

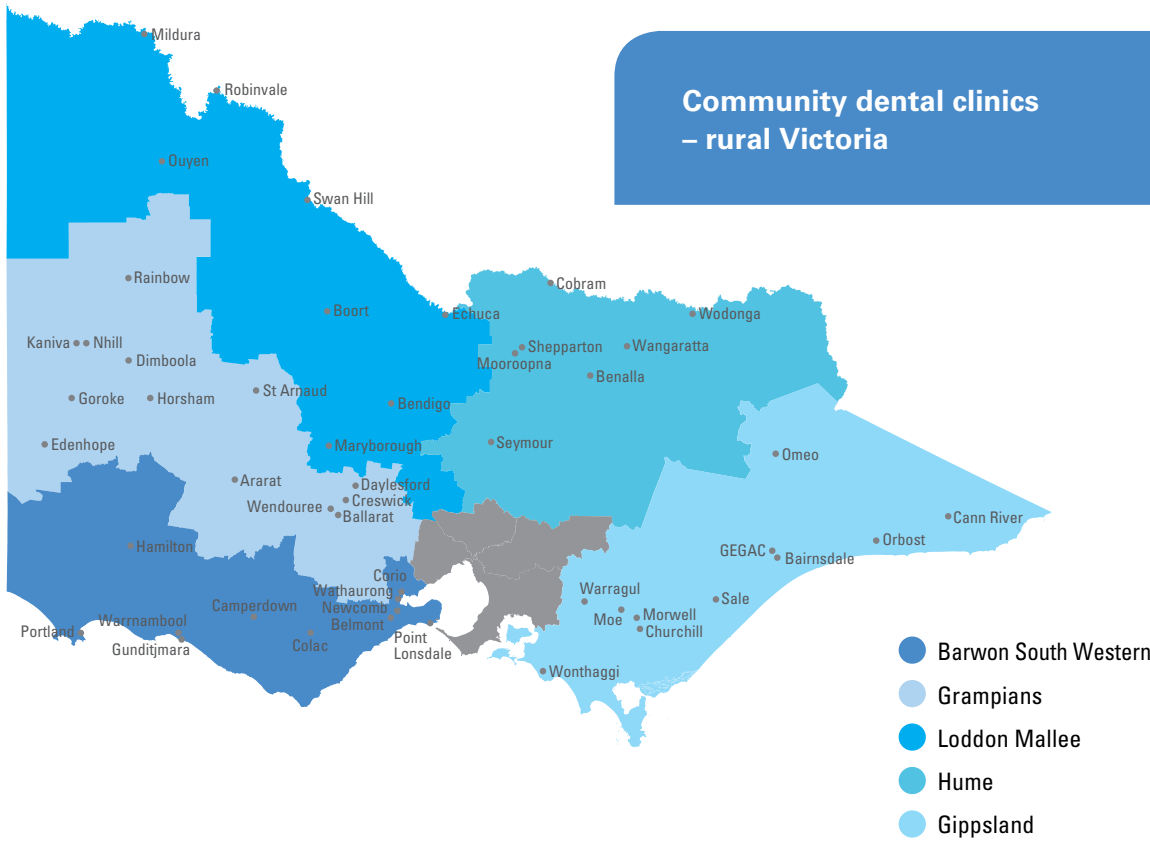


# ANNUAL REPORT

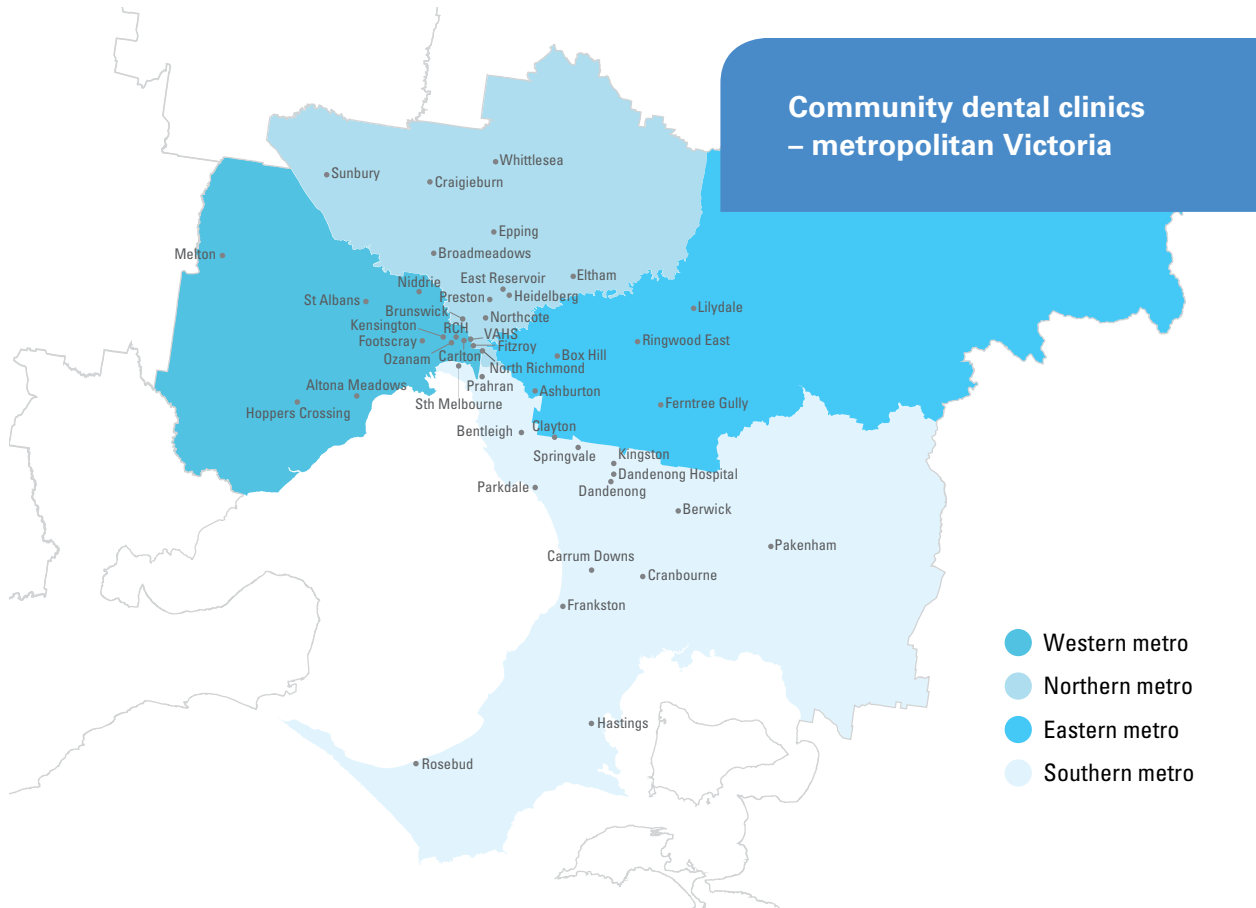
2018-19

DENTAL HEALTH  
SERVICES VICTORIA

### Community dental clinics – rural Victoria



### Community dental clinics – metropolitan Victoria



# DENTAL HEALTH SERVICES VICTORIA

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

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

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

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

Responsible to the Victorian Minister for Health, DHSV is a public health service which employs 650 staff who work to an agreed Statement of Priorities. As trusted advisors in public oral health policy, program and guideline development, we aim to lead the improvement of oral health across Victoria.

DHSV was established under the Health Services Act 1988. The responsible Minister for Health during the reporting period was The Hon. Jill Hennessy MP until 29 November 2018. Since 29 November 2018, Jenny Mikakos MP, Minister for Health, Minister for Ambulance Services is the relevant Minister.

DHSV acknowledges the ongoing support of the Victorian Government.

## Our Mission:

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

## Our Vision:

Oral health for better health

## Our Values:

### ✓ Respect

Act with respect towards every person or idea we encounter

### ✓ Accountable

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

### ✓ Collaboration

Embrace collaboration with all partners that help us achieve our goals

### ✓ Transform

Transform ourselves and our organisation to achieve better health outcomes

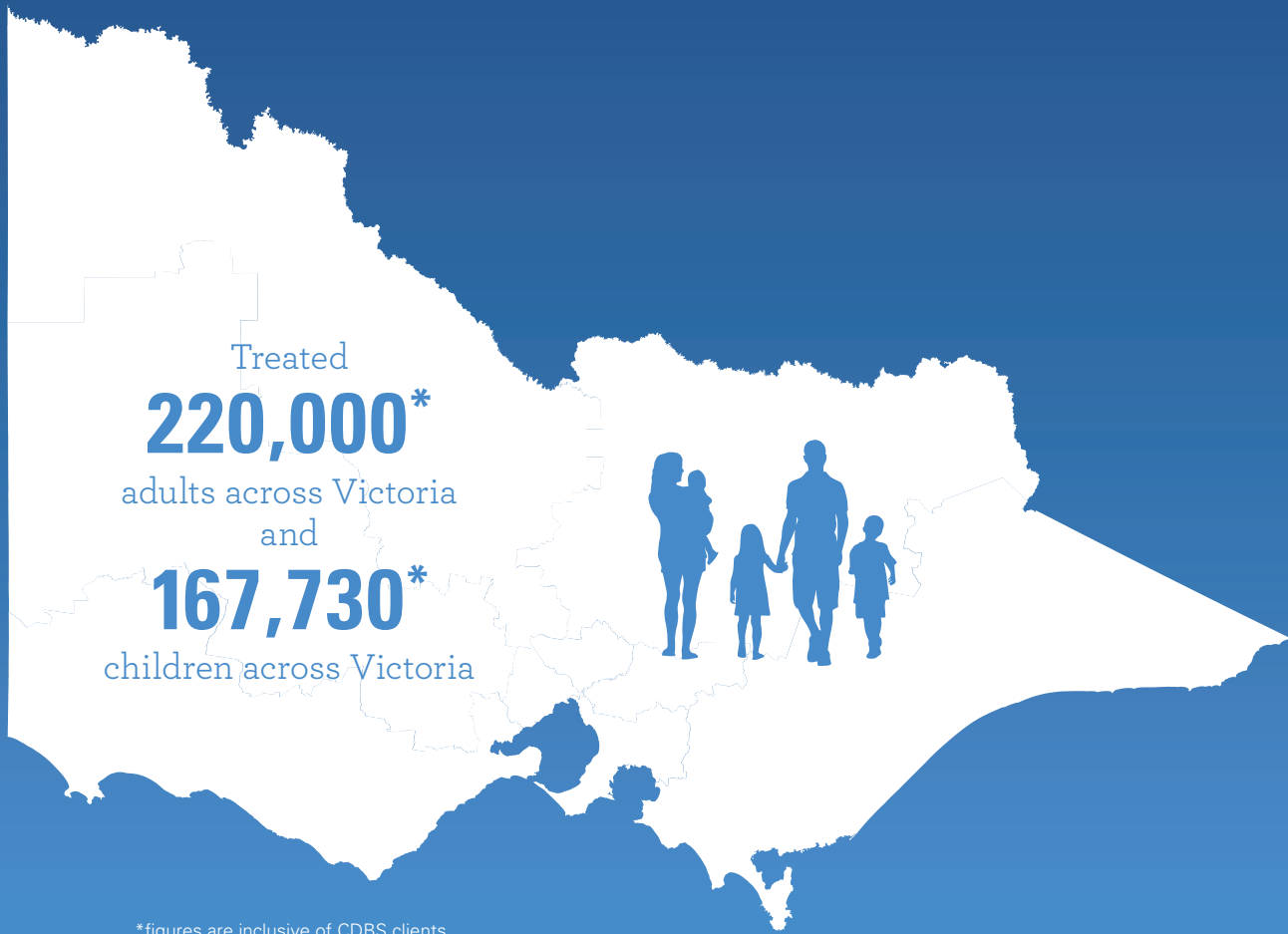
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Where the term 'Aboriginal' is used it refers to both Aboriginal and Torres Strait Islander people. Indigenous is retained when it is part of the title of a report, program or quotation.

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# HIGHLIGHTS

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**141,183**  
people received emergency  
care across the state

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**12,419**  
Aboriginal people were  
treated statewide

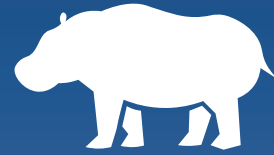
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Smiles 4 Miles was able to reach more than

**36,740**

children



**867**

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



**14,529**

refugees and people seeking asylum received treatment statewide



RDHM's Primary Care department treated

**22,267**

people



Training on smoking cessation was delivered to

**650**

oral health professionals through the Smokefree Smiles program



Training was delivered to more than

**170**

oral health clinicians as part of the Oral Cancer Screening and Prevention Program

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In accordance with the Financial Management Act 1994, I am pleased to present the Report of Operations for Dental Health Services Victoria for the year ending 30 June 2019.



Dr Zoe Wainer  
Chair, Board of Directors

Dental Health Services Victoria Carlton VIC

**8 August 2019**

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

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

# FROM THE CEO AND BOARD CHAIR



We are proud to present the Dental Health Services Victoria Annual Report 2018–19. What an exciting year it has been for the public oral health sector. We made significant progress in introducing Value Based Health Care (VBHC) and the Victorian Government launched a new school dental program – Smile Squad.

Our mission is to help Victorians live happier and healthier lives by improving their oral health. We do this by delivering quality services through the RDHM and in partnership with community dental clinics across the state. We also empower people to take better care of their oral health through partnerships and health promotion programs. And we develop meaningful data to shape the future of oral health design and delivery.

We never stop trying to find better ways to improve oral health. That's what VBHC is all about – adopting a new approach to healthcare that is co-designed with consumers to deliver better health outcomes.

In 2018–19, we worked with our clinicians and consumers to refine our VBHC models of care and commenced a 'proof of concept' trial at RDHM. The results have been overwhelmingly positive with a decrease in failure to attend rates along with an increase in clinical engagement and the use of preventive techniques. In April, this ground-breaking work received the Excellence in Primary Care Award as part of the international VBHC Prize 2019.

The Smile Squad is perfectly aligned to the principles of VBHC. In November 2018, the Victorian Government announced this new school dental program that will provide free dental care to public primary and secondary school students. We started working with the Department of Health and Human Services (DHHS) to make the rollout as successful as possible. One of the highlights was hosting focus groups with Victorian kids. While we may not be able to create a fleet of flying dental vans as one five-year-old suggested, we will ensure the program incorporates the community's needs and vision.

Our health promotion team continued to partner with the health, education, early childhood and community sectors to support families to eat well, drink well and clean well. Thanks to our ongoing partnership with Zoos Victoria, the

hippos at Werribee Open Range Zoo acted as oral health champions (when they weren't asleep on the job). And our partnership with the Royal Flying Doctor Service and Australian Dental Association Victorian Branch (ADAVB) helped 40 communities in rural Victoria receive oral health care.

Along with our partners in Indigenous health, we continued our track record of improving the oral health of Aboriginal Victorians. In 2018–19 we treated 12,419 Aboriginal people – an increase of 7 per cent compared to the previous year and 47 per cent compared to 2013–14.

We couldn't have provided quality care to nearly 390,000 people without the hard work and dedication of our staff. We strive to create a safe and respectful workplace where everyone feels motivated to do their best. In 2018–19 we expanded our respectful workplace initiatives by introducing Wellbeing Contact Officers to help resolve staff concerns as well as a Rainbow Network to champion inclusion for our LGBTI employees.

These are just some of the many highlights we celebrate in this annual report. Along with our successes, there have been challenges. Introducing major change is difficult, but ultimately worth it.

Thank you to every person who has helped us improve oral health over the past year – our consumers, the Minister for Health, DHHS, all the people working at public dental clinics, our board directors, our staff, and all our valued partners. We look forward to another year of transformation and success.

A handwritten signature in black ink, appearing to read 'Deborah Cole'.

**Dr Deborah Cole**  
Chief Executive Officer (CEO)

A handwritten signature in black ink, appearing to read 'Zoe Wainer'.

**Dr Zoe Wainer**  
Board Chair

## A NOTE FROM ZOE:

This is the last annual report from Deborah Cole who has decided to retire at the end of 2019 after nearly nine years as CEO. With Deborah at the helm, we have significantly improved the way we deliver services and are on the right path towards creating a more effective and equitable oral health system. On behalf of the Board and everyone at DHSV, thank you Deborah for your outstanding contribution to Victoria's public oral health sector.





# YEAR IN REVIEW: REPORT OF OPERATIONS

## SCHOOL DENTAL PROGRAM

DHSV is leading the development of a new program – Smile Squad – that will provide free, high-quality dental care to all Victorian public school students.

In the 2019–20 State Budget, the Victorian Government announced \$321.9 million in funding over four years to implement this much welcomed school dental program.

Smile Squad delivers free examinations and treatment, including teeth cleaning, restorations, fluoride applications and fissure sealants to make sure public school students have healthy teeth.

The program does not include orthodontics.

Under the program, students will receive their own free dental packs, complete with a toothbrush, toothpaste and educational material about the benefits of drinking well, eating well, and cleaning well to improve oral health.

Families are supported with information and resources to help keep their children’s teeth healthy, encouraging parents and carers to take an active role in all aspects of their children’s oral health, from treatment to prevention.

Following the initial Victorian Government announcement, DHSV has been in consultation with key stakeholders to shape the development of this large-scale oral health program.

Education and prevention sit at the heart of the School Dental Program. It encourages positive, long term behaviour change. Our aim is for all children to enter adulthood with great oral health habits.



Key activities for the Smile Squad program have included:

- Hosting a co-design workshop; working with students, parents and guardians to help inform the design of the school dental program experience
- Developing a Smile Squad brand and campaign that will focus on helping students learn and maintain positive oral health behaviours that will stay with them for life
- Planning and designing a robust proof of concept that will inform the full roll out over the next four years
- Inviting schools in the areas selected for the proof of concept – Barwon South, Box Hill, Cranbourne and Wodonga – to participate in the program
- Researching, testing and purchasing an initial fleet of examination and treatment vans to deliver the service in proof of concept schools
- Engaging with universities and graduate students to build a solid talent pipeline that will help achieve and maintain a strong and flexible workforce.

The Smile Squad school dental program was officially launched at Clyde Primary School on Sunday 26 May 2019 by Victorian Premier, The Hon. Daniel Andrews MP and Jenny Mikakos MP, Minister for Health, Minister for Ambulance Services. The launch received state-wide media coverage resulting in a high level of political and public interest in the program.

## VALUE BASED HEALTH CARE

Over the past 12 months, DHSV has piloted a model of care that embeds the principles of value based health care to drive better experiences and improved health outcomes for consumers.

This innovative approach to oral health care has transformed the way DHSV designs and delivers care for consumers, an approach that is in line with DHSV's 2016–21 Strategic Plan.

The new person-centred model focuses on prevention, early identification and minimal intervention which supports clients to self-manage their own oral health.

### Proof of concept

As part of the move to VBHC, DHSV tested a model of care within a proof of concept (POC) framework at RDHM. The POC commenced in October 2018 and ran until 31 March 2019 and was designed to test new tools, innovative ways of working, assist DHSV in understanding what client outcomes can be achieved, and to design new onboarding and training programs for staff.

The POC was also designed to develop metrics to track progress, with ongoing measurement central to delivering the health outcomes that are most important to clients.

As part of the VBHC model of care, clients are supported through introductory sessions and oral health coaching which:

- provides clients with information on how their oral health journey will progress
- provides the opportunity to shape the client's oral health goals and develop an ongoing treatment plan
- highlights the importance of self-care and provides them with education to support them on their self-management journey.

Client data is collected using the Dental Health Questionnaire during which Patient Reported Measures are established and captured in the Electronic Oral Health Record. Oral health coaches engage with consumers during educational coaching sessions to improve oral health outcomes and behaviours. Consumers have indicated that the sessions have been useful for supporting clients to maintain good oral health.

Evidence from the POC indicate:

- significant increases in preventative interventions
- a reduction in low quality care
- improved client appointment attendance with failure to attend rates at 5.1 per cent compared to 19.1 per cent in RDHM Primary Care department
- client feedback also indicates an improvement in oral health outcomes and higher levels of oral health literacy.



The POC also indicates that clinicians are working to the top of their scope of practice and the model provides an opportunity to better use coaches with a Certificate IV in Dental Assisting.

Following the successful POC, DHSV now has a viable model of care for its General Care department. DHSV has improved key processes during this period, including:

- changing the Rapid Assessment Tool to an oral health questionnaire that better defines both risk and need
- simplifying the Care Pathways from Very, High, and Low Risk to High Need and Low Need
- introducing multiple new tools in Titanium including a documented care plan
- refining the introductory sessions following feedback from clients, staff and external agencies
- developing flow charts representing clinical care pathways to support our clinicians' decision-making process
- improving scripts used by Patient Liaison Officers for improved consumer experience
- modifying the timing of Patient Reported Outcome Measures (PROMs) collection to ensure data is captured before any intervention.

VBHC has been rolled out across the General Care department of RDHM. Staff were inducted into the program with comprehensive information sessions and supporting documentation to aid them in the transition to the new way of working.

The model will continue to be refined as DHSV embeds the principles of VBHC and a person-centred approach throughout its work. This approach empowers DHSV to fundamentally change how oral health treatment is delivered and reduce the overwhelming burden of oral disease, particularly for vulnerable groups and those experiencing disadvantage in the community.

