if DHSV expects to wholly settle within 12 months; or
- Present value – where DHSV does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in estimations e.g. bond rate movements, inflation rate movements and changes in probability factors which are then recognised as other economic flows.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or when an employee decides to accept an offer of benefits in exchange for the termination of employment.

On-costs related to employee expense

Provision for on-costs, such as workers compensation and superannuation are recognised separately from provisions for employee benefits.

DENTAL HEALTH SERVICES VICTORIA
Notes to the Financial Statements for the year ended 30 June 2020

Note 3.6: Superannuation

	Paid Contributions for the Year		Contributions Outstanding at Year End	
	Total 2020 \$'000	Total 2019 \$'000	Total 2020 \$'000	Total 2019 \$'000
Defined benefit plans: ⁽ⁱ⁾				
First State Super	19	24	-	1
Other	53	54	-	-
Defined contribution plans:				
First State Super	2,537	2,539	70	47
Other	1,448	1,101	39	23
Total	4,057	3,718	109	71

(i) The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.

Employees of DHSV are entitled to receive superannuation benefits and DHSV contributes to both defined benefit and defined contribution plans. The defined benefit plan provides benefits based on years of service and final average salary.

Defined benefit superannuation plans

The amount charged to the comprehensive operating statement in respect of defined benefit superannuation plans represents the contributions made by DHSV to the superannuation plans in respect of the services of current DHSVs staff during the reporting period. Superannuation contributions are made to the plans based on the relevant rules of each plan, and are based upon actuarial advice.

DHSV does not recognise any unfunded defined benefit liability in respect of the plan because DHSV has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance discloses the State's defined benefits liabilities in its disclosure for administered items.

However superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement of DHSV.

The name, details and amounts that have been expensed in relation to the major employee superannuation funds and contributions made by DHSV are disclosed above.

Defined contribution superannuation plans

In relation to defined contribution (i.e. accumulation) superannuation plans, the associated expense is simply the employer contributions that are paid or payable in respect of employees who are members of these plans during the reporting period. Contributions to defined contribution superannuation plans are expensed when incurred.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 4: Key assets to support service delivery

DHSV controls infrastructure and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the key resources that have been entrusted to DHSV to be utilised for delivery of those outputs.

Structure

- 4.1 Property, plant & equipment
- 4.2 Intangible assets
- 4.3 Depreciation and amortisation
- 4.4 Inventories

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 4.1: Property, plant and equipment

Initial Recognition

Items of property, plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment loss. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a merger/machinery of government are transferred at their carrying amounts.

The cost of constructed non-financial assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

The initial cost for non-financial physical assets under lease (refer to Note 4.1) is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

Theoretical opportunities that may be available in relation to the asset(s) are not taken into account until it is virtually certain that any restrictions will no longer apply. Therefore, unless otherwise disclosed, the current use of these non-financial physical assets will be their highest and best uses.

Land and buildings are recognised initially at cost and subsequently measured at fair value less accumulated depreciation and accumulated impairment loss.

Right-of-use asset acquired by lessees (Under AASB 16 - Leases from 1 July 2019) - Initial measurement

DHSV recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

Subsequent measurement: Property, plant and equipment (PPE) assets are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised on the following page by asset category.

Right-of-use asset – Subsequent measurement

DHSV depreciates the right-of-use assets on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful life of the right-of-use assets are determined on the same basis as property, plant and equipment, other than where the lease term is lower than the otherwise assigned useful life. The right-of-use assets are also subject to revaluation, however as at 30 June 2020 right-of-use assets have not been revalued. In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

Revaluations of Non-Current Physical Assets

A full revaluation of DHSVs land and buildings was performed by Valuer-General in May 2019 in accordance with the requirements of Financial Reporting Direction (FRD) 103H Non-Financial Physical Assets. The effective date of the valuation for both land and buildings was 30 June 2019.

In compliance with FRD 103H, in the year ended 30 June 2020, management conducted an annual assessment of the fair value of land and buildings. To facilitate this, management obtained from the Department of Treasury and Finance the Valuer General of Victoria (VGV) indices for the financial year ended 30 June 2020.

The Valuer General indices for financial reporting as at 30 June 2020 indicate a 5% increase in land and a 2.5% increase in buildings.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 4.1: Property, plant and equipment (continued)

The indices indicated no material movement in values. The land and building balances are considered to be sensitive to market conditions. An additional movement in indices of 10% upwards/downwards would have been needed for the respective categories to trigger a managerial revaluation.

Management regards the VGV indices to be the most reliable and relevant data set to form the basis of their estimates. Whilst these indices are applicable at 30 June 2020, the value of land and buildings will continue to be subjected to the impacts of COVID-19.

Revaluation increments are recognised in 'Other Comprehensive Income' and are credited directly in equity to the asset revaluation surplus, except that, to the extent that an increment reverses a revaluation decrement in respect of that same class of asset previously recognised as an expense in net result, the increment is recognised as income in the net result.

Revaluation decrements are recognised in 'Other Comprehensive Income' to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of property, plant and equipment.

Revaluation increases and revaluation decreases relating to individual assets within an asset class are offset against one another within that class but are not offset in respect of assets in different classes.

Revaluation surplus is not normally transferred to accumulated funds on derecognition of the relevant asset, except where an asset is transferred via contributed capital.

In accordance with FRD 103H, DHSVs non-current physical assets were assessed to determine whether revaluation of the non-current physical assets was required.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For the purpose of fair value disclosures, DHSV has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

In addition, DHSV determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Valuer-General Victoria (VGV) is DHSVs independent valuation agency.

The estimates and underlying assumptions are reviewed on an ongoing basis.

Valuation hierarchy

In determining fair values a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 4.1: Property, plant and equipment (continued)

Identifying unobservable inputs (level 3) fair value measurements

Level 3 fair value inputs are unobservable valuation inputs for an asset or liability. These inputs require significant judgment and assumptions in deriving fair value for both financial and non-financial assets. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, i.e., an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability. Therefore, unobservable inputs shall reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk.

Consideration of highest and best use (HBU) for non-financial physical assets

Judgments about highest and best use must take into account the characteristics of the assets concerned, including restrictions on the use and disposal of assets arising from the asset's physical nature and any applicable legislative/contractual arrangements.

In accordance with paragraph AASB 13.29, DHSV can assume the current use of a non-financial physical asset is its HBU unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

Non-Specialised Land, Non-Specialised Buildings and Cultural Assets

Non-specialised land, non-specialised buildings and cultural assets are valued using the market approach. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

For non-specialised land and non-specialised buildings, an independent valuation was performed by the Valuer-General Victoria to determine the fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. An appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation was 30 June 2019.

Specialised land and specialised buildings

Specialised land includes Crown Land which is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the assets are not taken into account until it is virtually certain that any restrictions will no longer apply. Therefore, unless otherwise disclosed, the current use of these non-financial physical assets will be their highest and best use.

During the reporting period, DHSV held Crown Land. The nature of this asset means that there are certain limitations and restrictions imposed on its use and/or disposal that may impact their fair value (Refer to Note 4.1(e)).

The market approach is also used for specialised land and specialised buildings although it is adjusted for the community service obligation (CSO) to reflect the specialised nature of the assets being valued. Specialised assets contain significant, unobservable adjustments; therefore these assets are classified as Level 3 under the market based direct comparison approach.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 4.1: Property, plant and equipment (continued)

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

For DHSV, the depreciated replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation. As depreciation adjustments are considered as significant and unobservable inputs in nature, specialised buildings are classified as Level 3 for fair value measurements.

