Annual Report 2004

Giving Victorians a reason to smile

dental health
services victoria
teeth for life

Contents

2003-04 The Year in Review

Key Achievements

- Attained accreditation, with commendations, under the Australian Council on Healthcare Standards (ACHS) EQuiP Version 3 Framework.
- Completed the first full year of operation at the new Royal Dental Hospital Melbourne.
- Victorian Government committed unprecedented increase in funding levels of $97.2 million over the next 4 years.
- Enhanced the quality of service delivery in the School Dental Service and increased work satisfaction for staff by achieving a 1:1 ratio of dental therapists to dental assistants.
- Increased service delivery to vulnerable groups through targeted programs – including the establishment of the *Smiles 4 Miles* oral health promotion program, a new domicillary van, and the Special Needs Dentistry Unit.
- Raised the profile of oral health throughout the health profession and the community through the *Donate a Day – Talking Teeth* campaign and the development of oral health resources for children's services and maternal and child health centres.
- Introduced chair-side computing for all clinical staff based at the Dental Hospital.

Key challenges

- Recruiting and retaining clinical staff.
- Meeting rising demand for services.
- Raising the importance of oral health within community.

Key statistics

- 276,222 patients treated statewide.
- 19,655 patients received specialist/teaching services.
- 149,077 patients treated by Community Dental Program.
  - 14,543 patients treated by DHSV.
  - 134,534 patients treated by Community Dental Program clinics.
- 89,717 patients treated by School Dental Service.
- 240,106 patients statewide waiting for care at 30 June 2004.
- Average waiting times statewide at 30 June 2004:
  - Conservative Care – 29.3 months.
  - Prosthetic Care – 34.0 months.
  - Specialist Care- 8.1 months.

Dental Health Services Victoria – A Profile

Who we are

Dental Health Services Victoria (DHSV) was established in January 1996 to improve the planning, integration, coordination and management of public dental health services in Victoria. DHSV is the state's largest public dental agency, with a budget of approximately $81 million in 2003-04.

DHSV employs 813 people (583.5 full-time equivalent), with the majority of staff working as dentists, dental specialists, dental therapists, dental prosthetists or dental assistants.

Our clients

Clinical services are available to all Victorians who hold a pensioner concession card or health care card and their dependants.

Treatment for concession cardholders under the age of 18 is fully publicly funded. Treatment for those over 18 is subsidised.

All primary school children and concession card dependants in years seven to 12 are eligible to receive treatment through our School Dental Service and the Youth Dental Program. Co-payments apply for children whose parents are not concession cardholders.

DHSV targets all Victorians through its range of oral health promotion programs.

Where we are located

- **The Royal Dental Hospital of Melbourne (RDHM) in Carlton, Melbourne.**

  RDHM is a teaching facility primarily providing emergency and specialist care for concession cardholders and dependants.
- **Adult Dental Services (ADS) at Ballarat Hospital, Wangaratta Hospital, Hamilton Hospital in regional Victoria and Brimbank and Ozanam Community Centres in Melbourne.**

  DHSV's five adult dental clinics provide general dental care for concession cardholders and dependents.
- **The School Dental Service (SDS) has 10 fixed clinics, 33 mobile dental vans and 27 clinics co-located with other public agencies across the state.**

DHSV also purchases Community Dental Program (CDP) services for concession cardholders and secondary school children from almost 60 public dental clinics. These clinics are run by agencies (community health services or hospitals) located across the state, and numerous private dental providers.

Our Services

Emergency care

Emergency dental care is available to concession cardholders, generally on the day of presentation, at any clinic or agency during business hours. The Emergency Care department at RDHM is open to the general public 365 days per year, including weekends and public holidays. Treatment is available from 8am until 9:15pm on weekdays and 9am to 9:15pm on weekends and public holidays.

General dental services

General dental care including fillings, dentures and preventative care is available to concession cardholders through DHSV clinics, as well as the other 60 public dental clinics around the state from which we purchase services.

Specialist dental services

Patients may be referred to the RDHM for specialist dental care including orthodontics, oral and maxillofacial surgery, endodontics, periodontics, prosthodontics, paediatric dentistry and oral medicine.

School Dental Service

The School Dental Service is a Victoria-wide program providing dental care to children and adolescents. Its services are available every 12 to 24 months, depending on the child's susceptibility to dental disease.

Dental therapists provide most treatment with the support of dentists in fixed and mobile dental clinics across the state. Students attending school up to year 8 receive treatment at our clinics.

Students in years 9 to 12 may receive treatment at one of our clinics or at another public dental clinic.

Education

RDHM's teaching clinics support the University of Melbourne's education of dentists, specialists, dental therapists and hygienists and RMIT University's education programs for dental assistants and prosthetists. RDHM also provides bridging programs for overseas-trained dentists seeking registration in Australia.

Health Promotion

The Health Promotion Division aims to increase community awareness and understanding of the issues relating to oral health and reduce the incidence of oral disease in the population. Health Promotion provides advice and support to the dental sector, allied health professionals, students, educators and the public. It also supports the introduction of water fluoridation in regional and rural Victoria.

Vision, Mission, Values

Our vision

Teeth for life - because good oral health is an integral part of general health and wellbeing.

Our mission

DHSV is committed to improving the dental health of the community by:

- providing high quality preventatively focused dental care for children
- providing accessible and affordable high-quality dental care for low-income earners and other disadvantaged groups to reduce inequalities in oral health
- being the key public dental health resource for the community, other health service providers and government.

Our values

Efficiency

DHSV is committed to providing value to all stakeholders. We provide quality care that is clinically appropriate and cost effective to all users of our service. We pursue a resourceful and effective service that aims to improve the standard of oral health.

Excellence

DHSV is committed to "being the best we can be". We pursue excellence and high performance standards to ensure that we retain our leadership position and quality reputation.

Integrity

DHSV's relationships and decisions are characterised by integrity, fairness and honesty.

Innovation

We recognise our responsibility to maintain and protect the best of DHSV whilst continually seeking creative, innovative and improved ways of operating. We consider the impact of our activities to ensure that we adopt the "best approach".

Service

DHSV places the highest priority on its patients and employees ensuring that they feel valued. Our relationships will be characterised by respect, courtesy and consideration.

Teamwork

DHSV will foster an environment that encourages participation and contribution from all, resulting in high performing teams. Individuals working together will achieve better outcomes than individuals working in isolation.

Chair's Review

The 2003-04 financial year saw DHSV realise a number of key achievements, however, the most significant event of the past year was the announcement of an unprecedented boost in Victorian Government funding. This new funding will play an instrumental role in DHSV's future. It will allow the organisation to work with the Department of Human Services to strategically plan for and implement the expansion and improvement of service delivery models, to further the provision of oral health services and improve the general health and wellbeing of the Victorian population.

A highlight of the 2003-04 year was the first-time achievement of organisational wide quality accreditation. The process leading up to accreditation involved an extraordinary commitment from staff throughout the organisation who collaborated to ensure DHSV's quality systems complied with the framework set out by the Australian Council on Healthcare Standards. Accreditation recognises that the organisation can efficiently and effectively deliver safe, quality dental care to the Victorian community.

The end of the financial year also marks the first full year of clinical activity at DHSV's new state-of-the-art dental hospital. The new hospital has proved to be a great asset to the health care system, with patients, staff and students all benefiting from its new facilities and improved clinical environment.

In 2003-04, the organisation saw a small reduction in the number of patients treated, which was primarily due to an increase in patient treatment needs. DHSV continued to face increased community demand for services while ongoing workforce recruitment and retention difficulties remained a key factor. In spite of this, DHSV's overall performance improved significantly, achieving a small surplus that demonstrates our commitment to sound financial management.

During the year, DHSV continued to make marked progress towards achieving the strategic goals of the organisation's three year strategic plan. These achievements have been reported on pages six and seven.

I'd like to recognise the contribution of the DHSV Board of Directors for their continued strategic input and advice. During the year, the Board farewelled Dr Fred Widdop and Cr Joe Caputo. I would like to thank Dr Widdop for his clinical and dental expertise and Cr Caputo, for his expertise and understanding of diverse communities.

Two new members will join the Board from July 2004 - Dr Errol Katz and Ms Kellie-Ann Jolly. Dr Katz brings an extensive background in strategic business planning and healthcare consulting, while Ms Jolly has a clinical background and has considerable experience in public dental health and health promotion portfolios. On behalf of the Board, welcome to Dr Katz and Ms Jolly, we look forward to their future contributions.

In December 2003, the organisation farewelled Dr Tracey Batten who held the role of Chief Executive Officer for two years and Dr Robin Whyman, General Manager of Clinical Services. Thanks to them both for their enormous contribution to DHSV.

Finally, congratulations to Ms Robyn Batten, who so adeptly took up the role of CEO in April 2004, and the senior management team for their continued dedication and efforts towards increasing the quality and accessibility of public dentistry. Most importantly, I would like to acknowledge the significant contribution of all DHSV's staff, and congratulate them on their achievements and commitment throughout the year.

Jay Bonnington

Chair, Board of Directors

CEO Review

Prior to reflecting on the past year's achievements, it is important to acknowledge the April 2004 announcement of an unprecedented increase in Victorian Government funding for public oral health services.

The planned funding represents an increase of $97.2 million over the next four years, including $24 million for the 2004/05 year. This places public oral health services on the brink of many exciting developments.

Key achievements

A major achievement for DHSV during 2003-04 was attaining organisation-wide quality accreditation for the first time. Accreditation was granted for the maximum two-year period under the Australian Council on Healthcare Standards EQuIP framework.

EQuIP accreditation requires a commitment from the entire organisation and at all levels. Co-ordinated by the Quality Unit, more than 100 staff across the state helped to ensure DHSV's quality systems and processes not only met, but exceeded the stringent and continuous quality improvement standards of EQuIP.

Throughout the year the new Royal Dental Hospital of Melbourne worked towards optimising the operational capacity of the new world-class facility. Due to the expertise and persistence of clinical, support and engineering staff the inevitable "teething problems" have largely been resolved. It is very pleasing to report at the end of the first year of occupancy, patients are enjoying the new hospital's modern and technically advanced facilities - fully staffed with dental officers and specialists.

Overview of Performance

In 2003/04 DHSV achieved an underlying operating surplus of $530,000 and a reported entity surplus of $3,957,000. All grant funds provided for the treatment of patients were expended during the year, utilising private service providers where necessary.

Over the course of the year 276,222 patients received public dental care across the state, a small decrease of 2.1% on the previous year's result. Of this total, DHSV treated 141,688 patients directly, down 4.0% on the previous year. This reduction was primarily associated with an increase in the presentation of more patients with more complex needs, resulting in longer treatment times when compared with prior years. The total amount of care provided through all public dental programs of 2003-04 increased by 3.6 per cent compared to last year.

The ongoing difficulties experienced by the public dental sector in attracting and retaining dental staff have continued throughout 2003-04, affecting the number of patients treated.

Senior Staff

In March 2003, Dr Robin Whyman left DHSV to return to New Zealand. Although his time with DHSV was relatively short, Robin made an important contribution to a more integrated organisational approach to clinical services. Dr Paula Bacchia ably acted as General Manager Clinical Services for the remainder of the year. Ms Fiona Preston, General Manager Health Promotion, was on maternity leave from March 2003 and Ms Susie White has acted in this role to ensure Health Promotion remained a vital program.

Planning for the Future

The significant injection of Victorian Government funds for Victorian public dentistry increases the importance of careful strategic and service planning to ensure the improvement of oral health for Victorians.

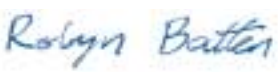
DHSV is committed to further developing its leadership role in oral health services in Victoria. During 2004-05, DHSV will work to develop a model for a dental health service system which:

- provides a statewide framework for oral health;
- promotes sub-regional solutions to meet local needs; and
- focuses on a population health approach.

DHSV will also develop an oral health strategic plan and service plan in partnership with service consumers, government, service providers, tertiary education institutions, professional bodies and community members.

In conclusion

During my first three months at DHSV I have visited over 60 service delivery sites across Victoria. I have had the privilege to meet many dedicated, skilled staff at some locations, working under less than ideal conditions and at others, in state-of-the-art facilities. The characteristic all have in common is their commitment to their patients and to improving the oral health of Victorians. DHSV's staff are truly impressive and I look forward to working with them throughout the years ahead.



Robyn Batten

Chief Executive Officer

Achieving Our Goals

The 2003–04 year represents the third and final year of implementation for DHSV's three year strategic plan.

During the year, DHSV made considerable progress towards each of its 10 strategic goals. The following performance review highlights the key achievements in relation to each goal.

1) Public dental services will be more accessible, more preventively focused and available within a clinically appropriate time.

- Achieved increased funding levels to increase access to public dentistry for future years.
- Reduced overall waiting time for specialist dental care, with particular focus on oral medicine, reduced from 13 months to eight months.
- Successfully implemented a prioritisation procedure for emergency care within SDS and ADS - so that those with the highest identified emergency care requirements are seen sooner. This has meant that children and adults with high priority needs are seen where possible within three hours rather than within 24 hours.
- Maintained clinically appropriate waiting times for priority dentures.
- Developed the *Defenders of the Tooth* characters, as a key preventive tool for dental services working with children.
- Developed and conducted the *Smiles 4 Miles* Early Childhood Oral Health Program in three pilot sites (Broadmeadows, Corio/Norlane and Moe/Morwell/Traralgon/Churchill), providing points of access to promote oral health practice and refer children with treatment needs.
- Developed a Maternal and Child Health resource to support nurses in engaging parents of young children about oral health issues and to assist them in a timely referral for any required dental treatment.