## FOSTERING A RESPECTFUL WORKPLACE

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

The DHSV Respectful Workplace Framework was founded on the pillars of equity, diversity, inclusion, flexibility, wellbeing and safety. DHSV operates the framework through a focus on: culture and values; aligned leadership, employee, consumer and community engagement; and enabling systems and processes.

During 2018–19 we continued the implementation of our respectful workplace action plan through the following key activities.

### Wellbeing Contact Officers and Health and Safety Representatives

The Wellbeing Contact Officer initiative was created as a response to feedback from the annual People Matter survey. This initiative supports staff who may have a workplace concern. Wellbeing Contact Officers are staff who have volunteered and received training, including the Victorian Equal Opportunity and Human Rights Commission Contact Officer training package, to undertake the role which includes providing information about available options and support services.

Health and Safety Representatives are elected from their designated work group to champion health and safety initiatives within the workplace. These representatives support OH&S principles through active engagement with staff.

### DHSV Respectful Workplace Learning Day

The third DHSV Respectful Workplace Learning Day was held in December 2018 and was attended by DHSV staff, Board members and member of the Community Advisory Committee.

The day's theme, Courage and Compassion, provided staff with the opportunity to engage with strategies promoting resilience and compassionate leadership to create a workplace where staff feel respected, valued, safe and supported, and where consumers feel welcome, heard, understood and cared for in the best possible way.

### DHSV Rainbow Network

DHSV is taking another important step towards creating a more inclusive, safe and respectful workplace for all with the creation of the Rainbow Network. The network is open to any lesbian, gay, bisexual, trans, and/or intersex (LGBTI) employees as well as their allies and supporters.

The network provides staff with a significant forum for promoting diversity and creating a safer workplace by championing inclusion in policies, communications and initiatives.



### Consumer and community engagement

During 2018–19, DHSV progressed the implementation of the action plan for consumer and community engagement with the adoption of a co-design framework. The Consumer Experience and Co-design Consultant joined DHSV in October 2018 to aid in this implementation and engage consumers in co-design activities.

The Consumer Advisory Network (CAN) is being expanded to allow for a greater diversity of consumer representation. DHSV is working towards increasing meaningful engagement with its consumer representatives both on its committees and in promoting consumer participation in the design and testing of products and services.

Consumer engagement activities include:

- the facilitation of co-design workshops and information sessions
- the simulation of hand-held digital translation devices to assess their suitability within RDHM
- implementing social stories to support families with autistic children on their visits to RDHM
- reviewing RDHM letters and documents to ensure ease of accessibility for consumers.

### Consumer representative recognition

Two of DHSV's consumer representatives, Jacqui Gibson and Rebekah Kaberry, were recognised at the 2019 Minister for Health Volunteer Awards in the 'Outstanding Achievement by a Volunteer: improving public healthcare' category. The consumer representatives were appointed to the International Consortium for Health Outcomes Measurement (ICHOM) working group to refine the standardised set of questions asked during treatment. They were part of a team that helped develop the global standard set of oral health outcome measures, which has been distributed to oral health professionals across Australia. Their work in amplifying the voice of the consumer has had a significant impact on improving decision making between health providers and vulnerable clients.

## IMPROVING ACCESS

### Aboriginal and Torres Strait Islander Peoples

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

- **Aboriginal Community Development Officer**

The Aboriginal Community Development Officer joined DHSV in September 2018. This position plays a key role in strengthening partnerships with the Aboriginal community and enhancing the staff experience. This role is shared between DHSV and Victorian Aboriginal Community Controlled Health Organisation Inc (VACCHO) and is responsible for developing policy and health programs by maintaining close partnerships between Aboriginal and mainstream services in the area of oral health.

- **Reconciliation Action Plan Working Group**

The Reconciliation Action Plan Working Group (RAPWG) was formed as part of DHSV's commitment to strengthening relationships between Aboriginal and Torres Strait Islander people and the wider community. The RAPWG has formed key relationships with stakeholder groups including the Victorian Aboriginal Health Service, Rumbalara District Aboriginal Cooperative, Gippsland & East Gippsland Aboriginal Cooperative and Wathaurong Aboriginal Cooperative. The RAPWG collaborates to determine the most effective measures to advance reconciliation at DHSV and recommended a revision of the Aboriginal Employment Plan.

- **Reconciliation Action Plan Community and Stakeholder Consultation workshop**

A RAP Community and Stakeholder Consultation workshop was held in May 2019 to collaborate with likeminded organisations to develop ways to advance reconciliation. The workshop was facilitated by Strengthening Cultural Partnerships Consulting, who have worked closely with numerous community and mainstream organisations to support the development of Aboriginal Employment Strategy and Reconciliation plans.

- **Aboriginal Dental Assistant Traineeship program**

DHSV increased Aboriginal representation in our clinical workforce with our award winning Aboriginal Dental Assistant Traineeship Program. DHSV's Aboriginal dental assistants work closely with dental professionals to deliver oral healthcare and education to their fellow community members. In the 2018–19 period, DHSV also recruited Aboriginal trainees in Human Resources and Patient Liaison roles.



- **Possum skin cloak**

As part of National Reconciliation Week, DHSV took a significant step towards cultural safety with the creation of a possum skin cloak, woven together by Aboriginal and non-Aboriginal staff and patients.

The culturally significant item was created during a series of Baagon Walert Walert workshops, meaning 'coming together with the possum cloak' in the Taungurung language. The workshops provided an opportunity to spark conversations around awareness of reconciliation through the integration of cultural practices in the workplace. Facilitated by Vicki Couzens, a Gunditjmara woman and artist who has been making possum skin cloaks for 20 years, the workshops were attended by staff, consumers and members of the Aboriginal community.

### People with a disability

- **AccessAbility Day**

As part of the strategic goals to improve access for all people, DHSV hosted two job seekers with disability who are interested in utilising their skills in a workplace setting. AccessAbility Day is an Australian Government initiative that supports job seekers with disability who are current and active Disability Employment Services (DES) participants looking for work, to connect with employers that align with their career interests.

### Aged Care oral health package

In addition to the RDHM domiciliary service, a further 28 community dental agencies visit their local residential aged care services, including government, not-for-profit and private organisations.

As part of the ongoing commitment to improving the oral health of seniors, DHSV has developed an online Aged Care Oral Health Package. The package is aimed at capacity-building the aged care sector to be proactive in their management of oral health for aged care residents.

Most residential services have used the online package and deliver a range of services including oral health examinations and treatment, dentures, oral health education to residents and staff and provide a referral pathway to their clinic in the instance of emergency or if residents require more complex treatment.

## WORKING IN PARTNERSHIP

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

### Partnership with Zoos Victoria

DHSV continued to work in partnership with Zoos Victoria to engage families in the importance of good oral health practices.

During the 2018–19 period, the partnership provided the opportunity to promote oral health and reinforce the 'drink well, clean well, eat well' key message to families.

During the September school holidays, the partnership with Zoos Victoria and the Royal Flying Doctor Service provided a unique opportunity to reach a wide range of families. Over the two-week period, a total of:

- 617 children aged zero to 12 received free on-site examinations at Werribee Open Range Zoo (WORZ)
- 166 children were referred for follow up appointments.

Oral health therapists from IPC Health conducted dental screenings at WORZ during the Hippo Splash and Hippo Beach parties in February 2019.

More than:

- 250 children received on-site examinations over the two day period
- 43 children required a follow up appointment and were offered care at their local public dental agency.

The alignment of the partnership between DHSV and the hippo enclosure at Zoos Victoria highlights the importance of cleaning teeth and regular dental visits, that hippos, like humans, require their teeth to be cleaned every day.





## Local government

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

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

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

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

## Smiles 4 Miles

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

In 2018, Smiles 4 Miles worked in partnership with stakeholders to implement the program effectively across

Victoria, including 31 local community organisations, the Achievement Program, Healthy Eating Advisory Service, Cancer Council Victoria, Nutrition Australia, VACCHO and the early childhood care and education sector.

Through the work of these community organisations, Smiles 4 Miles was able to reach over 36,740 children and their families across 645 early childhood services. The program covered the areas at greatest risk of poor oral health in 58 LGAs across Victoria. 4,676 children attended a local community dental clinic as a result of participating in Smiles 4 Miles, up 35 per cent from the previous year.

Oral health training in 2018 has been provided to:

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

## Healthy Families Healthy Smiles

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

In 2018–19, DHSV received additional funding from DHHS to further deliver on these programs:

- Baby Teeth Need Cleaning Too!: distributing tooth packs through the Enhanced Maternal and Child Health Program
- Brush Book Bed: providing family packs to support positive toothbrushing routine.

Over 1,300 professionals from a range of disciplines took part in professional development activities, including:

- 157 Maternal and child health (MCH) nurses from six LGAs and 33 Graduate Diploma in Child and Family Health Nursing students from RMIT University
- A conference presentation introducing the Baby Teeth Need Cleaning Too! initiative was delivered at the statewide maternal and child health conference to an audience of 850
- 27 midwives completed the Midwifery Initiated Oral Health education program (MIOH), a comprehensive online course
- 117 supported playgroup facilitators from 20 LGAs were trained to deliver oral health promotion and implement the Brush, Book, Bed initiative
- 57 early childhood educators from three LGAs took part in the Healthy Little Smiles training
- 21 early parenting practitioners were also trained in oral health promotion
- Nine staff working with Aboriginal clients and their families participated in the Bigger Better Smiles Education Program
- A lecture was delivered to 32 Bachelor of Oral Health students from The University of Melbourne.

Also developed were resources to support professionals in promoting oral health including:

- Supporting resources for the 'Brush, Book, Bed' initiative, such as the activity kit designed for supported playgroup facilitators, brushing chart (both mainstream and Aboriginal versions), brushing reminder stickers, and information sheets
- Teeth Story Times resource to support public libraries in promoting oral health during storytime for preschool aged children.

## Smokefree Smiles

Based on a simple three-step framework of 'ask, advise and help', the Smokefree Smiles program provides training and support for oral health professionals to offer brief interventions, as well as initiate referrals to Quitline.

DHSV partners with Quit Victoria, the ADAVB and DHHS to provide training and support for oral health professionals to offer smoking cessation brief interventions, as well as initiate referrals to Quitline. Since July 2018, we have delivered face-to-face training in the three-step brief advice model to nearly 650 oral health professionals through the DHSV regional and metropolitan forums, DHSV Orientation Training Course for overseas-trained dentists, and RMIT University Certificate IV in Dental Assisting (Health Promotion) program.

Smokefree Smiles has also co-designed an online training course with oral health professionals, 'Brief Advice Smoking Cessation Training for Oral Health Professionals'. This ensures the ongoing delivery of training across the state, as well as develop printed resources for professionals and consumers. These were launched in mid-2019.

## Disability

DHSV's Health Promotion team works with the disability sector to improve oral health for people with a disability living in residential care. In October 2018, we launched a refreshed version of the 'Supporting Every Smile' website. The site offers information and strategies to help support workers promote healthy environments and behaviours for good oral health every day. The website can be found at [EverySmile.dhsv.org.au](http://EverySmile.dhsv.org.au).

DHSV has worked closely with its ongoing partner, genU (formerly Karingal-St Lawrence) and have supported their Oral Health champions program, with an additional 21 staff trained. The program was a finalist in the Community Oral Health Champion category at the 2018 DHSV Public Oral Health Awards. The Oral Health Champions model has been used as an example in other services including Bendigo based service Windarring and Uniting Care in the Eastern Metro Melbourne region. These services received training to support them to work towards improving oral health policy and practice, with 4 managers trained at Windarring and 57 staff members trained at Uniting Care.

## Alliance for a Cavity Free Future

On behalf of the Alliance for a Cavity Free Future, DHSV distributes tooth-packs and oral health promotion resources twice yearly to children in disadvantaged communities. Approximately 14,000 toothbrushes and toothpaste were distributed through supported playgroups funded by the Department of Education and Training, Koori maternity services, and early parenting centres.

## The Royal Flying Doctor Service Victoria

In partnership with DHSV and the ADAVB, the Royal Flying Doctor Service Victoria (RFDS) has extended its reach to over 40 communities across rural Victoria. The service offers oral health screening, education and treatment services to eligible Victorians via three mobile clinics and a permanent dental clinic in Omeo. The service has provided over 4,000 appointments in 2018–19.

## Change of scope for dental assistants

Victoria became the first state in Australia to allow qualified dental assistants to possess and administer fluoride varnish. DHSV has worked closely with DHHS to successfully amend the Drugs Poisons and Controlled Substances Regulations 2017.

Dental assistants with the following qualifications are now able to possess and administer fluoride varnish:

- holds a Certificate IV dental assisting qualification
- has completed a course in applying fluoride varnish
- is employed or engaged in a public dental service.

Together with DHHS, DHSV will implement a statewide fluoride varnish program and will engage dental assistants to apply fluoride varnish to young children at higher risk of tooth decay in key settings such as early childhood services.

## EXCELLENCE IN LEADERSHIP

### Clinical Leadership in Practice (CLiP)

The Clinical Leadership in Practice (CLiP) committee, chaired by the Chief Oral Health Officer, is made up of senior clinicians and managers from key agencies across Victoria.

Through a rejuvenation of the committee and the introduction of new members, the committee has been busy over the past 12 months completing a range of clinical guidelines, including:

- periodontal disease risk assessment and management
- prevention and management of post-treatment altered nerve sensation
- Silver diamine fluoride (SDF) protocol for reducing preventable dental hospitalisations in Victorian children
- treatment planning for children managed under dental general anaesthesia
- the amendment of management of the pregnant patient to include smoking cessation.

CLiP supported the Oral Cancer Screening and Prevention Program, Advanced Radiological Interpretation Course and smoking cessation projects. The clinical guidelines are developed by the CLiP committee based on a review of current clinical evidence.

The committee has identified priority areas requiring focus around the state, including the need to develop a training program supporting clinical leadership. This training assists agencies in retaining high quality staff through the development of career and leadership opportunities to ensure that the next generation of clinical leaders are highly engaged and supported.

The committee will continue this focus over the next 12 months, further refining opportunities to best support clinical leadership within the public dental sector.

CLiP is actively supporting the Clinical Leadership in Public Oral Health Practice (CLiPOHP) with four current mentors and one mentee serving in the group.

### Health Pathways

DHSV has collaborated with the Victorian PHN Alliance to develop a statewide suite of dental health pathways for general practitioners through HealthPathways Melbourne. Paediatric resources are in development and a large number of pages were updated.

### Strengthening employment opportunities

#### • Aboriginal staff network

An Aboriginal staff network has been created to support collaboration and foster cultural inclusion. The group meets monthly to co-design the Aboriginal action plan, amplify the voices of DHSV's Aboriginal workforce to improve the staff experience, provide an opportunity to develop leadership skills, and celebrate culturally significant events.

#### • Aboriginal dental jobs page

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

### Oral Cancer Screening and Prevention Program

DHSV is leading a new program aimed at increasing the prevention, screening and early detection of oral cancer in order to reduce the impact for Victorians who are at high risk of developing the disease. The program trains oral health professionals to screen high risk clients so that lesions are detected early when treatment can be most effective.

In 2018 a pilot program was established with 16 pilot sites selected throughout Victoria, comprising a combination of public, private, regional and metropolitan areas. Oral health clinicians from each of the pilot sites were surveyed to determine current knowledge, attitudes and practice ahead of three-hour Continuing Professional Development training sessions. Training was rolled out to 179 oral health

clinicians in May 2019 to all 16 sites, with a focus on statistics, risk factors, examinations, lesion detection and client discussions related to risk behaviour and referral pathways.

New resources have been developed to support the oral health clinicians, including an oral cancer examination training video and online oral cancer risk assessment and screening platform which enables the generation of individually tailored risk behaviour profiles to be sent to both the client and the oral health clinician.

The program is run in partnership with DHHS, The University of Melbourne, La Trobe University and the ADAVB.





### Centre for Value Based Oral Health Care

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

The CVBOHC's activities include:

- Designing, implementing, reporting and disseminating applied research evidence from projects and program evaluations undertaken and supported by the unit, including evaluating DHSV's model of care for VBHC
- Utilising the 'Knowledge to Action' framework to translate research and evaluation findings into practice and support a continuous quality improvement approach to practice through evaluation practices
- Leading translational research, evaluation and analytics that support the DHSV's transition towards VBHC and contributing to the development of evidence-based strategies to improve oral health outcomes and transform service delivery into a VBHC model
- Contributing to the development of key strategic policies for the VBHC model, including overseeing policy functions for DHSV's sustainability commitment to the Global Green and Healthy Hospitals initiative
- Collaborating with stakeholders in the implementation of initiatives to enhance employee and consumer experience and engagement in the context of VBHC
- Providing strategic advice to the CEO and Executive team regarding emerging policy issues.

### 2018–19 highlights of the CVBOHC:

- Leading the implementation of the Victorian arm of the National Study of Adult Oral Health, examining 1,421 participants in 30 agencies across Victoria between October 2017 and December 2018

- Contributing to the development of the ICHOM standard set for adult oral health
- Leading the mixed-methods evaluation of the first phase of DHSV's VBHC model of care rollout
- Collaborating with universities on public oral health research relevant to the development and implementation of the VBHC model of care
- Leading the evaluation of DHSV's statewide community based oral health promotion interventions, including the Healthy Families Healthy Smiles program and improving oral health in disability care settings
- Evaluating the flagship partnership initiative between DHSV and Zoos Victoria that focuses on improving the oral health for Victorian children and families
- Establishing DHSV's Evaluation Leadership Committee to support rigorous approaches to evaluation within DHSV
- Presenting at local, national and international conferences including publishing in high-impact journals
- Developing two national policy briefings for the Australian Healthcare and Hospitals Association's Deeble Institute for Health Policy Research on VBHC
- Supporting the responsible conduct of research within DHSV in accordance with the Australian Code for the Responsible Conduct of Research and the National Statement on Ethical Conduct in Human Research
- Hosting students from a range of universities to enhance their understanding of research, evaluation, policy and practice
- Undertaking sustainability policy governance and planning to achieve the Global Green and Healthy Hospitals' sustainability goals and implementing the sustainability strategy of DHHS within DHSV.



## **BUILDING A STRONGER WORKFORCE**

### **Oral health educators**

DHSV continues its commitment to building the capacity of its oral health educators. Thirty oral health educators completed a two-day program that engaged participants in how to 'Apply Fluoride Varnish' at RMIT University in May 2019. The course enables dental assistants who have completed their Certificate IV in Oral Health Education to increase their scope and benefits the community with fluoride varnish linked to a reduction in decay. After successfully completing their assignments, these oral health educators will be registered with DHSV and able to apply fluoride varnish in the public health sector. Graduates maintain their registrations by undertaking two days of upskilling provided by DHSV.

### **Courses for overseas trained dentists**

DHSV has successfully developed and offered a new program to overseas-trained clinicians to assist with preparing the Australian Dental Council (ADC) examinations. The new program includes a 10-day clinical lecture and case study component to assist participants

in preparing for the objective structured clinical examination (OSCE) section of the examination. The clinical lecture program is also offered to practicing clinicians seeking to refresh their knowledge. DHSV regularly runs mock examinations to provide feedback to participants on areas requiring further focus.

### **Overseas Trained Clinician Conference**

In 2019, DHSV introduced a conference for clinicians who trained outside Australia. The program was designed to orient participants to the Australian dental system. The participants included registered dentists, along with people preparing to sit the Australian Dental Council exams and those planning to sit exams. The conference included sessions on Australian Health Practitioner Regulation Agency (AHPRA) requirements, clinician consumer communication and VBHC. The afternoon included a 'speed-dating' session with a range of employers. A large group of refugee dentists currently undertaking a program with AMES Australia also attended the conference to learn about pathways to dentistry in Australia.

## DHSV Public Oral Health Innovations Conference and regional forums

More than 400 participants attended DHSV's 2019 Public Oral Health Innovations Conference in 2019. Jenny Mikakos MP, Minister for Health, Minister for Ambulance Services opened the conference at the Melbourne Convention and Exhibition Centre and the event featured a range of expert speakers discussing VBHC and school dental programs. The conference featured an extensive world café, showcasing innovative projects across the sector.

The 2018–19 regional community dental agency forums were held across regional and metropolitan areas, with more than 500 agency delegates attending the forums in areas including Torquay, Inverloch, Bendigo and Carlton. The forums provided participants with the opportunity to engage in key topics, showcase innovative ideas, network, and work towards collective innovation.

## Awards and recognition

DHSV won the International Hospital Federation Dr Kwang Tae Kim Grand Award at the 42nd World Congress. DHSV was recognised for its work in 'Value based healthcare: a new approach to improve oral health outcomes'.

DHSV also received the Primary Care Award as part of the international Value Based Health Care Prize 2019 in Amsterdam. The award recognises the work done to transform client care using the VBHC approach.

DHSV was also a finalist in the Premier's Primary Health Service of the Year category at the 2018 Victorian Public Healthcare Awards and was nominated in the Inclusive Workplace Award category at the Australian HR Institute (AHRI) Awards.

## Mentoring clinical leaders

A mentoring partnership course was developed to strengthen clinical relationships and develop leadership skills. Participants from the Course in Mentoring Emerging Clinical Leaders and those in the Course in Clinical Leadership in Public Oral Health Practice came together in a mentor/mentee matching event to establish mentoring partnerships to support participants across the 12 months of their involvement in the leadership program.

The initiative provides participants with a professional networking environment where participants could connect with a variety of colleagues with diverse experiences and develop mentoring partnerships in a supportive environment.