An independent valuation of DHSVs specialised land and building was performed by the Valuer-General Victoria. The valuation for land and building was performed using the market approach adjusted for CSO, and depreciated replacement cost; respectively. The effective date of the valuation was 30 June 2019.

Vehicles

DHSV acquires new vehicles and at times disposes of them before completion of their economic life. The process of acquisition, use and disposal in the market is managed by DHSV who set relevant depreciation rates during use to reflect the consumption of the vehicles. As a result, the fair value of vehicles does not differ materially from the carrying amount (depreciated cost).

Plant and equipment

Plant and equipment (including medical equipment, computers and communication equipment and furniture and fittings) are held at carrying amount (depreciated cost). When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, the depreciated replacement cost is used to estimate the fair value. Unless there is market evidence that current replacement costs are significantly different from the original acquisition cost, it is considered unlikely that depreciated replacement cost will be materially different from the existing carrying amount.

There were no changes in valuation techniques throughout the period to 30 June 2020.

For all assets measured at fair value, the current use is considered the highest and best use.

DENTAL HEALTH SERVICES VICTORIA
Notes to the Financial Statements for the year ended 30 June 2020

Note 4.1: Property, plant and equipment (continued)

(a) Gross carrying amount and accumulated depreciation

	Total 2020 \$'000	Total 2019 \$'000
Land		
Land - Crown	1,309	33,551
Right of use land	32,242	-
Total land at fair value	33,551	33,551
Buildings		
Buildings at fair value	89,911	88,474
Work in progress	-	162
Accumulated depreciation	(5,190)	-
Total buildings	84,721	88,636
Plant and equipment		
Plant and equipment at fair value	955	872
Accumulated depreciation	(804)	(745)
Total plant and equipment	151	127
Medical equipment		
Medical equipment at fair value	6,691	5,941
Work in progress	2,743	1,290
Accumulated depreciation	(3,973)	(3,575)
Total medical equipment	5,461	3,656
Computers and communication		
Computers and communication at fair value	3,103	2,966
Work in progress	-	216
Accumulated depreciation	(2,922)	(2,795)
Total computers and communications	181	387
Furniture and fittings		
Furniture and fittings at fair value	59	61
Accumulated depreciation	(55)	(53)
Total furniture & fittings	4	8
Motor vehicles		
Motor vehicles at fair value	5,503	2,400
Work in progress	1,489	1,610
Accumulated depreciation	(1,938)	(1,568)
Total motor vehicles	5,054	2,442
Right of use motor vehicles		
Motor vehicles at fair value	746	-
Accumulated depreciation	(70)	-
Total right of use motor vehicles	676	-
Total	129,799	128,807

DENTAL HEALTH SERVICES VICTORIA
Notes to the Financial Statements for the year ended 30 June 2020

Note 4.1 : Property, plant and equipment (continued)

(b) Reconciliations of the carrying amounts of each class of asset

	Crown Land	Right of Use Land	Buildings	Plant & equipment	Medical equipment	Computers & Comm equipment	Furniture & fittings	Motor vehicles	Right of Use Motor Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2018	32,902	-	84,573	181	3,005	1,054	17	912	-	122,644
Additions	-	-	3,020	-	372	124	-	614	-	4,130
Disposals	-	-	-	-	-	-	-	(24)	-	(24)
Work in progress assets movements	-	-	(1,501)	-	657	(651)	-	1,264	-	(231)
Revaluation increments ⁽ⁱ⁾	649	-	7,146	-	-	-	-	-	-	7,795
Depreciation and amortisation (note 4.3)	-	-	(4,602)	(54)	(378)	(140)	(9)	(324)	-	(5,507)
Balance at 30 June 2019	33,551	-	88,636	127	3,656	387	8	2,442	-	128,807
Recognition of right of use assets on initial application of AASB 16 ⁽ⁱⁱ⁾	(32,242)	32,242	-	-	-	-	-	-	-	-
Adjusted balance at 1 July 2019	1,309	32,242	88,636	127	3,656	387	8	2,442	-	128,807
Additions	-	-	1,437	83	762	139	1	3,168	746	6,336
Disposals	-	-	-	-	-	-	-	(12)	-	(12)
Work in progress assets movements	-	-	(162)	-	1,453	(216)	-	(121)	-	954
Depreciation and amortisation (note 4.3)	-	-	(5,190)	(59)	(410)	(129)	(5)	(423)	(70)	(6,286)
Balance at 30 June 2020	1,309	32,242	84,721	151	5,461	181	4	5,054	676	129,799

Crown land and buildings carried at valuation

⁽ⁱ⁾ The Valuer-General Victoria (VGV) undertook to re-value all of DHSVs owned land and building to determine their fair value. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation was based on independent assessments. The effective date of the valuation was 30 June 2019.

⁽ⁱⁱ⁾ The carrying amount of land subject to a peppercorn lease arrangement (i.e. concessionary finance lease) immediately before the date of initial application of AASB 16 shall be the deemed cost of the Right-of-Use asset for the purposes of transition.

In compliance with FRD 103H, in the year ended 30 June 2020, DHSVs management conducted an annual assessment of the fair value of land and buildings. To facilitate this, management obtained from the Department of Treasury and Finance the Valuer General Victoria Indices for the financial year ended 30 June 2020. There were no material changes to values.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 4.1: Property, plant and equipment (continued)

(c) Fair value measurement hierarchy for assets

Note	Carrying amount	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2020				
Land at fair value				
Specialised land	1,309	-	-	1,309
Right of use land	32,242	-	-	32,242
Total land at fair value	33,551	-	-	33,551
Buildings at fair value				
Specialised buildings	84,721	-	-	84,721
Total of building at fair value	84,721	-	-	84,721
Plant, equipment and vehicles at fair value				
- Vehicles	5,054	-	123	4,931
- Right of use vehicles	676	-	-	676
- Plant and equipment	151	-	-	151
- Computer and communications	181	-	-	181
- Furniture and fittings	4	-	-	4
Total of plant, equipment and vehicles at fair value	6,066	-	123	5,943
Medical equipment at fair value				
Total medical equipment at fair value	5,461	-	-	5,461
	129,799	-	123	129,676

Fair value measurement hierarchy for assets as at 30 June 2019

	Carrying amount as at 30 June 2019	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2019				
Land at fair value				
Specialised land	33,551	-	-	33,551
Total land at fair value	33,551	-	-	33,551
Buildings at fair value				
Non-specialised buildings	-	-	-	-
Specialised buildings	88,636	-	-	88,636
Total of building at fair value	88,636	-	-	88,636
Plant, equipment and vehicles at fair value				
- Vehicles	2,442	-	188	2,254
- Plant and equipment	127	-	-	127
- Computer and communications	387	-	-	387
- Furniture and fittings	8	-	-	8
Total of plant, equipment and vehicles at fair value	2,964	-	188	2,776
Medical equipment at fair value				
Total medical equipment at fair value	3,656	-	-	3,656
	128,807	-	188	128,619

Note

(i) Classified in accordance with the fair value hierarchy.