2) Processes will be in place to ensure that publicly funded dental services are efficient, of high quality and targeted to eligible people with the greatest needs.

- Achieved two years of ACHS organisation-wide EQuIP quality accreditation for the first time.
- Improved patient information tracking through the use of improved patient management systems at RDHM.
- Introduced a new clinical peer review process for DHSV clinicians which facilitates clinical competency development to ensure patients receive high quality dental services.
- Provided RDHM clerical staff with customer service training to improve responsiveness to RDHM's patients.
- Introduced the service coordination tool template functionality into all public dental services which will enhance the coordination of patient care between different health services across the state.
- Developed a Special Needs Dentistry Unit at RDHM, providing care to those with the highest needs within the community, including those with intellectual and physical disabilities, and those with medical conditions requiring specialist care.
- Completed a review of the RDHM Laboratory which resulted in the cost effective provision of denture, crown and bridge, and orthodontic technical services in a more appropriate timeframe.

3) The community will have active and ongoing input into the ways in which oral health services are planned and delivered.

- Revised the policies and procedures to inform the public of their right to access information about themselves and the oral health service they attend.
- Conducted consumer focus groups to participate in development of the health promotion Defenders of the Tooth characters and provide input on all their support materials.
- Engaged consumers in the evaluation of the Oral Health Promotion Guidelines.
- Established a DHSV-wide process to develop a Community Participation Plan.
- Sought advice from the Community Advisory Committee in regard to the community participation policy, quality of care report and patient information and resources.

4) The community will be more aware of the role of personal preventive practices and regular access to dental care in achieving maintaining oral health.

- Launched the *Donate-a-Day* Campaign, which educated more than 2000 at-risk community members about the importance of oral health.
- Conducted a toothbrush drive which included every state primary school in Victoria and many childcare centres and preschools statewide.
- Provided displays at key events such as the Parents, Babies Children's Expo which highlighted oral health as a key component to general health.
- Played a key support role in the Australian Dental Association's Dental Awareness Month by communicating oral health messages to primary school children across the state.
- Distributed the Oral Health Guidelines to community groups, primarily through dental health professionals. Preliminary evaluations indicate a sound understanding among dental professionals and DHSV patients of these guidelines.

5) DHSV will be an 'employer of choice' for clinical dental staff.

- Successfully negotiated Enterprise Bargaining Agreements (EBA's) for dental assistants, dental therapists, maintenance technicians and anaesthetists.
- Developed a plan for rural placements for 5th year students in 2005.
- Achieved relaxed registration requirements for dentists from Hong Kong, Singapore, Malaysia and South Africa.

- Developed a professional development plan and a workforce communications strategy.
- Commissioned the Hay Group to undertake a review of remuneration; career structure and work classification issues for Dental Therapists. The review identified that pay was the single most compelling issue for dental therapists. DHSV has put a series of proposals to DHS to improve rates of pay for Dental Therapists.
- Addressed other issues identified by the Hay Group including implementation of 1:1 dental assistants to dental therapists in SDS; decommissioning of mobile vans; improving the professional standing of Dental Therapists and undertaking a training need analysis.
- Implemented a formal job evaluation system.
- Prepared for the introduction of a Certificate 4 (health promotion, radiography, sedation).
- Achieved an increase in Dental Assistant trainees.
- Recruited dentists for Primary Care at RDHM, demonstrating reduced attrition rates.
- Improved access to and training for the use of state of the art equipment, such as digital radiology, electronic patient records and new infrastructure at RDHM.
- Improved access to network resources for SDS and CDP staff through further work on the statewide Exact Project.
- Involved in training for overseas trained dentists to pass examinations enabling them to be registered practitioners in Australia.
- Increased the number of students enrolled in courses to assist overseas trained dentists to become qualified as a dentist in Australia.

5) Clinicians in the public dental sector will have a well developed appreciation of the effectiveness and cost-effectiveness of the services they provide.

- DHSV dental services are provided within budgeted parameters that demonstrate cost-effectiveness and value for money.
- Provided clinical service providers across the state with reports detailing their productivity, service mix and clinical efficacy through clinical indicator data to enable more effective and cost-effective service provision.

6) DHSV will have management systems that are effective, efficient and responsive to the needs of the dental service they support.

- Chair-side computing was implemented for all clinical staff based at RDHM, which has resulted in timely availability of key treatment related information for all RDHM patients.
- DHSV revamped its internet and intranet sites in 2003-04 to facilitate better access to information for patients and staff.
- Developed a Compliance Framework to facilitate DHSV's capacity to identify and meet obligations in regard to laws, regulations, contracts, industry standards and internal policy.
- Further developed the Electronic Patient Management System for clinical use and introduced full electronic patient records in targeted Community Dental Program agencies to improve patient management.
- Enhanced and integrated DHSV's Human Resource Information System with the finance system and Occupational Health & Safety systems to ensure better tracking of management information.
- Developed an on-line resource centre to provide greater accessibility to published literature for dental professionals.

7) DHSV will be regarded as a source of creative and practical advice on public dental policy and programs.

- Participated in the National Child Oral Health Study, that will provide key oral health data on children.
- Involved in educating the community on the benefits of fluoride.
- Provided oral health advice to the maternal and child health and pre-school sectors.
- Worked with DHS to conduct a series of public dentistry seminars.
- Published an Early Childhood Resource Kit.

9) Alternative models of delivering dental care will be investigated.

- Developed a range of alternative service delivery models to reduce wait times and improve access to public dentistry.
- Employed a private dentist to service public patients at the DHSV site in Hamilton.
- Employed dental therapists in adult dental clinics to treat young people.
- Completed the SDS infrastructure review which resulted in the design and development of three relocatable clinics to replace three vans. The new relocatable clinics are semi-permanent and provide a high quality clinical environment for SDS staff.

10) DHSV will have revenue streams from non-government sources to enhance its core public dental role.

- DHSV earned in excess of $420,000 of revenue from non-government sources in 2003-04.

Governance

Board of Directors

The Governor in Council, on the Minister for Health's recommendation, appoints the DHSV Board of Directors. The requisite six to nine Board members reflect a mix of qualifications, skills and experience, specifically in the areas of dental health, community welfare, finance and business.

Ms Jay Bonnington (Chair) BCom MBA FCPA FAICD

Appointed Chair in July 2001, Ms Bonnington is a non-Executive Director of a number of public and privately listed companies and CEO of the Make-a-Wish Foundation, Australia.

Cr Joe Caputo MBA JP GradDip IR & HRM MBus

A director since July 2001, Mr Caputo is a councillor for the City of Moreland.

Professor Louise Kloot PHD MCom BBus BA FCPA FAIBF

A director since July 2000, Professor Kloot is Professor of Accounting at Swinburne University of Technology, and Academic Head of Accounting, Law and Economics with the School of Business.

Mr Ignatius Oostermeyer BA (Hons) LLB (Hons) MSC (Econ) (Distinction)

A director since July 2002 Mr Oostermeyer is a practising barrister and solicitor with the Victorian Hospital's Industrial Association.

Dr Lloyd O'Brien AO DDS MDSc FRACDS FICD FPFA FACD LDS

A director since October 2003, Dr O'Brien has been a general dentist for almost 40 years. Recently the President of the Australian Dental Council, Dr O'Brien also has extensive experience in dental organisations, universities and public health.

Dr Fred Widdop AM BDsc LDS MDSc BSc FRACDS FICD FADI FPFA

A director since January 1996, Dr Widdop was a general dentist until 1999 and has held various executive positions with the ADA.

Dr Brian Stagoll MB BS FRANZCP

A director since July 2003, Dr. Brian Stagoll is a psychiatrist in private practice. He has broad experience in public health and is a Board member of North Yarra Community Health Centre.

Ms Natalie Savin BA MPolicy & Law

A director since July 2000, Ms Savin has worked extensively in human services management within local and state government, and the community sector.

Associate Professor Hal Swerissen BAppSc (Psych) GDipPsych BA (Hons), MAppPsych MAPsS

A director since July 2003, Assoc. Prof. Swerissen is the Director for the Australian Institute for Primary Care. He has an extensive background in government policy within health, aged care and community portfolios.

Board meeting attendance

There were 11 board meetings held during the year. Attendance was as follows:

	Eligible	Attended
Ms Jay Bonnington	11	11
Dr Brian Stagoll	11	9
Prof. Louise Kloot	11	10
Assoc Prof Hal Swerissen	11	7
Ms Natalie Savin	11	11
Dr Fred Widdop	11	11
Cr Joe Caputo	11	9
Mr Ignatius Oostermeyer	11	9
Dr Lloyd O'Brien	7	7

Board committees

Finance Committee Chair, Jay Bonnington

Audit Committee Chair, Prof. Louise Kloot

Remuneration Committee Chair, Jay Bonnington

Community Advisory Committee (CAC)

Chair: Natalie Savin

The role of the CAC is to advise the Board of Directors on DHSV's policy and strategy in relation to consumer and community participation and its impact on health service outcomes. It also has an advocacy role to the Board of Directors on behalf of the community, in particular, recognising the needs of disadvantaged and marginalised consumers and communities.

During the year, the CAC maintained an advisory role to the Board, focusing on:

- the complaints and compliments process and encouraged the development of links which improve the quality of DHSV services;
- building Committee members' knowledge and understanding of DHSV services to enable them to better fulfil their role;
- providing feedback to the Parliamentary Enquiry on Community Advisory Committees; and
- providing input to the DHSV Quality of Care Report.

Following participation with staff in a workshop led by the Health Issues Centre, committee members were pleased to oversee development of a formal Community Participation Policy which was endorsed by the Board in June. This policy then prompted development of a comprehensive Community Participation Plan designed to 'embed' community participation in all areas of DHSV.

Quality Committee

Chair – Dr Fred Widdop

This committee works closely with the Community Advisory Committee and is responsible for ensuring that there are systems in place to improve the quality, safety and effectiveness of services provided by DHSV. The committee meets quarterly and this year, oversaw the following activities:

- DHSV's Quality Improvement Committee, which is a management committee underpinning the Board Quality Committee and its activity;
- The ongoing monitoring and evaluation of DHSV's Quality Plan;
- Preparation of DHSV's Quality of Care Report
- DHSV's successful accreditation with ACHS in September 2003;
- Implementation and evaluation of DHSV's clinical risk framework; and
- Ongoing review of a number of quality indicators including clinical incidents, clinical indicators and compliments/complaints.

Primary Care and Population Health Advisory Committee

Chair – Dr Fred Widdop

Established in accordance with the Health Services Act, the role of the Primary Care and Population Health Advisory Committee is to ensure that DHSV's programs take account of relevant demographic and social factors, and of other health and human services.

Four committee meetings were held throughout the year, during which, several key issues were discussed including the role of DHSV in Primary Care Partnerships, the statewide waiting list strategy, together with planning of service delivery models to most effectively utilise the government's budget initiatives.

Ethics in Clinical Research Committee

Chair – Prof. Louise Kloot

This committee reviews and approves all research proposals that involve human participants. This would include approval of clinical trials, questionnaires, surveys and reviews of patient records and epidemiological data and observations of behaviour.

The committee operates by circular resolution when applications are received, so that all relevant research is circulated to all committee members and an agreement is made regarding the approval of the research project. It also meets annually to ensure that all research that relates to DHSV protects the rights and welfare of all participants as well as being in the best interests of the public.

Compensation arrangements

The Board reviews the compensation arrangements for the Chief Executive Officer and other senior executives annually via the Remuneration Committee to ensure compliance with the government services executive remuneration policy. The remuneration of Board members is determined by government policy.

Senior Management Team

Senior Management Team

Top *(from left to right)* Mr Zoltan Kokai, Mr Robert Croft, Ms Fiona Preston, Dr Paula Bacchia.

Bottom *(from left to right)* Mr John Hoogeveen, Ms Robyn Batten, Ms Susie White.

Ms Robyn Batten SRN, BSocWk, MSocWk, MBA, AFACHSE

Chief Executive Officer

Robyn has senior executive experience in health care and local government. Robyn has been responsible for several major organisational change programs which have resulted in improved quality and efficiency of service delivery to the community. Robyn is accountable to the Board of Directors for the overall performance of DHSV.

Mr Robert Croft AFAHRI

General Manager- Human Resources and Corporate Communication

Rob has extensive experience in strategic human resource management and consulting across multiple industry sectors. Rob is responsible for human resource strategy and policy, organisational development, remuneration management, employee relations and OH&S.

Mr John Hoogeveen BNurs DTS MBioethics MBA AFACHSE AFACHSE MAICD

General Manager- Health Purchaser and Provider Relations

John has extensive experience in clinical and managerial positions in Victoria's public and private hospital sectors. Formerly Director of the Royal Dental Hospital of Melbourne's operations, John has overseen the Dental Hospital Redevelopment Project and is now responsible for the Health Purchasing division within DHSV.

Mr Zoltan Kokai BBus BComp MBA AIMM ACPA

General Manager- Corporate Services

Zoltan has broad experience in finance, information technology, corporate services and organisation performance assessment. Zoltan has responsibility for ensuring that Corporate Services supports the efficient, effective and safe delivery of oral health services.

Dr Paula Bacchia BDSc, Grad Dip Hlth Serv Man

Acting General Manager - Clinical Services

Paula has had extensive experience in working in all areas of the Victorian public dental sector including community dental program clinics, the school dental service and the dental hospital. She is responsible for clinical services provided by DHSV including the statewide SDS, RDHM and the 4 DHSV adult dental clinics.