## National Safe Work month

As part of an initiative to improve health and wellbeing, a range of sessions were made available to staff during National Safe Work month. Staff participated in financial literacy sessions with First State Super, free health checks from HCF, yoga and wellbeing classes, and engaged in an animal therapy session.

## Safety and Quality

DHSV has implemented patient safety related questions. Feedback is collected from our clients and visitors at RDHM via numerous Patient Experience Trackers located throughout the hospital.

Data is reviewed monthly to track our progress and assess areas for improvement.

The Patient Experience Tracker satisfaction results for 2018–19 were:

<b>89%</b>	Confidence in clinician
<b>88.7%</b>	Equipment standard
<b>86.8%</b>	Safety
<b>98.5%</b>	Introductions

The overall client and visitor satisfaction score at RDHM was **90.7%**.

## Family violence response

In 2019 a Senior Social Worker (SSW) commenced at DHSV as part of the Strengthening Hospital Responses to Family Violence (SHRFV) initiative. The SSW is responsible for continuing the implementation of SHRFV over the next two years at DHSV. This role enables the delivery of family violence training and education to staff across RDHM in:

- Module 1: A shared understanding for clinical support staff
- Module 2: Identifying and responding to family violence in clinical practice.

The SSW provides a direct clinical response to patients experiencing family violence, and empowers DHSV staff to contact the SSW to seek secondary consultation and expert advice in relation to situations of family violence.

A Family Violence Sensitive Inquiry and Response Procedure is also now in place at DHSV which provides a best-practice framework to guide staff in responding sensitively and appropriately to patients experiencing or impacted by family violence. DHSV will continue to be mentored by Melbourne Health to implement components of the SHRFV initiative.

## International Indigenous Health and Wellbeing Conference

A number of key Aboriginal staff leaders at DHSV were nominated as delegates to attend The Lowitja Institute International Indigenous Health and Wellbeing Conference in Darwin. The conference was a significant opportunity for DHSV leaders to connect with Aboriginal and non-Aboriginal colleagues, in a space built on the knowledge and values of the First Nations.



# PURPOSE, FUNCTIONS, POWERS AND DUTIES

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

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

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

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

## **DHSV is responsible for:**

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

## **The following groups are eligible for public dental services:**

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

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

## **The following groups have priority access:**

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

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



## SUMMARY OF SERVICES

### The Royal Dental Hospital of Melbourne

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

### Community dental agencies

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

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

### Services

#### Emergency care

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

#### General care

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

#### Specialist care

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

#### Oral health promotion

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

#### Education

RDHM's specialist and teaching clinics support The University of Melbourne's education programs for dentists, specialists and oral health therapists. The teaching clinics also support RMIT University's education programs for dental assistants, technicians, prosthetists and hygienists. In addition, RDHM provides training for



overseas-trained clinicians seeking to sit for the ADC exams to gain professional registration.

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

#### **Purchased services**

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

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

#### **Safety and quality**

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

#### **Partnering with our consumers**

DHSV involves consumers in all aspects of its business, particularly around improving the consumer journey through our services.

Consumers are included on sub-committees and are consulted wherever possible in service and program developments.

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

#### **Information technology**

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

#### **Management reporting and analysis**

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

#### **Agency Relationships Team (ART)**

DHSV works closely with public community dental agencies across the state to ensure services provided are as efficient and effective as possible with the resources allocated. ART provides resources, leadership, support and advice and is the link between agencies, DHSV and RDHM.





# BOARD AND EXECUTIVE

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



**Dr Zoe Wainer (Chair)**  
*BMBS, GAICD*

Appointed to the Board in July 2015, reappointed June 2018

Zoe is the Head of Public Health and Medical Director at Bupa Australia and New Zealand and a Director on the Board of the Victorian Responsible Gambling Foundation. Her passion and expertise in public health has driven formal and informal collaborations with the ICHOM and Harvard Business School in value based health care across multiple organisations and she has a continued advocacy focus on the importance of sex differences across health from basic research to health systems implications.

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



**Ms Kathy Bell**  
*BA (Hons), GradCertHealthEcons, MPH, GAICD*

Appointed to the Board in July 2009

Kathy has extensive experience in public health policy and management, with a focus on primary healthcare, workforce issues, ageing, and Aboriginal health.

She has held CEO roles in a number of organisations, and is currently engaged in Board and consulting work.



**Dr Pamela Dalglish**  
*BDS, Cert Therapy*

Appointed to the Board in July 2011

Pamela has 25 years' experience in corporate governance and an impressive oral health background.

She has held leadership roles with the Health Issues Centre, Victorian Women's Dentists Association, ADAVB, Dental Practice Board of Victoria and the Registration and Notification Committee of Dental Board of Australia. Pamela has also been appointed as a Fellow of the Academy of Dentistry International and International College of Dentistry. In the past six years she has been involved in working with refugees from Africa and Burma

with the Lutheran Church as its Community Development Facilitator. She is currently on the Board of Management for the Mansfield District Hospital.



**Ms Barbara Hingston**  
*BA, BSW, GAICD, AASW ICDA*

Appointed to the Board in August 2013 Reappointed July 2016

Barbara brings a wealth of knowledge from governance, management and practice roles in health – acute, primary care, mental health, practitioner education, and in the community sector – disability services and policy, and addressing women and children's safety, family violence and sexual abuse.

She has extensive experience in organisational and clinical governance, quality and safety, consumer and other stakeholder engagement, social policy development, strategic planning, and service evaluation.

Barbara's current non-executive directorships include as Director of the inaugural statewide Tasmanian Health Service Governing Council, Director of the Board of the Public Trustee Tasmania and she is an appointee to the Minister's Disability Advisory Council, Tasmania. Her former directorships include the Boards of Austin Health Service Victoria, the national Board of Catholic Social Services Australia and national Director of Headspace, the National Youth Mental Health Foundation.



**Mr Alex Johnstone**  
*BSc (Econ) Hons, FCPA, FCPFA, GAICD*

Appointed to the Board in July 2016

Resigned from the Board in February 2019

Alex brings financial nous to the Board as an experienced Chief Financial Officer and Executive Director.

Alex served as Chair of the DHSV Finance Committee and CEO of IPC Health until February 2019. He was a Board Director for Eastern Primary Health Network and a member of Victorian Clinical Council.

He previously held a number of Executive Director positions at The University of Melbourne and in the National Health Service in England. In addition, he is a former Board Director of Health Purchasing Victoria and South East Melbourne Medicare Local.



**Ms Judith Klepner**  
*BA, DipEd, Grad Dip Inter Ethnic Studies & Education, GAICD*

Appointed to the Board in July 2016

Judith offers expert advice and insight in the fields of industrial relations, health and safety, community engagement and risk management.

She has extensive board experience including having served as a director for the Adult, Community and Further Education Board, member of the management committee of the South Melbourne Market, on the Board of Multicultural Arts Victoria and as Councillor for the City of Port Phillip.

Judith is currently a member of the Board of Gasworks Arts and Board Chair of Star Health.



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

Appointed to the Board in August 2017

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

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



**David Stevenson**  
*BBus(Mgt) and GAICD*

Appointed to the Board in July 2018

Member: Community Advisory and Audit and Risk Committee

David has over 20 years' experience as a CEO and Senior Executive, both in Australia and internationally. He has worked with iconic brands such as Nike and Foot Locker in the consumer goods and retail sectors and in the sport sector, the AFL and the Western Bulldogs as CEO. He is also founder and partner of Bold Works, a company that helps businesses develop their Bold future or execute bold ideas. David is passionate about developing people, setting a bold vision, developing a strong strategic plan and focusing on execution to deliver results. David is a graduate of the Australian Institute of Company Directors and has a Bachelor of Business (Management) from Monash University.



**Andrew Saunders**  
*BSc GradDipEd MBA MAICD*

Appointed to the Board in July 2018

Chair: Audit and Risk Committee  
Member: Finance Committee

Andrew is an experienced transformation leader for complex business, organisation and digital change; with broad experience in health, insurance, finance and government. He is currently

a Board Director for Eastern Health in Melbourne and the Health Information & Management Systems Society (HiMSS) Asia Pacific.

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



**Antony Tobin**  
*MBBS, FRACP, FCICM, DTM&H, MEpi, MHM, GAICD*

Appointed to the Board in July 2018

Antony has worked in the public health system for over 25 years and has been

the Deputy Director of Intensive Care at St Vincent's Hospital Melbourne since 2007. He has practiced medicine in both the public and private sectors in Australia in addition to working overseas.

In 2017 he was appointed Head of Medicine at St Vincent's Hospital, a role encompassing responsibilities for clinician engagement, strategic planning and clinical process improvement.

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

## BOARD MEETINGS

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

In addition to the Annual General Meeting, the Board met 10 times during 2018–19. Attendance at Board meetings was as follows:

Member	Number of meetings eligible for	Number of meetings attended
Zoe Wainer	10	8
Kathy Bell	10	8
Pamela Dalgliesh	10	9
Barbara Hingston	10	9
Alex Johnstone	6	4
Judith Klepner	10	9
Lucy Hunter	10	10
David Stevenson	10	9
Andrew Saunders	10	10
Antony Tobin	10	8

## SUB-COMMITTEES

The following committees provided advice to the DHSV Board of Directors during the 2018–19 financial year.

### Audit and Risk Committee

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

**Chair:** Mr Andrew Saunders

**Members:** Dr Pamela Dalgliesh, Mr Kevin Quigley (independent) and Mr David Stevenson

### Community Advisory Committee

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

**Chair:** Ms Barbara Hingston

**Members:** Mrs Sandra Anderson, Ms Jacqueline Gibson, Dr Virendra Khatana, Ms Sharon King Harris, Ms Roxanne Maule, Mr David Stevenson and Ms Christine Ingram (until February 2019)

### Executive Performance and Remuneration Committee

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

**Chair:** Dr Zoe Wainer

**Members:** Ms Kathy Bell and Dr Pamela Dalgliesh

### Finance Committee

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

**Chair:** Mr Alex Johnstone (until February 2019)  
David Stevenson (from February 2019)

**Members:** Dr Zoe Wainer, Ms Barbara Hingston, Mr Andrew Saunders and Dr Deborah Cole

### Population Health Committee

The role of the Population Health Committee is to provide advice and recommendations to the Board on health issues affecting the population served by DHSV. It also serves as the Victorian Oral Health Promotion Advisory Group, overseeing the development of the new Victorian action plan to prevent oral disease 2019–22.

**Chair:** Ms Kathy Bell

**Members:** Ms Jan Black, Ms Chelsea Brand, Ms Mikaela Egan, Prof Lisa Gibbs, Prof Mark Gussy, Dr Matthew Hopcraft, Ms Lucy Hunter, Ms Rebekah Kaberry, Ms Judith Klepner, Dr Sajeev Koshy, Ms Emma Liepa, Dr Gregory Morris, Mr Tan Nguyen, Dr John Rogers, Prof Julie Satur, Mr Antony Tobin and Dr Felicia Valianatos

### Safety and Quality Committee

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

**Chair:** Dr Pamela Dalgliesh

**Members:** Ms Sandra Anderson, Mr Keegan Crow, Ms Nicolle Davies, Ms Rebekah Kaberry, Ms Judith Klepner, Mr Jonathon Teoh and Mr Antony Tobin

### Compensation Arrangements

The Board reviews the compensation arrangements of the CEO and other senior executives via its Executive Performance and Remuneration Committee.

DHSV complies with the Government Sector Executive Remuneration Panel policies. The remuneration of Board Directors is determined in accordance with government policy.

### Managing Risk

The Board retained the services of Protiviti Independent Risk Consulting in 2018–19 as internal auditors and risk consultants as part of our ongoing commitment to risk management.

## EXECUTIVE

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



### **Dr Deborah Cole**

Chief Executive Officer

*BDS, GradDipHealthAdmin, MBA, GradCertLead & CathCulture, FAICD, FICD*

Appointed in February 2011, Deborah has substantial experience in managing major public healthcare organisations. She has held CEO positions at Calvary Health Care and Yarra City Council as well as senior executive positions at Mercy Health and St Vincent's Health. Deborah also holds the position of Chair of the Australian Healthcare and Hospitals Association.



### **Mr Nicholas Russell**

Chief Financial Officer

*B.Eng, ACMA*

Nick is responsible for the finance and corporate services functions and has over 10 years' experience in both the public and private health sectors in a variety of senior management roles. He has a strong focus on performance, efficiency and staff management. Nick has held senior positions at Western Health, St John of God Health Choices, St John of God Health Care and the CraigCare Group.



### **Mr Nuno Goncalves**

Chief Information Officer

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

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



### **Mr Mark Sullivan**

Chief Operating Officer

*MBA, MHlthAdmin, GDHA, Cert Purchasing/Planning, AFACHSE*

Mark is responsible for purchasing services and administering funding for statewide public oral health services, health promotion and statewide safety and quality. He is also the executive leading the school dental program. Mark has expertise in project management, continuous improvement and customer service and has held senior executive positions in regional and specialist hospitals.



### **Ms Melanie van Altena**

Executive Director, RDHM (until April 2019)

*BAppSc Physio, MBA, Dip Bus*

Melanie is responsible for RDHM. She has significant senior management experience in the healthcare and personal injury insurance sectors. Melanie holds qualifications in physiotherapy and business administration and has expertise in the areas of leadership and management, project management and continuous improvement. Melanie moved on from this role in April 2019.



### **Dr Martin Hall**

Chief Oral Health Advisor

*BDS, MPH, AdvDipManagement, FICD*

Martin has over 30 years' experience as a dentist working to improve the oral health of vulnerable communities both in Australia and overseas. He previously held positions of Senior Dentist and General Manager Clinical and Oral Health Services at North Richmond Community Health. He is also currently Honorary Fellow at The University of Melbourne's Faculty of Medicine, Dentistry and Health Sciences and Director of Kose Nehan – Oral Health Project in East Timor.



### **Susan McKee**

Executive Director Value Based Health Care Implementation & Acting Executive Director, RDHM (from April 2019)

*RN, BSC (HMS), MBA, GAICD*

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



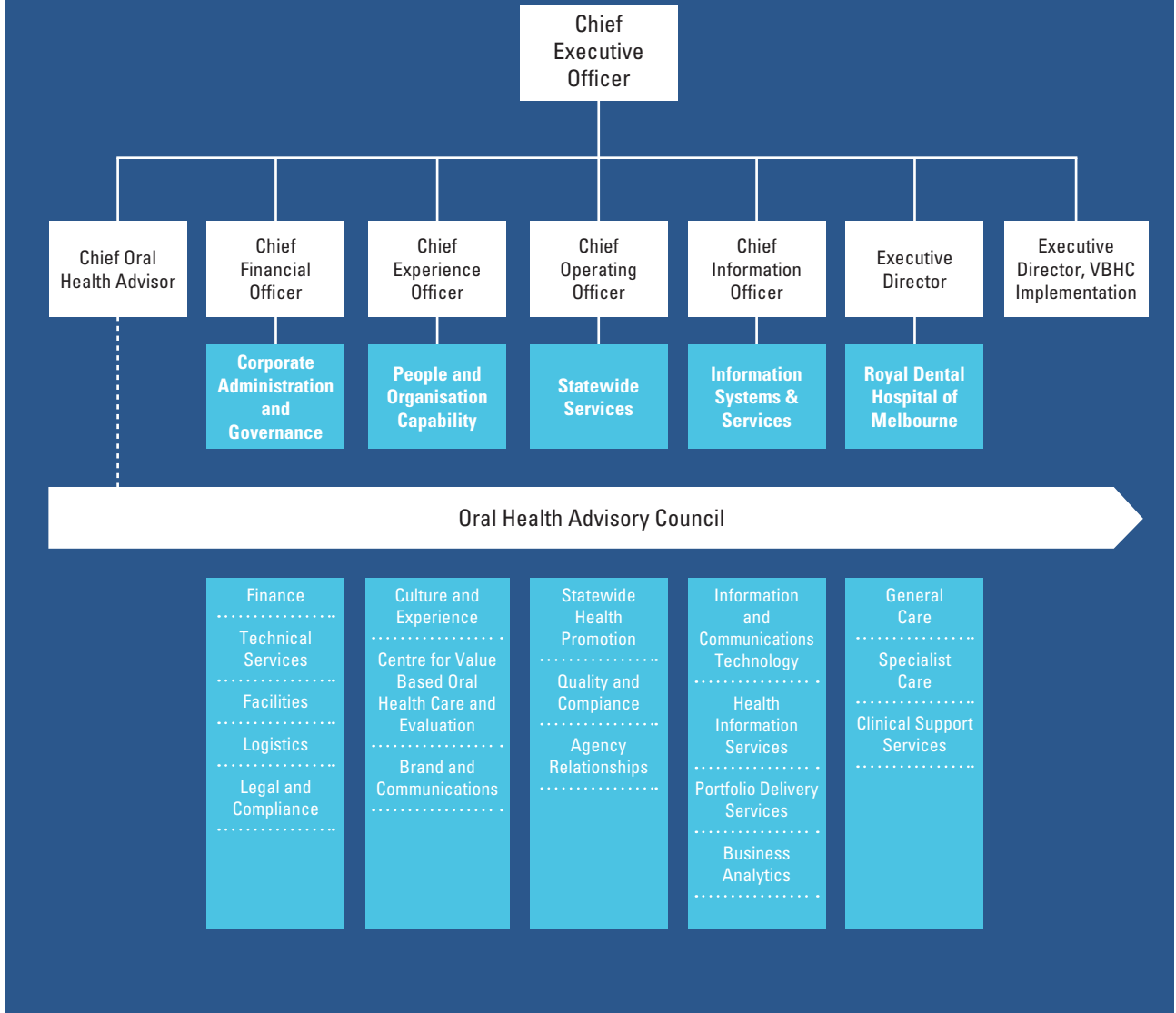
### **Ms Louise Palmer**

Chief Experience Officer

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

Louise has significant senior and executive management experience in the tertiary education and health sectors. She has particular expertise in the areas of leadership and management, strategy and culture, learning and development, organisational design and innovation, and stakeholder engagement and experience. In her role as Chief Experience Officer she is a change agent with responsibility for identifying and leading cultural and structural transformation initiatives.

## ORGANISATIONAL CHART



### Financial Management Compliance

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

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

**8 August 2019**

### Data Integrity

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

*Dr Deborah Cole*  
Chief Executive Officer  
Dental Health Services Victoria Carlton VIC

**8 August 2019**

## WORKFORCE INFORMATION

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

### Employment principles

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

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

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

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

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

### Organisational values and staff code of conduct

DHSV's core values of respect, accountability, collaboration and transformation, provide both a guide for employee behaviour and a framework for fostering a respectful workplace culture that promotes employee engagement and performance.

Our ethos, The DHSV Way, forms part of our new Code of Conduct. It incorporates a suite of above and below the line behaviours for each of the core values. The DHSV Way (and Code) has been communicated to staff through various channels and was a focus at Respectful Workplace Learning Day events.

## WORKFORCE BREAKDOWN

Labour category	June Current Month FTE*		June YTD FTE*	
	2018	2019	2018	2019
<b>Nursing</b> Registered nurses	17.45	16.46	17.40	16.63
<b>Administration and clerical</b> Admin, clerical, management	164.47	200.52	162.55	185.69†
<b>Medical support</b> CSSD techs/ radiologists	23.81	22.99	23.89	24.24
<b>Hotel and allied services</b> Other (e.g. storepersons, maintenance technicians, orderlies)	8.71	8.63	8.70	8.58
<b>Medical officers</b> Anaesthetists	5.48	5.05	5.05	5.27
<b>Ancillary staff</b>	0.34	0.34	0.32	0.33
<b>Specialist dentists</b>	16.69	17.20	16.12	16.79
<b>Dentists</b>	39.54	31.46	37.76	34.52
<b>Dental therapists</b>	9.40	7.95	8.43	8.17
<b>Dental hygienists</b>	0.18	0.05	0.17	0.17
<b>Dental assistants</b>	110.07	104.45	110.38	103.17
<b>Dental technicians</b>	14.05	12.05	15.03	13.94
<b>Prosthetists</b>	3.96	3.96	3.46	3.95
<b>Total</b>	<b>414.15</b>	<b>431.11</b>	<b>409.26</b>	<b>421.45</b>

\* FTE: Full time equivalent

† Change is a direct result of increased project and administrative staffing requirements to support the large-scale initiatives of VBHC and the school dental program.

Occupational violence statistics	2018–19
WorkCover accepted claims with an occupational violence cause per 100 FTE	<b>0</b>
Number of accepted work cover claims with lost time injury with an OVA cause per 1,000,000 hours worked	<b>0</b>
Number of occupational violence incidents reported	<b>65</b>
Number of occupational violence incidents reported per 100 FTE	<b>15.3</b>
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	<b>0</b>
Number of reported hazards/incidents for the year per 100 full-time equivalent staff members	<b>40.7</b>
The number 'lost time' standard claims for the year per 100 full-time equivalent staff members	<b>1.20</b>
The average cost per claim for the year 2019 – payments to date (as at 30 June 2019)	<b>\$39,353.00</b>
An estimate of outstanding claim costs as advised by WorkSafe	<b>\$49,491.00</b>
A minimum of two prior years' data on these indicators and explanations for significant variations from one year to the next; and two prior years' data (actual)	
• 2016–17 Average claims cost (payments made)	<b>\$20,337.50</b>
• 2017–18 Average claims cost (payments made)	<b>\$49,170.99</b>
• Premium projection based on current claims	<b>\$511,149.51</b>
Significant variations:	
18 active claims, including 5 standard claims with a component of lost time with an entitlement to weekly compensation. The remainder have an entitlement to medical and similar expenses.	
One claim exceeding 52 weeks meaning DHSV has reached the threshold for obligations under the EBA to top up an injured workers' pay to 100 per cent of the pre-injury average weekly earnings.	
Two claims identified as having a potential for a common law application. The claims are in the early investigation phase.	
In the event of a fatality, a discussion of the circumstances that led to the fatality and the preventative measures that have been taken to prevent recurrence. If the fatality is under investigation or subject to an inquiry, a statement to that effect shall be included.	<b>N/A</b>

## Occupational health and safety

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

The framework outlines the DHSV risk management approach to Occupational Violence and Aggression, with focus on risk control measures within DHSV.