There have been no transfers between the levels during the periods.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 4.1 : Property, plant and equipment (continued)

(d) Reconciliation of level 3 fair value measurement

	Land \$'000	Right of use land \$'000	Buildings \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Medical equipment \$'000	Computers & Comm Eqpt \$'000	Furniture & Fittings \$'000	Right of Use Vehicles \$'000
Balance at 1 July 2018									
Addition/(disposals)	32,902	-	84,573	181	704	3,005	1,054	17	-
	4.1 (b)		1,519	-	1,854	1,029	(527)	-	
	4.1 (b)								
Gains or (losses) recognised in net result									
- Depreciation and amortisation	-	-	(4,602)	(54)	(304)	(378)	(140)	(9)	-
	4.3								
Items recognised in other comprehensive income									
- Revaluation	649	-	7,146	-	-	-	-	-	-
	4.1 (c)								
Balance at 30 June 2019	33,551	-	88,636	127	2,254	3,656	387	8	-
Addition/(disposals)	-	-	1,275	83	3,039	2,215	(77)	1	746
	4.1 (b)								
Recognition of right of use assets on initial application of AASB 16	(32,242)	32,242	-	-	-	-	-	-	-
	4.1 (b)								
Gains or losses recognised in net result									
- Depreciation	-	-	(5,190)	(59)	(362)	(410)	(129)	(5)	(70)
	4.3								
Balance at 30 June 2020	1,309	32,242	84,721	151	4,931	5,461	181	4	676
	4.1 (c)								

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 4.1: Property, plant and equipment (continued)

(e) Fair value determination

Asset Class	Likely valuation approach	Significant inputs (Level 3 only) ⁽ⁱ⁾
Specialised land Right of use - land	Market approach	- Community Service Obligations (CSO) adjustments ⁽ⁱ⁾
Specialised buildings	Depreciated replacement cost approach	- Cost per square metre - Useful life
Plant and equipment	Depreciated replacement cost approach	- Cost per unit - Useful life
Vehicles	Market approach	N/A
	Depreciated replacement cost approach	- Cost per unit - Useful life

(i) CSO adjustment of 20% was applied to reduce the market approach value for DHSVs specialised land.

There were no changes in valuation techniques throughout the period to 30 June 2020.

DENTAL HEALTH SERVICES VICTORIA
Notes to the Financial Statements for the year ended 30 June 2020

Note 4.1: Property, plant and equipment (continued)

(f) Property, plant and equipment revaluation surplus

	Note	Total 2020 \$'000	Total 2019 \$'000
Property, plant and equipment revaluation surplus			
Balance at the beginning of the reporting period		109,189	101,394
Revaluation increment			
- Crown land	4.1 (b)	-	649
- Buildings	4.1 (b)	-	7,146
Balance at the end of the reporting period*		109,189	109,189
* Represented by:			
- Crown land		29,922	29,922
- Buildings		78,818	78,818
- Medical equipment		331	331
- Motor vehicles		118	118
Total		109,189	109,189

Note 4.2: Intangible assets

(a) Gross carrying amount and accumulated amortisation

	Total 2020 \$'000	Total 2019 \$'000
Intangible produced assets - software	5,550	5,024
Accumulated amortisation	(4,010)	(3,599)
Total intangible assets	1,540	1,425

(b) Reconciliation of the carrying amount by class of asset

	Total \$'000
Balance at 1 July 2018	859
Additions	840
Work in progress assets	14
Impairment of non-financial assets	(34)
Amortisation (note 4.4)	(254)
Balance at 1 July 2019	1,425
Additions	517
Work in progress assets	272
Impairment of non-financial assets	(263)
Amortisation (note 4.4)	(411)
Balance at 30 June 2020	1,540

Intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance such as computer software.

Intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to DHSV.

Intangible assets with finite useful lives are amortised over 3 years.

DENTAL HEALTH SERVICES VICTORIA
Notes to the Financial Statements for the year ended 30 June 2020

Note 4.3: Depreciation and amortisation

	Total 2020 \$'000	Total 2019 \$'000
Depreciation		
Buildings	5,190	4,602
Plant and equipment	59	54
Medical equipment	410	378
Computers and communication	129	140
Furniture and fittings	5	9
Motor vehicles	423	324
Right of use motor vehicles	70	-
Total depreciation	6,286	5,507
Amortisation		
Intangible assets	411	254
Total depreciation and amortisation	6,697	5,761

Depreciation

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets (excluding land) that have finite useful lives are depreciated.

Depreciation is generally calculated on a straight line basis, at rates that allocate the assets' value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives, residual value and depreciation method for all assets are reviewed at least annually, and adjustments made where appropriate.

Right-of use assets are depreciated over the shorter of the asset's useful life and the lease term. Where DHSV obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the entity will exercise a purchase option, the entity depreciates the right-of-use asset over its useful life.

Amortisation

Amortisation is the systematic allocation of the depreciation amount of an asset over its useful life.

The following table indicates the expected useful lives of non-current assets on which the depreciation charges are based.

	2020	2019
Buildings		
- Structure shell building fabric	45 to 60 years	45 to 60 years
- Site engineering services and central plant	15 to 40 years	15 to 40 years
Central plant		
- Fit out	15 to 30 years	15 to 30 years
- Trunk reticulated building systems	15 to 30 years	15 to 30 years
Relocatable buildings	20 years	20 years
Building improvements	5 years	5 years
Plant and equipment	5 to 10 years	5 to 10 years
Medical equipment	5 to 15 years	5 to 15 years
Computers and communication	3 years	3 years
Furniture and fittings	5 years	5 years
Motor vehicles	5 to 15 years	5 to 15 years
Right of Use - Motor Vehicles	5 to 15 years	5 to 15 years

As part of the buildings valuation, building values were separated into components and each component assessed for its useful life which is represented above.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 4.4: Inventories

	Total 2020 \$'000	Total 2019 \$'000
Medical and surgical lines		
At cost	471	386
Loss of service potential	(18)	-
Total medical and surgical lines	453	386
Engineering stores		
Engineering stores	340	272
Surgical consoles to be distributed to community agencies	-	373
Dental equipment to be distributed to school dental vans	-	145
Loss of service potential	(46)	(61)
Total engineering stores	294	729
Total inventories	747	1,115

Inventories include goods that are held for consumption or for distribution at no or nominal cost in the ordinary course of business operations. It excludes depreciable assets.

Inventories held for distribution are measured at cost, adjusted for any loss of service potential. All other inventories are measured at the lower of cost and net realisable value.

Inventories acquired for no cost or nominal consideration are measured at current replacement cost at the date of acquisition.

The bases used in assessing loss of service potential for inventories held for distribution include current replacement cost and technical or functional obsolescence. Technical obsolescence occurs when an item still functions for some or all of the tasks it was originally acquired to do, but no longer matches existing technologies. Functional obsolescence occurs when an item no longer functions the way it did when it was first acquired.

The cost for all other inventory is measured on the basis of weighted average cost.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 5: Other assets and liabilities

This section sets out other assets and liabilities that arose from DHSVs operations.

Structure

5.1 Receivables and contract assets

5.2 Payables

5.3 Other liabilities

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 5.1(a): Receivables and contract assets

	Notes	Total 2020 \$'000	Total 2019 \$'000
Current Contractual			
Inter hospital debtors		96	164
Trade debtors		417	600
Patient fees		217	187
Accrued investment income		1	3
Accrued revenue - Department of Health and Human Services		9	1,737
Contract assets	5.1 (c)	31	-
Accrued revenue - cost recovery		259	2,135
Less allowance for impairment losses of contractual receivables			
Trade debtors		(7)	(46)
Patient fees		(82)	(61)
Total current contractual		941	4,719
Statutory			
GST receivable		857	1,044
Total current statutory		857	1,044
Total current receivables		1,798	5,763
Non-current Statutory			
Long service leave - Department of Health and Human Services		1,441	1,395
Total non-current receivables		1,441	1,395
Total receivables		3,239	7,158

As at 30 June 2020, DHSV has contract assets of \$31k. This is included in the contractual receivable balance presented above.