Ms Fiona Preston BEd, ARTS (Sec), Grad Dip Rec Mgt

General Manager- Health Promotion

Fiona has worked extensively in health promotion planning, implementation and business development. Fiona is responsible for DHSV's health promotion efforts, including the development of a preventive focus on oral health, and the integration of oral health into a more general health awareness within the community.

Ms Susie White BA (Hons), Dip Ed

Acting General Manager – Health Promotion

Susie has provided consultancy on organisational development, health promotion and planning for 12 years. She joined DHSV during Fiona Preston's maternity leave, overseeing the organisation's health promotion developments to further promote oral health awareness within the community.

Board of Directors

Chief Executive Officer Ms Robyn Batten — **Executive Assistant** Lian- Kee Ferguson

- **General Manager Human Resources and Corporate Communications** Mr Robert Croft
- **General Manager Health Purchasing and Provider Relations** Mr John Hoogeveen
- **General Manager Clinical Services (Acting)** Dr Paula Bacchia
- **General Manager Health Promotion** Ms Fiona Preston
- **General Manager Corporate Services** Mr Zoltan Kokai

Clinical Services

Clinical Services is responsible for all of the clinical activities that are provided by DHSV through the School Dental Service (SDS), the Royal Dental Hospital of Melbourne (RDHM) and the Adult Dental Service (ADS) in clinics located at Brimbank, Ballarat, Hamilton, and Wangaratta.

The last 12 months have been full of activity for the Clinical Services division, focusing on the consolidation of services at the new hospital since it began operating in May 2003.

Good working relationships have also been established with the University of Melbourne and the Royal Melbourne Institute of Technology (RMIT) who together with DHSV are responsible for the training of dental professionals at the hospital.

The hard work and commitment of staff to deliver high quality clinical services culminated in the successful accreditation of DHSV by the Australian Council on Healthcare Standards (ACHS) in September 2003.

Dr Robin Whyman, General Manager - Clinical Services resigned from his position in March 2004, to return to New Zealand. Robin played a key leadership role in the transition to the new hospital and the formation of the Clinical Services division. We thank him for his contribution to DHSV.

Royal Dental Hospital of Melbourne

In partnership with both the University of Melbourne and RMIT, the primary focus for RDHM is to be a world-class teaching and specialist facility, assisting in the education and training of future dental professionals, including dentists, dental specialists, dental therapists, hygienists, assistants and technicians.

During 2003-04, DHSV, the University of Melbourne, and RMIT took up residence in the new Dental Hospital. Careful planning and timing of the clinical moves ensured lost clinical days were kept to a minimum.

A key feature of the new hospital is a centralised sterile supply department, providing sterile instrument supplies to all departments within the hospital. The facility enables the hospital's 139 dental chairs and four operating suites to comply with the latest in sterilisation and infection control standards.

The new hospital is open 365 days per year, providing urgent and emergency dental care, and general dental care for eligible patients. RDHM provides a wide range of clinical services through its undergraduate, postgraduate, specialist and domiciliary dental services. Services are also provided to certain groups of patients under general anaesthesia, including some patients of the newly developed Special Needs Dentistry Unit.

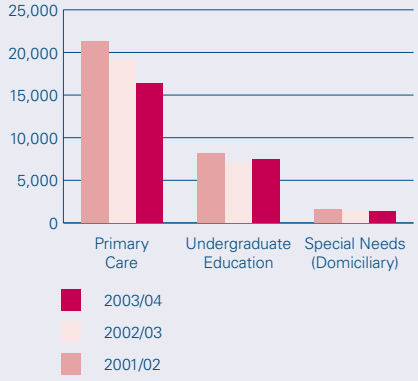
The Unit treats patients who are physically, intellectually and medically or socially compromised. Special Needs Dentistry has recently been afforded specialist status by the Dental Practice Board of Victoria, in recognition of the complexity of the needs of this group and the additional skill required in effective management of their dental needs.

During 2003-04, RDHM's specialist and teaching clinics treated 19,655 patients. A further 17,773 patients received care from the domiciliary, general dentistry and emergency dental care clinics.

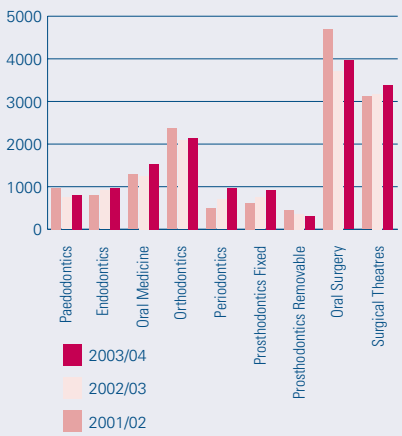
While the number of patients treated by the specialist and teaching clinics increased, the overall number of patients seen at the hospital declined 4.6 per cent compared with the previous year. This reduction occurred mainly as a result of higher treatment needs in patients presenting for care particularly in the general dentistry and emergency dental care clinics.

There was an overall increase of 15.5 per cent in the amount of care provided at the hospital and an additional 5000 more patient visits. The large increase in treatment needs for patients presenting for care meant an increase of 4 per cent more clinical services per 100 patients in Specialist/Teaching clinics. General dental services delivered 17.5 per cent more clinical services per 100 patients. These increases reflect a general trend towards greater service complexity and more clinical intervention required per treatment appointment.

General Dental Services RDHM
Number of Individuals Treated



Specialist Services
Number of individuals treated



Statewide Waiting List - Specialist Clinics
Number of people waiting at end of month - 2003/04

Average waiting times for specialist dental services reduced in the 12 month period of 2003-04 by 4.8 months, to an average wait time of 8.1 months, with 3,782 people waiting as at June 2004. This represents a reduction of about 800 people on the waiting list compared to the same time last year.

School Dental Service

The SDS provides emergency and general dental care to all primary school children and children of concession cardholders in years seven and eight. Services are provided through clinics and mobile dental vans across the state.

In 2003-04 a total of 89,717 children received a complete course of care through the service, 3 per cent less than 2002-03. The general recall period for children at low risk of dental disease was 33 months, while those children identified to be at high risk were recalled every 12 months or less.

The increasing general recall period is a result of workforce shortages and the increasing treatment needs of children presenting for care. This suggests that more dental work is required in order to complete each child's care compared to previous years. In the past 12 months, treatment needs per patient increased by 5.6 per cent.

The service achieved a participation rate of 47.4 per cent, with almost half of Victoria's children receiving care through SDS. Importantly, 77.1 per cent of eligible concession cardholders used the service in 2003-04, demonstrating that SDS is reaching the majority of those most in need.

As of October 2003, SDS introduced additional dental assistant support for dental therapists. The aim of the program is to have a one-to-one ratio of dental assistants to dental therapists. This initiative has been progressively introduced to help increase efficiency, provide greater job satisfaction, enhance the quality of patient care and provide greater patient access.

Oral health data collected by SDS in 2003 indicated a reduction in decay rates in permanent teeth, with fewer 12 year old children having experienced dental decay and a 4 per cent reduction in the average number of decayed, missing or filled permanent teeth. For six year old children there was a slight increase of 7 per cent in the average number of decayed, missing or filled primary (deciduous) teeth.

The number of available dental therapy undergraduate places increased from 12 to 30 in 2003, providing greater potential for the recruitment of new staff. To assist with recruitment, SDS engaged the University of Melbourne to conduct a dental therapist re-entry program. The re-entry program is designed to assist in the re-entry of dental therapists who have been absent from the workforce for an extended period of time. A total of 10 dental therapists (7.0 full time equivalent) successfully completed the program, with 50 per cent taking up employment in rural Victoria. This program will be offered again in 2004-05.

A review of the SDS mobile treatment dental van infrastructure was undertaken reporting on asset condition and compliance with engineering, occupational health and safety and infection control standards. The review recommended the replacement of the mobile vans. New prefabricated dental clinics were commissioned and have been designed and developed during 2003. Three of these prefabricated dental clinics will replace three of the mobile vans in 2004-05.

In April 2004, SDS commenced a review of its operations to identify strategies to deliver an efficient, effective, safe, and clinically appropriate service. The need for the review is a result of a combination of factors. These factors include:

- a diminishing clinical workforce
- an overall increase in treatment need and complexity of care
- an increase in general recall times for children with low dental needs.

The review is due to be completed by September 2004.

Adult Dental Services

The ADS comprises of four DHSV managed community dental clinics, located at Hamilton, Ballarat, Wangaratta and St Albans.
The regional clinics are located on the grounds of acute hospitals, while the St Albans clinic is co-located within a community health centre.

Each clinic provides emergency and general dental services, both restorative and denture care, to pre-school, youth and adult patients. The clinics also purchase services from the private sector.

In 2004, Brimbank (St Albans) Dental Clinic had a School Dental Service therapist, treating school children, at one of its surgeries. This is the ideal service model of holistic family dental care, delivered at a single site.

In total, 13,514 patients were treated by the four clinics in 2003-04, representing an 11.4 per cent decrease from the previous year. The decline in patient numbers is due to the on-going difficulty in attracting clinicians to rural locations.

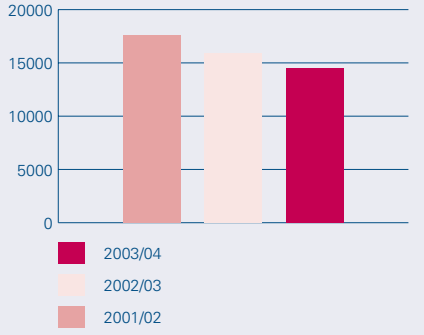
Patient requests for emergency care continued to increase, as waiting lists for complete general treatment lengthened. As at June 2004, 30,315 patients were on the waiting lists for dental care, an increase of 3,892 (14.7 per cent) from the previous year. Waiting times at Hamilton have decreased due to the operation of a private dentist, contracted to treat public patients at the DHSV site.

A targeted approach to treating patients at Supported Residential Services in Ballarat has met those patients' dental needs, but has also lengthened waiting times for patients on the routine restorative waiting list.

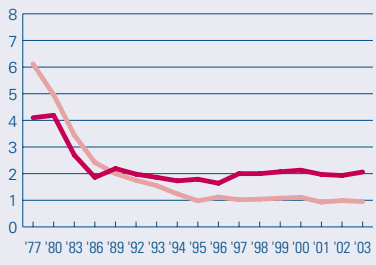
Recruitment continues to be the main concern for ADS. The Ballarat Clinic hosted clinical experience for several final year dental undergraduate students in July 2003, however, no rural dental clinics successfully recruited a new graduate this year.

Clinical indicators continue to be collated and assessed in accordance with the requirements of effective and quality care. The ADS clinical standards are in line with statewide results.

Adult Dental Services (DHSV - CDP Clinics)
Number of individuals treated

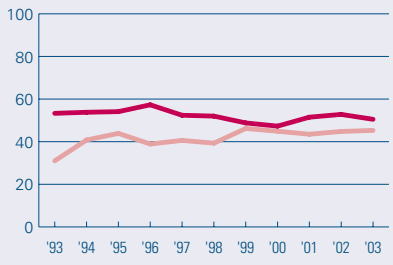


School Dental Services
DMFT of 12 year olds and dmft of 6 year olds



(DMFT - decayed, missing or filled permanent teeth)
(dmft - decayed, missing or filled deciduous teeth)

School Dental Services
% children with no caries experience (DMFT+dmft=0)



Health Purchasing and Provider Relations

The Health Purchasing & Provider Relations (HPPR) has completed its first full year since it was established in 2003. HPPR was originally created to provide a clearer definition between DHSV's dual roles as both a service provider and purchaser.

HPPR purchases CDP service provision from some 60 external agencies and from DHSV adult dental clinics via both in-house services and services purchased from the private sector. It is responsible for purchasing special needs and gerodontic services and for overseeing the external capital asset program.

Funded agencies are supported by HPPR through the provision of written materials and seminars conducted twice a year. A HPPR manager is designated as first point of contact for each agency.

This year has proved to be a year of significant challenges across the CDP, with an increasing demand for services reflected in increasing waiting times and the need to develop innovative ways to increase access and better direct resources.

Following last year's state-wide waiting list audits, a key goal has been the development of an alternative approach to waiting list management. Between July and December, the HPPR team consulted with community dental agencies and worked with the Department of Human Services to develop the project specification for a Centralised Waiting List project. The project scope and guidelines have since been revised at the Department of Human Services' request. The revised project is expected to be implemented over 2004-05.

One of the newer roles for HPPR is the focus on compliance and monitoring of statewide purchased services. HPPR has continued a limited auditing role this year and has completed a range of clinical and non-clinical audits designed to assist agencies with the further development of their programs. This year, for the first time, a "full clinic" audit was undertaken at the invitation of a community health centre. HPPR assisted the centre over a two day period to review all aspects of their clinic's practice and management.

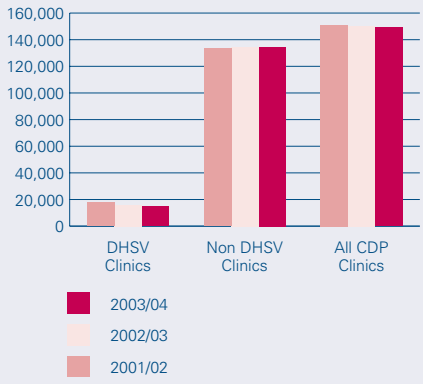
A pilot system commenced this year to monitor services contracted through the private sector. While the system is still in its infancy, there is no doubt that the capacity to effectively monitor the efficiency and effectiveness of purchased services will be a key objective for the coming year.