The OVA Committee have been progressing the OVA action plan over the past year, including the implementation of additional Code Grey duress buttons, CCTV located at the entry and exit points throughout the Swanston and Lynch Street buildings a review of the Code Grey procedures, security audits and cross referencing incident reports to ensure data is accurate and compliant with the OVA Framework.

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

Employee engagement and consultation is achieved through established Designated Work Groups (DWGs), each with an elected Health and Safety Representative (HSR) who is provided with training in OHS legislation hazard identification and consultation.

These representatives, along with management representatives, form the Workplace Health, Safety and Wellbeing Committee, which sets the direction of OHS and monitoring risk management programs, including workplace inspections and musculoskeletal disorder risk management.

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



## FEES AND CHARGES

### Eligible adults:

- a fee of \$28.50 per visit to a maximum of \$112 for a general course of care, which includes an examination and all general dental treatment
- a flat fee of \$28.50 for an emergency course of care, which includes assessment and treatment of the tooth/gums/false teeth that is causing pain
- fees for dentures are dependent on the type of dentures required – \$68.50 per denture capped at \$137 for a full upper and lower denture.

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

- free of charge for an emergency course of care
- a flat fee of \$33.50 per child for a general course of care, which includes an examination and all general dental treatment. Fees per family will not exceed \$134.

### Fees for specialist services (RDHM only):

- dependent on the treatment provided, up to a maximum of \$344 for a course of care.

## FEE EXEMPTIONS

### Exemption from fees for public dental services apply to:

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

\*Fees do apply for public specialist dental services.



## MEETING ACCREDITATION

DHSV is passionate about providing safe, high quality care to our clients and the community. To demonstrate our commitment for the continuous improvement of our services, ensuring they are person-centred, safe and effective, we are assessed against a range of standards including the National Safety and Quality Health Service Standards (NSQHSS) for Day Procedure Centres.

In December 2017, DHSV was assessed by the Australian Council on Healthcare Standards (ACHS) against nine of the ten NSQHSS and awarded full accreditation for four years. DHSV submitted a progress report in December 2018 on three of the standards: Governance, Partnering with Consumers and Preventing and Controlling Healthcare-Associated Infection Standard. The assessors congratulated DHSV on the continued great work in partnering with consumers.

The second edition of the NSQHS came into effect January 2019. The development of resources and information to assist with transitioning to the second edition of the NSQHSS is in place and DHSV's next full assessment will be September 2020.

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

The DHSV Radiology Department is currently fully accredited against the Diagnostic Imaging Scheme from 2016–20 and will be assessed by Quality Innovation Performance (QIP) in June 2020.

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

## QUALITY RESOURCES

DHSV develops a range of educational and informative written materials and resources for consumers, other health professionals and members of the public. These resources include a public Quality Account and a suite of brochures, pamphlets and flyers.

All written materials can be obtained via the DHSV website or by contacting the DHSV Brand and Communications team on (03) 9341 1361.

## STATEMENT OF AVAILABILITY OF OTHER INFORMATION

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

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

## Conflict of Interest

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



*Dr Deborah Cole*  
*Chief Executive Officer*  
*Dental Health Services Victoria Carlton VIC*

**8 August 2019**

## Health Purchasing Policies

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



*Dr Deborah Cole*  
*Chief Executive Officer*  
*Dental Health Services Victoria Carlton VIC*

**8 August 2019**

## Integrity, fraud and corruption

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



*Dr Deborah Cole*  
*Chief Executive Officer*  
*Dental Health Services Victoria Carlton VIC*

**8 August 2019**

## Buildings management

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

## Purchasing and tendering

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

## Competitive neutrality

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

## Probity

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

## Freedom of information

The Victorian Freedom of Information (FOI) Act 1982 provides members of the public the right to apply for access to information held by DHSV. The majority of applications under Freedom of Information are requests by patients for access to their own personal dental records.

DHSV received 147 requests during the year and all requests were granted in full.

## Protected Disclosure Act 2012 (the Act)

DHSV is committed to the aims and objectives of the Act. DHSV does not tolerate improper conduct by employees, nor the taking of reprisals against people who come forward to disclose such conduct.

DHSV is not a public organisation prescribed under the Act to receive a protected disclosure, therefore disclosures about DHSV, its directors and employees must be made directly to the Independent Broad-based Anti-corruption Commission (IBAC).

Although DHSV is not able to receive disclosures, DHSV has a procedure in place (as required under section 58 of the Act), which sets out how DHSV will protect people against detrimental action that might be taken against them in reprisal for making a protected disclosure or cooperating in an investigation into a protected disclosure complaint.

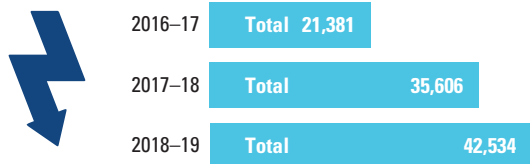
# ENVIRONMENT PERFORMANCE REPORT 2018-19

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

DHSV also continues to work with the Department of Health and Sustainability Victoria to report our energy and water usage on a monthly basis. The data presented in this report has been collated over three years from 2016–2019 inclusive, as at 30 June 2019.

## Energy consumption

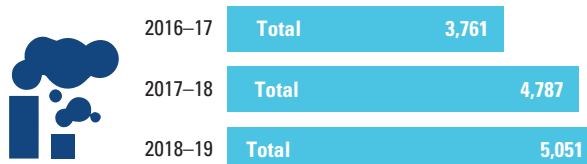
Total energy consumption by energy type (GJ)			
	2016–17	2017–18	2018–19
Electricity	10,582	11,453	11,637
Natural gas	10,798	24,153	30,897



Normalised energy consumption			
	2016–17	2017–18	2018–19
Energy per unit of floor space RDHM (GJ/m <sup>2</sup> )	2	1	2

## Greenhouse gas emissions

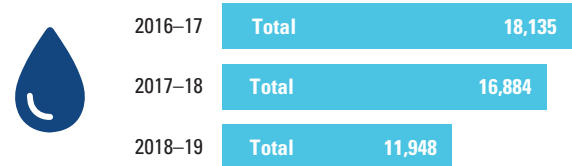
Total greenhouse gas emissions (tonnes CO <sub>2</sub> e)			
	2016–17	2017–18	2018–19
Scope 1—calculated on natural gas consumption	556	1,351	1,592
Scope 2—calculated on electricity consumption	3,204	4,787	5,051



Normalised greenhouse gas emissions			
	2016–17	2017–18	2018–19
Emissions per unit of floor space RDHM (kgCO <sub>2</sub> e/m <sup>2</sup> )	206	262	276

## Water consumption

Total water consumption by type (KL)			
	2016–17	2017–18	2018–19
Potable water	18,135	16,884	11,948



Normalised water consumption			
	2016–17	2017–18	2018–19
Water per unit of floor space RDHM (KL/m <sup>2</sup> )	1	1	1

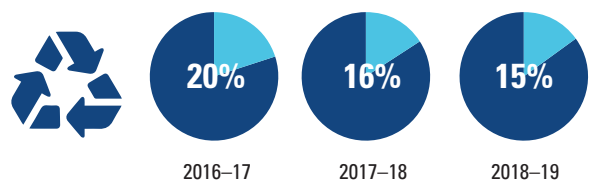
## Waste generation

Total waste generation by type (tonnes)			
	2016–17	2017–18	2018–19
Clinical waste	13	15	18
General waste	233	257	260
Recycled waste	23	31	56
<b>Total</b>	<b>269</b>	<b>303</b>	<b>334</b>

Normalised waste generation			
	2016–17	2017–18	2018–19
Waste per activity (kg/activity)	38	39	46

### Waste recycling

Waste recycling rate (percentage)



# STATEMENT OF PRIORITIES

## PART A: STRATEGIC PRIORITIES

In 2018–19 DHSV will contribute to the achievement of the Victorian Government’s commitments by:

Goals	Strategies	Health Service Deliverables	Comments
<b>Better Health</b>	<b>Better Health</b>		
A system geared to prevention as much as treatment	Reduce statewide risks	Implement and evaluate the new practice prototype within a Value Based Health Care (VBHC) framework at the Royal Dental Hospital Melbourne.	The Proof of Concept for General Care was completed in March 2019 and an evaluation was conducted.
Everyone understands their own health and risks	Build healthy neighborhoods		The review indicated that there is a 60% increase in preventative interventions and an 80% decrease in dentists doing work that could be done by other dental professionals.
Illness is detected and managed early	Help people to stay healthy		Clients are more engaged with a 5.8% FTA rate in the clinic compared to a previous average of 18.9%.
Healthy neighbourhoods and communities encourage healthy lifestyles	Target health gaps	Continue to implement programs to prevent hospital admissions for children and minimise the use of general anaesthetics.	<p>We completed various initiatives at RDHM to prevent dental-related hospital admissions for children and minimise the use of general anaesthetics (GA). These included:</p> <p>A research project that successfully demonstrated a model using Silver Diamine Fluoride (SDF) to improve caries management and avoid children being referred for GA.</p> <p>The development of a training video on SDF to share knowledge with community agencies.</p> <p>A commitment to introduce procedures and techniques that prevent GA referrals in the new school dental program.</p> <p>This has resulted in more children being effectively treated without GA through clinical and management techniques.</p>

Goals	Strategies	Health Service Deliverables	Comments
		<p>Implement the Oral Cancer Screening and Prevention Program in line with the key deliverables.</p>	<p>The Program Management Group with members from DHSV, Department Health and Human Services, University of Melbourne, La Trobe University and Australian Dental Association (Victorian Branch) completed the year's program as planned.</p> <p>Actions included:</p> <ul style="list-style-type: none"> <li>• A literature review of best practice preventions of oral cancer</li> <li>• Presentations and publications to the dental profession</li> <li>• Surveying 171 oral health professionals to determine current knowledge, attitudes and practice at baseline</li> <li>• Producing an oral cancer examination video</li> <li>• Creating an online oral cancer risk assessment/screening platform</li> <li>• Conducting three-hour CPD / pilot training for oral health professionals in public and private settings – 16 pilot sites involved throughout Victoria, with 179 oral health clinicians trained.</li> </ul>
		<p>Partner with the Department of Health &amp; Human Services (the department) to deliver the agreed response to the recommendations arising from the Victorian Auditor General's Office review – Access to public dental services in Victoria through the eight identified projects:</p> <ul style="list-style-type: none"> <li>• Model of Care</li> <li>• Waiting list management</li> <li>• Regional public dental service collaboration</li> <li>• Oral health promotion</li> <li>• Oral health data</li> <li>• Funding model</li> <li>• DWAU price</li> <li>• Dental reporting.</li> </ul>	<p>DHSV is leading the response to three of the projects; VBHC models of care, wait list management practice and prioritisation, and regional public dental service collaboration models.</p> <p>Completed project plans include:</p> <ul style="list-style-type: none"> <li>• Waiting List Management and prioritisation (recommendation three)</li> <li>• Regional public dental service collaboration (recommendation four)</li> <li>• Oral health promotion and oral health data (recommendations five and six)</li> <li>• Funding model (recommendations seven and eight)</li> <li>• Dental reporting (recommendations 10 and 11).</li> </ul> <p>The remaining projects are on track to meet VAGO timelines:</p> <ul style="list-style-type: none"> <li>• Models of care (recommendations one and two)</li> <li>• DHHS have engaged external consultants to undertake the work required to develop a consistent DWAU price (recommendation nine).</li> </ul>

Goals	Strategies	Health Service Deliverables	Comments
		Finalise a Reconciliation Action Plan (RAP) for 2018–22 as the framework for DHSV to realise our vision for reconciliation and provide strategies to assist with Closing the Gap.	<p>Through the DHSV RAP Working Group, we developed a draft RAP in consultation with staff and the broader community at the Innovate level.</p> <p>The draft RAP has been submitted to Reconciliation Australia for review and endorsement.</p>
		Partner with the department and other organisations to implement the Victorian action plan to prevent oral disease 2018–22.	<p>The Victorian Action Plan to Prevent Oral Disease 2019–2023 has been finalised and is awaiting release.</p> <p>While the plan has not yet been launched, the DHSV Population Health Committee has commenced workshops to progress draft targets of the plan.</p> <p>The targets that the Population Health Committee has discussed relate to:</p> <ul style="list-style-type: none"> <li>• water fluoridation</li> <li>• children entering school without</li> <li>• oral cancer.</li> </ul>
Better Access	Better Access		
Care is always there when people need it		Implement the fluoride varnish program.	<p>The Drugs, Poisons and Controlled Substances regulations 2018 were amended to allow Cert IV Dental Assistants to apply fluoride varnish.</p> <p>RMIT started delivering training to dental assistants to allow them to apply concentrated fluoride varnish.</p> <p>The fluoride varnish program was piloted in Macedon, Gippsland and Loddon.</p> <p>We commenced to incorporate the statewide fluoride varnish program into both the Integrated Preschool Program in collaboration with Smiles 4 Miles, and committed to including within the school dental program (Smile Squad).</p>
More access to care in the home and community			
People are connected to the full range of care and support they need			
There is equal access to care			
Plan and invest			
Unlock innovation			
Provide easier access			
Ensure fair access		Implement innovative emergency and waitlist management processes to further reduce inequality and target those most in need.	<p>A new waitlist approach initiated by Bendigo Health has been extended across the state particularly for agencies with long waitlists.</p> <p>Over 28,146 patients waiting the longest for care have been removed from the waitlist since the introduction of the initiative.</p> <p>With the support of additional funding, 19 agencies have been able to reduce the longest waiting client by over 10 months, with one agency (Sunbury) reducing by over 40 months.</p>

Goals	Strategies	Health Service Deliverables	Comments
		<p>Employ a range of strategies to increase the reach of public dental services to Victorian 0-4-year olds, including utilisation of the Child Dental Benefits Schedule.</p>	<p>Our partnership with Zoos Victoria continued to target children aged 0-12 years visiting the Werribee Open Range Zoo and Melbourne Zoo. To date, 1,222 children have had a dental checkup as a result of this partnership.</p> <p>Our oral health professional development activities reached 1,346 health and early childhood professionals through the Healthy Family Healthy Smiles program.</p> <p>We increased participation in our Smiles 4 Miles oral health promotion program – from 36,748 children to 46,200.</p> <p>Additional funding in 2018/19 enabled us to distribute toothbrush and paste packs to approximately 950 families through the Enhanced Maternal and Child Health Program.</p> <p>The new Brush, Book, Bed initiative was delivered in playgroups to support families with toothbrushing routines – 114 facilitators were trained to deliver toothbrushing demonstrations and received toothbrush and paste packs to distribute to participating families. The packs included information and a dental themed story book. Evaluation is still in progress, but the estimated reach is 1,600 families.</p>
		<p>Establish a pathway for Electronic Oral Health Records to support our public oral health model of care.</p>	<p>Following a product and vendor evaluation, Deloitte was commissioned to develop an Electronic Oral Health Record Business Case in accordance with the Department of Treasury and Finance business case guidelines.</p> <p>The options for an Electronic Oral Health Record pathway were discussed at a Board level and the implementation is scheduled to commence in 2020.</p>
		<p>Continue to work with the department to deliver the requirements of the National Partnership Agreement on Public Dental Services for Adults to improve the access of eligible Victorians to oral health care.</p>	<p>NPA funding was allocated to agencies following an Expressions of Interest process.</p> <p>Annual NPA targets were achieved.</p>

Goals	Strategies	Health Service Deliverables	Comments
Better Care	Better Care		
Target zero avoidable harm	Put quality first	Utilise the co-design framework to engage with our consumers and staff to identify, implement and integrate appropriate digital solutions to improve patient, staff and partner experiences (e.g. website redesign, phones and chairside communication).	We have worked with our consumers and staff to co-design a number of digital solution projects to improve the experience at DHSV.
Healthcare that focuses on outcomes	Join up care		The following projects are at various phases of the co-design process:
Consumers and carers are active partners in care	Partner with consumers		<ul style="list-style-type: none"> <li>• electronic oral health record</li> <li>• electronic interpreter service</li> <li>• referral management system</li> <li>• mobile website.</li> </ul>
Care fits together around people's needs	Strengthen the workforce		Ethics approval has been received for Voice of Consumer experience and co-design activity.
	Embed evidence	Continue implementation of the Strengthening Hospital Responses to Family Violence (SHRV) initiative by training staff to ensure they identify and respond sensitively and appropriately to family violence disclosures.	In May 2019, we delivered family violence workplace support training to all DHSV managers.
	Ensure equal care		A Senior Social Worker – Project Officer was appointed to drive the initiative.
		Engage with nominated public dental services and consumer groups in Victoria to validate the oral health measures developed through the International Consortium of Health Outcome Measures.	In July 2018, DHSV led the consumer and stakeholder validation of the International Consortium of Health Outcome Measures Adult Oral Health Standard Set process in Australia. The standard set has been finalised and is being tested in RDHM.
		Embed 'Speak up for Safety' training for clinical and support staff within DHSV's annual training calendar and orientation program for all new staff.	We have continued the mandatory Speaking Up for Safety training sessions at DHSV. The 2018 sessions were conducted by the Cognitive Institute on 12 and 13 November. Annual Speaking up for Safety sessions are embedded into the DHSV training calendar and incorporated as part of new employee Respectful Workplace orientation program.



Goals	Strategies	Health Service Deliverables	Comments
Specific 2018–19 priorities (mandatory)			
	<p><b>Bullying and harassment</b></p> <p>Actively promote positive workplace behaviours and encourage reporting. Utilise staff surveys, incident reporting data, outcomes of investigations and claims to regularly monitor and identify risks related to bullying and harassment, in particular include as a regular item in Board and Executive meetings. Appropriately investigate all reports of bullying and harassment and ensure there is a feedback mechanism to staff involved and the broader health service staff.</p>	<p>Continue to roll out DHSV's Respectful Workplace Framework including providing our mandatory respectful workplace learning day in December.</p>	<p>In alignment with the DHSV Respectful Workplace Framework, we have continued our regular respectful workplace initiatives including:</p> <ul style="list-style-type: none"> <li>• A mandatory annual learning day for all staff. The 2018 learning day was held in December with a theme of 'courage and compassion'.</li> <li>• Bi-monthly respectful workplace orientation sessions for new employees.</li> <li>• The expansion of our wellbeing contact officer network which ensures employees have a trained employee to talk to regarding workplace concerns.</li> </ul> <p>In 2018, we also established the following initiatives:</p> <ul style="list-style-type: none"> <li>• Wellbeing@Work Committee</li> <li>• Employee Rainbow Network</li> <li>• Mandatory EEO/cultivating a healthy workplace training for managers conducted by VEOHRC.</li> </ul>
	<p><b>Occupational violence</b></p> <p>Ensure all staff who have contact with patients and visitors have undertaken core occupational violence training, annually. Ensure the department's occupational violence and aggression training principles are implemented.</p>	<p>Implement an updated DHSV occupational violence training program for all frontline staff.</p>	<p>In February 2019, new Code Grey team members were provided with occupational violence training.</p> <p>A refresher training session for existing Code Grey team members was also provided.</p> <p>Occupational violence training was scheduled for frontline staff, focusing on de-escalation skills and customer service.</p>

Goals	Strategies	Health Service Deliverables	Comments
	<p><b>Environmental Sustainability</b></p> <p>Actively contribute to the development of the Victorian Government's policy to be net zero carbon by 2050 and improve environmental sustainability by identifying and implementing projects, including workforce education, to reduce material environmental impacts with particular consideration of procurement and waste management, and publicly reporting environmental performance data, including measurable targets related to reduction of clinical, sharps and landfill waste, water and energy use and improved recycling.</p>	<p>Implement the Global Green and Healthy Hospitals framework within DHSV in accordance with the ten (10) Global Green and Healthy Hospitals goals to promote greater sustainability and environmental health.</p>	<p>As part of Global Green and Healthy Hospitals framework, we worked towards progressing Goal 3 – Waste (reduce, treat and safely dispose of healthcare waste) through the introduction of a new cleaning contract that includes a waste recycling program. Two pilot waste recycling sites have commenced in RDHM and the Corporate Services Building.</p> <p>We also worked towards Goal 4 – Energy (implement energy efficiency and clean, renewable energy generation) and Goal 5 – Water (reduce hospital water consumption and supply potable water) by introducing a new Building Management Control System (BMCS). The BMCS will provide further opportunities for savings and efficiencies through monitoring of water and energy usage.</p>
	<p><b>LGBTI</b></p> <p>Develop and promulgate service level policies and protocols, in partnership with LGBTI communities, to avoid discrimination against LGBTI patients, ensure appropriate data collection, and actively promote rights to free expression of gender and sexuality in healthcare settings. Where relevant, services should offer leading practice approaches to trans and intersex related interventions. Note: deliverables should be in accordance with the DHHS Rainbow eQuality Guide (see at <a href="https://www2.health.vic.gov.au/rainbowequality">https://www2.health.vic.gov.au/rainbowequality</a>) and the Rainbow Tick Accreditation Guide (see at <a href="https://www.glhv.org.au/">https://www.glhv.org.au/</a>).</p>	<p>As part of Dental Health Services Victoria's 2016–21 Diversity Inclusion Plan, we will commence engagement with employees, consumers and community to develop our priority actions for LGBTQI+ inclusive and non-discriminatory practice and service delivery.</p>	<p>In December 2018, we launched the Employee Rainbow Network and called for expressions of interest from LGBTI staff and supporters.</p> <p>We surveyed the members and prioritised initial activities including building the capability of members to start conversations about LGBTI topics.</p> <p>We started working with advocacy groups to engage LGBTI consumers and received expressions of interest for membership of our Consumer Advisor Network and Consumer Advisory Committee.</p>