Note 5.1(b) Movement in the allowance for impairment losses of contractual receivables

	Total 2020 \$'000	Total 2019 \$'000
Balance at beginning of year	107	52
Opening balance adjustment on adoption of AASB 9	-	38
Reversal of allowance written off during the year as uncollectable	(269)	(69)
Increase in allowance recognised in net result	251	86
Balance at end of year	89	107

DENTAL HEALTH SERVICES VICTORIA
Notes to the Financial Statements for the year ended 30 June 2020

Note 5.1(b): Receivables (continued)

Receivables recognition

Receivables consist of:

Contractual receivables are classified as financial instruments and categorised as ‘financial assets at amortised costs’. They are initially recognised at fair value plus any directly attributable transaction costs. DHSV holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. DHSV applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition.

In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 *impairment of Assets*.

DHSV is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various geographical areas. Based on historical information about customer default rates, management consider the credit quality of trade receivables that are not past due or impaired to be good.

Note 5.1(c) Contract assets

	Total 2020(a) \$'000
Opening balance brought forward from 30 June 2019 adjusted for AASB 15	6
Additional costs incurred that are recoverable from the customer	428
Transfer to trade receivable or cash at bank	(403)
Total contract assets	31
Represented by	
Current contract assets	31
Non-current contract assets	-
Total contract assets	31

The revenue recognised in the reporting period from performance obligations satisfied or partially satisfied in the previous period was \$6k.

(a) As AASB 15 was first applied from 1 July 2019, there is no comparative information to display.

Contract assets relate to DHSVs right to consideration in exchange for goods transferred to customers for works completed, but not yet billed at the reporting date. The balance of the contract assets at 30 June 2020 was impacted by timing of the works completed and is new compared to last year as it is not billable at this stage. The works are expected to be completed and recovered early next year.

Impairment losses of contractual receivables

Refer to Note 7.1 (c) Contractual receivables at amortised costs for DHSVs contractual impairment losses.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 5.2: Payables

	Notes	Total 2020 \$'000	Total 2019 \$'000
Current			
Contractual			
Trade creditors		332	1,855
Accrued wages and salaries		1,204	727
Accrued expenses		1,084	2,099
Deferred capital grant revenue	5.2(a)	4,594	-
Contract liabilities - income received in advance ⁽ⁱ⁾	5.2(b)	7,756	7,667
Amounts payable to government and agencies		11,297	12,175
		26,267	24,523
Statutory			
FBT Payable		13	-
		13	-
Total Payables		26,280	24,523

⁽ⁱ⁾ Prior year figure was reclassified for comparative purposes.

Payables Recognition

Payables consist of:

- **contractual payables**, classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to DHSV prior to the end of the financial year that are unpaid; and
- **statutory payables**, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

The normal credit terms for accounts payable are usually Nett 30 days.

Note 5.2(a): Deferred capital grant revenue

	Total 2020 \$'000
Grant consideration for capital works recognised that was included in the deferred grant liability (adjusted for AASB 1058) at the beginning of the year	-
Grant consideration for capital works received during the year	11,767
Grant revenue for capital works recognised consistent with the capital works undertaken during the year	(7,173)
Closing balance of deferred grant consideration received for capital works	4,594

Capital grant consideration was received from DHHS for School Dental Program and Clinical Technology Refresh. The progressive cost incurred is used to recognise income because this most closely reflects the progress to completion as costs are incurred as the works are done (see note 2.1). As a result, DHSV has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 5.2(b): Contract liabilities

	<u>Total 2020 \$'000</u>
Opening balance brought forward from 30 June 2019 adjusted for AASB 15	7,664
Payments received for performance obligations yet to be completed during the period	81
Grant consideration for sufficiently specific performance obligations received during the year	198,221
Revenue recognised in the reporting period for the completion of a performance	(311)
Grant revenue for sufficiently specific performance obligation works recognised consistent with the performance obligations met during the year	(197,899)
Total contract liabilities	<u><u>7,756</u></u>
Represented by	
Current contract liabilities	<u><u>7,756</u></u>

Contract liabilities pre-dominantly include operating and project grants received in advance from DHHS (refer to Note 2.1(a)).

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the reporting period was \$3.6m.

Note 5.2(c): Grant consideration

Transaction price allocated to the remaining performance obligations from contracts with customers will be recognised in the next 12 months.

In addition, grant consideration was also received from the State Government in support of initiatives to advance the dental health of disadvantaged section of the community. Grant income is recognised as service obligations are met. Differences in the number of some services provided may be adjusted in the funding provided annually. The remaining grant revenue will be recognised when the service obligations are delivered the following year.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 6: How we finance our operations

This section provides information on the sources of finance utilised by DHSV during its operations, along with other information related to financing activities of DHSV.

This section includes disclosures of balances that are financial instruments (such as cash balances). Note: 7.1 provides additional, specific financial instrument disclosures.

Structure

6.1 Borrowings

6.2 Cash and cash equivalents

6.3 Commitments for expenditure

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 6.1: Borrowings

	Total 2020 \$'000	Total 2019 \$'000
CURRENT		
Lease liability ⁽ⁱ⁾	99	-
Total current borrowings	99	-
NON CURRENT		
Lease liability ⁽ⁱ⁾	581	-
Total non current borrowings	581	-
Total borrowings	680	-

⁽ⁱ⁾ Secured by the assets leased. Leases are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

Total cash outflow for leases in the reporting period was \$97k (including \$18k of interest).

Maturity analysis of borrowings

Please refer to Note 7.1(b) for the maturity analysis of borrowings.

Defaults and breaches

During the current year, there were no defaults and breaches of any of the lease liabilities.

Lease liabilities

Repayments in relation to leases are payable as follows:

	Minimum future lease payments		Present value of minimum future lease payments	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Not later than one year	122	-	99	-
Later than 1 year and not later than 5 years	631	-	581	-
Minimum lease payments	753	-	680	-
Less future finance charges	73	-	-	-
TOTAL	680	-	680	-
Included in the financial statements as:				
Current borrowings - lease liability			99	-
Non-current borrowings - lease liability			581	-
TOTAL			680	-

DENTAL HEALTH SERVICES VICTORIA
Notes to the Financial Statements for the year ended 30 June 2020

Note 6.1: Borrowings (continued)

The weighted average interest rate implicit in the lease is 3.75% (2019: not applicable)

Leases

A lease is a right to use an asset for an agreed period of time in exchange for payment. All leases are recognised on the balance sheet with the exception of low value leases (less than \$10,000 AUD) and short term leases of less than 12 months.

DHSVs leasing activities

DHSV entered into finance leases relating to vehicles that are being used provide dental services to school children. For any new contracts entered into on or after 1 July 2019, DHSV considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for a consideration'. To apply this definition DHSV assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to DHSV and for which the supplier does not have substantive substitution rights;
- DHSV has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and DHSV has the right to direct the use of the identified asset throughout the period of use; and
- DHSV has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

Recognition and measurement of leases as a lessee (under AASB 16 from 1 July 2019)

Lease Liability – initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or DHSVs incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable;
- variable payments based on an index or rate;
- amounts expected to be payable under a residual value guarantee; and
- payments arising from purchase and termination options reasonably certain to be exercised.

DENTAL HEALTH SERVICES VICTORIA
Notes to the Financial Statements for the year ended 30 June 2020

Note 6.1: Borrowings (continued)

Lease Liability – subsequent measurement

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance to fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right of use asset is already reduced to zero.

Short-term leases and leases of low value assets

DHSV has elected to account for short-term leases and leases of low value assets using the practical expedients. Instead of recognising a right of use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight line basis over the lease term.

Presentation of right-of-use assets and lease liabilities

DHSV presents right-of-use assets as 'property plant equipment' in the balance sheet. Lease liabilities are presented as 'borrowings' in the balance sheet.