The CDP Reference Group continues to meet regularly and has been instrumental in providing an important avenue for interaction between DHSV and community based dental agency representatives.

The recent budget initiatives announced for implementation in 2004-05 have provided the impetus for HPPR to develop a range of alternative service models. The significant challenges for the next 12 months are to ensure that the new funds are utilised in the most consistent and equitable way to ensure greater equity of access to public dental services across the state and to bring about an appreciable improvement in waiting times.

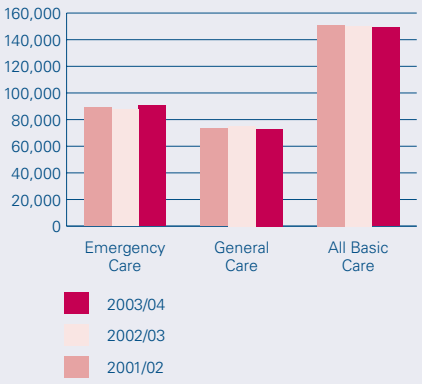
DHSV vs non-DHSV

Number of Individuals Treated



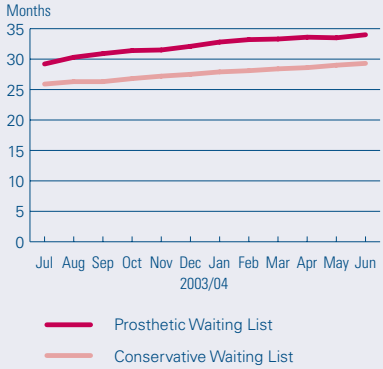
Community Dental Program (CDP)

Number of Individuals Treated



Statewide Waiting List

Average Time Waited For Next Person Removed From Waiting List - 2003/04



Health Promotion

During 2003-04, Health Promotion has worked on several key projects as well as developing and maintaining ongoing services such as access to online journals and oral health information and resources.

This year saw the birth of the '*Defenders of the Tooth*' - *MunchGirl, WaterBoy* and *BrushBoy* - the cartoon - style trio with the task of spreading the word about good oral health to the community. Armed with healthy food, water and a toothbrush, their aim is to rid the community of oral disease. The characters are already being used in a range of health promotion initiatives underpinned by the *Eat Well, Drink Well, Clean Well, Healthy Habits, Dental Visits* and *Play Safely* oral health messages.

Rollout of the *Oral Health Promotion: Resource Pack for Children's Services* was completed in 2003-04. This high quality resource has been produced by DHSV as part of the Victorian Oral Health Promotion Strategy 2002-03 Grants Program, funded by the Victorian Department of Human Services. The resource aims to raise awareness of oral health issues in early childhood settings and to support children's services and preschool health and education professionals in promoting oral health, along with other important health messages.

Two other resources have also been developed to support clinicians working in maternal and child health and primary schools. The resources support oral health promotion practice, including disease prevention, early detection and intervention, with children and their parents.

The Health Promotion Division is currently implementing *Smiles 4 Miles*, an early childhood oral health pilot program in three of the DHS Best Start and Neighbourhood Renewal Areas, where there are high rates of oral disease. The program incorporates health promotion activities for both individuals and settings.
The program tests the success of particular settings in accessing and identifying children in need of dental treatment. In partnership with the School Dental Service and local community dental agencies, pathways for treatment are also being evaluated.

Strong working relationships with the private sector were critical to the success of two major community awareness campaigns in 2003-04, including the establishment of the DHSV *Donate a Day – Talking Teeth* campaign and the continued work with the Australian Dental Association (Victorian Branch) on their Dental Awareness Month promotions.

The *Donate a Day* campaign saw more than 100 dental professionals donate their time and expertise to present oral health information to high needs community groups in their local areas. Four presentation kits were developed, tailored to the needs of targeted community groups.

In 2004-05 Health Promotion will play an integral role in the:

- development of the statewide Early Childhood Oral Health Program;
- evaluation of the effectiveness of the wide range of resources developed in 2003-04; and
- further development of the information and advice role targeting public dental and allied health professionals.

The division will also be actively involved in the development of the new statewide Oral Health Promotion Strategy with the Department of Human Services.

Water fluoridation: Quick Facts

- Water fluoridation helps protect teeth against decay in people of all ages, from very young children to the elderly.
- By preventing tooth decay, water fluoridation saves individuals and families money on dental treatment. It also means less time away from school and work because of tooth pain and dental treatment.
- Most Australians have had water fluoridation for 25 – 50 years.
- You cannot taste or smell fluoride in your water.
- Water fluoridation is a safe way to protect teeth against decay, and is supported by leading national and international health organisations.
- The overall weight of scientific evidence does not link water fluoridation with side effects such as cancer, bone fractures, Alzheimer's disease or allergy.
- Mottling of teeth can occur if young children get too much fluoride (dental fluorosis). It is generally barely noticeable, and also occurs in areas without water fluoridation. By using fluoridated toothpaste carefully and only using fluoride tablets if prescribed by a dentist, the chances of dental fluorosis can be reduced without denying anybody the benefits of water fluoridation.
- The amount of fluoride added to the water is carefully controlled and monitored.
- Water fluoridation is the most effective way to give everybody access to the benefits of fluoride regardless of age, income or education level.

Source: Department of Human Services; *Fluoridation helps protect teeth throughout life*; June 2004

DHSV strongly supports water fluoridation as an important and effective public health strategy for supporting the oral health of all Victorians.

Human Resources

DHSV employs 813 people (583.5 full-time equivalent). As reported in previous years, recruiting and retaining clinical staff continues to be a major challenge. Australia has an increasing under supply of dentists and dental therapists. The impact of this is experienced to the greatest degree in rural areas and in the public sector, particularly as the demand for public dental services continues to increase.

A number of initiatives are being implemented to address this situation. DHSV has made efforts to improve pay and conditions; worked closely with other organisations to upgrade the dental therapy qualification from a diploma to a degree; actively promoted dental therapy as a career option; improved access to rural based dental and dental therapy students through provision of more scholarships, and; introduced one-to-one working relationships for dental therapists and dental assistants in SDS.

However these strategies alone will not be sufficient to correct the imbalance. Medium to long term strategies involving new thinking must be developed to manage increasing demands for the delivery of services.

Occupational Health and Safety (OH&S)

DHSV staff serving on the OH&S committees have provided leadership to the organisation in managing its workplace OH&S hazards and risks. The move to the new hospital was successfully completed without any major workplace incidents.

DHSV continues to focus on the prevention of workplace sprain and strain injuries. WorkSafe Victoria recognised the work done in implementing appropriate systems.

In 2003-04, DHSV achieved 86.5 per cent closure of WorkCover claims (84 per cent in 2002-03); and 94 per cent of claims occurred without incurring any lost workday (72 per cent in 2002-03). In addition, the associated costs for workplace injuries decreased by 15 per cent from $360,352 in 2002-03 to $307,427 in 2003-04.

Workforce Data

Staff Numbers as at 30/06/2004	Number Of Individuals		
	Women	Men	Total
Ongoing Full Time	211	46	257
Ongoing Part Time	321	41	362
Temporary Full Time	68	32	100
Temporary Part Time	34	16	50
Casual	27	17	44
TOTAL	661	152	813

Employee Relations

Twelve month rollover enterprise agreements were negotiated with dental therapists and dental assistants. Both classifications maintain they need significant salary increases. An independent comparative study supports the case for dental therapists.

For dental therapists, it was decided to opt for a rollover agreement in order to find a more appropriate time to present the case for the increases required. Further work is required to ascertain the situation for dental assistants and a commitment was made to undertake a review in the next 12 months.

During the negotiation of the dental assistant enterprise agreement a small number of dental assistants took protected industrial action which amounted to less than one cent of total productive hours.

A three year enterprise agreement was also negotiated with maintenance technicians, while a 20 month agreement was negotiated with anaesthetists.

Employee Assistance Program

DHSV is committed to providing its employees and their immediate families with free, confidential access to qualified counselling services to assist them deal with the many and varied stressors experienced in today's society. This can include personal problems and work-related issues. The service also provides coaching for managers and supervisors to deal with challenging workplace issues. In 2003, 62 staff members and their families used the service.

Organisation Development

A training needs analysis was conducted for clinical services staff employed in the public sector and this underpinned the development of a training and development plan. Within funding constraints, implementation of the plan was commenced. A working party was established to review the merits of introducing a reward and recognition program.

Payroll

In, 2003-04, the SAP system was interfaced with the OH&S system which minimises double handling.

Service Level Agreements between HR Services and line managers ensured optimum service delivery was achieved and maintained. All fortnightly payrolls were processed accurately and on time.

Corporate Communications

Corporate Communication focused on improving the quality and delivery of internal and external communications for the organisation. Some key achievements for the year included the re-development of a staff intranet site and a range of patient information.

The division worked closely with Health Promotion to actively raise community awareness about oral health issues. It also remained responsible for maintaining the organisation's reputation as a leader in the provision of oral health services.

The establishment of a dedicated fundraising function resulted in a marked increase in revenue for patient services through the solicitation of philanthropic donations and corporate-community partnerships.

Full Time Equivalent Numbers - 2002/03

	Dentist	Dental Therapist	Dental Assistants	Dental Technician	Advanced Dental Technician	Other	Total
RDHM	35.1	1.0	74.1	17.8	1.5	87.1	216.6
DHSV Adult Dental Clinics	14.7	0.2	18.5	2.2	0.4	14.6	50.5
School Dental Service	13.8	84.0	82.0	0.0	0.0	39.0	218.8
Health Purchasing & Provider Relations	0.0	0.0	0.0	0.0	0.0	4.6	4.6
Corporate Services	0.0	0.0	0.0	0.0	0.0	65.6	65.6
Health Promotion	0.0	0.0	0.0	0.0	0.0	4.6	4.6
Dental Health Services Victoria	63.6	85.2	174.5	19.9	1.9	215.5	560.7

Full Time Equivalent Numbers - 2003/04

	Dentist	Dental Therapist	Dental Assistants	Dental	Advanced Dental Technician	Other	Total
RDHM	31.5	1.4	80.0	17.5	1.4	76.5	208.3
DHSV Adult Dental Clinics	12.2	0.2	18.1	1.2	1.5	10.0	43.2
School Dental Service	13.2	84.3	97.1	0.0	0.0	41.9	236.5
Health Purchasing & Provider Relations	0.0	0.0	0.0	0.0	0.0	5.2	5.2
Corporate Services	0.0	0.0	0.0	0.0	0.0	85.8	85.8
Health Promotion	0.0	0.0	0.0	0.0	0.0	4.4	4.4
Dental Health Services Victoria	56.9	85.9	195.2	18.7	2.9	223.9	583.5

The Community's Contribution

To continue to expand and improve our services, DHSV relies on the kind support of the Victorian community including individuals, corporations, philanthropic trusts and foundations.

In 2003-04 DHSV received $96,770 in donations and goods-in-kind from the Victorian Community. We thank all our donors for their generous support, including:

- Perpetual Trustees **$12,000**
- The Jack Brockhoff Foundation **$10,000**
- The Lord Mayor's Charitable Trust **$9,500**
- Gillette - Oral B **$6,500**
- The Collier Charitable Fund **$6,500**
- The William Angliss Charitable Trust **$4,000**
- Colgate **$950**
- Hallas **$950**
- Mrs. R. Mahoney **$300**
- Pfizer **$150**
- Mrs. M. Pyman **$100**
- Mrs. E. Smeyers **$100**

(Cash donations of $100 or more)

Corporate Services

The Corporate Services division incorporates Dental Logistics, Infrastructure Services, Finance, Business Integration, Decision Support, Information Technology & Telecommunications, Clinical Analysis and Evaluation, Strategic Planning and Corporate Support functions. The division's aim is to provide effective and efficient corporate support to DHSV's clinical and other services.

Dental Logistics and Infrastructure Services

In October 2003, DHSV launched Dental Logistics as a separate business unit within DHSV. Dental Logistics provides supply and technical services for DHSV's clinical services, the majority of non-DHSV community dental agencies and some private dental practitioners across Victoria. Dental Logistics has specialist expertise in dental equipment installations and dental surgery design and construction.

In 2003-04, Dental Logistics carried out in excess of $1.5 million of capital works, more than 4000 repairs and provided over $4.04 million worth of dental consumables to approximately 100 public dental and private providers, processing more than 10,000 orders across the state. Dental Logistics' revenue from external sources increased by 23 per cent from the previous year.

Infrastructure Services, in collaboration with other DHSV Divisions, is responsible for managing DHSV's properties, buildings, contracts and assets. It is primarily administered through RDHM Facilities Management and DHSV's General Services Unit. The Facilities Management team successfully managed the first full year of operational activities at the new dental hospital site.

Finance, Corporate Compliance and Business Integration

The Finance Department finished the year having undertaken an extensive review and implementation of financial compliance requirements arising from the Whole of Government Financial Management Compliance Framework implementation. The finance team is well equipped to ensure the seamless implementation of international accounting standards in 2004-05.

The 2003-04 financial year also saw the review and establishment of policies and procedures in support of DHSV's corporate compliance and business integration functions. With the continued need to ensure the organisation complies with legislation, policies, procedures and guidelines, DHSV developed in 2003-04 a comprehensive Compliance Framework which will be progressively deployed throughout DHSV in 2004-05.

In addition, DHSV's role in public dental asset management and support has seen the progressive development of a capital asset prioritisation process. Capital assets submissions are prioritised and responded to across the state in accordance with the Department of Human Services dental asset management guidelines.