## PART B: PERFORMANCE PRIORITIES

### High quality and safe care

Key Performance Indicator	2018–19 Agencies Target	YTD Q4 Actual	2018–19 RDHM Target	YTD Q4 Actual
<b>Accreditation</b>				
Number of hospital initiated postponements per 100 scheduled appointments	–	–	3.0	3.0
Health service accreditation (RDHM) and support agencies to maintain accreditation	Fully accredited	–	Fully accredited	–
Percentage of healthcare workers immunised for influenza			80%	80%
<b>Patient Experience</b>				
Patient satisfaction at RDHM, as measured by the Patient Experience Trackers	–	–	85%	90%

### Patient experience

Key Performance Indicator	Target	Result
Victorian Healthcare Experience Survey – data submission	Full compliance	YES
Victorian Healthcare Experience Survey – percentage of positive patient experience – Quarter 1	95%	95%
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 2	95%	96%
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 3	95%	98%
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care – Quarter 1	75%	74%
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care – Quarter 2	75%	86%
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care – Quarter 3	75%	84%
Victorian Healthcare Experience Survey – patients perception of cleanliness – Quarter 1	70%	86%
Victorian Healthcare Experience Survey – patients perception of cleanliness – Quarter 2	70%	80%
Victorian Healthcare Experience Survey – patients perception of cleanliness – Quarter 3	70%	78%

## Strong governance, leadership and culture

Key Performance Indicator	Target	YTD Q4 Actual
People matter survey – percentage of staff at Dental Health Services Victoria (DHSV) with an overall positive response to safety and culture questions	80%	82%
People Matter Survey – percentage of staff at DHSV with a positive response to the question, “I am encouraged by my colleagues to report any patient safety concerns I may have”	80%	91%
People matter survey – percentage of staff at DHSV with a positive response to the question, “Patient care errors are handled appropriately in my work area”	80%	86%
People matter survey – percentage of staff at DHSV with a positive response to the question, “My suggestions about patient safety would be acted upon if I expressed them to my manager”	80%	88%
People matter survey – percentage of staff at DHSV with a positive response to the question, “The culture in my work area makes it easy to learn from the errors of others”	80%	77%
People matter survey – percentage of staff at DHSV with a positive response to the question, “Management is driving us to be a safety-centred organisation”	80%	83%
People matter survey – percentage of staff at DHSV with a positive response to the question, “This health service does a good job of training new and existing staff”	80%	66%
People matter survey – percentage of staff at DHSV with a positive response to the question, “Trainees in my discipline are adequately supervised”	80%	83%
People matter survey – percentage of staff at DHSV with a positive response to the question, “I would recommend a friend or relative to be treated as a patient here”	80%	81%

## Timely access to care

Key Performance Indicator	2018–19		YTD Q4		2018–19		YTD Q4	
Emergency care	Agencies Target	Agencies Actual	RDHM Target	RDHM Actual	Statewide Target	Statewide Actual	Statewide Target	Statewide Actual
Percentage of dental emergency triage category 1 clients treated within 24 hours	85%	93%	85%	98%	85%	93%	85%	93%
Percentage of dental emergency triage category 2 clients treated within 7 days	80%	93%	80%	96%	80%	93%	80%	93%
Percentage of dental emergency triage category 3 treated within 14 days	75%	93%	75%	93%	75%	93%	75%	93%

General and denture care	2018–19	2018–19	YTD Q4	2018–19	YTD Q4
	Agencies Target	RDHM Target	RDHM Actual	Statewide Target	Statewide Actual
Average recall interval for high caries risk eligible clients aged 0–17 years (months)	–	–	–	12	9
Average recall interval for low caries risk eligible clients aged 0–17 years (months)	–	–	–	24	11
Waiting time for prosthodontics, endodontics, and orthodontics specialist services patients (months)	–	15	12	–	–
Waiting time for other dental specialist services patients (months)	–	9	6	–	–
Waiting time for general care (months)	–	–	–	23	20
Waiting time for denture care (months)	–	–	–	22	19
Waiting time for priority denture care (months)	–	–	–	3	2

## Activity

Key Performance Indicator	2018–19 Statewide Target	YTD Q4 Actual
Total number of individuals treated (full year target – 365,000)	365,000	380,190
Priority and emergency clients treated (full year target – 249,100)	249,100	302,624

## Effective financial management

Key Performance Indicator	2018–19 Target	YTD Q4 Actual	YTD Q4 Variance
Operating Result (\$m)	\$0.0m	\$0.0m	\$0.0m
Average number of days to paying trade creditors	60	20	40
Average number of days to receiving patient fee debtors	60	26	34
Number of days of available cash	14	33	19

## Other reporting requirements

Key Performance Indicator	2017–18 Statewide Target	YTD Q4 Target	YTD Q4 Actual
Dental Weighted Activity Units (DWAUs)	351,488	351,488	371,318

# FINANCIAL OVERVIEW

The DHSV operating result for the financial year was a deficit of \$30,782. The net entity result was a deficit of \$3.1 million, due to depreciation expenses of \$5.8 million, offset by class action settlement (\$1.8 million) regarding a failed CDO, and increase in capital grants (\$0.9 million) due to the school dental program.

Total revenue increased by \$9.7 million (4.9% increase on previous year) due to additional funding for wait list initiative, value based healthcare and CPI increases. Total expenditure increased by \$9.7 million – 4.9% on the previous year. The increase was attributable to CPI increases and additional payment to community agencies for wait list initiative.

The total equity increased by \$4.7 million, resulting from revaluation of land and buildings of \$7.8 million, offset by a deficit (Net Result for the year) amounting to \$3.1 million.

The key operational and financial objectives at DHSV are documented in the Statement of Priorities 2018–19.

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

Summary of financial results					
	2019	2018	2017	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000
Total revenue	207,196	197,524	186,849	195,851	173,056
Total expenses	(209,740)	(200,065)	(191,659)	(192,920)	(173,951)
Other operating flows included in the Net Result	(561)	(86)	104	(1)	(209)
Net result for the year	(3,105)	(2,627)	(4,706)	2,930	(1,104)
Operating result	(31)	(91)	(53)	1,637	172
Total assets	160,735	162,192	140,449	132,883	140,386
Total liabilities	35,614	41,723	30,946	21,443	33,342
Net assets	125,121	120,469	109,503	111,440	107,044
Total Equity	125,121	120,469	109,503	111,440	107,044

## Reconciliation between the *Net result from transactions* reported in the Comprehensive Operating Statement to the *Operating result* as agreed in the Statement of Priorities.

Summary of financial results					
	2019	2018	2017	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Net operating result*</b>	<b>(31)</b>	<b>(91)</b>	<b>(53)</b>	<b>1,637</b>	<b>172</b>
Capital purpose income	2,761	1,812	2,422	2,334	929
Specific income	1,811	2,904	9	1,090	5,466
Asset received free of charge	-	-	-	6,400	-
Expenditure for capital purpose	(436)	(276)	(170)	(181)	(59)
Depreciation and amortisation	(5,761)	(5,155)	(5,277)	(5,326)	(5,880)
Impairment of non-financial assets	-	-	-	(461)	-
Specific expenses	(888)	(1,715)	(1,741)	(2,562)	(1,523)
<b>Net result from transactions</b>	<b>(2,544)</b>	<b>(2,521)</b>	<b>(4,810)</b>	<b>2,931</b>	<b>(895)</b>

\*The *Net operating result* is the result which DHSV is monitored against in its *Statement of Priorities*

### Details of Information and Communication Technology (ICT) Expenditure

The total ICT expenditure incurred during 2018–19 is \$4.014 million (excluding GST) with the details shown below (\$'000).

<b>Business As Usual (BAU) ICT expenditure</b>
Total (excluding GST)
\$3,360
<b>Non-Business As Usual (non-BAU) ICT expenditure</b>
(Total=Operational expenditure and capital expenditure) (excluding GST)
\$654
<b>Operational expenditure (excluding GST)</b>
\$438
<b>Capital expenditure (excluding GST)</b>
\$216

### Consultancies

#### Details of consultancies (under \$10,000)

In 2018–19, there were 23 consultancies where the total fees payable to the consultants were less than \$10,000.

The total expenditure incurred during 2018–19 in relation to these consultancies were \$66,888 (excl. GST).

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

In 2018–19, there were 7 consultancies where the total fees payable to the consultants were \$10,000 or greater

The total expenditure incurred during 2018–19 in relation to these consultancies were \$218,502 (excl. GST).

Details of individual consultancies can be viewed at [www.dhsv.org.au/consultancies](http://www.dhsv.org.au/consultancies)

# DISCLOSURE INDEX

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

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Charter and purpose		
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FRD 22H	Purpose, functions, powers and duties	21
FRD 22H	Nature and range of services provided	22
FRD 22H	Activities, programs and achievements for the reporting period	4
FRD 22H	Significant changes in key initiatives and expectations for the future	9
Management and structure		
FRD 22H	Organisational structure	29
FRD 22H	Workforce data/employment and conduct principles	30
FRD 22H	Occupational Health and Safety	31
Financial and other information		
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Reporting of compliance regarding Car Parking Fees	NA

# GLOSSARY

<b>ADAVB</b>	Australian Dental Association Victorian Branch Inc
<b>ADC</b>	Australian Dental Council
<b>AHRI</b>	Australian HR Institute
<b>CDBS</b>	Child Dental Benefits Schedule
<b>CEO</b>	Chief Executive Officer
<b>CLiP</b>	Clinical Leadership in Practice Committee
<b>CLiPOHP</b>	Clinical Leadership in Public Oral Health Practice
<b>CVBOHC</b>	Centre for Value Based Oral Health Care
<b>DHHS</b>	Department of Health and Human Services
<b>DHSV</b>	Dental Health Services Victoria
<b>DWAU</b>	Dental Weighted Activity Unit
<b>DWG</b>	Designated Work Groups
<b>EOHR</b>	Electronic oral health record
<b>FDI</b>	World Dental Federation
<b>FOI</b>	Freedom of Information
<b>FTE</b>	Full time equivalent
<b>GGHH</b>	Global Green and Healthy Hospitals
<b>GST</b>	Goods and services tax
<b>HFHS</b>	Healthy Families, Healthy Smiles
<b>ICHOM</b>	International Consortium for Health Outcomes Measurement
<b>KPI</b>	Key performance indicator
<b>LGA</b>	Local government area
<b>MCH</b>	Maternal and child health
<b>MCHN</b>	Maternal and child health nurse
<b>MIOH</b>	Midwifery Initiated Oral Health
<b>MOU</b>	Memorandum of Understanding
<b>NOHP</b>	National Oral Health Plan
<b>NPA</b>	National Partnership Agreement
<b>OHAC</b>	Oral Health Advisory Council
<b>OSCE</b>	Objective structured clinical examination
<b>OHS</b>	Occupational health and safety
<b>PET</b>	Patient Experience Tracker
<b>PHN</b>	Primary Health Network
<b>POC</b>	Proof of Concept
<b>RAP</b>	Reconciliation Action Plan
<b>RAPWG</b>	Reconciliation Action Plan Working Group
<b>RDHM</b>	The Royal Dental Hospital of Melbourne
<b>RFDS</b>	Royal Flying Doctor Service
<b>SDF</b>	Silver diamine fluoride
<b>SDP</b>	School Dental Program
<b>SHRFV</b>	Strengthening Hospital Responses to Family Violence
<b>UOM</b>	University of Melbourne
<b>VACCA</b>	Victorian Aboriginal Child Care Agency
<b>VACCHO</b>	Victorian Aboriginal Community Controlled Health Organisation
<b>VAGO</b>	Victorian Auditor General's Office
<b>VBHC</b>	Value based health care
<b>VEOHRC</b>	Victorian Equal Opportunity and Human Rights Commission









dental health  
services victoria  
oral health for better health

-  [www.dhsv.org.au](http://www.dhsv.org.au)
-  **Like us on Facebook:** [www.facebook.com/DentalHealthVic](http://www.facebook.com/DentalHealthVic)  
[www.facebook.com/RoyalDentalHospitalMelbourne](http://www.facebook.com/RoyalDentalHospitalMelbourne)
-  **Follow us on Twitter:** [www.twitter.com/VicDental](http://www.twitter.com/VicDental)



**DENTAL HEALTH  
SERVICES VICTORIA**

**ABN: 55 264 981 997**

# **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30 JUNE 2019**



**dental health  
services victoria**  
oral health for better health

## DENTAL HEALTH SERVICES VICTORIA

Dental Health Services Victoria has presented its audited general purpose financial statements for the financial year ended 30 June 2019 in the following structure to provide users with the information about DHSVs stewardship of resources entrusted to it.

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## Dental Health Services Victoria

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

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, present fairly the financial transactions during the year ended 30 June 2019 and the financial position of Dental Health Services Victoria at 30 June 2019.

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

We authorise the attached financial statements for issue on 8 August 2019.



Zoe Wainer  
Board Chair

Carlton  
8 August 2019



Deborah Cole  
Chief Executive Officer

Carlton  
8 August 2019



Nicholas Russell  
Chief Financial Officer

Carlton  
8 August 2019

# Independent Auditor's Report

## *To the Board of Dental Health Services Victoria*

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

- balance sheet as at 30 June 2019
- comprehensive operating statement for the year then ended
- statement of changes in equity for the year then ended
- cash flow statement for the year then ended
- notes to the financial statements, including significant accounting policies
- board member's, accountable officer's and chief financial & accounting officer's declaration.

In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2019 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.

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

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

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

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

In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

---

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

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

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

---

MELBOURNE  
16 August 2019



Travis Derricott  
*as delegate for the Auditor-General of Victoria*

DENTAL HEALTH SERVICES VICTORIA  
**FINANCIAL STATEMENTS**

Comprehensive Operating Statement  
 For the financial year ended 30 June 2019

	Note	Total 2019 \$'000	Total 2018 \$'000
<b>Income from transactions</b>			
Operating activities	2.1	204,655	193,976
Non-operating activities	2.1	730	644
Specific income	2.2	1,811	2,904
<b>Total income from transactions</b>		<b>207,196</b>	<b>197,524</b>
<b>Expenses from transactions</b>			
Employee expenses	3.1	(45,856)	(42,103)
Supplies and consumables	3.1	(4,335)	(4,421)
Grants to other health services and community agencies	3.1	(138,623)	(133,356)
Depreciation and amortisation	4.4	(5,761)	(5,155)
Other operating expenses	3.1	(14,277)	(13,295)
Specific expenses	3.2	(888)	(1,715)
<b>Total expenses from transactions</b>		<b>(209,740)</b>	<b>(200,045)</b>
<b>Net result from transactions - net operating balance</b>		<b>(2,544)</b>	<b>(2,521)</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on sale of non-financial assets	3.3	(9)	3
Net loss on financial instruments at fair value	3.3	(86)	(111)
Other gain/(Loss) from other economic flows	3.3	(466)	2
<b>Total other economic flows included in net result</b>		<b>(561)</b>	<b>(106)</b>
<b>Net result for the year</b>		<b>(3,105)</b>	<b>(2,627)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to net result</b>			
Changes in property, plant and equipment revaluation surplus	4.2(b)(f)	7,795	13,593
<b>Total other comprehensive income</b>		<b>7,795</b>	<b>13,593</b>
<b>Comprehensive result for the year</b>		<b>4,690</b>	<b>10,966</b>

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

**DENTAL HEALTH SERVICES VICTORIA****Balance Sheet****As at 30 June 2019**

	Note	Total 2019 \$'000	Total 2018 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6.1	21,225	31,948
Receivables	5.1	5,763	2,326
Investments and other financial assets	4.1	-	2,000
Inventories	5.2	1,115	521
Prepayments		1,005	742
<b>Total current assets</b>		<b>29,108</b>	<b>37,537</b>
<b>Non-current assets</b>			
Receivables	5.1	1,395	1,152
Property, plant and equipment	4.2(a)	128,807	122,644
Intangible assets	4.3	1,425	859
<b>Total non-current assets</b>		<b>131,627</b>	<b>124,655</b>
<b>Total assets</b>		<b>160,735</b>	<b>162,192</b>
<b>Current liabilities</b>			
Payables	5.3	23,956	31,361
Provisions	3.5	9,480	8,668
Unearned income		567	344
<b>Total current liabilities</b>		<b>34,003</b>	<b>40,373</b>
<b>Non-current liabilities</b>			
Provisions	3.5	1,611	1,350
<b>Total non-current liabilities</b>		<b>1,611</b>	<b>1,350</b>
<b>Total liabilities</b>		<b>35,614</b>	<b>41,723</b>
<b>Net assets</b>		<b>125,121</b>	<b>120,469</b>
<b>Equity</b>			
Property, plant and equipment revaluation surplus	4.2(f)	109,189	101,394
General purpose surplus		512	512
Contributed capital		52,612	52,612
Accumulated surpluses/(deficits)		(37,192)	(34,049)
<b>Total equity</b>		<b>125,121</b>	<b>120,469</b>
Commitments for expenditure	6.2		
Contingent assets and contingent liabilities	7.2		

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

**DENTAL HEALTH SERVICES VICTORIA**

Statement of Changes in Equity

For the financial year ended 30 June 2019

Total	Property, plant & equipment revaluation surplus	General purpose surplus	Contributed capital	Accumulated surpluses / (deficits)	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2017</b>	87,801	512	52,612	(31,422)	109,503
Net result for the year	-	-	-	(2,627)	(2,627)
Other comprehensive income for the year	13,593	-	-	-	13,593
	Note				
	4.2(f)				
<b>Balance at 30 June 2018</b>	101,394	512	52,612	(34,049)	120,469
Opening balance adjustment on adoption of AASB 9				(38)	(38)
Net result for the year	-	-	-	(3,105)	(3,105)
Other comprehensive income for the year	7,795	-	-	-	7,795
	4.2(f)				
<b>Balance at 30 June 2019</b>	109,189	512	52,612	(37,192)	125,121

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

**DENTAL HEALTH SERVICES VICTORIA**  
**Cash Flow Statement**  
**For the financial year ended 30 June 2019**

	Note	Total 2019 \$'000	Total 2018 \$'000
<b>Cash flows from operating activities</b>			
Operating grants from government		184,109	190,992
Capital grants from government		1,129	1,812
Patient fees received		2,553	3,004
Donations and bequests received		22	2
GST received from ATO		9,107	8,128
Interest and Investment Income received		757	650
Other receipts		8,152	11,165
<b>Total receipts</b>		<b>205,829</b>	<b>215,753</b>
Employee expenses paid		(45,187)	(41,204)
Payments for supplies and consumables		(4,335)	(4,421)
Grant payments to other Health Services and Community Agencies		(138,380)	(133,318)
Purchase of inventories for resale		(4,011)	(3,118)
Other payments		(21,935)	(20,210)
<b>Total payments</b>		<b>(213,848)</b>	<b>(202,271)</b>
<b>Net cash flow from / (used in) operating activities</b>	<b>8.1</b>	<b>(8,019)</b>	<b>13,482</b>
<b>Cash flows from investing activities</b>			
Purchase of non-financial assets		(3,899)	(3,059)
Purchase of intangible assets		(854)	(808)
Proceeds from disposal of non-financial assets		49	108
Proceeds from disposal of investments		2,000	6,000
<b>Net cash flow from / (used in) investing activities</b>		<b>(2,704)</b>	<b>2,241</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>		<b>(10,723)</b>	<b>15,723</b>
Cash and cash equivalents at beginning of financial year		<b>31,948</b>	<b>16,225</b>
<b>Cash and cash equivalents at end of financial year</b>	<b>6.1</b>	<b>21,225</b>	<b>31,948</b>

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

**DENTAL HEALTH SERVICES VICTORIA**  
**Notes to the Financial Statements for the year ended 30 June 2019**



## **DENTAL HEALTH SERVICES VICTORIA**

### **Notes to the Financial Statements**

30 June 2019

#### **Note 1: Summary of significant accounting policies**

These annual financial statements represent the audited general purpose financial statements for Dental Health Services Victoria (DHSV) for the year ended 30 June 2019. The report provides users with information about DHSVs stewardship of resources entrusted to it.

#### **Basis of preparation**

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

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

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

#### **(a) Statement of compliance**

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

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

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

#### **(b) Reporting entity**

The financial statements include all the controlled activities of DHSV.