Recognition and measurement of leases (under AASB 117 until 30 June 2019)

In the comparative period, leases of property, plant and equipment were classified as either finance lease or operating leases.

DHSV determined whether an arrangement was or contained a lease based on the substance of the arrangement and required an assessment of whether fulfilment of the arrangement is dependent on the use of the specific asset(s); and the arrangement conveyed a right to use the asset(s).

Leases of property, plant and equipment where DHSV as a lessee had substantially all of the risks and rewards of ownership were classified as finance leases. Finance leases were initially recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The leased asset is accounted for as a non-financial physical asset and depreciated over the shorter of the estimated useful life of the asset or the term of the lease. Minimum finance lease payments were apportioned between the reduction of the outstanding lease liability and the periodic finance expense, which is calculated using the interest rate implicit in the lease and charged directly to the consolidated comprehensive operating statement.

Assets held under other leases were classified as operating leases and were not recognised in DHSVs balance sheet. Operating lease payments were recognised as an operating expense in the Statement of Comprehensive Income on a straight-line basis over the lease term.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 6.1: Borrowings (continued)

Operating lease payments up until 30 June 2019 (including contingent rentals) are recognised on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.

From 1 July 2019, the following lease payments are recognised on a straight-line basis:

- Short-term leases – leases with a term less than 12 months; and
- Low value leases – leases with the underlying asset's fair value (when new, regardless of the age of the asset being leased) is no more than \$10,000.

Variable lease payments are not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate). These payments are recognised in the period in which the event or condition that triggers those payments occur.

Entity as lessee

Leases are recognised as assets and liabilities at amounts equal to the fair value of the lease property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. Minimum lease payments are apportioned between reduction of the outstanding lease liability, and the periodic finance expense which is calculated using the interest implicit in the lease, and charged directly to the Comprehensive Operating Statement.

Borrowings

All borrowings are initially recognised at fair value of the consideration received, less directly attributable transaction costs. The measurement basis subsequent to initial recognition depends on whether DHSV has categorised its liability as either 'financial liabilities designated at fair value through profit or loss' or 'financial liabilities at amortised cost'.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 6.2: Cash and cash equivalents

	Total 2020 \$'000	Total 2019 \$'000
Cash on hand and at bank	4,898	2,064
Cash at bank - Central Banking System	21,406	19,161
Total cash and cash equivalents	26,304	21,225
Represented by:		
Cash for health service operations (as per cash flow statement)	26,304	21,225
Total cash and cash equivalents	26,304	21,225

Cash and cash equivalents recognised on the Balance Sheet comprise cash on hand and cash at bank, and deposits at call, which are held for the purpose of meeting short term cash commitments rather than for investment purposes, which are readily convertible to known amounts of cash with an insignificant risk of changes in value.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 6.3: Commitments for expenditure

	Total 2020 \$'000	Total 2019 \$'000
Capital expenditure commitments		
Less than 1 year	1,835	2,636
Total capital expenditure commitments	1,835	2,636
Operating expenditure commitments		
Less than 1 year	3,729	4,398
Longer than 1 year but not longer than 5 years	2,416	2,396
Total operating expenditure commitments	6,145	6,794
Non-cancellable short term and low value lease commitments		
Less than 1 year	134	37
Longer than 1 year but not longer than 5 years	694	-
Total non-cancellable lease commitments	828	37
Total commitments for expenditure (inclusive of GST)	8,808	9,467
Less GST Recoverable from ATO	(801)	(861)
Total commitments for expenditure (exclusive of GST)	8,007	8,606

Future lease payments are recognised on the balance sheet, refer to Note 6.1 Borrowings.

Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note at their nominal value and are inclusive of the GST payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the balance sheet.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 7: Risks, contingencies & valuation uncertainties

DHSV has minimal exposure to risk from its activities and outside factors. In addition, it is often necessary to make judgments and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgment to be applied, which for DHSV is related mainly to fair value determination.

Structure

7.1 Financial instruments

7.2 Contingent assets and contingent liabilities

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 7.1: Financial instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of DHSVs activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

(a) Financial instruments: categorisation

2020	Note	Financial assets at amortised cost \$'000	Financial liabilities at amortised cost \$'000	Total \$'000
Contractual financial assets				
Cash and cash equivalents	6.2	26,304	-	26,304
Receivables	5.1	941	-	941
Total financial assets⁽ⁱ⁾		27,245	-	27,245
Financial liabilities				
Payables	5.2	-	13,917	13,917
Borrowings	6.1	-	680	680
Total financial liabilities⁽ⁱ⁾		-	14,597	14,597
2019				
Contractual financial assets				
Cash and cash equivalents	6.2	21,225	-	21,225
Receivables	5.1	4,719	-	4,719
Total financial assets⁽ⁱ⁾		25,944	-	25,944
Financial liabilities				
Payables	5.2	-	24,523	24,523
Total financial liabilities⁽ⁱ⁾		-	24,523	24,523

(i) The carrying amount excludes statutory receivables (i.e. GST receivable) and statutory payables (i.e. FBT payable).

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 7.1: Financial instruments (continued)

Categories of financial assets under AASB 9 *Financial Instruments*

Financial assets at amortised cost

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by DHSV to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment. DHSV recognises the following assets in this category:

- cash and deposits; and
- receivables (excluding statutory receivables).

Categories of financial liabilities

Loans and receivables and cash are financial instrument assets with fixed and determinable payments that are not them in full without material delay to a third party under a 'pass through' arrangement; or DHSV has transferred its rights to receive cash flows from the asset and either:

- has transferred substantially all the risks and rewards of the asset; or
- has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where DHSV has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of DHSV's continuing involvement in the asset.

Derecognition of financial liabilities: A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

Reclassification of financial instruments: Subsequent to initial recognition reclassification of financial liabilities is not permitted. Financial assets are required to reclassified between fair value through net result, fair value through other comprehensive income and amortised cost when and only when DHSVs business model for managing its financial assets has changed such that its previous model would no longer apply.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 7.1: Financial instruments (continued)

(b): Maturity analysis of financial liabilities as at 30 June

The following table discloses the contractual maturity analysis for DHSVs financial liabilities. For interest rates applicable to each class of liability refer to individual notes to the financial statements.

Maturity analysis of financial liabilities as at 30 June

Note	Carrying amount \$'000	Nominal amount \$'000	Maturity Dates			
			Less than 1 month \$'000	1 - 3 months \$'000	3 months - 1 year \$'000	1 - 5 years \$'000
2020						
Financial liabilities						
At amortised cost						
Payables	5.2	13,917	13,917	-	-	-
Borrowings	6.1	680	8	33	58	581
Total financial liabilities	14,597	14,597	13,925	33	58	581
2019						
Financial liabilities						
At amortised cost						
Payables	5.2	24,523	24,523	-	-	-
Borrowings	6.1	-	-	-	-	-
Total financial liabilities	24,523	24,523	24,523	-	-	-

Ageing analysis of financial liabilities excludes statutory financial liabilities (i.e. GST payable).

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 7.1: Financial instruments (continued)

(c) Contractual receivables at amortised costs

	Current	Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	Total
1/07/2019						
Expected loss rate	0.07%	9.65%	23.96%	61.68%	100.00%	
Gross carrying amount of contractual receivables	2,767	114	96	107	5	3,089
Loss allowance	2	11	23	66	5	107
30/06/2020						
Expected loss rate	0.25%	10.34%	24.24%	100.00%	0.00%	
Gross carrying amount of contractual receivables	809	29	66	117	-	1,021
Loss allowance	2	3	16	117	-	138

Impairment of financial assets under AASB 9 *Financial Instruments*

DHSV records the allowance for expected credit loss for the relevant financial instruments in accordance with AASB 9 *Financial Instruments* 'Expected Credit Loss' approach. Subject to AASB 9 *Financial Instruments*, impairment assessment includes DHSVs contractual receivables, statutory receivables and its investment in debt instruments.

