

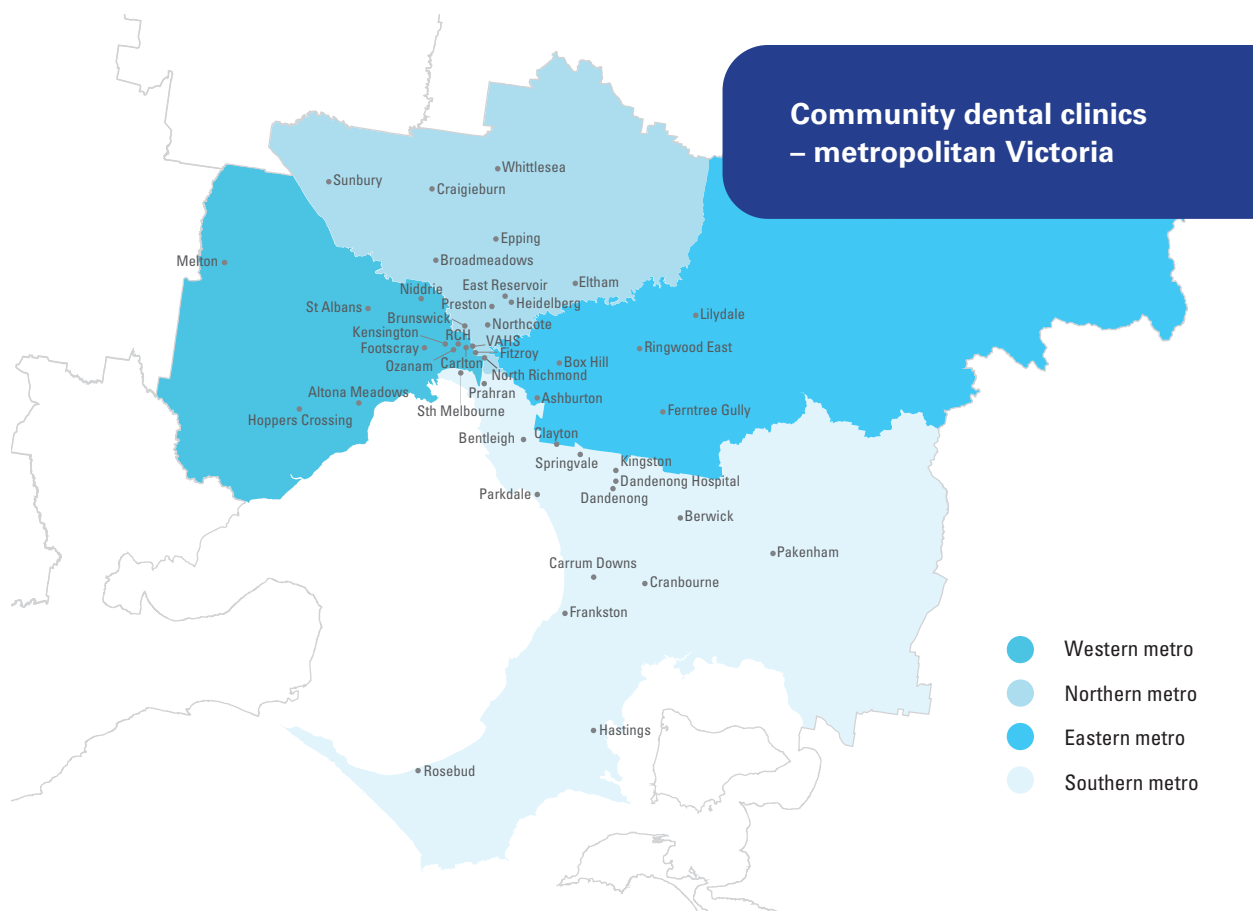
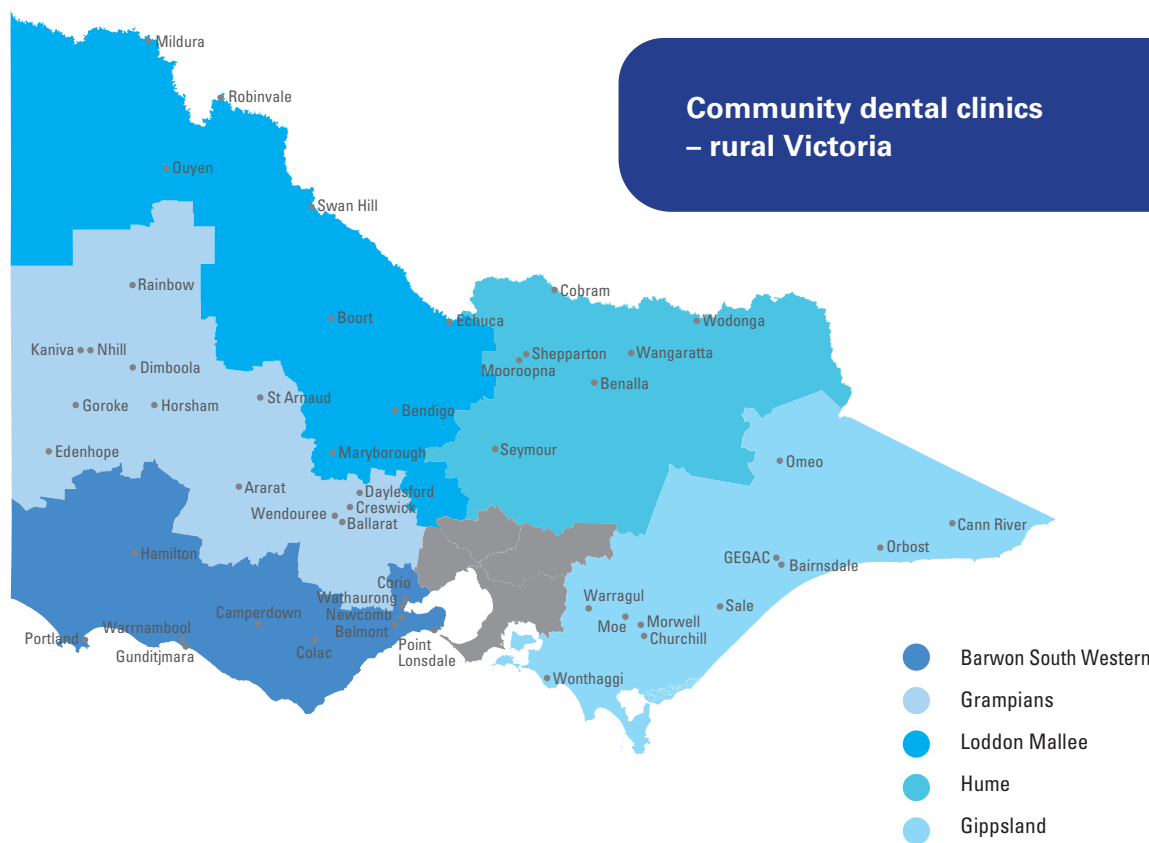
ANNUAL REPORT