Information Technology and Clinical Analysis and Evaluation

Information Technology and Telecommunications (IT&T) requirements were reviewed in 2003-04 which resulted in a realignment of IT&T priorities to meet new and emerging organisational needs. In collaboration with DHSV's business partners, the IT&T team successfully planned, installed and commissioned Digital Radiography for extra-oral x-rays, a new intranet site and internet site updates, including an online resource centre. With the introduction of new telephone technology at RDHM, the IT&T team now oversees the maintenance and provision of all telephone services for DHSV.

The Clinical Analysis and Evaluation Unit has continued the development of the EXACT patient management system for RDHM, Community and School Dental Services. Chair-side computing is now available within clinical surgeries at RDHM. Electronic patient records have now been implemented in 29 Community Dental Program agencies. This innovation is delivering improved clinical efficiency, communication and record keeping and facilitates continuity of care across the organisation.

DHSV anticipates commencing the approved $3.2 million project for information and communication technology in 2004-05. This project will deploy chair-side electronic patient records across the School Dental Service and the remainder of Victoria's community dental agencies.

Strategy and Service Planning

The 2003-04 financial year saw the implementation of requirements of the final year of the 2001-2004 Strategic Plan with preparation and consultation commencing on a new strategic plan. In addition, extensive analysis was undertaken as a precursor to DHSV service planning.

Quality

In September 2003, DHSV was awarded two years accreditation, the maximum accreditation period, with a number of commendations under the new Australian Council on Healthcare Standards EQuIP Version 3 Framework. This new framework requires a higher level of quality standards to be attained than previously. This is a great achievement by the whole organisation.

Report of Operations

Financial Overview

DHSV finished the year with an operating surplus of $3.957 million. Total revenues increased by $4.910 million to $90.063 million during 2003-04. This includes $4.918 million of revenue comprising grants that have been received and accounted for in accordance with Australian Accounting Standard AAS15 which will be expended in the 2004-05 financial year.

Total Expenses increased by $2.675 million reflecting $3.668 million of services expenditure and $0.584 million of specific expenditure for which the revenue was received in the preceding financial year in accordance with AAS15.

Total equity increased by $4.770 million. This comprised an operating surplus of $3.957 million and an increase in the value of land and buildings (asset revaluation reserve) of $0.813 million.

Table 4: Summary of financial results

	2003-04 $'000	2002-03 $'000	2001-02 $'000	2000-01 $'000	1999-00 $'000
Total Revenue	90,063	85,153	77,909	70,588	67,645
Total Expenses	86,106	83,431	73,961	70,496	65,978
Operating Surplus (deficit)	3,957	1,722	3,948	92	1,667
Contributed Capital + Retained Surplus	70,212	66,242	52,099	19,656	8,652
Total Assets	91,186	85,334	66,088	33,561	29,766
Total Liabilities	16,060	14,978	13,025	13,891	10,188
Net Assets	75,126	70,356	53,063	19,670	19,578
Total Equity	**75,126**	**70,356**	**53,063**	**19,670**	**19,578**

Significant changes in financial position during the financial year

Dental Health Services Victoria reported a deficit before capital purpose income, depreciation, amortisation and specific revenues and expenses of $1.086 million. This result comprises $2.007 million of grant revenue brought to account for which expenses will be recognised in the 2004-05 financial year and $3.623 million of expenses incurred in 2003-04 of which revenue was recognised in the 2002-03 financial year. The underlying result, allowing for these AAS15 timing differences, was a surplus of $0.530 million.

The net entity surplus of $3.957 million includes capital purpose income, depreciation, amortisation and specific revenues and expenses.

There was no other material change in the financial position of Dental Health Services Victoria during the financial year.

Report of Operations

Financial analysis of operating revenue and expenses for the year ended 30 June 2004

	Note	Total 2004 $'000	Total 2003 $'000
REVENUE			
Services supported by Health Services Agreement			
Government grants		71,934	69,868
Indirect contributions by Human Services		396	231
Non-cash revenue from services provided		668	290
Patient fees	5	3,109	2,941
Recoupment from private practice for use of hospital facilities		36	38
Donations and bequests		77	12
Interest		674	760
Other revenue		889	543
	2,3	**77,783**	**74,683**
Services supported by hospital and community initiatives			
Property income		67	10
Other revenue		2,123	3,036
	2,3	**2,190**	**3,046**
		79,973	**77,729**
EXPENSES			
Services supported by Health Services Agreement			
Employee entitlements		33,558	31,103
Fee for services medical officers		133	185
Supplies and consumables		3,893	3,549
Other expenses		41,860	39,216
	4	**79,444**	**74,053**
Services supported by hospital and community initiatives			
Employee entitlements		265	349
Supplies and consumables		49	142
Other expenses		1,301	1,602
	4	**1,615**	**2,093**
		81,059	**76,146**
Surplus/(deficit) for the year before capital purpose income, depreciation, amortisation and specific revenues and expenses		**(1,086)**	**1,583**
Capital purpose income	2,3	9,238	3,778
Proceeds from sale of non-current assets	6	393	3,096
Written down value of assets sold	6	(279)	(2,256)
Depreciation and amortisation	10	(3,662)	(2,173)
Specific revenues	8	459	550
Specific expenses	9	(1,106)	(2,856)
Net surplus (deficit)		**3,957**	**1,722**
Retained surplus at 1 July		**5,641**	**2,998**
Amount available for appropriation		9,598	4,720
Transfers to and from reserves	19c	13	950
Adjustment resulting from change in accounting policy	19c	-	(29)
Retained surplus at 30 June		**9,611**	**5,641**

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

Statutory Requirements

Managing risk

The DHSV Board monitors areas of operational and financial risk through the Board Audit Committee and the Board Finance Committee. The Board retained the services of KPMG Consultants in 2003-04 as internal auditors and facilitators of the DHSV Risk Management Process. KPMG Consultants undertook an evaluation of organisational risks in May 2004 as part of DHSV's ongoing commitment to risk management.

Consultancies

Consultancies costing more than $100.000:Nil

Consultancies costing less than $100,000: 33 at a total cost of $252,155

Compliance with the Building Act 1993

DHSV's buildings are maintained to meet the provisions of the Building Act 1993.

Purchasing and Tendering

DHSV complies with the Operating Model of Health Purchasing Victoria and utilises the Victorian Government Purchasing Board Guidelines in tendering and managing contracts

Competitive neutrality

In accordance with the Victorian government policy statement on competitive neutrality, DHSV applies competitively neutral pricing principles to all its identified business units.

Probity

DHSV, through its Infrastructure Services Unit, has undertaken public tender for contracts required under Victorian Government Public Service guidelines and has a rigorous supplier evaluation and relationship management process in place.

Code of Conduct

DHSV has a comprehensive code of conduct which is based on guidelines issued by the Office of Public Employment and best practice. The Code of Conduct is available to all employees and is an integral part of the induction and orientation program. All employees are expected to behave consistent with the requirements of the Code of Conduct.

Freedom of information

During the year DHSV received 124 requests for access to documents under the Freedom of Information Act 1982. One hundred of these were personal requests and the remainder were non-personal. All requests were approved. Requests were dealt with in the following manner:

- Access granted in full: 123
- Requests withdrawn/not proceeded with: 1
- Application fees collected: $60.00
- Application fees waived: $2,400.00
- Charges collected: $0
- Charges waived: $697.90

Further information available

The information listed in the Directions of the Minister for Finance Part 9.1.3 (iv) has been prepared and is available to the relevant minister, members of parliament and the public upon request.

Dental Care Profile - Statewide

Description	Number of Services per 100 patients								
	Specialist Care			Basic Care (S'wide)			School Dental Service		
	2001/02	2002/03	2003/04	2001/02	2002/03	2003/04	2001/02	2002/03	2003/04
Diagnostic Services									
Examination	16.9	21.5	12.7	110.8	108.0	109.4	116.3	117.7	117.1
Consultation	119.0	107.9	107.7	21.7	26.1	23.8	14.5	13.9	11.8
Radiograph	86.8	104.2	104.1	60.9	67.2	71.5	21.3	26.7	28.8
Other Diagnostic	50.5	48.2	26.8	17.2	18.6	16.7	3.8	4.6	5.1
Preventive Services									
Plaque and Calculus removal	10.0	13.6	12.5	30.5	30.9	29.9	13.4	13.5	14.4
Topical Fluoride	2.2	2.7	1.1	5.7	5.6	8.7	9.7	10.1	9.1
Fissure Sealant	10.8	9.3	7.0	19.4	19.0	11.7	104.9	101.1	96.8
Other Preventive	6.4	7.7	7.5	33.2	30.2	36.7	15.3	18.1	21.8
Peridontics									
Periodontal Surgery	1.5	1.8	1.7	0.1	0.1	0.1	0.0	0.0	0.0
Other Periodontal	8.9	13.5	13.6	4.1	4.5	4.8	0.0	0.0	0.0
Oral Surgery									
Simple Extraction	86.7	90.4	86.2	46.3	48.8	52.1	20.1	23.3	24.5
Surgical Extraction	47.9	41.3	43.6	6.1	7.0	6.9	0.0	0.1	0.1
Surgical Procedure	6.3	4.8	3.4	3.4	3.5	3.1	0.0	0.1	0.1
Endontics									
Pulp Treatment	16.0	21.2	22.0	18.7	17.9	18.3	11.3	13.7	13.5
Other Endodontic	3.1	5.0	3.9	2.9	2.5	3.4	0.2	0.3	0.2
Restorative Services									
Amalgam Restoration	7.4	8.2	9.2	22.3	20.7	18.8	6.6	5.2	4.6
Adhesive Restoration	39.4	41.8	31.9	100.4	107.0	105.4	97.6	112.8	121.8
Other Restorative	2.5	3.5	4.1	13.0	12.0	13.3	5.2	6.3	6.7
Fixed Prosthodontics									
Crowns	3.2	4.4	4.4	0.2	0.1	0.1	0.0	0.0	0.0
Bridge Pontic	0.8	1.4	0.9	0.0	0.0	0.0	0.0	0.0	0.0
Other Crown and Bridge Services	2.0	2.6	2.9	1.8	1.7	3.0	0.0	0.0	0.0
Removable Prosthodontics									
Denture Unit - Full	3.1	3.4	1.3	10.2	9.3	8.5	0.0	0.0	0.0
Partial Denture - Acrylic	0.5	1.0	0.6	5.2	5.5	5.6	0.0	0.0	0.0
Partial Denture - Cobalt Chromium	1.3	1.2	1.0	0.3	0.2	0.3	0.0	0.0	0.0
Reline/Rebase Denture	1.3	0.8	0.1	1.3	1.3	1.4	0.0	0.0	0.0
Denture Repair and Maintenance Services	3.1	2.8	0.8	13.7	14.4	15.6	0.0	0.0	0.0
Other Prosthodontic	2.5	3.2	3.3	15.4	17.2	18.8	0.0	0.0	0.0
Orthodontics									
Removable Appliance	5.4	6.5	6.8	0.1	0.0	0.1	0.5	0.6	0.5
Full Banding (Arches)	4.1	3.6	4.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Orthodontic	1.6	0.8	1.0	0.0	0.0	0.0	0.0	0.0	0.0
General Services									
Emergency Services	0.1	0.3	0.0	7.5	7.0	3.1	0.1	0.1	0.0
Drug Therapy (including general anaesthetics)	37.8	33.3	48.4	14.5	16.3	14.9	0.3	0.4	0.5
Occlusal Therapy	4.5	3.9	4.5	0.2	0.2	0.2	0.0	0.0	0.0
Miscellaneous Services	32.1	26.8	2.2	5.9	5.1	4.4	0.0	0.1	0.2

Financial Statements

Statement of Financial Performance for the year ended 30 June 2004

	Note	Total 2004 $'000	Total 2003 $'000
Revenue From Ordinary Activities	2,3	**90,063**	**85,153**
Expenses From Ordinary Activities	4		
Employee Benefits		33,823	31,452
Fee for Service Medical Officers		133	185
Supplies & Consumables		3,942	3,691
Depreciation and Amortisation	10	3,662	2,173
Other Expenses from Ordinary Activities		44,546	45,930
		86,106	83,431
Net Result From Ordinary Activities/Net Result For The Year		**3,957**	**1,722**
Net Increase/(Decrease) in Asset Revaluation Reserve	19	813	4,100
Increase/(Decrease) in Net Result on adoption of a new/revised Accounting Pronouncement	19	-	(29)
Total revenues, expenses and valuation adjustments recognised directly in equity		**813**	**4,071**
Total Changes In Equity Other Than Those Resulting From Changes In Contributed Capital		**4,770**	**5,793**

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

Financial Statements

Statement of Financial Position as at 30 June 2004

	Note	Total 2004 $'000	Total 2003 $'000
ASSETS			
Current Assets			
Cash Assets	11	17,891	12,949
Receivables	12	1,566	1,441
Inventory	13	712	638
Prepayments		56	30
Other Assets	14	493	2,031
Total Current Assets		**20,718**	**17,089**
Non-Current Assets			
Receivables	12	1,117	450
Property, Plant & Equipment	15	69,351	67,795
Total Non-Current Assets		**70,468**	**68,245**
TOTAL ASSETS		**91,186**	**85,334**
LIABILITIES			
Current Liabilities			
Payables	16	7,731	6,383
Employee Benefits	17	3,515	4,802
Other Liabilities	18	461	108
Total Current Liabilities		**11,707**	**11,293**
Non-Current Liabilities			
Employee Benefits	17	4,353	3,685
Total Non-Current Liabilities		**4,353**	**3,685**
TOTAL LIABILITIES		**16,060**	**14,978**
NET ASSETS		**75,126**	**70,356**
EQUITY			
Asset Revaluation Reserve	19a	4,913	4,100
General Purpose Reserve	19a	-	-
Restricted Specific Purpose Reserve	19a	1	14
Contributed Capital	19b	60,601	60,601
Accumulated Surpluses/(Deficits)	19c	9,611	5,641
TOTAL EQUITY	19d	**75,126**	**70,356**

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

Financial Statements

Statement of Cash Flows for the year ended 30 June 2004

	Note	Total 2004 $'000 inflows (outflows)	Total 2003 $'000 inflows (outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Government Grants		72,790	70,694
Capital Grants - Government		9,218	3,778
Patient Fees		3,269	2,939
Donations & Bequests		37	12
GST Recovered from ATO		4,911	6,484
Recoupment from private practice for use of hospital facilities		36	38
Other		3,622	3,881
Payments			
Employee Benefits		(34,442)	(29,927)
Fee for Service Medical Officers		(133)	(185)
Supplies & Consumables		(3,882)	(3,400)
GST paid to ATO		(7,928)	(9,397)
Other		(38,265)	(40,867)
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	20	**9,233**	**4,050**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Properties, Plant & Equipment		(4,684)	(18,444)
Proceeds from Sale of Properties, Plant & Equipment		393	3,096
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		**(4,291)**	**(15,348)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Contributed Capital from Government		-	11,500
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		**-**	**11,500**
NET INCREASE/(DECREASE) IN CASH HELD		4,942	202
CASH AT 1 JULY 2003		12,949	12,747
CASH AT 30 JUNE 2004	11	**17,891**	**12,949**

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

Note 1: Statement of Accounting Policies

This general-purpose financial report has been prepared on an accrual basis in accordance with the *Financial Management Act 1994*, Australian accounting standards, Statement of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and Urgent Issues Group Consensus Views.