Equity instruments are not subject to impairment under AASB 9. Other financial assets mandatorily measured or designated at fair value through net result are not subject to impairment assessment under AASB 9. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

Contractual receivables at amortised cost

DHSV applies AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. DHSV has grouped contractual receivables on shared credit risk characteristics and days past due and used the expected credit loss rate based on the DHSVs past history, existing market conditions, as well as forward looking estimates at the end of the financial year.

On this basis, DHSV determines the opening loss allowance on initial application date of AASB 9 and the closing loss allowance at end of the financial year as disclosed above.

Reconciliation of the movement in the loss allowance for contractual receivables

	2020 \$'000	2019 \$'000
Balance at beginning of the year	107	52
Opening retained earnings adjustment on adoption of AASB9	-	38
Opening Loss Allowance	107	90
Increases in provision recognised in the net result	251	86
Reversal of provision of receivables written off during the year as uncollectible	(269)	(69)
Balance at end of the year	89	107

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 7.1: Financial instruments (continued)

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

In prior years, a provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. Bad debts considered as written off by mutual consent.

Statutory receivables at amortised cost

DHSVs non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

Statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As a result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 7.2: Contingent assets and contingent liabilities

There are no material contingencies to report.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 8: Other disclosures

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

Structure

- 8.1 Reconciliation of net result for the year to net cash inflow/(outflow) from operating activities
- 8.2 Responsible persons disclosures
- 8.3 Remuneration of executives
- 8.4 Related parties
- 8.5 Remuneration of auditors
- 8.6 Ex-gratia expenses
- 8.7 Events occurring after the balance sheet date
- 8.8 Economic dependency
- 8.9 Changes in accounting policy and revision of estimates
- 8.10 AASBs issued that are not yet effective
- 8.11 Glossary of terms and style conventions

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 8.1: Reconciliation of net result for the Year to net cash inflow/(outflow) from operating activities

		Total 2020 \$'000	Total 2019 \$'000
	Note		
Net result for the Year		(3,417)	(3,105)
Non-cash movements:			
Depreciation and amortisation	4.3	6,697	5,761
Impairment of non-financial assets		263	34
Allowance for impairment losses of contractual receivables	5.1 (a)	251	86
Allowance for impairment losses of contractual receivables - prior year (AASB 9)		-	(38)
Movements included in investing and financing activities:			
Net gain from disposal of non-financial physical assets		(18)	(25)
Movements in assets and liabilities:			
Change in operating assets and liabilities			
(Increase) in receivables		3,668	(3,766)
(Increase)/decrease in other assets		174	(263)
Increase/(decrease) in payables		1,757	(7,182)
Increase in employee benefits		2,705	1,073
(Increase)/decrease in inventories		368	(594)
Net cash inflow/(outflow) from operating activities		12,448	(8,019)

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 8.2: Responsible persons disclosures

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the Financial Management Act 1994, the following disclosures are made regarding responsible persons for the reporting period.

	Period	
Responsible ministers:		
Jenny Mikakos, Minister for Health and Minister for Ambulance Services	1/07/2019	30/06/2020
Governing Board		
Dr Zoe Wainer	1/07/2019	30/06/2020
Prof Jane Gunn	1/07/2019	30/06/2020
Dr Pamela Dalgliesh	1/07/2019	30/06/2020
Mr John Gavens	1/07/2019	30/06/2020
Ms Susan Banks	1/07/2019	30/06/2020
Ms Lucy Hunter	1/07/2019	30/06/2020
Mr Antony Tobin	1/07/2019	30/06/2020
Mr Andrew Saunders	1/07/2019	30/06/2020
Mr David Stevenson	1/07/2019	30/06/2020
Accountable officer		
Dr Deborah Cole (Chief Executive Officer)	1/07/2019	5/01/2020
Ms Susan McKee (Chief Executive Officer)	6/01/2020	30/06/2020

Remuneration of responsible persons

The number of responsible persons are shown in their relevant income bands:

Income band	2020 No.	2019 No.
\$0 - \$9,999	-	1
\$10,000 - \$19,999	-	1
\$20,000 - \$29,999	8	7
\$50,000 - \$59,999	1	1
\$140,000 - \$149,999	1	-
\$390,000 - \$399,999	1	-
\$400,000 - \$409,999	-	1
Total numbers	11	11
	2020	2019
	\$'000	\$'000
Total remuneration received or due and receivable by Responsible persons from the reporting entity amounted to:	864	666

Amounts relating to Responsible Ministers are reported within the Department of Parliamentary Services' Financial Report.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 8.3: Remuneration of executives

The numbers of executive officers, other than Ministers and Accountable Officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalent provides a measure of full time equivalent executive officers over the reporting period.

Remuneration of executive officers (including Key Management Personnel disclosed in Note 8.4)	Total Remuneration	
	2020 \$'000	2019 \$'000
Short-term employee benefits	1,309	1,430
Post-employment benefits	124	142
Other long-term benefits	7	15
Termination benefits	75	-
Total remuneration⁽ⁱ⁾	1,515	1,587
Total number of executives	8	7
Total annualised employee equivalents (AEE)⁽ⁱⁱ⁾	5.65	6.65

Notes:

(i) The total remuneration and the total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the health service under AASB 124 Related Party Disclosures and are reported within Note 8.4 Related Parties.

(ii) Annualised employee equivalent is based on working 38 ordinary hours per week over the reporting period.

Total remuneration payable to executives during the year included additional executive officers and a number of executives who received bonus payments during the year. These bonus payments depend on the terms of individual employment contracts.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided in exchange for services rendered, and is disclosed in the following categories.

Short-term employee benefits

Salaries and wages, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits

Pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits

Long service leave, other long-service benefit or deferred compensation.

Termination benefits

Termination of employment payments, such as severance packages.

Other factors

Several factors affected total remuneration payable to executives over the year. A number of employment contracts were completed and renegotiated and a number of executive officers retired, resigned or were retrenched in the past year. This has had a significant impact on remuneration figures for the termination benefits category.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 8.4: Related parties

DHSV is a wholly owned and controlled entity of the State of Victoria. Related parties of DHSV include:

- All key management personnel and their close family members;
- Cabinet Ministers and their close family members; and
- All Health Services and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

KMPs are those people with the authority and responsibility for planning, directing and controlling the activities of DHSV, directly or indirectly.

The Board of Directors and the Executive Directors of DHSV are deemed to be KMPs.

Entity	Key Management Personnel	Position title
Dental Health Services Victoria	Dr Zoe Wainer	Chair of the Board
Dental Health Services Victoria	Prof Jane Gunn	Board member
Dental Health Services Victoria	Dr Pamela Dalglish	Board member
Dental Health Services Victoria	Mr John Gavens	Board member
Dental Health Services Victoria	Ms Susan Banks	Board member
Dental Health Services Victoria	Ms Lucy Hunter	Board member
Dental Health Services Victoria	Mr Antony Tobin	Board member
Dental Health Services Victoria	Mr Andrew Saunders	Board member
Dental Health Services Victoria	Mr David Stevenson	Board member
Dental Health Services Victoria	Dr Deborah Cole	Chief Executive Officer
Dental Health Services Victoria	Ms Susan McKee	Chief Executive Officer
Dental Health Services Victoria	Mr Mark Sullivan	Chief Operating Officer
Dental Health Services Victoria	Ms Susan McKee	Executive Director - RDHM/VBHC
Dental Health Services Victoria	Mr Nick Russell	Chief Financial Officer
Dental Health Services Victoria	Mr Tim Hogan	Chief Financial Officer
Dental Health Services Victoria	Ms Louise Palmer	Chief Experience Officer
Dental Health Services Victoria	Mr Nuno Goncalves	Chief Information Officer
Dental Health Services Victoria	Dr Martin Hall	Chief Oral Health Advisor
Dental Health Services Victoria	Mr Peter Branov	Chief People and Culture Officer

The compensation detailed below is reported in \$'000 and excludes the salaries and benefits the Portfolio Ministers receive. The Minister's remuneration and allowances are set by the Parliamentary Salaries and Superannuation Act 1968, and is reported within the Department of Parliamentary Services' Financial Report.