2020–21

DENTAL HEALTH
SERVICES VICTORIA



dental health
services victoria
oral health for better health



DENTAL HEALTH SERVICES VICTORIA

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

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

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

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

Responsible to the Victorian Minister for Health, DHSV is a public health service which employs 623 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*. Jenny Mikakos MP was the responsible Minister for Health during the reporting period to 26 September 2020. Since 26 September 2020, Martin Foley MP 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

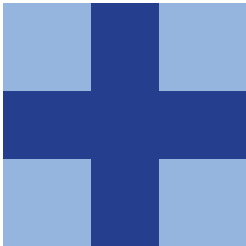
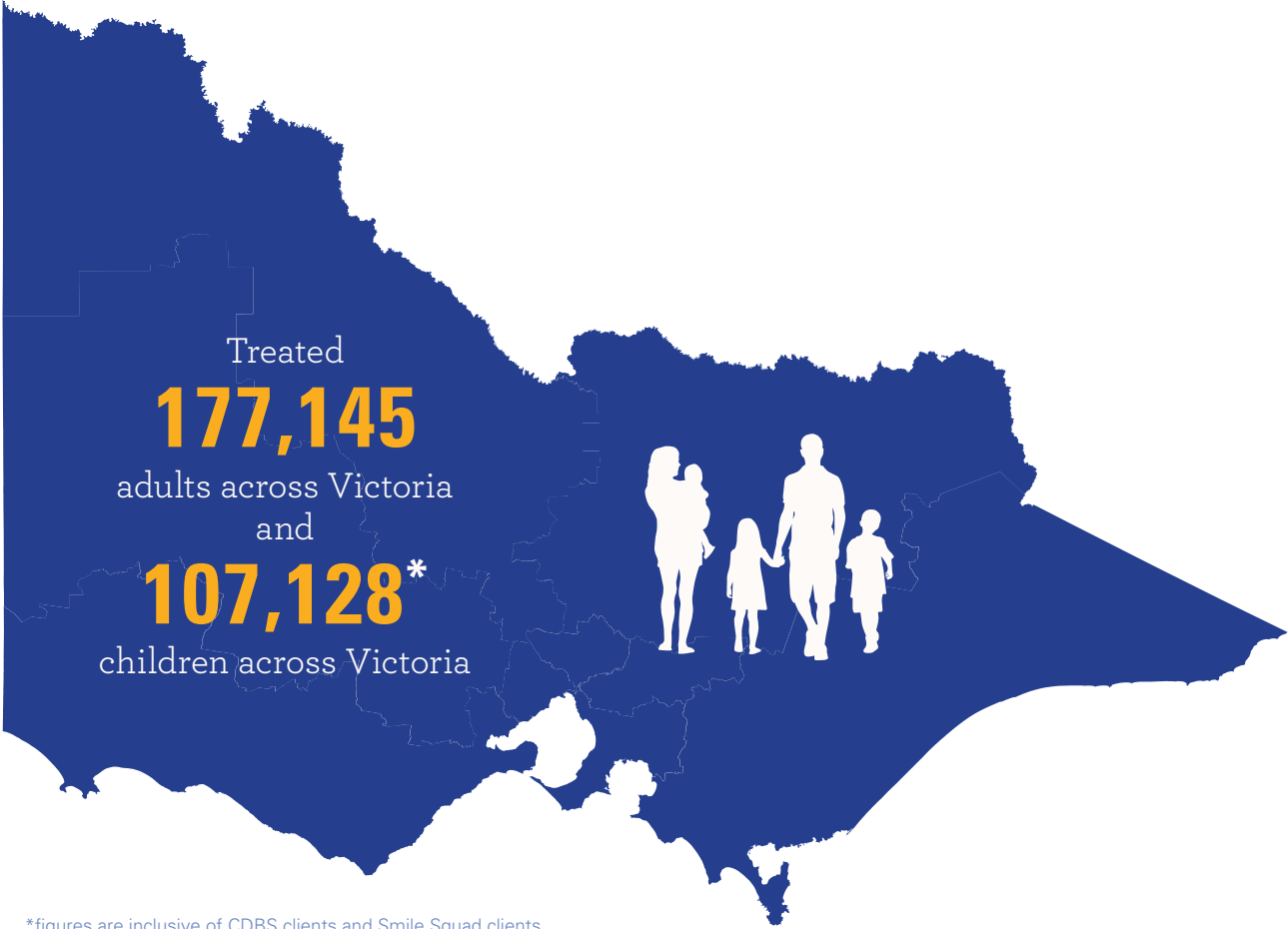
✓ Transform

Transform ourselves and our organisation to achieve better health outcomes

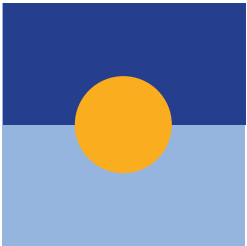
Where the term ‘Aboriginal’ is used it refers to both Aboriginal and Torres Strait Islander peoples.