It is prepared in accordance with the historical cost convention, except for certain assets and liabilities which, as noted, are at valuation. The accounting policies adopted, and the classification and presentation of items, are consistent with those of the previous year, except where a change is required to comply with an Australian accounting standard or Urgent Issues Group Consensus View, or an alternative accounting policy permitted by an Australian accounting standard is adopted to improve the relevance and reliability of the financial report. Where practicable, comparative amounts are presented and classified on a basis consistent with the current year.

(a) Rounding Off

All amounts shown in the Financial Statements are expressed to the nearest $1,000.

(b) Adoption of International Financial Reporting Standards (IFRS)

For reporting periods beginning on or after 1 January 2005, all Australian reporting entities are required to adopt the financial reporting requirements of the Australian equivalents to International Financial Reporting Standards (IFRS). This requirement also extends to comparative financial information included within the report. The first day of the comparative period, 1 July 2004, effectively becomes the transition date for DHSV. Any adjustments arising from changes in the recognition or measurement of assets and liabilities at the transition date arising from the adoption of IFRS will be made against accumulated funds at the transition date.

DHSV has taken the following steps in managing the transition to Australian equivalent to IFRS:

- established a committee for the oversight of the transition to and implementation of the Australian equivalents to IFRSs;
- commenced activities to identify key issues and the likely impacts resulting from the adoption of Australian equivalents to IFRSs; and
- commenced an education process for key stakeholders to raise awareness of the changes in reporting requirements.

DHSV has identified a number of changes to the existing accounting policies that may have a material impact on DHSV's financial position and future financial performance following the adoption of the requirements of the Australian equivalents to IFRS (the new standards). These include:

- Valuation of assets. In accordance with the Victorian Government Policy - Revaluation of Non-Current Physical Assets, DHSV currently measures its non-current physical assets, other than plant, equipment and vehicles, at fair value subsequent to initial recognition. Plant, equipment and vehicles are measured on a cost basis. Revaluations are assessed annually and supplemented by independent assessments at least every three years. The new standard continues to offer a choice for measuring each class of non-current assets either at cost or fair value. However, non-current assets measured at fair value will only be required to be revalued at least every three to five years and all assets in a class must be revalued at the same time. The Victorian government has not yet concluded whether it will make any changes to the valuation basis of any class of asset or the methodology or frequency at which revaluations are performed. The financial effects of any such changes are unknown.
- Impairment of assets. Under the new standards, an asset will be required to be assessed for impairment each year. If indicators of impairment exist, the carrying value of an asset will need to be assessed to ensure that the carrying value does not exceed its recoverable amount, which is the higher of its value-in-use and fair value less costs to sell. For DHSV, value-in-use of an asset is its depreciated replacement cost. Other than inventories, financial assets and assets arising from construction contracts, impairment testing will apply to all assets regardless of whether they are measured on a cost or fair value basis. Where the carrying value of an asset exceeds its recoverable amount, the difference will be written-off as an impairment loss to the statement of financial performance except to the extent that the write-down can be debited to an asset revaluation reserve amount applicable to that asset. Any impairment losses at transition date will be adjusted against the accumulated funds.
- Superannuation. the Department of Treasury and Finance recognises a liability for the present value of the unfunded superannuation liability arising from the service of employees who are members of defined benefit superannuation schemes. This present value liability is currently calculated using the expected long-term earnings rate of investments held by the superannuation funds. Under the new standard, the present value of the net defined benefit liability must be calculated using a long-term bond rate. These two rates may be different, leading to a difference in the calculation of the present liability. It is expected that the long-term bond rate may be revised more frequently than the expected long-term earnings rate, leading to greater volatility. In addition, the measurement of assets held by the defined benefit superannuation fund will also change. Under the existing accounting standard, plan assets are measured at net market value, taking into account the cost of realisation. The new standard requires plan assets to be measured at fair value and is silent on the issue of cost of realisation. This may result in an adjustment to DHSV's unfunded superannuation liability at transition date
- In addition, a number of other changes in requirements have been identified which are expected to lead to changes in methodology or processes, increased disclosures and possibly changes in measurement of assets or liabilities. The changes are not expected to have a material impact.

(c) Receivables

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition. Collectability of debts is reviewed on an ongoing basis, and debts which are known to be uncollectible are written off. A provision for doubtful debts is raised where doubt as to collection exists.

(d) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined principally by the weighted average method.

(e) Other Financial Assets

Other financial assets are valued at cost and are classified between current and non current assets based on DHSV's Board of Management's intention at balance date with respect to the timing of disposal of each asset.

(f) Revaluations of Non-Current Assets

Subsequent to the initial recognition as assets, non-current physical assets, other than plant and equipment, are measured at fair value. Plant and equipment are measured at cost. Revaluations are made with sufficient regularity to ensure that the carrying amount of each asset does not differ materially from its fair value at the reporting date. Revaluations are assessed annually and supplemented by independent assessments, at least every three years. Revaluations are conducted in accordance with the Victorian Government Policy Paper *Revaluation of Non-Current Physical Assets*.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised at an expense in net result, the increment is recognised immediately as revenue in net result.

Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

Revaluation increments and decrements are offset against one another within a class of non-current assets.

(i) Properties

Type	Valuation Method	Valuation Date
Land, 720 Swanston Street	Direct Comparison Approach	30-June-2004
Land, 711 Elizabeth Street	Direct Comparison Approach	30-June-2004
Building, 711 Elizabeth Street	Depreciated Value Approach	30-June-2004
Land, 2 Geelong Road	Direct Comparison Approach	30-June-2003
Building, 2 Geelong Road	Direct Comparison Approach	30-June-2003
Land, 650 Nicholson Street	Direct Comparison Approach	30-June-2003
Building, 650 Nicholson Street	Direct Comparison Approach	30-June-2003

Valuations of the above properties were undertaken by independent valuer, Claudio Petrocco AAPI, Certified Practising Valuer, of Charter Keck Cramer as at the dates specified. The hospital at 711 Elizabeth Street was valued utilising a depreciated replacement cost on an assumption of continuing use by the University of Melbourne, School of Dental Science.

(g) Depreciation

Assets with a cost in excess of $1,000 are capitalised and depreciation has been provided on depreciable assets so as to allocate their cost - or valuation - over their estimated useful lives using the straight-line method. Estimates of the remaining useful lives for all assets are reviewed at least annually. This depreciation charge is not funded by the Department of Human Services.

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

	2004	2003
Buildings	Up to 40 years	Up to 40 years
Plant and equipment	Up to 20 years	Up to 20 years
Furniture and fittings	Up to 10 years	Up to 10 years
Computers	Up to 3 years	Up to 3 years

(h) Payables

These amounts represent liabilities for goods and services provided prior to the end of the financial year and which are unpaid. The normal credit terms are Nett 30 days.

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of GST except for receivables and payables which are stated with the amount of GST included and except where the amount of GST incurred is not recoverable, in which case GST is recognised as part of the cost of acquisition of an asset or part of an item of expense or revenue. GST receivable from and payable to the Australian Taxation Office (ATO) is included in the statement of financial position. The GST component of a receipt or payment is recognised on a gross basis in the statement of cash flows in accordance with Accounting Standard AAS28.

(j) Employee Benefits

Employee benefit liabilities are based on pay rates expected to apply when the obligation is settled. On-costs such as Workcover and superannuation are included in the calculation of leave provisions.

Long Service Leave

The provision for long service leave is determined in accordance with AASB 1028. The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits as a current liability. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits as non-current liability and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national Government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash flows.

Wages and Salaries, Annual Leave and Accrued Days Off

Liabilities for wages and salaries, annual leave and accrued days off are recognised, and are measured as the amount unpaid at the reporting date in respect of employees' services up to the reporting date and are measured as the amounts expected to be paid when the liabilities are settled.

Sick leave

Sick leave entitlements are accrued on the basis of 12 days per annum. This can vary depending on individual awards. Sick leave is non-vesting and a liability is recognised only when the amount of sick leave expected to be taken in future periods exceeds the entitlement expected to accrue in those periods.

Superannuation

The amount charged to the statement of financial performance in respect of superannuation represents the contributions made by DHSV to the superannuation fund.

Termination Benefits

Liabilities for termination benefits are recognised when a detailed plan for the termination has been developed and a valid expectation has been raised in those employees affected that the terminations will be carried out. The liabilities for termination benefits are recognised in other creditors unless the amount or timing of the payments is uncertain, in which case they are recognised as a provision.

Employee Benefit On-Costs

Employee benefit on-costs are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

(k) Revenue Recognition

Revenue is recognised in accordance with AAS15. Income is recognised as revenue to the extent they are earned. Unearned income at reporting date is reported as income received in advance.

Amounts disclosed as revenue are, where applicable, net of returns, allowances and duties and taxes.

Government Grants

Grants are recognised as revenue when DHSV gains control of the underlying assets. Where grants are reciprocal, revenue is recognised as performance occurs under the grant. Non-reciprocal grants are recognised as revenue when the grant is received or receivable. Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant.

Indirect Contributions

- Insurance is recognised as revenue following advice from the Department of Human Services.
- Long Service Leave - Revenue is recognised upon finalisation of movements in long service leave liability in line with the arrangements set out in the Acute Health Division Hospital Circular 16/2004.

Patient Fees

Patient fees are recognised as revenue at the time invoices are raised.

Private Practice Fees

Private practice fees are recognised as revenue at the time invoices are raised.

Donations

Donations are recognised as revenue when the cash is received. If donations are for a special purpose, they may be appropriated to a reserve, such as specific restricted purpose reserve.

(l) Fund Accounting

DHSV operates on a fund accounting basis and maintains three funds: Operating, Specific Purpose and Capital Funds. DHSV's Capital and Specific Purpose Funds include unspent capital donations and receipts from fund-raising activities conducted solely in respect of these funds.

(m) Services Supported By Health Services Agreement and Services Supported By Hospital and Community Initiatives

Activities classified as Services Supported by Health Services Agreement (HSA) are substantially funded by the Department of Human Services while Services Supported by Hospital and Community Initiatives (Non HSA) are funded by DHSV's own activities or local initiatives.

(n) Comparative Information

Where necessary, the previous year's figures have been reclassified to facilitate comparisons.

(o) Asset Revaluation Reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets.

(p) General Reserve

The general reserve was established by the Board in 2001-02 to recognise the additional costs anticipated in 2002-03 relating to expected unfunded activities. The Board has determined this reserve is no longer required and the reserve has been moved to accumulated surplus as at 30 June 2003.

(q) Specific Restricted Purpose Reserve

A specific restricted purpose reserve is established where DHSV has possession or title to the funds but has no discretion to amend or vary the restriction and/or condition underlying the funds received.

(r) Contributed Capital

Consistent with UIG Abstract 38 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' and Financial Reporting Direction 2 Contributed Capital, transfers that are in the nature of contributions or distributions, have been designated as contributed capital.