	Total 2020 \$'000	Total 2019 \$'000
Compensation - KMPs		
Short-term employee benefits	2,024	2,038
Post-employment benefits	193	200
Other long-term benefits	7	15
Termination benefits	156	-
Total⁽ⁱ⁾	2,380	2,253

(i) KMPs are also reported in Note 8.2 Responsible Persons or Note 8.3 Remuneration of Executives.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 8.4: Related parties (continued)

Significant transactions with government-related entities

DHSV received funding from the DHHS of \$211.7 million (2019: \$185.1 million).

Expenses incurred by DHSV in delivering services and outputs are in accordance with Health Purchasing Victoria requirements. Goods and services including procurement, diagnostics, and multi-site operational support are provided by other Victorian Health Service Providers on commercial terms.

Professional medical indemnity insurance and other insurance products are obtained from a Victorian Managed Insurance Authority.

The Standing Directions of the Assistant Treasurer require DHSV to hold cash (in excess of working capital) in accordance with the State's centralised banking arrangements.

Transactions with KMPs and other related parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the Public Administration Act 2004 and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

Outside of normal citizen type transactions with DHSV, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions with Cabinet Ministers required to be disclosed in 2020.

During the year, DHSV had transaction expenses with the following government-related entities:

Agency	Total 2020 \$'000	Total 2019 \$'000
Barwon Health	7,254	7,904
Ballarat Health Services	5,401	4,947
Bendigo Health Care Group	6,590	5,263
Peninsula Health	6,786	7,039
Monash Health	10,898	11,221
Other Transactions ⁽ⁱ⁾	35,041	32,216
Total	71,970	68,590

(i) Other transactions relates to dental grants provided to 26 other agencies, where each individual transaction is below \$5 million.

The following KMP are also KMP of other agencies that are funded by DHSV.

Entity	Key Management Personnel	Position Title
DPV Health	Mr Mark Sullivan	Director

Aggregated disclosure note

During the year, related parties of key management personnel were provided dental grants on terms and conditions equivalent for those that prevail in arm's length transactions under the State's procurement process. The transactions involved the provision of grants to treat eligible patients in their catchment areas with an aggregated value of \$8 million (including GST).

DENTAL HEALTH SERVICES VICTORIA
Notes to the Financial Statements for the year ended 30 June 2020

Note 8.5: Remuneration of auditors

	Total 2020 \$'000	Total 2019 \$'000
Victorian Auditor-General's Office		
Audit of financial statements	34	33
Total remuneration of auditors	34	33

Note 8.6: Ex-gratia expenses

There were no Ex-gratia expenses in 2020 (2019 - Nil).

Note 8.7: Events occurring after the Balance Sheet date

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between DHSV and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the reporting period.

Adjustments are made to amounts recognised in the financial statements for events which occur between the end of the reporting period and the date when the financial statements are authorised for issue, where those events provide information about conditions which existed at the reporting date. Note disclosure is made about events between the end of the reporting period and the date the financial statements are authorised for issue where the events relate to conditions which arose after the end of the reporting period that are considered to be of material interest.

The COVID-19 pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by DHSV at the reporting date. As responses by government continue to evolve management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on DHSV, its operations, its future results and financial position. The state of disaster in Victoria was extended on 13 September 2020 until 11 October 2020.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of DHSV, the results of the operations or the state of affairs of DHSV in the future financial years.

Note 8.8: Economic dependency

DHSV is dependent on the Department of Health and Human Services for the majority of its revenue used to operate the entity. At the date of this report, the Board of Directors has no reason to believe the Department of Health and Human Services will not continue to support DHSV.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 8.9: Changes in accounting policy and revision of estimates

Changes in accounting policy

Leases

This note explains the impact of the adoption of AASB 16 Leases on DHSV's financial statements. DHSV has applied AASB 16 with a date of initial application of 1 July 2019. Prior to July 2019, DHSV had low value leases (\$10,000 or less) for printers only. From July 2019, DHSV leased vehicles from VicFleet as part of the new capital project 'School Dental Program'. The project commenced in 2018-19, but did not enter into any leases at that stage. There was no cumulative effect of initial application that was recognised in retained earnings as at 1 July 2019.

Leases as a Lessor

DHSV is not required to make any adjustments on transition to AASB 16 for leases in which it acts as a lessor. DHSV accounted for its leases in accordance with AASB 16 from the date of initial application.

Impacts on financial statements

On transition to AASB 16, there is no impact on right-of-use assets and lease liabilities as per Note 4.1.

Revenue from Contracts with Customers

In accordance with FRD 121 requirements, the DHSV has applied the transitional provision of AASB 15, under modified retrospective method with no cumulative effect of initially applying this standard against the opening retained earnings at 1 July 2019. Under this transition method, DHSV applied this standard retrospectively only to contracts and transactions that are not 'completed contracts' at the date of initial application. DHSV had no contracts and transactions that were not completed contracts at the date of initial application.

Income of Not-for-Profit Entities

In accordance with FRD 122 requirements, DHSV has applied the transitional provision of AASB 1058, under modified retrospective method with no cumulative effect of initially applying this standard against the opening retained earnings at 1 July 2019. Under this transition method, DHSV applied this standard retrospectively only to contracts and transactions that are not completed contracts at the date of initial application. DHSV had no contracts and transactions that were not completed contracts at the date of initial application.

DENTAL HEALTH SERVICES VICTORIA
Notes to the Financial Statements for the year ended 30 June 2020

Note 8.10: AASBs issued that are not yet effective

Certain new Australian accounting standards have been published that are not mandatory for the 30 June 2020 reporting period. DTF assesses the impact of all these new standards and advises DHSV of their applicability and early adoption where applicable.

As at 30 June 2020, the following standards and interpretations had been issued by the AASB but were not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the table below. DHSV has not and does not intend to adopt these standards early.

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on DHSVs financial statements
<i>AASB 17 Insurance Contracts</i>	The new Australian standard seeks to eliminate inconsistencies and weaknesses in existing practices by providing a single principle based framework to account for all types of insurance contracts, including reissuance contract that an insurer holds. It also provides requirements for presentation and disclosure to enhance comparability between entities. This standard currently does not apply to the not-for-profit public sector entities.	1 Jan 2021	The assessment has indicated that there will be no significant impact to DHSV.
<i>AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material</i>	This Standard principally amends AASB 101 <i>Presentation of Financial Statements</i> and AASB 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> . The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.	1 Jan 2020	The standard is not expected to have a significant impact on DHSV
<i>AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current</i>	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. A liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.	1 Jan 2022 However, ED 301 has been issued with the intention to defer application to 1 January 2023.	The standard is not expected to have a significant impact on DHSV

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 8.10: AASBs issued that are not yet effective (continued)

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2018-19 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting.