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

HIGHLIGHTS



139,636
people received emergency
care across the state



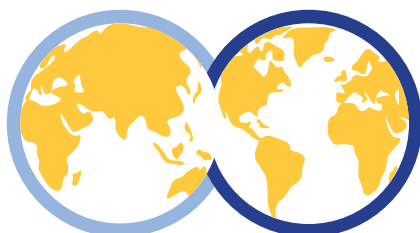
10,219
Aboriginal people were
treated statewide



Smile Squad distributed
more than
19,000
dental packs to students



Smiles 4 Miles reached
more than
51,000
children



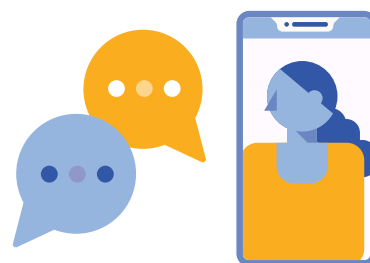
9,179
refugees and people
seeking asylum received
treatment statewide



More than
2,400
practitioners visited the new
Oral Cancer Learning Hub
in the first 2 months



More than
300
people received early childhood
oral health training



43,756
telehealth services provided
across the state

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

In accordance with the *Financial Management Act 1994*,
I am pleased to present the Report of Operations for
Dental Health Services Victoria for the year ending 30
June 2021.



David Stevenson
Chair, Board of Directors
Dental Health Services Victoria Carlton VIC

26 August 2021

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

FROM THE CEO AND BOARD CHAIR

We are proud to present the Dental Health Services Victoria (DHSV) Annual Report for 2020-21. We faced another very challenging year due to the coronavirus (COVID-19) pandemic, but we came together as an organisation to take care of our clients, our community, and each other.

In our Strategic Plan 2016–21, we committed to four themes – improve health outcomes, improve the experience, be global leaders with our local partners, and be a great place to work and a great organisation to work with. Despite the many challenges of the global pandemic, we continued to make strides in all four areas. We proved that we are an organisation driven by a strong sense of social justice and a desire to create a more equitable and progressive oral health system.

Our core focus was keeping our patients, staff, students and contractors safe. During strict lockdowns, all non-urgent care was postponed and our team swung into action to reschedule appointments and provide support via enhanced telehealth consultations. Our staff did an exemplary job of dealing with the uncertainty in a professional and proactive manner. Their stand-out efforts included setting up a COVID-19 testing centre to relieve the pressure on existing centres and encourage the community to get tested.

Our contribution was recognised by the International Hospital Federation who presented us with the 'Beyond The Call of Duty for COVID-19' award as part of their Response Recognition Program. The award was for 'proactively responding with outstanding and innovative actions in facing the COVID-19 pandemic'.

We have an impressive track record of improving the health and wellbeing of Victoria's most vulnerable communities. This year was no different. Despite reduced activity during the year, we once again treated over 10,000 Aboriginal and Torres Strait Islander peoples across the state. This is due to our ongoing efforts to create a more culturally-affirming oral health sector where Aboriginal people feel welcomed, heard, respected and understood.

We continued to introduce the principles of value-based healthcare which focus on improving the health outcomes that matter to patients in the most cost-effective way. Our new models of care have now been introduced in general care, primary care, and the Smile Squad school dental program with a strong focus on the



prevention and early intervention of oral disease. In May, Smile Squad won the 2021 Value Based Health Care Innovation Award presented by the Australian Healthcare and Hospitals Association – a great recognition of the extensive planning, collaboration and testing that has gone into the program.

With the support of the Victorian Government, we were able to provide ongoing funding to community dental agencies and The Royal Dental Hospital of Melbourne. This ensured that public oral health employees had stable employment and were able to deliver quality services to the community throughout the challenges of the pandemic. Through consistent communication, flexible working arrangements, and multiple wellbeing initiatives, we supported our employees physical, mental, and emotional wellbeing during what has been another incredibly tough year.

In June 2021, we farewelled our esteemed Board Chair, Dr Zoe Wainer when she assumed the position of Deputy Secretary, Public Health at The Department of Health. During her six years as Chair, Zoe championed value-based models of care and supported us to be both bold and pragmatic in transforming the way we operate. We thank Zoe for her outstanding contribution to DHSV and wish her all the best at the Department where we know she will continue to advocate for public oral health.

We talk a lot about collaboration at DHSV but over the last two years we have witnessed it in action like never before. We could not have done any of the above without the support of our partners – the Minister for Health, the Department of Health, the DHSV Board and subcommittees, our community dental agencies, university partners, patients, staff and contractors as well as our oral health champions across health, education, early childhood, diversity and cultural advancement. Together we demonstrated that the term 'we're all in this together' isn't just a slogan, it's something Victorians demonstrate through teamwork, empathy, and decisive action every day.

To every person who has helped us improve the oral health of Victorians over the last year – thank you.

A handwritten signature in dark ink, appearing to read 'Susan McKee'.

Susan McKee
Chief Executive Officer (CEO)

A handwritten signature in dark ink, appearing to read 'David Stevenson'.

David Stevenson
Board Chair

YEAR IN REVIEW: REPORT OF OPERATIONS



SMILE SQUAD SCHOOL DENTAL PROGRAM

Smile Squad continues to roll out to public schools across Victoria, despite pauses to services due to COVID-19 restrictions.

Smile Squad is the Victorian Government's free school dental program. It provides all Victorian public primary and secondary school students with free, high quality dental care at school, saving families time and money.

DHSV and the Department of Health are leading the development of the Smile Squad program in partnership with the Department of Education and Training. The service delivery component is managed by DHSV and the service is being delivered in schools by community dental agencies across the state.

It doesn't matter if a student is visiting an examination van in rural Victoria or a treatment van in central Melbourne – they will have a similar experience, wherever they are.

With a strong focus on education and prevention, Smile Squad wants every student seen to walk away with the tools and knowledge they need to eat well, drink well and clean well – for life.

A return to service

The Smile Squad program continued to grow and develop over the nine month pause in anticipation of a large-scale return.

During the pause, some services were maintained in regional areas and limited services were offered in fixed clinics in metropolitan Melbourne. Services were only provided where and when it was safe to do so and in accordance with strict infection control guidelines. During this time agencies provided services to over 1,000 students.

Services recommenced in schools across the areas of Greater Bendigo, Latrobe, and Wodonga during Term 4 2020. The 2021 return of Smile Squad has occurred in a staged approach, with an emphasis on student and staff safety.

Smile Squad services returned to schools who were already engaged in the program in Term 1 2021.

There were 161 new public primary and secondary schools who were invited to take part in Smile Squad from Term 2 2021. All schools in the following 10 new local government areas were invited to participate: Ararat, Banyule, Bass Coast, Darebin, Monash, Southern Grampians, Northern Grampians, Warrnambool, Yarra, and Yarra Ranges.