Note 2: Revenue

	HSA 2004 $'000	Non HSA 2004 $'000	Total 2004 $'000	HSA 2003 $'000	Non HSA 2003 $'000	Total 2003 $'000
Revenue from Operating Activities						
Recurrent						
Government Contributions						
- Department of Human Services	71,904	-	71,904	69,868	-	69,868
- Non-Cash Revenue from Services Provided	668	-	668	290	-	290
- Commonwealth Government	30	-	30	-	-	-
Indirect Contributions by Human Services	396	-	396	231	-	231
Patient Fees (refer note 5)	3,109	-	3,109	2,941	-	2,941
Recoupment from Private Practice for Use of DHSV Facilities	36	-	36	38	-	38
Donations and Bequests	77	-	77	12	-	12
Other	889	2,123	3,012	543	3,036	3,579
Capital Purpose Income						
State Government Capital Grants						
-Targeted Capital Works and Equipment	-	752	752	-	-	-
- Equipment and Infrastructure Maintenance	-	8,466	8,466	-	3,778	3,778
Donations and bequests	-	20	20	-	-	-
Specific Revenues	-	459	459	-	550	550
Sub-Total Revenue from Operating Activities	**77,109**	**11,820**	**88,929**	**73,923**	**7,364**	**81,287**
Revenue from Non-Operating Activities						
Interest	674	-	674	760	-	760
Property Income	-	67	67	-	10	10
Proceeds from Sale of Non-Current Assets (refer note 6)	-	393	393	-	3,096	3,096
Sub-Total Revenue from Non-Operating Activities	**674**	**460**	**1,134**	**760**	**3,106**	**3,866**
Total Revenue from Ordinary Activities (refer note 3)	**77,783**	**12,280**	**90,063**	**74,683**	**10,470**	**85,153**

Indirect contributions by Human Services

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

Financial Statements

Notes to and forming part of the financial statements for the year ended 30 June 2004

Note 3: Analysis of Revenue by Source

	Total 2004 $'000	Total 2003 $'000
Other		
Revenue from Services Supported by Health Services Agreement		
Government Grants		
- Department of Human Services	71,904	69,868
- Commonwealth Government	30	-
Indirect contributions by Human Services		
- Insurance	396	231
- Long Service Leave	668	290
Patient fees (refer note 5)	3,109	2,941
Recoupment from private practice for use of DHSV facilities	36	38
Interest	674	760
Donations & Bequests	77	12
Other revenue	889	543
Sub-Total Revenue from Services Supported by Health Services Agreement	**77,783**	**74,683**
Revenue from Services Supported by Hospital and Community Initiatives		
Business Units		
Car Park	3	11
Property Income	67	10
Workforce Support	-	28
Technical Support	1,554	2,236
Food Services	-	116
Overseas Dentists Training Programme	566	555
Dental Health Research	-	90
Other Activities		
Capital Purpose Income (refer note 2)	9,218	3,778
Proceeds from Sale of Non-Current Assets (refer note 6)	393	3,096
Donations and bequests	20	-
Specific Revenues (refer note 8)	459	550
Sub-Total Revenue from Services Supported by Hospital and Community Initiatives	**12,280**	**10,470**
Total Revenue from All Sources	**90,063**	**85,153**

Indirect contributions by Human Services

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

Note 4: Analysis of Expenses by Source

	Total 2004 $'000	Total 2003 $'000
Other		
Services Supported by Health Services Agreement		
Employee Benefits		
Salaries & Wages	28,728	27,126
WorkCover	961	647
Long Service Leave	1,150	738
Superannuation (refer note 23)	2,719	2,592
Non Salary Labour Costs		
Fees for Visiting Medical Officers	133	185
Supplies & Consumables		
Drug Supplies	439	489
Medical and Surgical Supplies	3,454	3,051
Food Supplies	-	9
Other Expenses		
Domestic Services & Supplies	1,023	1,257
Fuel, Light, Power and Water	483	381
Insurance costs funded by DHS	396	231
Motor Vehicle Expenses	361	306
Postal and Telephone	629	514
Repairs and Maintenance	83	319
Patient Transport	16	11
Bad and Doubtful Debts	199	145
Other Administrative Expenses	4,457	4,136
Transfer Payments		
- Output Funding for Dental Services (DHS Agencies)	26,291	23,622
- Victorian Denture Scheme (Private Practitioners)	4,410	4,024
- Victorian General Dental Scheme (Private Practitioners)	998	1,587
- Victorian Emergency Dental Scheme (Private Practitioners)	2,400	2,597
Sub-Total Expenses from Services Supported by Health Services Agreement	**79,330**	**73,967**
Services Supported by Hospital and Community Initiatives		
Employee Benefits		
Salaries & Wages	228	302
WorkCover	8	8
Long Service Leave	11	11
Superannuation (refer note 23)	18	28
Supplies & Consumables		
Drug Supplies	-	2
Medical and Surgical Supplies	49	35
Food Supplies	-	105
Other Expenses		
Domestic Services and Supplies	-	1
Fuel, Light, Power and Water	-	-
Motor Vehicle Expenses	-	5
Postal and Telephone	1	60
Repairs & Maintenance	6	271
Bad & Doubtful Debts	-	-
Other Administrative Expenses	1,294	1,265
Sub-Total Expenses from Services Supported by Hospital and Community Initiatives	**1,615**	**2,093**
Depreciation and Amortisation (refer note 10)	3,662	2,173
Audit Fees		
- Auditor-General's	21	22
- Internal Audits	93	64
Written Down Value of Non-Current Assets Sold (refer note 6)	279	2,256
Specific Expenses (refer note 9)	1,106	2,856
Total Expenses from Ordinary Activities	**86,106**	**83,431**

Note 5: Patient Fees

	Total 2004 $'000	Total 2003 $'000
Patient Fees Raised		
Recurrent		
Other		
- Inpatients	107	75
- Outpatients	3,002	2,866
Total Recurrent	**3,109**	**2,941**

Note 6: Sale of Non Current Assets

	Total 2004 $'000	Total 2003 $'000
Proceeds from Disposals of Non Current Assets		
Land and Buildings	-	2,660
Plant and Equipment	37	-
Furniture and Fittings	9	-
Motor Vehicles	347	436
Total Proceeds from Disposal of Non Current Assets	**393**	**3,096**
Less: Written Down Value of Non Current Assets Sold		
Land	-	1,700
Buildings	-	81
Plant and Equipment	33	-
Furniture and Fittings	6	-
Motor Vehicles	240	475
Total Written Down Value of Non Current Assets Sold	**279**	**2,256**
Net gains/(losses) on disposal of Non Current Assets	**114**	**840**

The sale of land and buildings comprises 2 disused buildings at 11-21 Villiers St, North Melbourne. These properties were sold on 22 November 2002 with the majority of the proceeds applied to the construction costs of the new hospital at 720 Swanston Street, Carlton.

Note 7: Analysis of Expenses by Business Unit for Services Supported by Hospital and Community Initiatives

	Total 2004 $'000	Total 2003 $'000
Workforce Support	-	29
Technical Support	1,159	1,423
Food Services	-	205
Overseas Dentists Training Program	415	341
Dental Health Research	41	95
Total	**1,615**	**2,093**

Note 8: Specific Revenues

	Total 2004 $'000	Total 2003 $'000
Specific Revenues		
Funding received from Department of Human Services to purchase dental equipment on behalf of external dental agencies	459	550
Total	**459**	**550**

Note 9: Specific Expenses

	Total 2004 $'000	Total 2003 $'000
Specific Expenses		
Amounts paid for the purchase of dental equipment on behalf of external dental agencies	1,043	1,647
Revaluation decrement on Non Current Assets - Buildings	-	1,026
Amounts paid for the purchase of dental equipment on behalf of DHSV under capitalisation threshold	63	183
Total	**1,106**	**2,856**

Note 10: Depreciation

	Total 2004 $'000	Total 2003 $'000
Buildings	1,444	473
Plant & Equipment		
- Plant and Major Medical	873	763
- Transport	397	387
- Computers and Communication	857	511
Furniture and Fittings	91	39
Total	**3,662**	**2,173**
Allocation of Depreciation:		
- Services Supported by Health Services Agreement	3,605	2,139
- Services Supported by Hospital and Community Initiatives	57	34
	3,662	**2,173**

Note 11: Cash Assets

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks, and short-term deposits which are readily convertible to cash on hand, and are subject to an insignificant risk of change in value, net of outstanding bank overdrafts.

	Total 2004 $'000	Total 2003 $'000
Cash on Hand	6	6
Cash at Bank	1,329	1,243
Short-Term Deposit	16,556	11,700
TOTAL	**17,891**	**12,949**

Note 12: Receivables

	Total 2004 $'000	Total 2003 $'000
CURRENT		
Inter-Hospital Debtors	49	87
Trade Debtors	951	521
Patient Fees	340	180
Accrued Revenue - Other	52	186
GST Receivable	495	609
TOTAL	**1,887**	**1,583**
LESS Provision for Doubtful Debts		
Trade Debtors	39	39
Patient Fees	282	103
TOTAL	**321**	**142**
TOTAL CURRENT RECEIVABLES	**1,566**	**1,441**
NON CURRENT		
Department of Human Services - Long Service Leave	1,117	450
TOTAL NON CURRENT RECEIVABLES	**1,117**	**450**
NET DEBTORS AND ACCRUED REVENUE	**2,683**	**1,891**
BAD AND DOUBTFUL DEBTS		
Trade Debtors	-	-
Patient Fees	199	145
TOTAL	**199**	**145**

Note 13: Inventory

	Total 2004 $'000	Total 2003 $'000
Medical and Surgical Lines	456	383
Engineering Stores	256	255
TOTAL	**712**	**638**

Note 14: Other Assets

	Total 2004 $'000	Total 2003 $'000
Current		
Minor Works in Progress	493	2,031
TOTAL	**493**	**2,031**

Note 15a: Property, Plant & Equipment

	Total 2004 $'000	Total 2003 $'000
At Cost		
Crown Land	-	3,300
Total Crown Land	**-**	**3,300**
Buildings	-	43,019
Less Accumulated Depreciation	-	143
Total Buildings	**-**	**42,876**
Plant and Equipment		
- Transport	2,626	2,685
Less Accumulated Depreciation	1,151	948
	1,475	1,737
- Major Medical	12,127	11,557
Less Accumulated Depreciation	7,197	6,387
	4,930	5,170
- Computers and Communication	4,846	3,016
Less Accumulated Depreciation	3,013	2,355
	1,833	661
Total Plant & Equipment	**8,238**	**7,568**
Furniture and Fittings	1,071	749
Less Accumulated Depreciation	673	593
Total Furniture & Fittings	**398**	**156**
TOTAL	**8,636**	**53,900**

Note 15b: Property, Plant & Equipment

	Total 2004 $'000	Total 2003 $'000
At Valuation		
Crown Land		
Independant Valuation at 30 June 2004	10,720	-
Independant Valuation at 30 June 2003	1,800	8,420
Total Land	**12,520**	**8,420**
Buildings		
Directors' Valuation at 30 June 2004	43,021	-
Independant Valuation at 30 June 2004	5,015	-
Independant Valuation at 30 June 2003	180	5,475
Less Accumulated Depreciation	21	-
Total Buildings	**48,195**	**5,475**
TOTAL	**60,715**	**13,895**
TOTAL PROPERTY, PLANT & EQUIPMENT	**69,351**	**67,795**

An independent valuation of land & buildings situated at 711 Elizabeth Street, Melbourne, and at 720 Swanston Street, Carlton was undertaken by independent valuers Charter Keck Cramer as at 30th June 2004. The hospital at 711 Elizabeth Street was valued utilising a depreciated replacement cost on an assumption of continuing use by the University of Melbourne, School of Dental Science. The lands were valued primarily by direct comparison approach.

Land and buildings at 2 Geelong Road, Footscray and 650 Nicholson Street, Fitzroy were independently valued by Charter Keck Cramer as at 30 June 2003 using the direct comparison approach of valuation. Crown land includes the two properties at 2 Geelong Road, Footscray and 650 Nicholson Street, Fitzroy for which DHSV has been appointed as a Committee of Management under section 14(2) of the Crown Land (Reserves) Act 1978.

Note 15c: Property, Plant & Equipment

Reconciliation of the carrying amounts of each class of assets at the beginning and end of the current financial year is set out below.

	Crown Land $000	Freehold Land $000	Buildings $000	Plant & Equipment $000	Furniture & Fittings $000	Total $000
2004						
Carrying amount at start of year	11,720	-	48,351	7,568	156	67,795
Additions	-	-	1,275	3,070	339	4,684
Revaluation increment	800	-	13	-	-	813
Revaluation decrement	-	-	-	-	-	-
Disposals	-	-	-	273	6	279
Depreciation (note 10)	-	-	1,444	2,127	91	3,662
Carrying amount at end of year	**12,520**	**-**	**48,195**	**8,238**	**398**	**69,351**

Note 16: Payables

	Total 2004 $'000	Total 2003 $'000
Current		
Trade Creditors	4,975	4,530
Accrued Expenses	1,680	999
GST Payable	1,076	854
TOTAL	**7,731**	**6,383**

Note 17: Provisions

	Total 2004 $'000	Total 2003 $'000
Current		
Employee Benefits (refer Note 17a)	3,515	4,802
Non-Current		
Employee Benefits (refer Note 17a)	4,353	3,685
	7,868	**8,487**

Note 17a: Employee Benefits

	Total 2004 $'000	Total 2003 $'000
Current		
Long Service Leave	494	495
Accrued Wages and Salaries	864	2,146
Annual Leave	2,080	2,078
Accrued Days Off	77	83
Total	**3,515**	**4,802**
Non-Current		
Long Service Leave*	**4,353**	**3,685**
TOTAL	**7,868**	**8,487**
Movement in Long Service Leave:		
Balance 1 July 2003	4,180	3,926
Provisions made during the year	1,161	749
Settlement made during the year	(494)	(495)
Balance 30 June 2004	**4,847**	**4,180**

*The following assumptions were adopted in measuring present value:

(a) Long service leave entitlement was multiplied by an on-cost factor (11%) to arrive at the nominal value.
(b) The nominal value was multiplied by a probability factor to arrive at the net value. The probability factor was determined as the probability the employee will qualify for their long service leave entitlement.
(c) The future value was calculated by applying an exponential wage inflation rate to each of the future years.
(d) Expected future payments are discounted using interest rates on national Government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.
(e) The net value (current and non-current) was distributed across future years based on the historical payments for long service leave.