- AASB 2018-6 *Amendments to Australian Accounting Standards – Definition of a Business*.
- AASB 2019-1 *Amendments to Australian Accounting Standards – References to the Conceptual Framework*.
- AASB 2019-3 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform*.
- AASB 2019-5 *Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia*.
- AASB 2019-4 *Amendments to Australian Accounting Standards – Disclosure in Special Purpose Financial Statements of Not-for-Profit Private Sector Entities on Compliance with Recognition and Measurement Requirements*.
- AASB 2020-2 *Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities*.
- AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C)*.
- *Conceptual Framework for Financial Reporting*¹.

¹To be applied by For-Profit private sector entities. Application by other For-Profit entities is optional.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 8.11: Glossary of terms and style conventions

Actuarial gains or losses on superannuation defined benefit plans

Actuarial gains or losses are changes in the present value of the superannuation defined benefit liability resulting from

- (a) experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred); and
- (b) the effects of changes in actuarial assumptions.

Amortisation

Amortisation is the expense which results from the consumption, extraction or use over time of a non-produced physical or intangible asset.

Associates

Associates are all entities over which an entity has significant influence but not control, generally accompanying a shareholding and voting rights of between 20 per cent and 50 per cent.

Comprehensive result

The net result of all items of income and expense recognised for the period. It is the aggregate of operating result and other comprehensive income.

Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

Current grants

Amounts payable or receivable for current purposes for which no economic benefits of equal value are receivable or payable in return.

Depreciation

Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense reduces the 'net result for the year'.

Effective interest method

The effective interest method is used to calculate the amortised cost of a financial asset or liability and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument, or, where appropriate, a shorter period.

Employee benefits expenses

Employee benefits expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

Ex gratia expenses

Ex-gratia expenses mean the voluntary payment of money or other non-monetary benefit (e.g. a write off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability, or claim against the entity.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 8.11: Glossary of terms and style conventions (continued)

Financial asset

A financial asset is any asset that is:

- (a) cash;
- (b) an equity instrument of another entity;
- (c) a contractual or statutory right:
 - to receive cash or another financial asset from another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- (d) a contract that will or may be settled in the entity's own equity instruments and is:
 - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets or liabilities that are not contractual (such as statutory receivables or payables that arise as a result of statutory requirements imposed by governments) are not financial instruments.

Financial liability

A financial liability is any liability that is:

- (a) A contractual obligation:
 - (i) to deliver cash or another financial asset to another entity; or
 - (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- (b) A contract that will or may be settled in the entity's own equity instruments and is:
 - (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
 - (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial statements

A complete set of financial statements comprises:

- (a) Balance sheet as at the end of the period;
- (b) Comprehensive operating statement for the period;
- (c) A statement of changes in equity for the period;
- (d) Cash flow Statement for the period;
- (e) Notes, comprising a summary of significant accounting policies and other explanatory information;
- (f) Comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 Presentation of Financial Statements; and
- (g) A statement of financial position at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 8.11: Glossary of terms and style conventions (continued)

Grants and other transfers

Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature.

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are by the AASB as involuntary transfers and are termed non-reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes. Grants can be paid as general purpose grants which refer to grants that are not subject to condition is regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

General government sector

The general government sector comprises all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. General government services include those which are mainly non-market in nature, those which are largely for collective consumption by the community and those which involve the transfer or redistribution of income. These services are financed mainly through taxes, or other compulsory levies and user charges.

Intangible produced assets

Refer to produced assets in this glossary.

Intangible non-produced assets

Refer to non-produced assets in this glossary.

Interest expense

Costs incurred in connection with the borrowing of funds includes interest on bank overdrafts and short-term and long-term liabilities, amortisation of discounts or premiums relating to liabilities, interest component of finance leases repayments, and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

Interest income

Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

Investment properties

Investment properties represent properties held to earn rentals or for capital appreciation or both. Investment properties exclude properties held to meet service delivery objectives of the State of Victoria.

Joint Arrangements

Joint arrangement is an arrangement of which two or more other parties have joint control. A joint arrangement has the following characteristics:

- (a) The parties are bound by a contractual arrangement.
- (b) The contractual arrangement gives two or more of those parties joint control of the arrangement.

A joint arrangement is either a joint operation or a joint venture.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 8.11: Glossary of terms and style conventions (continued)

Liabilities

Liabilities refers to interest-bearing liabilities mainly raised from public liabilities raised through the Treasury Corporation of Victoria, finance leases and other interest-bearing arrangements. Liabilities also include non-interest-bearing advances from government that are acquired for policy purposes.

Net acquisition of non-financial assets (from transactions)

Purchases (and other acquisitions) of non-financial assets less sales (or disposals) of non-financial assets less depreciation plus changes in inventories and other movements in non-financial assets. It includes only those increases or decreases in non-financial assets resulting from transactions and therefore excludes write-offs, impairment write-downs and revaluations.

Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other comprehensive income'. Net result from transactions/net operating balance is a key fiscal aggregate and is income from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets.

Net worth

Assets less liabilities, which is an economic measure of wealth.

Non-financial assets

Non-financial assets are all assets that are not 'financial assets'. It includes inventories, land, buildings, infrastructure, road networks, land under roads, plant and equipment, investment properties, cultural and heritage assets, intangible and biological assets.

Non-produced assets

Non-produced assets are assets needed for production that have not themselves been produced. They include land, subsoil assets, and certain intangible assets. Non-produced intangibles are intangible assets needed for production that have not themselves been produced. They include constructs of society such as patents.

Non-profit institution

A legal or social entity that is created for the purpose of producing or distributing goods and services but is not permitted to be a source of income, profit or other financial gain for the units that establish, control or finance it.

Payables

Includes short and long term trade debt and accounts payable, grants, taxes and interest payable.

Produced assets

Produced assets include buildings, plant and equipment, inventories, cultivated assets and certain intangible assets. Intangible produced assets may include computer software, motion picture films, and research and development costs (which does not include the start up costs associated with capital projects).

Public financial corporation sector

Public financial corporations (PFCs) are bodies primarily engaged in the provision of financial intermediation services or auxiliary financial services. They are able to incur financial liabilities on their own account (e.g. taking deposits, issuing securities or providing insurance services). Estimates are not published for the public financial corporation sector.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2020

Note 8.11: Glossary of terms and style conventions (continued)

Public non-financial corporation sector

The public non-financial corporation (PNFC) sector comprises bodies mainly engaged in the production of goods and services (of a non-financial nature) for sale in the market place at prices that aim to recover most of the costs involved (e.g. water and port authorities). In general, PNFCs are legally distinguishable from the governments which own them.

Receivables

Includes amounts owing from government through appropriation receivable, short and long term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

Sales of goods and services

Refers to income from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services and work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets such as buildings and entertainment, but excludes rent income from the use of non-produced assets such as land. User charges includes sale of goods and services income.

Supplies and services

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of DHSV.

Supplies and services are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any inventories held for distribution are expensed when the inventories are distributed.

Taxation income

Taxation income represents income received from the State's taxpayers and includes:

- payroll tax; land tax; duties levied principally on conveyances and land transfers;
- gambling taxes levied mainly on private lotteries, electronic gaming machines, casino operations and racing;
- insurance duty relating to compulsory third party, life and non-life policies;
- insurance company contributions to fire brigades;
- motor vehicle taxes, including registration fees and duty on registrations and transfers;
- levies (including the environmental levy) on statutory corporations in other sectors of government; and
- other taxes, including landfill levies, license and concession fees.

Transactions

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows in an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset.

Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash.

Style conventions

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

- zero, or rounded to zero
- (xxx.x) negative numbers
- 201x year period
- 201x-1x year period

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