Key activities

- Inviting schools in the areas selected for phase 3 of the statewide roll out to participate in the program.
- Smile Squad won the Innovation Award at the prestigious Australian Healthcare & Hospitals Association's inaugural Value-Based Health Care Awards. The award, sponsored by Queensland Health, recognises projects in their start-up or early phases of development that are significantly innovative.
- Procured additional vans and equipment to support program expansion and demand for services, bringing the current fleet to 52 examination and 20 treatment vans.
- Established a dedicated consumer advisory parent network to help inform and design Smile Squad.

Key statistics

- 83 schools and 19,131 students were offered care
- 15 agencies provided Smile Squad services
- more than 19,000 dental packs have been distributed to students
- more than 6,600 students have received an examination
- fluoride varnish has been provided to more than 3,400 students
- fissure sealants have been provided to more than 1,500 students.

On 27 April 2021, Acting Premier, the Hon James Merlino MP and Minister for Health, Martin Foley MP announced a year-long extension to the roll-out of the Smile Squad program. Smile Squad will now be rolled out to all public schools by the end of 2023.

IMPROVING ACCESS

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

Telehealth

After launching telehealth services via the HealthDirect videocall platform in May 2020, DHSV has continued to expand and embed telehealth over the past year. Additionally, a number of dental agencies commenced telehealth services locally. These services have enabled DHSV to support our community remotely, particularly during recurring periods of COVID-19 restrictions which temporarily limit delivery of routine dental care to minimise public health risks. While urgent in-person care continued throughout COVID-19 lockdowns, telehealth ensured DHSV could provide continuity of care for our patients through remote triage, consultation, and a range of other dental services.

Three streams of telehealth have been initiated at DHSV:

- **Stream 1 – Patient-initiated care:** to support patient-initiated care by providing RDHM with the ability to remotely triage and manage patients
- **Stream 2 – Clinician to clinician care:** to enable clinician to clinician video consultations related to patient care
- **Stream 3 – Clinician-initiated care:** to facilitate service-initiated care to enable remote appointments (e.g. day surgery unit), emergency follow-up review via video consultations and active support for the community to manage and maintain good oral health.

The priority was patient-initiated care to allow RDHM to remotely triage and manage patient treatment plans. Resources and staff attention were focussed on Stream 1 to ensure patients received treatment and care. Following a successful soft launch, this service was scaled up, and Stream 1 telehealth care is now delivered by two clinicians every Monday to Friday.

Streams 2 and 3 have been used on a smaller scale, largely to provide specialist consultations directly to clients and specialist guidance to clinicians.

In addition to video calls, DHSV saw high levels of telehealth engagement through phone calls with our patients. A total of 43,756 telehealth services were provided to 37,842 clients across the state by DHSV and agencies in the year to 30 June 2021. This total figure includes 5,694 services provided through RDHM. A significant number of these were video consultations via the HealthDirect platform. Of those patients engaging in DHSV video consultations, approximately 83% indicated they would recommend the telehealth service to family or friends.

DHSV continues to refine the telehealth service to ensure it remains a sustainable way of delivering care to our patients. Beyond COVID-19 restrictions, telehealth offers significant opportunities to deliver patient-centred care by reducing barriers (e.g. geographic) to accessing services and enabling the right care to be delivered at the most appropriate time and place.

Updated DHSV website

Following the launch of the mobile responsive website in the last reporting period, DHSV launched a new and improved public website with enhanced accessibility to improve the oral health literacy of vulnerable Victorians. Developed using co-design principles in conjunction with DHSV clients and staff, the site offers improved ease of use and greater access to health information. The website incorporates simpler language and uses more graphics to assist those with accessibility issues or low levels of English proficiency. The website also provides patients with easier access to pre-appointment information, simplified eligibility and fee details, and an improved community dental agency search function.

Electronic Oral Health Record

Our ICT team commenced the Electronic Oral Health Record project, aimed at developing a statewide patient record system for all public oral health providers. This complex project will ultimately develop a platform that is integrated into the wider healthcare system and will serve as a suitable replacement for the current Titanium clinical management system.

Aboriginal and Torres Strait Islander peoples

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

Aboriginal Liaison Officer and Aboriginal Community Development Officer

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

A new ALO commenced in March 2020 just prior to the impact of the COVID-19 pandemic. The ALO was required to be flexible with working from home and continued to provide crucial support to vulnerable community members and act as a point of contact for individuals and community organisations. An increased need for support saw the role increase from 24 to 35 hours per week to ensure culturally safe patient care was available.

The Aboriginal Community Development Officer (ACDO) 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 informing the delivery of new oral health initiatives for Aboriginal and Torres Strait Islander people programs by maintaining close partnerships between Aboriginal and mainstream services in the area of oral health.

Activities

- leading the development and implementation of DHSV's Innovate Reconciliation Action Plan 2019–21 deliverables
- review of Memorandum of Understanding and partnership with VACCHO set to continue
- encouraging supportive and collaborative working partnerships between DHSV and Aboriginal and Torres Strait Islander peoples
- adapting NAIDOC Week 2020 and National Reconciliation Week 2021 activities to be engaged with remotely, including Wayapa Wuurrk Workshops which embodied connection to country and taking care of the earth, along with a focus on mental, physical, and spiritual wellbeing.

FOSTERING A RESPECTFUL WORKPLACE

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

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

During 2020–21 we continued to progress our respectful workplace action plan through a range of key activities.

Positive culture and change

As part of our ongoing commitment to continuous improvement and creating a positive culture for all staff, we continued our relationship with Steople, a team of organisational development specialists who support DHSV to implement positive workplace change.

We progressed the recommendations from the Steople Report by implementing a three-year Action Plan and introduced a number of new initiatives, including an organisational restructure of RDHM, new communication strategies, and regular staff feedback.

Staff feedback was sought both formally and informally, including through two pulse surveys designed to obtain a sense-check of how staff were engaging with, and reacting to, changes made across the organisation:

- pulse survey September 2020 – total responses 297
- pulse survey April 2021 – total responses 381

The response rate for the April 2021 pulse survey was 28 per cent higher than the September 2020 survey. The improved response rate serves as a positive indicator of increased levels of staff engagement, clearly communicated messaging, and increasing levels of trust across the organisation.

Health and wellbeing initiatives

Staff health and wellbeing was a key focus for DHSV over the past twelve months, particularly due to the ongoing impact of the COVID-19 pandemic. We have implemented strategic health and wellbeing initiatives to support the physical and psychological wellbeing of staff.