Its principal address is:

The Royal Dental Hospital of Melbourne  
720 Swanston Street  
CARLTON Victoria 3053

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

#### **(c) Basis of accounting preparation and measurement**

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

The accounting policies have been applied in preparing the financial statements for the year ended 30 June 2019, and the comparative information presented in these financial statements for the year ended 30 June 2018.

## DENTAL HEALTH SERVICES VICTORIA

### Notes to the Financial Statements

30 June 2019

#### Note 1: Summary of significant accounting policies (continued)

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

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

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

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

- The fair value of land, buildings and plant and equipment (refer to Note 4.2 Property, Plant and Equipment); and
- Employee benefit provisions are based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3.5 Employee Benefits in the Balance Sheet).

#### Goods and Services Tax (GST)

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

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

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

Commitments are presented on a gross basis.

#### (d) Equity

##### Contributed Capital

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

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

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

## **DENTAL HEALTH SERVICES VICTORIA**

### **Notes to the Financial Statements**

30 June 2019

#### **Note 2: Funding delivery of our services**

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

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

##### Structure

2.1 Income from transactions

2.2 Specific income

## DENTAL HEALTH SERVICES VICTORIA

### Notes to the Financial Statements

30 June 2019

#### Note 2.1: Income from transactions

	<b>Total 2019 \$'000</b>	<b>Total 2018 \$'000</b>
Government grants - operating	191,185	180,462
Government grants - capital	2,739	1,812
Other capital purpose income (including capital donations)	22	-
Indirect contributions by Department of Health and Human Services	327	266
Patient fees	2,571	2,998
Donations and bequests	-	2
Commercial activities	5,490	5,988
Other revenue from operating activities	2,321	2,448
<b>Total income from operating activities</b>	<b>204,655</b>	<b>193,976</b>
Other interest	730	644
<b>Total income from non-operating activities</b>	<b>730</b>	<b>644</b>
Specific income (refer note 2.2)	1,811	2,904
<b>Total other income</b>	<b>1,811</b>	<b>2,904</b>
<b>Total income from transactions</b>	<b>207,196</b>	<b>197,524</b>

#### Revenue Recognition

Income is recognised in accordance with AASB 118 *Revenue* and is recognised as to the extent that it is probable that the economic benefits will flow to DHSV and the income can be reliably measured at fair value. 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 and Other Transfers of Income (other than contributions by owners)

In accordance with AASB 1004 *Contributions, government grants* and other transfers of income (other than contributions by owners) are recognised as income when DHSV gains control of the underlying assets irrespective of whether conditions are imposed on DHSVs use of the contributions.

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

Contributions are deferred as income in advance when DHSV has a present obligation to repay them and the present obligation can be reliably measured.

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

The Department of Health and Human Services makes some payments on behalf of health services as follows:

- The Victorian Managed Insurance Authority non-medical indemnity insurance payments are recognised as revenue following advice from the Department of Health and Human Services
- Long Service Leave (LSL) revenue is recognised upon finalisation of movements in LSL liability in line with the arrangements set out in the Department of Health and Human Services Hospital Circular 04/2017

#### Patient Fees

Patient fees are recognised as revenue on an accrual basis.

## **DENTAL HEALTH SERVICES VICTORIA**

### **Notes to the Financial Statements**

30 June 2019

#### **Note 2.1: Income from transactions (continued)**

##### **Revenue from commercial activities**

Revenue from commercial activities such as car park and property rental income are recognised on an accrual basis.

##### **Other Income**

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

##### **Interest Revenue**

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

## DENTAL HEALTH SERVICES VICTORIA

### Notes to the Financial Statements

30 June 2019

#### Note 2.2: Specific income

	<b>Total 2019 \$'000</b>	<b>Total 2018 \$'000</b>
<b>Specific income</b>		
Litigation settlements - CDO <sup>(i)</sup>	1,811	54
Carlton Connect Initiative project <sup>(ii)</sup>	-	2,850
<b>Total</b>	<b>1,811</b>	<b>2,904</b>

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

*(ii) DHSV was compensated by University of Melbourne for enabling works to restore amenities that were lost during the construction of the Carlton Connect Initiative project.*

## **DENTAL HEALTH SERVICES VICTORIA**

### **Notes to the Financial Statements**

30 June 2019

#### **Note 3: The cost of delivering our services**

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

##### Structure

3.1 Expenses from transactions

3.2 Specific expenses

3.3 Other economic flows

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

3.5 Employee benefits in the balance sheet

3.6 Superannuation

## DENTAL HEALTH SERVICES VICTORIA

### Notes to the Financial Statements

30 June 2019

#### Note 3.1: Expenses from transactions

	<b>Total 2019 \$'000</b>	<b>Total 2018 \$'000</b>
Salaries and wages	36,321	33,802
On-costs	8,183	7,393
Agency expenses	832	420
Work cover premium	520	488
<b>Total employee expenses</b>	<b>45,856</b>	<b>42,103</b>
Drug supplies	366	414
Medical and surgical supplies	3,969	4,007
<b>Total supplies and consumables</b>	<b>4,335</b>	<b>4,421</b>
Grants to other health services and community agencies	138,623	133,356
Medical indemnity insurance	84	84
Fuel, light, power and water	837	770
Repairs and maintenance	319	304
Maintenance contracts	414	388
Other administrative expenses	12,188	11,473
Expenditure for capital purposes	435	276
Specific expenses	888	1,715
<b>Total other operating expenses</b>	<b>153,788</b>	<b>148,366</b>
Depreciation and amortisation (refer note 4.4)	5,761	5,155
<b>Total other non-operating expenses</b>	<b>5,761</b>	<b>5,155</b>
<b>Total expenses from transactions</b>	<b>209,740</b>	<b>200,045</b>

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

#### Employee expenses

Employee expenses include:

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

#### Grants and other transfers

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

#### Other operating expenses

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

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



## DENTAL HEALTH SERVICES VICTORIA

### Notes to the Financial Statements

30 June 2019

#### Note 3.1: Expenses from transactions (Continued)

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

#### Supplies and consumables

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

#### Non-operating expenses

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

#### Note 3.2: Specific expenses

	<b>Total 2019 \$'000</b>	<b>Total 2018 \$'000</b>
<b>Specific expenses</b>		
Amounts paid for the purchase of dental equipment on behalf of external Dental agencies <sup>(i)</sup>	888	1,715
<b>Total specific expenses</b>	<b>888</b>	<b>1,715</b>

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

## DENTAL HEALTH SERVICES VICTORIA

### Notes to the Financial Statements

30 June 2019

#### Note 3.3: Other economic flows

	<b>Total 2019 \$'000</b>	<b>Total 2018 \$'000</b>
<b>Net gain / (loss) on sale of non-financial assets</b>		
Impairment of property plant and equipment (including intangible assets)	(34)	(20)
Net gain on disposal of non-financial assets	25	23
<b>Total net gain / (loss) on disposal of non-financial assets</b>	<b>(9)</b>	<b>3</b>
<b>Net gain / (loss) on financial instruments</b>		
Allowance for impairment losses of contractual receivables	(86)	(111)
<b>Total net gain / (loss) on financial instruments</b>	<b>(86)</b>	<b>(111)</b>
<b>Other gain / (loss) from other economic flows</b>		
Net gains / loss arising from revaluation of long service liability	(466)	2
<b>Total net gain / (loss) from other economic flows</b>	<b>(466)</b>	<b>2</b>
<b>Total other gains/(losses) from economic flows</b>	<b>(561)</b>	<b>(106)</b>

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

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

#### Net gain/ (loss) on non-financial assets

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

- Revaluation gains/ (losses) of non-financial physical assets (Refer to Note 4.2 Property plant and equipment.)
- Net gain/ (loss) on disposal of non-financial assets
- Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal.

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

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

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

#### Amortisation of non-produced intangible assets

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

#### Impairment of non-financial assets

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

#### Other gains/ (losses) from other economic flows

Other gains/ (losses) include:

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

## DENTAL HEALTH SERVICES VICTORIA

### Notes to the Financial Statements

30 June 2019

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

	Expense		Revenue	
	Total	Total	Total	Total
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Other activities</b>				
Technical support	4,144	4,477	4,478	4,884
Overseas dentists training program	706	560	744	823
Research and innovation	-	391	-	25
Executive CPD	58	37	61	56
Car park	-	-	3	2
Property income	-	-	204	198
<b>Total</b>	<b>4,908</b>	<b>5,465</b>	<b>5,490</b>	<b>5,988</b>

## DENTAL HEALTH SERVICES VICTORIA

### Notes to the Financial Statements

30 June 2019

#### Note 3.5: Employee benefits in the balance sheet

	<b>Total 2019 \$'000</b>	<b>Total 2018 \$'000</b>
<b>Current provisions</b>		
Employee benefits <sup>(i)</sup>		
Accrued days off		
- Unconditional and expected to be settled wholly within 12 months <sup>(ii)</sup>	253	230
Annual leave		
- Unconditional and expected to be settled wholly within 12 months <sup>(ii)</sup>	1,954	1,836
- Unconditional and expected to be settled wholly after 12 months <sup>(iii)</sup>	641	626
Long service leave		
- Unconditional and expected to be settled wholly within 12 months <sup>(ii)</sup>	595	591
- Unconditional and expected to be settled wholly after 12 months <sup>(iii)</sup>	5,164	4,586
	<b>8,607</b>	<b>7,869</b>
Provisions related to employee benefit on-costs		
- Unconditional and expected to be settled within 12 months <sup>(ii)</sup>	266	254
- Unconditional and expected to be settled after 12 months <sup>(iii)</sup>	607	545
	<b>873</b>	<b>799</b>
<b>Total current provisions</b>	<b>9,480</b>	<b>8,668</b>
<b>Non-current provisions</b>		
Conditional long service leave <sup>(i) (iii)</sup>	1,463	1,226
Provisions related to employee benefit on-costs <sup>(iii)</sup>	148	124
<b>Total non-current provisions</b>	<b>1,611</b>	<b>1,350</b>
<b>Total provisions</b>	<b>11,091</b>	<b>10,018</b>
<b>(a) Employee benefits and related on-costs</b>		
<b>Current employee benefits and related on-costs</b>		
Unconditional long service leave entitlements	6,366	5,722
Annual leave entitlements	2,861	2,716
Accrued days off	253	230
<b>Non-current employee benefits and related on-costs</b>		
Conditional long service leave entitlements <sup>(iii)</sup>	1,611	1,350
<b>Total employee benefits and related on-costs</b>	<b>11,091</b>	<b>10,018</b>
<b>Notes:</b>		
<i>(i) Employee benefits consist of amounts for accrued days off, annual leave and long service leave accrued by employees, not including on-costs.</i>		
<i>(ii) The amounts disclosed are nominal amounts.</i>		
<i>(iii) The amounts disclosed are discounted to present values.</i>		
<b>(b) Movements in long service leave</b>		
<b>Balance at start of year</b>	7,072	6,487
Provision made during the year		
- Revaluations	466	(2)
- Expense recognising employee service	853	1,173
Settlement made during the year	(414)	(586)
<b>Balance at end of year</b>	<b>7,977</b>	<b>7,072</b>

## **DENTAL HEALTH SERVICES VICTORIA**

### **Notes to the Financial Statements**

30 June 2019

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

##### **Employee Benefit Recognition**

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

##### **Provisions**

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

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

##### **Annual leave and accrued days off**

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

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

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

##### **Long Service Leave (LSL)**

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

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

The components of this current LSL liability are measured at:

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

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

##### **Termination benefits**

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

##### **On-costs related to employee expense**

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

## DENTAL HEALTH SERVICES VICTORIA

### Notes to the Financial Statements

30 June 2019

#### Note 3.6: Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	Total 2019 \$'000	Total 2018 \$'000	Total 2019 \$'000	Total 2018 \$'000
<b>Defined benefit plans:</b> <sup>(i)</sup>				
First State Super	24	33	1	1
Other	54	55	-	1
<b>Defined contribution plans:</b>				
First State Super	2,539	2,500	47	48
Other	1,101	726	23	15
<b>Total</b>	<b>3,718</b>	<b>3,314</b>	<b>71</b>	<b>65</b>

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

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

#### Defined benefit superannuation plans

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

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

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

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

#### Defined contribution superannuation plans

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

## **DENTAL HEALTH SERVICES VICTORIA**

### **Notes to the Financial Statements**

30 June 2019

#### **Note 4: Key assets to support service delivery**

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

##### Structure

4.1 Investments and other financial assets

4.2 Property, plant & equipment

4.3 Intangible assets

4.4 Depreciation and amortisation

**DENTAL HEALTH SERVICES VICTORIA**  
**Notes to the Financial Statements**  
30 June 2019

**Note 4.1: Investments and other financial assets**

	Operating Fund	
	Total 2019 \$'000	Total 2018 \$'000
<b>Current</b>		
<b>Loans and receivables</b>		
Term deposits > 90 days	-	2,000
<b>Total current</b>	-	2,000
<b>Total investments and other financial assets</b>	-	2,000
<b>Represented by:</b>		
Health service investments	-	2,000
<b>Total investments and other financial assets</b>	-	2,000

**Investment Recognition**

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Investments are classified as loans and receivables or available-for-sale financial assets.

DHSV classifies its other financial assets between current and non-current assets based on the Board's intention at balance date with respect to the timing of disposal of each asset. DHSV assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

DHSV's investments must comply with Standing Direction 3.7.2 - Treasury Management, including Central Banking System.

All financial assets, except for those measured at fair value through the Comprehensive Operating Statement are subject to annual review for impairment.

**Impairment of financial assets**

At the end of each reporting period, DHSV assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.



## **DENTAL HEALTH SERVICES VICTORIA**

### **Notes to the Financial Statements**

30 June 2019

#### **Note 4.2: Property, plant and equipment**

##### **Initial Recognition**

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

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

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

##### **Revaluations of Non-Current Physical Assets**

Non-current physical assets are measured at fair value and are revalued in accordance with FRD 103H Non-current Physical Assets. This revaluation process normally occurs at least every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are used to conduct these scheduled revaluations and any interim revaluations are determined in accordance with the requirements of the FRDs. Revaluation increments or decrements arise from differences between an asset's carrying amount and fair value.

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

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

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

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

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

##### **Fair value measurement**

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

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

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

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

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

## DENTAL HEALTH SERVICES VICTORIA

### Notes to the Financial Statements

30 June 2019

#### Note 4.2: Property, plant and equipment (continued)

##### Valuation hierarchy

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

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

##### Identifying unobservable inputs (level 3) fair value measurements

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

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

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

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

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

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

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

##### Specialised land and specialised buildings

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

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

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

## **DENTAL HEALTH SERVICES VICTORIA**

### **Notes to the Financial Statements**

30 June 2019

#### **Note 4.2: Property, plant and equipment (continued)**

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

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

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

#### **Vehicles**

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

#### **Plant and equipment**

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

There were no changes in valuation techniques throughout the period to 30 June 2019.

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

**DENTAL HEALTH SERVICES VICTORIA****Notes to the Financial Statements**

30 June 2019

**Note 4.2: Property, plant and equipment (continued)****(a) Gross carrying amount and accumulated depreciation**

	<b>Total 2019 \$'000</b>	<b>Total 2018 \$'000</b>
<b>Land</b>		
Crown land at fair value	33,551	32,902
<b>Total crown land</b>	<b>33,551</b>	<b>32,902</b>
<b>Buildings</b>		
Buildings at fair value	88,474	82,910
Work in progress	162	1,663
<b>Total buildings</b>	<b>88,636</b>	<b>84,573</b>
<b>Plant and equipment</b>		
Plant and equipment at fair value	872	872
Accumulated depreciation	(745)	(691)
<b>Total plant and equipment</b>	<b>127</b>	<b>181</b>
<b>Medical equipment</b>		
Medical equipment at fair value	5,941	5,569
Work in progress	1,290	633
Accumulated depreciation	(3,575)	(3,197)
<b>Total medical equipment</b>	<b>3,656</b>	<b>3,005</b>
<b>Computers and communication</b>		
Computers and communication at fair value	2,966	2,842
Work in progress	216	867
Accumulated depreciation	(2,795)	(2,655)
<b>Total computers and communications</b>	<b>387</b>	<b>1,054</b>
<b>Furniture and fittings</b>		
Furniture and fittings at fair value	61	61
Accumulated depreciation	(53)	(44)
<b>Total furniture &amp; fittings</b>	<b>8</b>	<b>17</b>
<b>Motor vehicles</b>		
Motor vehicles at fair value	2,400	1,938
Work in progress	1,610	346
Accumulated depreciation	(1,568)	(1,372)
<b>Total motor vehicles</b>	<b>2,442</b>	<b>912</b>
<b>Total</b>	<b>128,807</b>	<b>122,644</b>

## DENTAL HEALTH SERVICES VICTORIA

### Notes to the Financial Statements

30 June 2019

#### Note 4.2: Property, plant and equipment (continued)

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

	Crown land	Buildings	Plant & equipment	Medical equipment	Computers & Comm equipment	Furniture & fittings	Motor vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2017</b>	27,736	78,681	292	2,957	617	27	901	111,211
Additions	-	14	10	322	19	-	108	473
Disposals	-	-	-	-	-	-	(85)	(85)
Work in progress assets movements	-	1,590	(66)	123	593	-	346	2,586
Impairment of non-financial assets	-	(20)	-	-	-	-	-	(20)
Revaluation increments <sup>(i)</sup>	5,166	8,427	-	-	-	-	-	13,593
Depreciation and amortisation (note 4.3)	-	(4,119)	(55)	(397)	(175)	(10)	(358)	(5,114)
<b>Balance at 1 July 2018</b>	<b>32,902</b>	<b>84,573</b>	<b>181</b>	<b>3,005</b>	<b>1,054</b>	<b>17</b>	<b>912</b>	<b>122,644</b>
Additions	-	3,020	-	372	124	-	614	4,130
Disposals	-	-	-	-	-	-	(24)	(24)
Work in progress assets movements	-	(1,501)	-	657	(651)	-	1,264	(231)
Impairment of non-financial assets	-	-	-	-	-	-	-	-
Revaluation increments <sup>(ii)</sup>	649	7,146	-	-	-	-	-	7,795
Depreciation and amortisation (note 4.3)	-	(4,602)	(54)	(378)	(140)	(9)	(324)	(5,507)
<b>Balance at 30 June 2019</b>	<b>33,551</b>	<b>88,636</b>	<b>127</b>	<b>3,656</b>	<b>387</b>	<b>8</b>	<b>2,442</b>	<b>128,807</b>

##### Crown land and buildings carried at valuation

(i) The building indices showed that a managerial revaluation in 2018 was required. The indexed value was compared to individual assets written down book value as at 30 June 2018 to determine the change in their fair values. The Department of Health and Human Services approved a managerial revaluation of the building asset class of \$8.4m. Crown land was formally revalued by Valuer-General Victoria (VGV) due to significant movements in land indices between 30 June 2014 and 30 June 2018.

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

## DENTAL HEALTH SERVICES VICTORIA

### Notes to the Financial Statements

30 June 2019

#### Note 4.2: Property, plant and equipment (continued)

##### (c) Fair value measurement hierarchy for assets

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

##### Fair value measurement hierarchy for assets as at 30 June 2018

	Carrying amount as at 30 June 2018	Fair value measurement at end of reporting period using:		
		Level 1 <sup>(i)</sup>	Level 2 <sup>(i)</sup>	Level 3 <sup>(i)</sup>
	\$'000	\$'000	\$'000	\$'000
<b>Balance at 30 June 2018</b>				
<b>Crown land at fair value</b>				
Specialised land	32,902	-	-	32,902
Total of crown land at fair value	<b>32,902</b>	-	-	<b>32,902</b>
<b>Buildings at fair value</b>				
Specialised buildings	84,573	-	-	84,573
Total of building at fair value	<b>84,573</b>	-	-	<b>84,573</b>
<b>Plant and equipment at fair value</b>				
Plant, equipment and vehicles at fair value				
- Vehicles	912	-	208	704
- Plant and equipment	181	-	-	181
- Computer and communications	1,054	-	-	1,054
- Furniture and fittings	17	-	-	17
Total of plant, equipment and vehicles at fair value	<b>2,164</b>	-	<b>208</b>	<b>1,956</b>
<b>Medical equipment at fair value</b>				
Total medical equipment at fair value	<b>3,005</b>	-	-	<b>3,005</b>
	<b>122,644</b>	-	<b>208</b>	<b>122,436</b>

#### Note

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

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

## DENTAL HEALTH SERVICES VICTORIA

### Notes to the Financial Statements

30 June 2019

#### Note 4.2: Property, plant and equipment (continued)

##### (d) Reconciliation of level 3 fair value measurement

	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Medical equipment \$'000
<b>Balance at 1 July 2018</b>	32,902	84,573	1,252	704	3,005
Addition/(disposals)	-	1,519	(527)	1,854	1,029
Gains or (losses) recognised in net result					
- Depreciation and amortisation	-	(4,602)	(203)	(304)	(378)
- Impairment loss	-	-	-	-	-
<b>Subtotal</b>	-	<b>(4,602)</b>	<b>(203)</b>	<b>(304)</b>	<b>(378)</b>
Items recognised in other comprehensive income					
- Revaluation	649	7,146	-	-	-
<b>Subtotal</b>	<b>649</b>	<b>7,146</b>	-	-	-
<b>Balance at 30 June 2019</b>	<b>33,551</b>	<b>88,636</b>	<b>522</b>	<b>2,254</b>	<b>3,656</b>

	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Medical equipment \$'000
<b>Balance at 1 July 2017</b>	27,736	78,681	936	655	2,957
Addition/(disposals)	-	1,604	556	350	445
<b>Transfers in (out) of Level 3 Reclassification</b>	-	-	-	-	-
Gains or losses recognised in net result					
- Depreciation	-	(4,119)	(240)	(301)	(397)
- Impairment loss	-	(20)	-	-	-
<b>Subtotal</b>	-	<b>(4,139)</b>	<b>(240)</b>	<b>(301)</b>	<b>(397)</b>
Items recognised in other comprehensive income					
- Revaluation	5,166	8,427	-	-	-
<b>Subtotal</b>	<b>5,166</b>	<b>8,427</b>	-	-	-
<b>Balance at 30 June 2018</b>	<b>32,902</b>	<b>84,573</b>	<b>1,252</b>	<b>704</b>	<b>3,005</b>

**DENTAL HEALTH SERVICES VICTORIA****Notes to the Financial Statements**

30 June 2019

**Note 4.2: Property, plant and equipment (continued)****(e) Fair value determination**

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

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

There were no changes in valuation techniques throughout the period to 30 June 2019.