Note 18: Other Liabilities

	Total 2004 $'000	Total 2003 $'000
Current		
Specific Purpose Income in Advance	461	108
Total	**461**	**108**

Note 19: Equity and Reserves

	Total 2004 $'000	Total 2003 $'000
(a) Reserves		
Asset Revaluation Reserve		
Land		
Balance at the beginning of the reporting period	4,100	-
Increase of crown land value during the year	800	4,100
Balance at the end of the reporting period	4,900	4,100
Buildings		
Balance at the beginning of the reporting period	-	-
Increase of building value during the year	13	-
Balance at the end of the reporting period	13	-
Total Asset Revaluation Reserve	**4,913**	**4,100**
General Purpose Reserve		
Balance at the beginning of the reporting period	-	950
Transfer to and from Accumulated Surplus	-	(950)
Balance at the end of the reporting period	**-**	**-**
Restricted Specific Purpose Reserve		
Balance at the beginning of the reporting period	14	14
Transfer to and from Accumulated Surplus	(13)	-
Balance at the end of the reporting period	**1**	**14**
Total Reserves	**4,914**	**4,114**
(b) Contributed Capital		
Balance at the beginning of the reporting period	60,601	49,101
Capital contribution received from Victorian Government	-	11,500
Balance at the end of the reporting period	**60,601**	**60,601**
(c) Accumulated Surpluses/(Deficits)		
Balance at the beginning of the reporting period	5,641	2,998
Net Result for the year	3,957	1,722
Transfer to and from General Purpose Reserve	-	950
Transfer to and from Restricted Specific Purpose Reserve	13	-
Adjustments resulting from change in accounting policy	-	(29)
Balance at the end of the reporting period	**9,611**	**5,641**
(d) Equity		
Total Equity at the beginning of the reporting period	70,356	53,063
Total changes in equity recognised in the Statement of Financial Performance	3,957	1,722
Total changes in Assets Revaluation Reserve	813	4,100
Adjustments resulting from change in accounting policy	-	(29)
Capital contributed from Victorian Government	-	11,500
Total Equity at the reporting date	**75,126**	**70,356**

Note 20: Reconciliation of Net Result for the Year to Net Cash Flows from Operating Activities

	Total 2004 $'000	Total 2003 $'000
Net Result for the Year	**3,957**	**1,722**
Depreciation & Amortisation	3,662	2,173
Provision for Bad and Doubtful Debts	199	145
Net (Gain)/Loss from Sale of Plant and Equipment	(114)	(840)
Loss on Revaluation of Buildings	-	1,026
Decrease in Employee Benefits due to change in Accounting Policy	-	(29)
Change in Operating Assets & Liabilities, Net of Effect from Restructuring		
Increase/(Decrease) in Payables	1,348	644
Increase/(Decrease) in Income in Advance	353	(245)
Increase/(Decrease) in Employee Benefits	(619)	1,554
(Increase)/Decrease in Non Current Receivables	(667)	(290)
(Increase)/Decrease in Other Current Assets	1,512	(1,619)
(Increase)/Decrease in Current Receivables	(324)	(181)
(Increase)/Decrease in Inventory	(74)	(10)
Net Cash Flows from Operating Activities	**9,233**	**4,050**

Note 21: Financial Instruments

(a) Interest Rate Risk Exposure

DHSV's exposure to interest rate risk and effective weighted average interest rate by maturity periods is set out in the following timetable. Exposure arises predominantly from assets and liabilities bearing variable interest rates.

Interest rate exposure as at 30 June 2004

		Fixed interest rate maturing				
	Floating interest rate $'000	1 year or less $'000	1 to 5 years $'000	Over 5 years $'000	Non-interest bearing $'000	Total $'000
Financial Assets						
Cash at Bank	-	-	-	-	6	6
Trade Debtors	-	-	-	-	1,514	1,514
Deposits	17,885	-	-	-	-	17,885
Total Financial Assets	**17,885**	**-**	**-**	**-**	**1,520**	**19,405**
Financial Liabilities						
Trade Creditors and Accruals	-	-	-	-	6,051	6,051
Total Financial Liabilities	**-**	**-**	**-**	**-**	**6,051**	**6,051**
Net Financial Assets/Liabilities	**17,885**	**-**	**-**	**-**	**(4,531)**	**13,354**
Weighted average interest rate = financial assets	4.75%	0.00%	0.00%	0.00%	0.00%	

Interest rate exposure as at 30 June 2003

		Fixed interest rate maturing				
	Floating interest rate $'000	1 year or less $'000	1 to 5 years $'000	Over 5 years $'000	Non-interest bearing $'000	Total $'000
Financial Assets						
Cash at Bank	-	-	-	-	6	6
Trade Debtors	-	-	-	-	1,441	1,441
Deposits	12,943	-	-	-	-	12,943
Total Financial Assets	**12,943**	**-**	**-**	**-**	**1,447**	**14,390**
Financial Liabilities						
Trade Creditors and Accruals	-	-	-	-	6,383	6,383
Total Financial Liabilities	**-**	**-**	**-**	**-**	**6,383**	**6,383**
Net Financial Assets/Liabilities	**12,943**	**-**	**-**	**-**	**(4,936)**	**8,007**
Weighted average interest rate = financial assets	4.50%	0.00%	0.00%	0.00%	0.00%	

(b) Credit Risk Exposure

Credit risk represents the loss that would be recognised if counterparties fail to meet their obligations under the respective contracts at maturity. The credit risk on financial assets of the entity have been recognised on the statement of financial position, as the carrying amount, net of any provisions for doubtful debts.

(c) Net Fair Value of Financial Assets and Liabilities

The carrying amount of financial assets and liabilities contained within these financial statements is representative of the net fair value of each financial asset or liability.

Note 21a: Financial Instruments

Net Fair Value

	Total 2004		Total 2003	
	Book Value $'000	Net Fair Value* $'000	Book Value $'000	Net Fair Value* $'000
Financial Assets				
Cash at Bank	6	6	6	6
Trade Debtors	1,514	1,514	1,441	1,441
Deposits	17,885	17,885	12,943	12,943
Total Financial Assets	**19,405**	**19,405**	**14,390**	**14,390**
Financial Liabilities				
Trade Creditors and Accruals	6,051	6,051	6,383	6,383
Total Financial Liabilities	**6,051**	**6,051**	**6,383**	**6,383**

* (Net fair values of financial instruments are determined on the following bases:

i Cash, deposit investments, cash equivalents and non interest bearing financial assets and liabilities (trade debtors, other receivables, trade creditors and advances) are valued at cost which approximates net fair value

ii Interest bearing liabilities amounts are based on the present value of expected future cash flows discounted at current market interest rates quoted for trade Treasury Corporation of Victoria)

Note 22: Commitments

	Total 2004 $'000	Total 2003 $'000
Lease Commitments		
Commitments in relation to leases contracted for at the reporting date:		
Operating leases	494	996
Total Lease Commitments	**494**	**996**
Operating Leases		
Rental		
Non-Cancellable		
Not later than one year	280	482
Later than one year but not later than 5 years	214	514
Later than 5 years	-	-
TOTAL	**494**	**996**

Note 23: Superannuation

Superannuation contributions for the reporting period are included as part of salaries and associated costs in the statement of financial performance of DHSV

The name and details of the major employee superannuation funds and contributions made by DHSV are as follows:

	Contribution for the year 2004 $'000	Contribution for the year 2003 $'000	Contribution Outstanding at 2004 $'000	Contribution Outstanding at 2003 $'000
Fund				
Health Super Fund	2,219	2,120	80	190
State Superannuation Fund	487	484	121	117
Other Superannuation Funds	31	16	-	-
Total	**2,737**	**2,620**	**201**	**307**

Contributions are paid in accordance with the Hospital Superannuation Act 1988 and the State Superannuation Act 1988.

The unfunded superannuation liability in respect to members of State superannuation schemes and Health Super scheme is shown as a liability separately by the Department of Treasury and Finance.

DHSV's share of this liability for the Health Super Fund defined benefits scheme is not available at the date of signing the financial statements for 2004 (2003: $1.235 million), whilst the share of the liability for the State Superannuation Scheme is nil (2003: Nil).

Note 24: Responsible Person Related Disclosures

(As per Direction 9.4.2 Appendix B)

(a)	Responsible Persons	Period
	Responsible Minister	
	The Hon. Bronwyn Pike	From 1/7/03 to 30/6/04
	Governing Board	
	Ms. Jay Bonnington (Chair)	From 1/7/03 to 30/6/04
	Ms. Natalie Savin	From 1/7/03 to 30/6/04
	Dr. Fred Widdop	From 1/7/03 to 30/6/04
	Prof. Louise Kloot	From 1/7/03 to 30/6/04
	Mr. Joseph Caputo	From 1/7/03 to 30/6/04
	Mr. Ignatius Oostermeyer	From 1/7/03 to 30/6/04
	Dr. Brian Stagoll	From 1/7/03 to 30/6/04
	Assoc. Prof. Hal Swerissen	From 1/7/03 to 30/6/04
	Dr. Lloyd O'Brien	From 11/11/03 to 30/6/04
	Accountable Officers	
	Dr. Tracey Batten	From 1/7/03 to 23/12/03
	Dr. Robin Whyman	From 24/12/03 to 26/1/04
	Mr. Zoltan Kokai	From 27/1/04 to 18/4/04
	Ms. Robyn Batten	From 19/4/04 to 30/6/04

		2004 No.	2003 No.
(b)	Remuneration of Responsible Persons		
	The number of Responsible Persons are shown in their relevant income bands:		
	Income Band		
	$0 - $9,999	8	7
	$10,000 - $19,999	1	1
	Total Numbers	**9**	**8**

	$'000	$'000
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**84**	**78**

The remuneration of the Accountable Officer who is not a member of the DHSV Board is reported under "Executive Officer Remuneration".

Note 24: Responsible Person Related Disclosures continued...

(c) Retirement Benefits of Responsible Persons
Retirement benefits were not provided for Responsible Persons.

(d) Other Transactions of Responsible Persons and their Related Parties
There were no other transactions with Responsible Persons and their Related Parties.

(e) Other Receivables from and Payables to Responsible Persons and their Related Parties
There were no receivables from or payables to Responsible Persons and their Related Parties.

(f) Amount Attributable to Other Transactions with Responsible Persons and their Related Parties
There were no other transactions with Responsible Persons and their Related Parties.

(g) Executive Officer Remuneration
The number of Executive Officers other than Ministers and Governing Board, whose total remuneration (including bonuses, LSL payments, redundancy payments and retirement benefits) for the year falls within each successive $10,000 band, commencing at $100,000.

	2004 No.	2003 No.
$100,000 - $109,999	4	0
$110,000 - $119,999	5	1
$120,000 - $129,999	1	2
$140,000 - $149,999	1	0
$160,000 - $169,999	1	1
	12	**4**

	$'000	$'000
Total remuneration for the reporting period for Executive Officers included above amounted to:	**1,441**	**544**

Note 25: Remuneration of Auditors

	2004 $'000	2003 $'000
Audit fees paid or payable to the Victorian Auditor General's Office for audit of DHSV's financial report		
Paid as at 30 June 2004	4	11
Payable as at 30 June 2004	15	11

Dental Health Services Victoria Certification

Accountable Officer's, Chief Finance & Accounting Officer's and Member of Responsible Body's Declaration

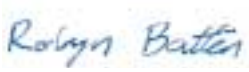
We certify that the attached financial statements for Dental Health Services Victoria have been prepared in accordance with part 4.2 of the Standing Directions of the Minister for Finance under the Financial Management Act 1994, applicable Financial Reporting Directions, Australian accounting standards and other mandatory professional requirements.

We further state that, in our opinion, the information set out in the statement of financial performance, statement of financial position, statement of cash flows and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2004 and financial position of the organisation as at 30 June 2004.

We are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

Jay Bonnington
Chairperson

Melbourne
25 August 2004



Robyn Batten
Chief Executive Officer

Melbourne
25 August 2004

Patrick Campbell
Chief Finance &
Accounting Officer

Melbourne
25 August 2004

Auditor General's Report

AUDITOR GENERAL
VICTORIA

AUDITOR-GENERAL'S REPORT

To the Members of the Parliament of Victoria, responsible Ministers and Members of the Board of Dental Health Services Victoria

Audit Scope

The accompanying financial report of Dental Health Services Victoria for the financial year ended 30 June 2004, comprising statement of financial performance, statement of financial position, statement of cash flows and notes to the financial statements, has been audited. The Members of the Board are responsible for the preparation and presentation of the financial report and the information it contains. An independent audit of the financial report has been carried out in order to express an opinion on it to the Members of the Parliament of Victoria, responsible Ministers and Members of the Board as required by the *Audit Act* 1994.

The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. The audit procedures included an examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act* 1994, so as to present a view which is consistent with my understanding of the Service's financial position, and its financial performance and cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act* 1994, the financial position of Dental Health Services Victoria as at 30 June 2004 and its financial performance and cash flows for the year then ended.

MELBOURNE
27 August 2004

J.W. CAMERON
Auditor-General

Dental Heath
Services Victoria

Corporate Office

Level 2, 720 Swanston Street
Carlton, Victoria, 3053
Telephone: (03) 9341 1200
Facsimile: (03) 9341 1234
Email: dhsv@dhsv.org.au

Postal Address
GPO Box 1273L
Melbourne, Victoria, 3001