Staff wellbeing campaign

We commenced a 'Safe return to work' strategy in late 2020 to support staff in their reintroduction to the workplace as lockdown restrictions eased. The strategy included skills development and education focussing on wellbeing for both clinical and non-clinical staff.

Staff received additional support through the introduction of health and wellbeing resources, including:

- an internal site dedicated to providing staff with resources to support their psychological wellbeing, including mental health and crisis support services
- the introduction of the Healthy Body and Mind Dashboard to provide staff with monthly content aimed at improving nutrition, physical exercise, and psychological wellbeing.



DHSV Mental Health Awareness Program

We committed to taking action to support our staff's mental wellbeing through the introduction of an awareness program, which includes:

- A mandatory Mental Health Awareness eLearning module aimed at reducing stigma and providing all staff with a deeper understanding of the issues around mental health.
- The introduction of a network of Mental Health First Aid (MHFA) officers consisting of staff members who have volunteered to undertake training to provide mental health support to others. The MHFA officer network complements existing support options, including the Employee Assistance Program.
- Upskilling two staff members to become MHFA instructors within the workplace. This will enable us to offer more staff the opportunity to be trained in MHFA to further improve the knowledge, skills, and systems to support mental health at work and in the community.

Community engagement

We progressed the implementation of the action plan for community engagement, with the Consumer Experience and Codesign Consultant engaging consumers in the design and testing of services and collateral. Meetings and workshops continued online with the Community Advisory Committee and Consumer Advisory Network during COVID-19 restrictions. Activities included:

- website revitalisation to increase consumer access
- informing our COVID-19 patient flows and triage process
- reviewing information on telehealth and community agencies.

Co-designed projects undertaken with input from the valuable lived experiences of our consumers included:

- a post-visit SMS survey for our patients
- a mobile-responsive website
- an information session for new patients.

Increased accessibility for candidates

Our Talent Engagement team implemented key initiatives to drive positive change and provide improved accessibility for applicants, including:

- implementing VideoMyJob, allowing for effective and efficient communication with prospective candidates in a COVID-safe way
- establishing the Employee Value Proposition project in April 2021, with a focus on developing engaging messaging and branding to attract the right candidates for clinical and corporate roles
- highlighting career opportunities to staff to encourage career development within the organisation.

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.

Victorian Oral Cancer Screening and Prevention Program

The Victorian Cancer Plan 2020–2024 reiterates the important role of oral health professionals play in the prevention and earlier detection of oral cancer. In response, the Victorian Oral Cancer Screening and Prevention Program continues to focus on supporting the oral health workforce to identify Victorians most at risk of this disease.

DHSV partnered with the University of Melbourne Dental School, the Australian Dental Association's Victorian Branch, La Trobe University Department of Dentistry and Oral Health and the Department of Health (which also funds the program) to develop the Oral Cancer Learning Hub – oralcancerhub.org.au – a practical online resource with evidence-based information about oral cancer risk and prevention, early detection, examination and referral for oral health professionals in both public and private practice. The Oral Cancer Learning Hub also includes clinical case studies and a CPD quiz. In the two months following the launch, more than 2,400 practitioners visited the website, with over 12,700 page views.

The hub will enhance the knowledge, confidence and skills of Victorian oral health professionals in oral cancer risk reduction, early detection and timely referral to specialist care.

Partnership with Zoos Victoria

This unique partnership with Zoos Victoria commenced in 2017 and engaged families of children aged 0-12 years. This was achieved through linking oral health messages with the hippos at the Werribee Open Range Zoo. The hippo keepers highlighted the importance of cleaning teeth and dental visits as hippos require their teeth to be cleaned every day like humans do.

The partnership activities were impacted by COVID-19 with the closure of the Werribee Open Range Zoo for two months between 24 March and 1 June 2020. It reopened with limited visitation capacity. The provision of dental services was also disrupted during this time.

The implementation and evaluation report titled Open Wide like a Hippo highlighted the strategies used, resources developed, and evaluation findings for the three-year (2017–20) partnership initiative.

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 the Department of Health, DHSV developed oral health profiles for local government to become more involved in promoting oral health in the community. The 79 comprehensive profiles specific to each of the local government areas 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 local government areas including oral health as one of their priority actions in their municipal public health plans.

Smiles 4 Miles

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

In 2020–21, Smiles 4 Miles transitioned much of its program delivery and training to online in response to COVID-19, enabling continued support to local community organisations and participating early childhood services. Smiles 4 Miles worked in partnership with stakeholders to implement the program effectively across Victoria. Partners included 34 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 more than 51,000 children and their families across 750 early childhood services.

The program covered the areas at greatest risk of poor oral health in 57 local government areas across Victoria.

Oral health training has been provided to:

- 54 Smiles 4 Miles coordinators attending the annual forum and through one-on-one training
- more than 500 early childhood educators taking part in oral health training.

Healthy Families, Healthy Smiles

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

In 2020–21, more than 300 tertiary students and professionals from a range of disciplines took part in professional development activities through the program, including:

- 31 midwives completed the Midwifery Initiated Oral Health education program
- 57 supported playgroup facilitators were trained to deliver oral health promotion and implement the 'Brush Book Bed' initiative which supports families establishing toothbrushing routines with young children
- 176 students, including 140 from RMIT University and La Trobe University who achieved their Graduate Diplomas in Child and Family Health Nursing, and 36 from the University of Melbourne studying their Bachelor of Oral Health.

In response to disruptions in the health and early childhood sectors because of the COVID-19 pandemic, Healthy Families, Healthy Smiles transitioned existing training packages to online delivery. Tools and resources were also developed to support families and our partnering professionals who engage with families around good oral health. New resources include:

- a video resource called 'Let's Brush (with Tash and Chomper)'. The video was developed in English, Vietnamese, Burmese and Arabic and developed in partnership with the City of Melbourne Library Service
- a social media kit for early childhood professionals, released to support Dental Health Week activities
- a new how-to-brush guide for families with young children called 'Caring for gums and teeth 0-6 years' which is available in English and 12 community languages.