## DENTAL HEALTH SERVICES VICTORIA

### Notes to the Financial Statements

30 June 2019

#### Note 4.2: Property, plant and equipment (continued)

##### (f) Property, plant and equipment revaluation surplus

	<b>Total 2019 \$'000</b>	<b>Total 2018 \$'000</b>
<b>Property, plant and equipment revaluation surplus</b>		
Balance at the beginning of the reporting period	101,394	87,801
Revaluation increment		
- Crown land	649	5,166
- Buildings	7,146	8,427
<b>Balance at the end of the reporting period*</b>	<b>109,189</b>	<b>101,394</b>
* Represented by:		
- Crown land	29,922	29,273
- Buildings	78,818	71,672
- Medical equipment	331	331
- Motor vehicles	118	118
Total	<b>109,189</b>	<b>101,394</b>

#### Note 4.3: Intangible assets

##### (a) Gross carrying amount and accumulated amortisation

	<b>Total 2019 \$'000</b>	<b>Total 2018 \$'000</b>
Intangible produced assets - software	5,024	4,467
Less accumulated amortisation	3,599	3,608
<b>Total intangible assets</b>	<b>1,425</b>	<b>859</b>

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

	<b>Total \$'000</b>
<b>Balance at 1 July 2017</b>	<b>92</b>
Additions	170
Work in progress assets	638
Amortisation (note 4.4)	(41)
<b>Balance at 1 July 2018</b>	<b>859</b>
Additions	840
Work in progress assets	14
Impairment of non-financial assets	(34)
Amortisation (note 4.4)	(254)
<b>Balance at 30 June 2019</b>	<b>1,425</b>

#### Intangible assets

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

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

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

## DENTAL HEALTH SERVICES VICTORIA

### Notes to the Financial Statements

30 June 2019

#### Note 4.4: Depreciation and amortisation

	<b>Total 2019 \$'000</b>	<b>Total 2018 \$'000</b>
<b>Depreciation</b>		
Buildings	4,602	4,119
Plant and equipment	54	55
Medical equipment	378	397
Computers and communication	140	175
Furniture and fittings	9	10
Motor vehicles	324	358
<b>Total depreciation</b>	<b>5,507</b>	<b>5,114</b>
<b>Amortisation</b>		
Intangible assets	254	41
<b>Total depreciation and amortisation</b>	<b>5,761</b>	<b>5,155</b>

#### Depreciation

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

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

#### Amortisation

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

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

	<b>2019</b>	<b>2018</b>
Buildings		
- Structure shell building fabric	45 to 60 years	45 to 60 years
- Site engineering services and central plant	15 to 40 years	15 to 40 years
Central plant		
- Fit out	15 to 30 years	15 to 30 years
- Trunk reticulated building systems	15 to 30 years	15 to 30 years
Relocatable buildings	20 years	20 years
Building improvements	5 years	5 years
Plant and equipment	5 to 10 years	5 to 10 years
Medical equipment	5 to 15 years	5 to 15 years
Computers and communication	3 years	3 years
Furniture and fittings	5 years	5 years
Motor vehicles	5 to 15 years	5 to 15 years

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

## **DENTAL HEALTH SERVICES VICTORIA**

### **Notes to the Financial Statements**

30 June 2019

#### **Note 5: Other assets and liabilities**

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

Structure

5.1 Receivables

5.2 Inventories

5.3 Payables

## DENTAL HEALTH SERVICES VICTORIA

### Notes to the Financial Statements

30 June 2019

#### Note 5.1: Receivables

	<b>Total 2019 \$'000</b>	<b>Total 2018 \$'000</b>
<b>Current</b>		
<b>Contractual</b>		
Inter hospital debtors	164	186
Trade debtors	600	802
Patient fees	187	145
Accrued investment income	3	30
Accrued revenue - cost recovery	2,135	242
<b>Less allowance for impairment losses of contractual receivables</b>		
Trade debtors	(46)	(1)
Patient fees	(61)	(51)
	<u>2,982</u>	<u>1,353</u>
<b>Statutory</b>		
Department of Health and Human Services		
CME grant	117	61
CBS interest	10	-
School dental van	1,610	-
GST receivable	1,044	912
	<u>2,781</u>	<u>973</u>
<b>Total current receivables</b>	<u><b>5,763</b></u>	<u><b>2,326</b></u>
<b>Non-current</b>		
<b>Statutory</b>		
Long service leave - Department of Health and Human Services	1,395	1,152
<b>Total non-current receivables</b>	<u><b>1,395</b></u>	<u><b>1,152</b></u>
<b>Total receivables</b>	<u><u><b>7,158</b></u></u>	<u><u><b>3,478</b></u></u>
<b>(a) Movement in the allowance for impairment losses of contractual receivables</b>		
	<b>Total 2019 \$'000</b>	<b>Total 2018 \$'000</b>
Balance at beginning of year	52	47
Opening balance adjustment on adoption of AASB 9	38	-
Reversal of allowance written off during the year as uncollectable	(69)	(106)
Increase in allowance recognised in net result	86	111
<b>Balance at end of year</b>	<u><u>107</u></u>	<u><u>52</u></u>

## **DENTAL HEALTH SERVICES VICTORIA**

### **Notes to the Financial Statements**

30 June 2019

#### **Note 5.1: Receivables (continued)**

##### **Receivables recognition**

Receivables consist of:

- Contractual receivables, which consists of debtors in relation to goods and services and accrued investment income. These receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. DHSV holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.
- Statutory receivables, which predominantly includes amounts owing from the Victorian Government and Goods and Services Tax (GST) input tax credits recoverable. Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. DHSV applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

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

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

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

##### **Impairment losses of contractual receivables**

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

## DENTAL HEALTH SERVICES VICTORIA

### Notes to the Financial Statements

30 June 2019

#### Note 5.2: Inventories

	<b>Total 2019 \$'000</b>	<b>Total 2018 \$'000</b>
<b>Medical and surgical lines</b>		
At cost	386	345
<b>Total medical and surgical lines</b>	<b>386</b>	<b>345</b>
<b>Engineering stores</b>		
Engineering stores	272	224
Surgical consoles to be distributed to community agencies	373	-
Dental equipment to be distributed to school dental vans	145	-
Loss of service potential	(61)	(48)
<b>Total engineering stores</b>	<b>729</b>	<b>176</b>
<b>Total inventories</b>	<b>1,115</b>	<b>521</b>

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

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

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

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

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

## DENTAL HEALTH SERVICES VICTORIA

### Notes to the Financial Statements

30 June 2019

#### Note 5.3: Payables

	<b>Total</b>	<b>Total</b>
	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
<b>Contractual</b>		
Trade creditors <sup>(i)</sup>	1,855	1,619
Accrued wages and salaries	727	774
Accrued expenses	2,099	2,680
Amounts payable to government and agencies	12,175	12,179
	<u>16,856</u>	<u>17,252</u>
<b>Statutory</b>		
Department of Health and Human Services	7,100	14,109
	<u>7,100</u>	<u>14,109</u>
<b>Total Payables</b>	<b><u>23,956</u></b>	<b><u>31,361</u></b>

(i) The average credit period is 30 days. No interest is charged on the other payables.

#### Payables Recognition

Payables consist of:

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

The normal credit terms for accounts payable are usually Nett 60 days.

#### Maturity analysis of payables

Please refer to Note 7.1(b) for the ageing analysis of payables.

## **DENTAL HEALTH SERVICES VICTORIA**

### **Notes to the Financial Statements**

30 June 2019

#### **Note 6: How we finance our operations**

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

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

#### Structure

6.1 Cash and cash equivalents

6.2 Commitments for expenditure



## DENTAL HEALTH SERVICES VICTORIA

### Notes to the Financial Statements

30 June 2019

#### Note 6.1: Cash and cash equivalents

	<b>Total 2019 \$'000</b>	<b>Total 2018 \$'000</b>
Cash on hand	6	6
Cash at bank	2,058	19,942
Deposits at Call	19,161	-
Short-term deposits <sup>(i)</sup>	-	12,000
<b>Total cash and cash equivalents</b>	<b>21,225</b>	<b>31,948</b>
<b>Represented by:</b>		
Cash for health service operations (as per cash flow statement)	21,225	31,948
<b>Total cash and cash equivalents</b>	<b>21,225</b>	<b>31,948</b>

(i) Term deposits were held with TCV as per the investment policy issued by the Department of Treasury and Finance.

Cash and cash equivalents recognised on the Balance Sheet comprise cash on hand and cash at bank, deposits at call and highly liquid investments (with an original maturity of three months or less), which are held for the purpose of meeting short term cash commitments rather than for investment purposes, which are readily convertible to known amounts of cash with an insignificant risk of changes in value.

## DENTAL HEALTH SERVICES VICTORIA

### Notes to the Financial Statements

30 June 2019

#### Note 6.2: Commitments for expenditure

	<b>Total 2019 \$'000</b>	<b>Total 2018 \$'000</b>
<b>Capital expenditure commitments</b>		
Less than 1 year	2,636	2,765
<b>Total capital expenditure commitments</b>	<b>2,636</b>	<b>2,765</b>
<b>Other expenditure commitments payable</b>		
Less than 1 year	4,398	4,095
Longer than 1 year but not longer than 5 years	2,396	322
<b>Total other expenditure commitments</b>	<b>6,794</b>	<b>4,417</b>
<b>Lease commitments payable</b>		
Less than 1 year	37	39
Longer than 1 year but not longer than 5 years	-	29
<b>Total lease commitments</b>	<b>37</b>	<b>68</b>
<b>Total commitments (inclusive of GST)</b>	<b>9,467</b>	<b>7,250</b>
Less GST Recoverable from ATO	(861)	(659)
<b>Total commitments (exclusive of GST)</b>	<b>8,606</b>	<b>6,591</b>

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

## **DENTAL HEALTH SERVICES VICTORIA**

### **Notes to the Financial Statements**

30 June 2019

#### **Note 7: Risks, contingencies & valuation uncertainties**

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

##### Structure

7.1 Financial instruments

7.2 Contingent assets and contingent liabilities

## DENTAL HEALTH SERVICES VICTORIA

### Notes to the Financial Statements

30 June 2019

#### Note 7.1: Financial instruments

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

#### (a) Financial instruments: categorisation

	Financial assets at amortised cost \$'000	Financial liabilities at amortised cost \$'000	Total \$'000
<b>2019</b>			
<b>Contractual financial assets</b>			
Cash and cash equivalents	21,225	-	21,225
Receivables	2,982	-	2,982
<b>Total financial assets <sup>(i)</sup></b>	<b>24,207</b>	<b>-</b>	<b>24,207</b>
<b>Financial liabilities</b>			
Payables	-	16,856	16,856
Borrowings			
<b>Total financial liabilities <sup>(i)</sup></b>	<b>-</b>	<b>16,856</b>	<b>16,856</b>
	<b>Contractual financial assets - loans and receivables and cash \$'000</b>	<b>Contractual financial liabilities at amortised cost \$'000</b>	<b>Total \$'000</b>
<b>2018</b>			
<b>Contractual financial assets</b>			
Cash and cash equivalents	31,948	-	31,948
Other financial assets			
- Term deposits	2,000	-	2,000
Receivables	1,353	-	1,353
<b>Total financial assets <sup>(i)</sup></b>	<b>35,301</b>	<b>-</b>	<b>35,301</b>
<b>Financial liabilities</b>			
At Amortised Cost	-	17,252	17,252
<b>Total financial liabilities <sup>(i)</sup></b>	<b>-</b>	<b>17,252</b>	<b>17,252</b>

(i) The carrying amount excludes statutory receivables (i.e. GST receivable and DHHS receivable) and statutory payables (i.e. Revenue in Advance and DHHS payable).

## **DENTAL HEALTH SERVICES VICTORIA**

### **Notes to the Financial Statements**

30 June 2019

#### **Note 7.1: Financial instruments (continued)**

From 1 July 2018, DHSV applies AASB 9 and classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms.

#### **Categories of financial assets under AASB 9 held by DHSV.**

##### **Financial assets at amortised cost**

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

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

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

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

## DENTAL HEALTH SERVICES VICTORIA

### Notes to the Financial Statements

30 June 2019

#### Note 7.1: Financial instruments (continued)

##### Categories of financial assets previously under AASB 139

Loans and receivables and cash are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets and liabilities are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method (and for assets, less any impairment). DHSV recognises the following assets in this category:

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

**Financial liabilities at amortised cost** are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method. DHSV recognises the following liabilities in this category:

- payables (excluding statutory payables).

**Derecognition of financial assets:** A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the asset have expired.

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

**Impairment of financial assets:** At the end of each reporting period, DHSV assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

The allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 *Impairment of Assets*.

**DENTAL HEALTH SERVICES VICTORIA****Notes to the Financial Statements**

30 June 2019

**Note 7.1: Financial instruments (continued)****(b): Maturity analysis of financial liabilities as at 30 June**

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

**Maturity analysis of financial liabilities as at 30 June**

	Carrying amount \$'000	Nominal amount \$'000	Maturity Dates			
			Less than 1 month \$'000	1 - 3 months \$'000	3 months - 1 year \$'000	1 - 5 years \$'000
<b>2019</b>						
<b>Financial liabilities</b>						
At amortised cost						
Payables	16,856	16,856	16,856	-	-	-
<b>Total financial liabilities</b>	<b>16,856</b>	<b>16,856</b>	<b>16,856</b>	-	-	-
<b>2018</b>						
<b>Financial liabilities</b>						
At amortised cost						
Payables	17,252	17,252	17,252	-	-	-
<b>Total financial liabilities</b>	<b>17,252</b>	<b>17,252</b>	<b>17,252</b>	-	-	-

## DENTAL HEALTH SERVICES VICTORIA

### Notes to the Financial Statements

30 June 2019

#### Note 7.1: Financial instruments (continued)

##### (c) Contractual receivables at amortised costs

<b>1/07/2018</b>	<b>Current</b>	<b>Less than 1 month</b>	<b>1 - 3 months</b>	<b>3 months - 1 year</b>	<b>1 - 5 years</b>	<b>Total</b>
Expected loss rate	0.19%	10.73%	24.27%	63.77%	100.00%	
Gross carrying amount of contractual receivables	1,056	177	103	69	-	1,405
Loss allowance	2	19	25	44	-	90

<b>30/06/2019</b>	<b>Current</b>	<b>Less than 1 month</b>	<b>1 - 3 months</b>	<b>3 months - 1 year</b>	<b>1 - 5 years</b>	<b>Total</b>
Expected loss rate	0.07%	9.65%	23.96%	61.68%	100.00%	
Gross carrying amount of contractual receivables	2,767	114	96	107	5	3,089
Loss allowance	2	11	23	66	5	107

##### Impairment of financial assets under AASB 9 – applicable from 1 July 2018

From 1 July 2018, DHSV has been recording the allowance for expected credit loss for the relevant financial instruments, replacing AASB 139's incurred loss approach with AASB 9's Expected Credit Loss approach. Subject to AASB 9 impairment assessment include DHSVs contractual receivables, statutory receivables and its investment in debt instruments.

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

##### Contractual receivables at amortised cost

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

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

##### Reconciliation of the movement in the loss allowance for contractual receivables

	<b>2019 \$'000</b>	<b>2018 \$'000</b>
Balance at beginning of the year	52	47
Opening retained earnings adjustment on adoption of AASB9	38	-
Opening Loss Allowance	90	47
Increases in provision recognised in the net result	86	111
Reversal of provision of receivables written off during the year as uncollectible	(69)	(106)
Balance at end of the year	107	52



## **DENTAL HEALTH SERVICES VICTORIA**

### **Notes to the Financial Statements**

30 June 2019

#### **Note 7.1: Financial instruments (continued)**

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

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

#### **Statutory receivables at amortised cost**

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

Statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As a result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses. No loss allowance was recognised at 30 June 2018 under AASB 139. No additional loss allowance was required upon transition into AASB 9 on 1 July 2018.

**DENTAL HEALTH SERVICES VICTORIA**

**Notes to the Financial Statements**

30 June 2019

**Note 7.2: Contingent assets and contingent liabilities**

There are no contingencies to report.

## **DENTAL HEALTH SERVICES VICTORIA**

### **Notes to the Financial Statements**

30 June 2019

#### **Note 8: Other disclosures**

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

##### Structure

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

**DENTAL HEALTH SERVICES VICTORIA****Notes to the Financial Statements**

30 June 2019

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

	<b>Total 2019 \$'000</b>	<b>Total 2018 \$'000</b>
<b>Net result for the Year</b>	(3,105)	(2,627)
<b>Non-cash movements:</b>		
Depreciation and amortisation	5,761	5,155
Impairment of non-financial assets	34	20
Allowance for impairment losses of contractual receivables	86	111
Allowance for impairment losses of contractual receivables - prior year (AASB 9)	(38)	-
<b>Movements included in investing and financing activities:</b>		
Net gain from disposal of non-financial physical assets	(25)	(23)
<b>Movements in assets and liabilities:</b>		
Change in operating assets and liabilities		
(Increase) in receivables	(3,766)	(270)
(Increase)/decrease in other assets	(263)	122
Increase/(decrease) in payables	(7,182)	9,931
Increase in employee benefits	1,073	846
(Increase)/decrease in inventories	(594)	217
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(8,019)</b>	<b>13,482</b>

## DENTAL HEALTH SERVICES VICTORIA

### Notes to the Financial Statements

30 June 2019

#### Note 8.2: Responsible persons disclosures

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

	<b>Period</b>	
<b>Responsible ministers:</b>		
The Honourable Jill Hennessy, Minister for Health, Minister for Ambulance Services	1/07/2018	29/11/2018
Jenny Mikakos, Minister for Health and Minister for Ambulance Services	29/11/2018	30/06/2019
<b>Governing Board</b>		
Dr Zoe Wainer	1/07/2018	30/06/2019
Ms Kathryn Bell	1/07/2018	30/06/2019
Dr Pamela Dalgliesh	1/07/2018	30/06/2019
Ms Barbara Hingston	1/07/2018	30/06/2019
Ms Judith Klepner	1/07/2018	30/06/2019
Ms Lucy Hunter	1/07/2018	30/06/2019
Mr Antony Tobin	1/07/2018	30/06/2019
Mr Andrew Saunders	1/07/2018	30/06/2019
Mr David Stevenson	1/07/2018	30/06/2019
Mr Alexander Johnstone	1/07/2018	22/02/2019
<b>Accountable officer</b>		
Dr Deborah Cole (Chief Executive Officer)	1/07/2018	30/06/2019

#### Remuneration of responsible persons

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

<b>Income band</b>	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
\$0 - \$9,999	1	1
\$10,000 - \$19,999	1	-
\$20,000 - \$29,999	7	6
\$50,000 - \$59,999	1	1
\$390,000 - \$399,999	-	1
\$400,000 - \$409,999	1	-
<b>Total numbers</b>	<b>11</b>	<b>9</b>

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Total remuneration received or due and receivable by Responsible persons from the reporting entity amounted to:</b>	<b>666</b>	<b>595</b>

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

## DENTAL HEALTH SERVICES VICTORIA

### Notes to the Financial Statements

30 June 2019

#### Note 8.3: Remuneration of executives

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

Remuneration of executive officers (including Key Management Personnel disclosed in Note 8.5)	Total Remuneration	
	2019 \$'000	2018 \$'000
Short-term employee benefits	1,430	1,133
Post-employment benefits	142	107
Other long-term benefits	15	14
<b>Total remuneration <sup>(i)</sup></b>	<b>1,587</b>	<b>1,254</b>
<b>Total number of executives</b>	<b>7</b>	<b>6</b>
<b>Total annualised employee equivalents (AEE) <sup>(ii)</sup></b>	<b>6.65</b>	<b>5.77</b>

Notes:

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

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

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

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

#### Short-term employee benefits

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

#### Post-employment benefits

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

#### Other long-term benefits

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

#### Termination benefits

Termination of employment payments, such as severance packages.

#### Other factors

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

## DENTAL HEALTH SERVICES VICTORIA

### Notes to the Financial Statements

30 June 2019

#### Note 8.4: Related parties

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

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

KMPs are those people with the authority and responsibility for planning, directing and controlling the activities of the health service and its controlled entities, directly or indirectly.