Alliance for a Cavity Free Future

On behalf of the Alliance for a Cavity Free Future, DHSV has been distributing tooth packs and oral health promotion resources to selected community-based programs since 2006. In 2020–21 more than 18,000 toothbrushes and tubes of toothpaste were distributed to almost 150 sites across Victoria, including Supported Playgroups, Koorie Maternity Services, and Early Parenting Centres.

This was the last distribution of product provided through the Alliance for a Cavity Free Future initiative which concluded in 2020. DHSV thanks Colgate for their contribution in increasing the access to oral hygiene products by communities with high risk of poor oral health outcomes during the past 13 years.



EXCELLENCE IN LEADERSHIP

DHSV is committed to strengthening clinical leadership and governance across Victoria's public oral health sector.

Clinical leadership has continued to drive and guide public oral health services across Victoria. Strong clinical leadership has been pivotal to rapid, evidence-informed decision making which supports safe, quality, and consistent care.

Office of the Chief Oral Health Officer

The Office of the Chief Oral Health Officer has become a critical space for clinical leadership, governance, engagement, and capacity building for the Victorian public dental sector. The team has strengthened through cross-portfolio team building and expanded to include key clinical leaders embedded across the organisation.

Key activities

The team has provided responsive, evidence-based advice to the Executive, the Board, and the Department of Health on clinical matters including the response to COVID-19, the development of service delivery models, safety and quality, and clinician engagement. Key activities included:

- Strengthening clinical leadership and governance at DHSV through the Oral Health Clinical Council, RDHM Clinical Leadership Group (CLG), Clinical Leadership in Practice (CLiP), Senior Clinician Network and the DHSV Population Health Board Subcommittee.
- Building clinician capacity state-wide through advice, mentoring, professional development opportunities and attendance at clinical forums, networks, and community dental agency planning days.

- Leading service improvements including telehealth, access and waiting list management policy and procedures changes, development of service delivery models, and the referrals work package.
- Reviewing, updating, and maintaining frameworks, procedures and clinical guidelines that fall under the COHO portfolio. Significantly, over the past 12 months at least 16 new documents have been added to our online policy and procedure management system and 70 documents have been updated. This has required collaboration in oral health clinical leadership across the state.

Clinical Leadership in Practice (CLiP)

The Clinical Leadership in Practice (CLiP) committee, chaired by the Director of Clinician Engagement – Agencies (also a community dental agency senior dentist), is comprised of senior clinicians from key agencies across Victoria. CLiP has continued to engage with senior clinicians from agencies around the state. In the past 12 months, CLiP has completed its priority areas of work: Clinical Scope of Practice, Prosthetist Reference Group and Workforce.

Senior clinician development has been an ongoing focus with initiatives including:

- Creating regional clinician networks e.g. Northern Regional Senior Dentist group (Loddon-Hume) for collaboration, support and learning. There are plans to expand this to other regions.
- Offering membership to graduates of the Clinical Leadership in Oral Health Practice young leaders program to exercise their leadership learnings and find mentorship.
- Fostering collaboration between specialists and general clinicians to improve and introduce models of care, improved referral pathways and better patient outcomes.
- Linking RDHM with the Royal Children's Hospital and

community dental agencies for appropriate and timely management of children with medical conditions.

- Creating opportunity for robust clinician discussion of local initiatives on pandemic issues, implementation of DHSV directives and best practice. This is channelled into shared learning and consideration of improvements in practice.

Health Informatics

Health Informatics (HI) is a newly formed department integrating the research, evaluation, data and analytics arms of the organisation. HI supports DHSV to make robust, evidence-based, data-driven decisions and identify areas for service improvements. HI informs policy that aligns with DHSV's strategic priorities, contributing to the improvement of oral health outcomes for Victorians.

Highlights

- Contributing to the development of the International Consortium for Health Outcomes Measurement (ICHOM) adult oral health standard set, and leading its implementation, trialling, and refinement in collaboration with the international ICHOM working group.
- Implementation of new Dental Weighted Activity Unit (DWAU) service item values to incentivise improvement in patient outcomes.
- Facilitated the Titanium upgrade to fully implement the new version of the Dental Health Program Data Set (DHPDS) for the Department of Health which included enhancements to the application and improving operational efficiency for public dental service providers.
- Coordinating DHSV's COVID-19 response strategies in collaboration with key stakeholders.
- Designing the aerosol and clinical instrumentation cascade trial.
- Undertaking major data analysis for the Department of Health for funding and pricing review of Victorian public dental services.
- Development of dashboards that provide comprehensive snapshots of data trends, performance, and visualisation of critical data. The dashboards developed include: RDHM operation analytics; Smile Squad state-wide summary; Smile Squad – agency school distance; DHSV report catalogue; Patient Reported Experience Measures (PREMS); and PREMS Telehealth.
- Development and deployment of an SMS appointment reminder system to send reminders and notifications to patients. Additionally, the implementation of SMS tool to capture PREMS has streamlined the PREMS processes and improved patient feedback.
- Leading the evaluation of DHSV's statewide community based oral health promotion programs, including the Healthy Families, Healthy Smiles program, oral cancer screening and prevention program and the partnership initiative between DHSV and Zoos Victoria.

BUILDING A STRONGER WORKFORCE

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



DHSV Public Oral Health Innovation Conference

DHSV delivered its first virtual conference in September 2020 following the postponement of the face-to-face conference due to COVID-19. Expert speakers recorded presentations relating to the theme Outcomes Matter. Content included an in-depth workshop on Value-Based Healthcare at RDHM from the Australian Healthcare and Hospitals Association. The virtual conference received more than 1,600 registrations from Australia and overseas.

Following the success of the first online conference, the 2021 POHIC was held virtually in March with a focus on Leadership Matters. The conference was opened by the Minister for Health, Martin Foley MP, and featured a range of online presentations and findings from the DHSV Clinical Leadership Program.

Refugee dentists train as dental assistants

DHSV collaborated with Bendigo Kangan Institute on an online Certificate III Dental Assistant course for refugee dentists. The course supports them to find work in their professional field, while also developing their cultural knowledge before sitting the Australian Dental Council (ADC) exams and applying for registration in Australia. It is expected that many of these participants will undertake their work placements at RDHM.

Overseas Trained Clinicians programs

Training programs for overseas trained clinicians resumed in a face-to-face capacity in December 2020, with limited numbers permitted in the simulation laboratory and strict adherence to COVIDSafe protocols. Many of these students successfully completed their ADC exams by 30 June 2021 and are now employed in public dental roles.

Antarctic Doctors Program

Quarantine restrictions between states and a fear of COVID-19 being transmitted to the Antarctic bases where there is limited medical support required a speedy overhaul of the delivery of the basic dentistry component of the Antarctic Doctors Program. We successfully partnered with the Tasmanian public oral health service and sent the equipment and materials required for their staff to deliver the week-long theory component of the training to the team of six medical practitioners while they quarantined in Tasmania.

Awards and recognition



DHSV received special recognition from the International Hospital Federation (IHF) for our COVID-19 response action plan as part of the 'IHF Beyond the Call of Duty for COVID-19' recognition program, for providing exceptional service and demonstrating an incredible capacity to innovate under extraordinary circumstances.

DHSV used COVID as a catalyst to improve services and outcomes, with innovations including:

- enhancement of clinical and service delivery models to reflect the principles of value-based healthcare
- the introduction of the electronic oral health record and integrated telehealth capabilities
- digital innovation leading to paperless systems and processes
- reviewing low-value services and refining patient-facing processes to better support patients along their oral health journey.

This recognition is testament to the tremendous commitment, dedication and professionalism shown by staff across the organisation during this challenging period.

The Smile Squad school dental program won the Queensland Health Innovation Award at the prestigious Australian Healthcare and Hospitals Association's inaugural Value-Based Health Care Awards held in Perth. The program was recognised for reducing the burden of oral health and minimising its impact on the lives of young people and families across the state.

Family violence response

On 19 April 2021, DHSV became legally prescribed to comply with the following family violence reforms:

- The Multiagency Risk Assessment and Management (MARAM) Framework
- The Family Violence and Child Information Sharing Schemes.

These reforms stem from The Royal Commission into Family Violence (2016), which recommended that the public service system adopt a best-practice framework to consistently assess and manage family violence risk. It also requires services to work more collaboratively in sharing relevant information to help enhance the safety of victim survivors of family violence and promote the safety and wellbeing of children.

In response to these reforms, the Strengthening Hospital Response to Family Violence (SHRFV) initiative has transitioned into the second phase of the project, by updating and developing procedures, policies, and suggested workflows, to ensure RDHM is aligned to the MARAM Framework and compliant with the Information Sharing Schemes.

A series of family violence eLearning modules are in development to strengthen our response to family violence for both patients and staff.

RDHM's social work service (currently funded by SHRFV) has now received 135 referrals across RDHM clinics. This role continues to provide a best-practice response in undertaking psychosocial assessment, support, advocacy and referrals for patients accessing care. Patient outcomes from engagement in the social work service have also been profiled at DHSV's Board – Safety and Quality Committee.

Safety and Quality

In July 2020, DHSV implemented an improved system to source feedback from our patients. Feedback was previously collected using Patient Experience Trackers, portable devices located throughout the hospital. The new system, Patient Reported Experience Measures, was introduced to gain more meaningful insights from patients. Patients receive a link via text message following their appointment at RDHM, allowing them to share feedback in their own time.

The overall client satisfaction score for RDHM during this reporting period was 91 per cent.

DHSV RESPONSE TO COVID-19

As the COVID-19 pandemic progresses, the organisation continues to embrace innovative ways to refine processes and improve our systems to support staff and provide consistent, high-quality care to patients in a COVID Safe way.

COVID Safe Plan

The safety of our staff and patients is paramount. To ensure that DHSV is taking all possible actions to mitigate the introduction and spread of COVID-19, we developed a COVID Safe Plan. Our COVID Safe Plan includes information on the steps we are taking to ensure we are prepared to manage suspected or confirmed cases, how we will assist the Department of Health with contact tracing, along with all the relevant training and cleaning protocols that we must follow. The plan is updated as required based on the government's direction.

Service improvement work packages

With many clinical staff working from home during lockdown in 2020, we used the opportunity to proactively undertake a range of important service improvement work packages across the organisation. The variety of packages were aimed at improving the way we do things, streamlining our processes, and enhancing service delivery to achieve better health outcomes. The packages were identified to improve how we deliver care and were focussed on these core themes:

- improving staff engagement and wellbeing
- creating a better experience for our clients
- implementing the principles of value-based healthcare into our service delivery models
- tackling and reducing our waste
- developing our 'return to better' work plan.

A leader was assigned to each package and staff were invited to participate in the development and rollout of the work packages, including:

- Rostering solution package: identifying the need to replace the existing spreadsheet rostering process, this package is aimed at streamlining our approach to rostering and allocating clinical chairs. The working group investigated a range of systems and has gone to market to secure the right solution.
- Referrals work package: referrals team using eTray platform for receiving secure inbound digital diagnostic content from patients, agencies, and laboratories. The digital referrals portal was reviewed by the work package team.

- Infrastructure package: we have identified requirements to centralise and modernise operational needs with a capital upgrade, including reducing environmental impact by replacing outdated infrastructure, updating facilities including the Ground Floor Entry works, and improving organisational efficiencies.

Connection through communication

In March 2021, the Brand and Communications team launched a new internal website. The online magazine fosters a sense of connection and community for staff, replacing the former PDF newsletter with a mobile responsive website. The new format allows for greater accessibility for staff working on-site, in the clinic, and for those working from home.

The website features a range of content highlighting the ways we are improving the patient experience, celebrating staff success, and sharing employee stories. The website received more than 10,000 visits by 30 June 2021.

Regular communications across the organisation have also increased to ensure that staff remain informed and engaged. Employees can stay updated with important information by daily all-staff emails, weekly CEO updates, and monthly online Town Hall meetings. Staff wellbeing was also a main focus, with the Brand and Communications team providing staff with a range of wellbeing and support service information through special editions of the daily newsletter, including R U OK? Day.

Webinars and online forums

Clinicians and community dental agency staff from across the state were invited to participate in a series of webinars and clinician forums, including:

- Teledentistry: an introduction to the teledentistry work being delivered by DHSV, including the different pathways and key learnings to get started
- CDBS: relaunching the Child Dental Benefits Schedule program and exploring how to maximise the CDBS funding opportunity to treat more of the eligible population
- Clinical leadership: oral health professionals across the state were invited to join an online presentation focussing on supporting our patients through COVID restrictions and beyond. The presentation also explored how to get more students involved and provided information on commencing this process. The presentation also featured information on the Oral Health Questionnaire tool, telehealth, and a question-and-answer panel.