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

Entity	Key Management Personnel	Position title
Dental Health Services Victoria	Dr Zoe Wainer	Chair of the Board
Dental Health Services Victoria	Ms Kathryn Bell	Board member
Dental Health Services Victoria	Dr Pamela Dalglish	Board member
Dental Health Services Victoria	Ms Barbara Hingston	Board member
Dental Health Services Victoria	Ms Judith Klepner	Board member
Dental Health Services Victoria	Ms Lucy Hunter	Board member
Dental Health Services Victoria	Mr Antony Tobin	Board member
Dental Health Services Victoria	Mr Andrew Saunders	Board member
Dental Health Services Victoria	Mr David Stevenson	Board member
Dental Health Services Victoria	Mr Alexander Johnstone	Board member
Dental Health Services Victoria	Dr Deborah Cole	Chief Executive Officer
Dental Health Services Victoria	Mr Mark Sullivan	Chief Operating Officer
Dental Health Services Victoria	Mr Nick Russell	Chief Financial Officer
Dental Health Services Victoria	Ms Louise Palmer	Chief Experience Officer
Dental Health Services Victoria	Mr Nuno Goncalves	Chief Information Officer
Dental Health Services Victoria	Mr Martin Hall	Chief Oral Health Advisor
Dental Health Services Victoria	Ms Melanie Van Altena	Executive Director RDHM
Dental Health Services Victoria	Ms Susan Mckee	Executive Director RDHM/VBHC

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

Compensation - KMPs	2019 \$'000	2018 \$'000
Short-term employee benefits <sup>(i)</sup>	2,038	1,676
Post-employment benefits	200	159
Other long-term benefits	15	14
<b>Total <sup>(ii)</sup></b>	<b>2,253</b>	<b>1,849</b>

*(i) Total remuneration paid to KMPs employed as a contractor during the reporting period through accounts payable has been reported under short-term employee benefits.*

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

## DENTAL HEALTH SERVICES VICTORIA

### Notes to the Financial Statements

30 June 2019

#### Note 8.4: Related parties (continued)

##### Significant transactions with government-related entities

DHSV received funding from the Department of Health and the Treasurer of \$185.1 million (2018: \$192.8 million).

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

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

The Standing Directions of the Assistant Treasurer require DHSV to hold cash (in excess of working capital) in accordance with the State's centralised banking arrangements. All borrowings are required to be sourced from Treasury Corporation Victorian unless an exemption has been approved by the Minister for Health and the Treasurer.

##### Transactions with KMPs and other related parties

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

Outside of normal citizen type transactions with the DHSV, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions with Cabinet Ministers required to be disclosed in 2019.

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

<b>Agency</b>	<b>2019 \$'000</b>	<b>2018 \$'000</b>
Barwon Health	7,904	7,201
Bendigo Health Care Group	5,263	5,627
Peninsula Health	7,039	6,534
Monash Health	11,221	11,379
Other Transactions <sup>(i)</sup>	37,163	37,032
<b>Total</b>	<b>68,590</b>	<b>67,773</b>

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

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

<b>Entity</b>	<b>Key Management Personnel</b>	<b>Position Title</b>
Star Health	Ms Judith Klepner	President, Board of Directors
IPC Health	Mr Alexander Johnstone	CEO
DPV Health	Mr Mark Sullivan	Director

##### Aggregated disclosure note

During the year, related parties of key management personnel were provided dental grants on terms and conditions equivalent for those that prevail in arm's length transactions under the State's procurement process. The transactions involved the provision of grants to treat eligible patients in their catchment areas with an aggregated value of \$16 million (including GST).



## DENTAL HEALTH SERVICES VICTORIA

### Notes to the Financial Statements

30 June 2019

#### Note 8.5: Remuneration of auditors

	2019	2018
	\$'000	\$'000
<b>Victorian Auditor-General's Office</b>		
Audit of financial statements	33	32
<b>Total remuneration of auditors</b>	<b>33</b>	<b>32</b>

#### Note 8.6: Ex-gratia expenses

There were no Ex-gratia expenses in 2019. (2018 - Nil)

#### Note 8.7: Events occurring after the Balance Sheet date

There are no events occurring after the Balance Sheet date.

#### Note 8.8: Economic dependency

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

#### Note 8.9: Changes in accounting policy and revision of estimates

DHSV has elected to apply the limited exemption in AASB 9 paragraph 7.2.15 relating to transition for classification and measurement and impairment, and accordingly has not restated comparative periods in the year of initial application. As a result:

- (a) any adjustments to carrying amounts of financial assets or liabilities are recognised at beginning of the current reporting period with difference recognised in opening retained earnings; and
- (b) financial assets and provision for impairment have not been reclassified and/or restated in the comparative period.

This note explains the impact of the adoption of AASB 9 *Financial Instruments* on DHSV's financial statements.

#### Changes to classification and measurement

On initial application of AASB 9 on 1 July 2018, DHSV's management has assessed for all financial assets based on the DHSV's business models for managing the assets. The following are the changes in the classification of DHSV's financial assets:

#### Summary of reclassification of assets and liabilities

	AASB 9 Measurement Categories				
	AASB 139 Measurement Categories	Fair value through net result (designated)	Fair value through net result (mandatory)	Amortised cost	Fair value through other comprehensive income
<b>As at 30 June 2018</b>	\$'000	\$'000	\$'000	\$'000	\$'000
<b>AASB 139 Measurement Categories</b>					
Loan and receivables					
Inter hospital debtors	186	-	-	186	-
Trade debtors	801	-	-	801	-
Patient fees	94	-	-	94	-
Accrued investment income	30	-	-	30	-
Accrued revenue-cost recovery	242	-	-	242	-
Held to maturities					
Term deposits	2,000	-	-	2,000	-
<b>As at 1 July 2018</b>	<b>3,353</b>	<b>-</b>	<b>-</b>	<b>3,353</b>	<b>-</b>

## DENTAL HEALTH SERVICES VICTORIA

### Notes to the Financial Statements

30 June 2019

#### Note 8.9: Changes in accounting policy and revision of estimates (continued)

##### Changes to the impairment of financial assets

Under AASB 9, all loans and receivables as well as other debt instruments not carried at fair value through net result are subject to AASB 9's new expected credit loss (ECL) impairment model, which replaces AASB 139's incurred loss approach.

For other loans and receivables, DHSV applies the AASB 9 simplified approach to measure expected credit losses based on the change in the ECLs over the life of the asset. Application of the lifetime ECL allowance method results in an increase in the impairment loss allowance of \$37,517. Refer to note 7.1 (c) for details about the calculation of the allowance. The loss allowance increased further by \$86,352 for these financial assets during the financial year.

For debt instruments at amortised costs, DHSV considers them to be low risk and therefore determines the loss allowance based on ECLs associated with the probability of default in the next 12 months. Applying the ECL model does not result in recognition of additional loss allowance (previous loss allowance was nil). No further increase in allowance in the current financial year.

##### Transition impact

Transition impact of first time adoption of AASB 9 on comprehensive operating statement:

##### Comprehensive operating statement

	30/06/2018
	\$'000
Impairment of financial assets	(38)
Other economic flows included in net result	(38)
Changes to financial assets available-for-sale revaluation surplus	-
Changes to financial assets at fair value through other comprehensive income revaluation surplus	-
Other economic flows - other comprehensive income	-
<b>Comprehensive income</b>	<b>(38)</b>

Transition impact of first time adoption of AASB 9 on balance sheet

	Amount at 30/06/2018 \$'000	AASB 9 Measurement Categories			Fair Value Restated amount at comprehensive income \$'000
		Reclassification \$'000	Remeasurement (ECL) \$'000		
<b>Balance Sheet</b>					
Loan and receivables	1,405	(1,405)	-	-	-
Financial assets held for maturity	2,000	(2,000)	-	-	-
Financial assets at amortised cost	-	3,405	-	-	3,405
Impairment loss allowance	(52)	-	(38)	-	(90)
<b>Total Financial Assets</b>	<b>3,353</b>	<b>-</b>	<b>(38)</b>	<b>-</b>	<b>3,315</b>
<b>Total Financial Liabilities</b>	<b>16,478</b>				<b>16,478</b>
Accumulated surplus/(deficit)	(34,049)	-	(38)	-	(34,087)
Other items in equity	154,518	-	-	-	154,518
<b>Total Equity</b>	<b>120,469</b>	<b>-</b>	<b>(38)</b>	<b>-</b>	<b>120,431</b>

## DENTAL HEALTH SERVICES VICTORIA

### Notes to the Financial Statements

30 June 2019

#### Note 8.10: AASBs issued that are not yet effective

Certain new Australian accounting standards have been published that are not mandatory for the 30 June 2019 reporting period. DTF assesses the impact of all these new standards and advises DHSV of their applicability and early adoption where applicable.

As at 30 June 2019, the following standards and interpretations had been issued by the AASB but were not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the table below. DHSV has not and does not intend to adopt these standards early.

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on DHSVs financial statements
AASB 15 <i>Revenue from Contracts with Customers</i>	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. Note that amending standard AASB 2015 8 Amendments to Australian Accounting Standards – Effective Date of AASB 15 has deferred the effective date of AASB 15 to annual reporting periods beginning on or after 1 January 2018, instead of 1 January 2017 for Not-for-Profit entities.	1 Jan 2019	DHSV has performed a detailed impact assessment of AASB 15 and AASB 1058 with no potential impact for each major class of revenue and income in the initial year of application.
AASB 2018-4 <i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public-Sector Licensors</i>	AASB 2018-4 amends AASB 15 and AASB 16 to provide guidance for revenue recognition in connection with taxes and Non-IP licences for Not-for-Profit entities.	1 Jan 2019	AASB 2018-4 provides additional guidance for not-for-profit public sector licenses, which include: <ul style="list-style-type: none"> <li>· Matters to consider in distinguishing between a tax and a license, with all taxes being accounted for under AASB 1058;</li> <li>· IP licenses to be accounted for under AASB 15; and</li> <li>- Non-IP, such as casino licenses, are to be accounted for in accordance with the principles of AASB 15 after first having determined whether any part of the arrangement should be accounted for as a lease under AASB 16.</li> </ul>
AASB 2016-8 <i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i>	AASB 2016-8 inserts Australian requirements and authoritative implementation guidance for not-for-profit-entities into AASB 9 and AASB 15.  This Standard amends AASB 9 and AASB 15 to include requirements to assist not-for-profit entities in applying the respective standards to particular transactions and events.	1 Jan 2019	This standard clarifies the application of AASB 15 and AASB 9 in a not-for-profit context. The areas within these standards that are amended for not-for-profit application include: AASB 9 <ul style="list-style-type: none"> <li>· Statutory receivables are recognised and measured similarly to financial assets. AASB 15</li> <li>· The 'customer' does not need to be the recipient of goods and/or services;</li> <li>· The "contract" could include an arrangement entered into under the direction of another party; Contracts are enforceable if they are enforceable by legal or 'equivalent means';</li> <li>· Contracts do not have to have commercial substance, only economic substance; and Performance obligations need to be 'sufficiently specific' to be able to apply AASB 15 to these transactions.</li> </ul>

## DENTAL HEALTH SERVICES VICTORIA

### Notes to the Financial Statements

30 June 2019

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

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on DHSVs financial statements
AASB 16 <i>Leases</i>	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet.	1 Jan 2019	DHSV has performed a detailed impact assessment of AASB 16. It has been estimated that the potential impact in the initial year of application will be negligible.
AASB 2018-8 <i>Amendments to Australian Accounting Standards – Right of Use Assets of Not-for-Profit entities</i>	This standard amends various other accounting standards to provide an option for not-for-profit entities to not apply the fair value initial measurement requirements to a class or classes of right of use assets arising under leases with significantly below-market terms and conditions principally to enable the entity to further its objectives. This Standard also adds additional disclosure requirements to AASB 16 for not-for-profit entities that elect to apply this option.	1 Jan 2019	Under AASB 1058, not-for-profit entities are required to measure right-of-use assets at fair value at initial recognition for leases that have significantly below-market terms and conditions. For right-of-use assets arising under leases with significantly below market terms and conditions principally to enable the entity to further its objectives (peppercorn leases), AASB 2018-8 provides a temporary option for Not-for-Profit entities to measure at initial recognition, a class or classes of right-of-use assets at cost rather than at fair value and requires disclosure of the adoption. DHSV has elected to apply the temporary option in AASB 2018-8 for not-for-profit entities to not apply the fair value provisions under AASB 1058 for these right-of-use assets. In making this election, DHSV considered that the methodology of valuing peppercorn leases was still being developed.
AASB 1058 <i>Income of Not-for-Profit Entities</i>	AASB 1058 will replace the majority of income recognition in relation to government grants and other types of contributions requirements relating to public sector not-for-profit entities, previously in AASB 1004 Contributions. The restructure of administrative arrangement will remain under AASB 1004 and will be restricted to government entities and contributions by owners in a public sector context, AASB 1058 establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value to enable not-for-profit entities to further their objective.	1 Jan 2019	Grant revenue is currently recognised up front upon receipt of the funds under AASB 1004 Contributions. The timing of revenue recognition for grant agreements that fall under the scope of AASB 1058 may be deferred. For example, revenue from capital grants for the construction of assets will need to be deferred and recognised progressively as the asset is being constructed. The impact on current revenue recognition of the changes is the potential phasing and deferral of revenue recorded in the operating statement.
AASB 2018-7 <i>Amendments to Australian Accounting Standards – Definition of Material</i>	This Standard principally amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.	1 Jan 2020	The standard is not expected to have a significant impact on the public sector.

**DENTAL HEALTH SERVICES VICTORIA**

**Notes to the Financial Statements**

30 June 2019

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

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on DHSVs financial statements
AASB 1059 <i>Service Concession Arrangements: Grantor</i>	This standard applies to arrangements that involve an operator providing a public service on behalf of a public sector grantor. It involves the use of a service concession asset and where the operator manages at least some of the public service at its own direction. An arrangement within the scope of this standard typically involves an operator constructing the asset used to provide the public service or upgrading the assets and operating and maintaining the assets for a specified period of time.	1 Jan 2020	For an arrangement to be in scope of AASB 1059 all of the following requirements are to be satisfied: - Operator is providing public services using a service concession asset; - Operator manages at 'least some' of public services under its own discretion; - DHSV controls / regulates: - what services are to be provided; - to whom; and - at what price - DHSV controls any significant residual interest in the asset. If the arrangement does not satisfy all the above requirements the recognition will fall under the requirements of another applicable accounting standard.
AASB 2018-5 <i>Amendments to Australian Accounting Standards – Deferral of AASB 1059</i>	This standard defers the mandatory effective date of AASB 1059 from 1 January 2019 to 1 January 2020.	1 Jan 2020	This standard defers the mandatory effective date of AASB 1059 for periods beginning on or after 1 January 2019 to 1 January 2020.

## DENTAL HEALTH SERVICES VICTORIA

### Notes to the Financial Statements

30 June 2019

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

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

- AASB 2017-1 Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014-16 Cycle and Other Amendments
- AASB 2017-4 Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments
- AASB 2017-6 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation
- AASB 2017-7 Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures
- AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015 – 2017 Cycle
- AASB 2018-2 Amendments to Australian Accounting Standards – Plan Amendments, Curtailment or Settlement
- AASB 2018-3 Amendments to Australian Accounting Standards – Reduced Disclosure Requirements
- AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business

## DENTAL HEALTH SERVICES VICTORIA

### Notes to the Financial Statements

30 June 2019

#### Note 8.11: Glossary of terms and style conventions

##### ***Actuarial gains or losses on superannuation defined benefit plans***

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

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

##### ***Amortisation***

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

##### ***Associates***

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

##### ***Comprehensive result***

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

##### ***Commitments***

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

##### ***Current grants***

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

##### ***Depreciation***

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

##### ***Effective interest method***

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

##### ***Employee benefits expenses***

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

##### ***Ex gratia expenses***

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

## DENTAL HEALTH SERVICES VICTORIA

### Notes to the Financial Statements

30 June 2019

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

##### **Financial asset**

A financial asset is any asset that is:

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

##### **Financial instrument**

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

##### **Financial liability**

A financial liability is any liability that is:

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

##### **Financial statements**

A complete set of financial statements comprises:

- (a) Balance sheet as at the end of the period;
- (b) Comprehensive operating statement for the period;
- (c) A statement of changes in equity for the period;
- (d) Cash flow Statement for the period;
- (e) Notes, comprising a summary of significant accounting policies and other explanatory information;
- (f) Comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 Presentation of Financial Statements; and
- (g) A statement of financial position at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101.



## **DENTAL HEALTH SERVICES VICTORIA**

### **Notes to the Financial Statements**

30 June 2019

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

##### ***Grants and other transfers***

Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature.

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are by the AASB as involuntary transfers and are termed non-reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes. Grants can be paid as general purpose grants which refer to grants that are not subject to condition is regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

##### ***General government sector***

The general government sector comprises all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. General government services include those which are mainly non-market in nature, those which are largely for collective consumption by the community and those which involve the transfer or redistribution of income. These services are financed mainly through taxes, or other compulsory levies and user charges.

##### ***Intangible produced assets***

Refer to produced assets in this glossary.

##### ***Intangible non-produced assets***

Refer to non-produced assets in this glossary.

##### ***Interest expense***

Costs incurred in connection with the borrowing of funds includes interest on bank overdrafts and short-term and long-term liabilities, amortisation of discounts or premiums relating to liabilities, interest component of finance leases repayments, and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

##### ***Interest income***

Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

##### ***Investment properties***

Investment properties represent properties held to earn rentals or for capital appreciation or both. Investment properties exclude properties held to meet service delivery objectives of the State of Victoria.

##### ***Joint Arrangements***

Joint arrangement is an arrangement of which two or more other parties have joint control. A joint arrangement has the following characteristics:

- (a) The parties are bound by a contractual arrangement.
- (b) The contractual arrangement gives two or more of those parties joint control of the arrangement.

A joint arrangement is either a joint operation or a joint venture.

## **DENTAL HEALTH SERVICES VICTORIA**

### **Notes to the Financial Statements**

30 June 2019

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

##### ***Liabilities***

Liabilities refers to interest-bearing liabilities mainly raised from public liabilities raised through the Treasury Corporation of Victoria, finance leases and other interest-bearing arrangements. Liabilities also include non-interest-bearing advances from government that are acquired for policy purposes.

##### ***Net acquisition of non-financial assets (from transactions)***

Purchases (and other acquisitions) of non-financial assets less sales (or disposals) of non-financial assets less depreciation plus changes in inventories and other movements in non-financial assets. It includes only those increases or decreases in non-financial assets resulting from transactions and therefore excludes write-offs, impairment write-downs and revaluations.

##### ***Net result***

Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other comprehensive income'. Net result from transactions/net operating balance is a key fiscal aggregate and is income from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets.

##### ***Net worth***

Assets less liabilities, which is an economic measure of wealth.

##### ***Non-financial assets***

Non-financial assets are all assets that are not 'financial assets'. It includes inventories, land, buildings, infrastructure, road networks, land under roads, plant and equipment, investment properties, cultural and heritage assets, intangible and biological assets.

##### ***Non-produced assets***

Non-produced assets are assets needed for production that have not themselves been produced. They include land, subsoil assets, and certain intangible assets. Non-produced intangibles are intangible assets needed for production that have not themselves been produced. They include constructs of society such as patents.

##### ***Non-profit institution***

A legal or social entity that is created for the purpose of producing or distributing goods and services but is not permitted to be a source of income, profit or other financial gain for the units that establish, control or finance it.

##### ***Payables***

Includes short and long term trade debt and accounts payable, grants, taxes and interest payable.

##### ***Produced assets***

Produced assets include buildings, plant and equipment, inventories, cultivated assets and certain intangible assets. Intangible produced assets may include computer software, motion picture films, and research and development costs (which does not include the start up costs associated with capital projects).

##### ***Public financial corporation sector***

Public financial corporations (PFCs) are bodies primarily engaged in the provision of financial intermediation services or auxiliary financial services. They are able to incur financial liabilities on their own account (e.g. taking deposits, issuing securities or providing insurance services). Estimates are not published for the public financial corporation sector.

## DENTAL HEALTH SERVICES VICTORIA

### Notes to the Financial Statements

30 June 2019

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

##### **Public non-financial corporation sector**

The public non-financial corporation (PNFC) sector comprises bodies mainly engaged in the production of goods and services (of a non-financial nature) for sale in the market place at prices that aim to recover most of the costs involved (e.g. water and port authorities). In general, PNFCs are legally distinguishable from the governments which own them.

##### **Receivables**

Includes amounts owing from government through appropriation receivable, short and long term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

##### **Sales of goods and services**

Refers to income from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services and work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets such as buildings and entertainment, but excludes rent income from the use of non-produced assets such as land. User charges includes sale of goods and services income.

##### **Supplies and services**

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of DHSV.

##### **Taxation income**

Taxation income represents income received from the State's taxpayers and includes:

- payroll tax; land tax; duties levied principally on conveyances and land transfers;
- gambling taxes levied mainly on private lotteries, electronic gaming machines, casino operations and racing;
- insurance duty relating to compulsory third party, life and non-life policies;
- insurance company contributions to fire brigades;
- motor vehicle taxes, including registration fees and duty on registrations and transfers;
- levies (including the environmental levy) on statutory corporations in other sectors of government; and
- other taxes, including landfill levies, license and concession fees.

##### **Transactions**

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows in an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset.

Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash.

##### **Style conventions**

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

- zero, or rounded to zero
- (xxx.x) negative numbers
- 201x year period
- 201x-1x year period



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