PURPOSE, FUNCTIONS, POWERS AND DUTIES

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

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

We work to educate the community and broader health sector about the links between oral health and general health. We use our position as leaders in oral health and our partnerships with other health organisations 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
- supporting and participating in oral health research
- advising government on policy, funding, and service development
- supporting oral health promotion programs across Victoria
- providing clinical leadership to the public oral health sector.

The following groups are eligible for public dental services:

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

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

The following groups have priority access:

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

*From 1 July 2021, all Aboriginal and Torres Strait Islander people will be eligible for public dental treatment in Victoria regardless of concession card status (not just RDHM).

SUMMARY OF SERVICES

The Royal Dental Hospital of Melbourne

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

Community dental agencies

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

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

Services

Emergency care

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

General care

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

Specialist care

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

Oral health promotion

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

Education

RDHM's specialist and teaching clinics support the University of Melbourne's education programs for dentists, specialists and oral health therapists. The

teaching clinics also support RMIT University's education programs for dental assistants, technicians, prosthetists and hygienists. In addition, RDHM provides training for overseas-trained clinicians seeking to sit for the Australian Dental Council exams to gain professional registration. DHSV works closely with La Trobe University's dentists and oral health therapists to support its rural oral health teaching program in several community dental agencies.

Purchased services

DHSV purchases oral health services from more than 50 community dental agencies. DHSV ensures there is a fair and equitable distribution of public money used in the most effective and efficient way to improve public oral health. DHSV has developed policies and procedures to ensure that defined levels of community dental agency support are provided.

Safety and quality

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

Partnering with the community

DHSV involves community members in all aspects of its healthcare delivery, including around improving the patient journey through our services. Community members sit on Board sub-committees and are consulted wherever possible in service and program developments. DHSV consults with the Victorian community on the way services are provided and our strategic goals for the future. The Strategic Framework for Consumer and Community Engagement 2016–21 involves communities in the formation of DHSV policies and strategies.

Information technology

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

Management reporting and analysis

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

Agency relationships team

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

BOARD AND EXECUTIVE

The functions of the Board of a public health service are set by the *Health Services Act 1988*. On the Minister for Health's recommendation, the Governor in Council appoints the DHSV Board of Directors. Members have a mix of qualifications, skills and experience, particularly in the areas of oral health, community welfare, finance and business.



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

Appointed to the Board in July 2015, reappointed in June 2018, concluded 4 June 2021

Zoe is the Head of Public Health and Medical Director at Bupa Australia and New Zealand and a Director on the Board of the Victorian Responsible Gambling Foundation. Her passion and expertise in public health has driven formal and informal collaborations with the ICHOM and Harvard Business School in value-based healthcare across multiple organisations 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.



Nicole Bartholomeusz
Dip Appl. Sci. (Dental Therapy), GDCH, MBA, GAICD

Appointed to the Board in July 2020

Nicole has worked extensively in public health and government in Executive and non-Executive roles for over 20 years and is currently the Chief Executive of cohealth. She is deeply committed to providing high-quality healthcare to people who may otherwise miss out and is also passionate about addressing the social determinants of poor health including poverty, housing, and education.

Nicole's background as a clinician, combined with an MBA and experience delivering public health services, puts her in a unique position to provide leadership within the health sector. She has experience serving as a non-Executive Board Director for Macedon Ranges North Western Metropolitan Medicare Local and Western Health. She is Chair of the Australian Health, Housing & Homelessness Network and a Council member with the Australian Healthcare & Hospitals Association.



Sue Banks
FCCA, MBA, GAICD

Appointed to the Board in July 2019

Sue has over 20 years of board level executive and non-executive director experience across a wide range of

service sectors with a recent focus on organisations with a strong community purpose. Her current boards include: Vision Australia, where she also chairs the Finance, Audit and Risk Committee; The Bridge Inc., a significant Melbourne based disability services provider, where she is Deputy Chair and member of the Safety and Quality Committee; and South Eastern Melbourne Primary Health Network.

Sue is a graduate member of the Australian Institute of Company Directors, a qualified accountant and MBA.



John Gavens (Acting Chair)
BCom (Hons), M.Acc., GAICD

Appointed to the Board in July 2019, Acting Chair from 5 June 2021 to 24 August 2021

John is a Partner in Crowe Melbourne's Audit & Assurance Division and has more than 30 years' experience in the provision of internal and external audit, assurance, strategic risk management, probity, compliance, fraud and governance advice. John provides strategic thinking combined with sound technical skills. John has been responsible for audits across many sectors with emphasis on public sector agencies, local government and not-for-profit organisations. John has been an approved service provider to the Victorian Auditor General for over 20 years. He recently completed 7 years as a member of the Australian Auditing and Assurance Standards Board.

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



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

Appointed to the Board in July 2019

Jane is a distinguished clinician scientist with extensive experience in primary care research as well as hospital and not-for-profit governance. Since 2018, Jane has held the position of Deputy Dean in the Faculty of Medicine, Dentistry and Health Sciences (MDHS) at the University of Melbourne, and in February 2021 commenced as interim Dean. She has played key leadership roles in reforming healthcare, beginning with her work in shared maternity care and cervical screening programs, and more recently in transforming mental health care in primary care settings.

Jane’s research and leadership experience led to a Ministerial Appointment to the NHMRC Research Committee (2009–15) where she Chaired a variety of grant review and fellowship committees. Jane is a past Board member of the Peter MacCallum Cancer Centre (2016–19) and is a current Board Director of Melbourne Health, The Florey Institute of Neuroscience and Mental Health, The Murdoch Children’s Research Institute, Eastern Melbourne Primary Health Network and of WEHI.



Charles Power
BEc (Hons), LLB

Appointed to the Board in July 2020

Charles is a legal practitioner with more than 30 years’ experience in workplace relations and safety law. He has been partner of the law firm Holding Redlich since 2002. His board experience includes service on the Committee of Early Learning Association Australia between 2014 and 2018. Charles is accredited by the Law Institute of Victoria as a workplace relations specialist.



David Stevenson
BBus(Mgt) and GAICD

Appointed to the Board in July 2018
Appointed Board Chair on 24 August 2021

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.



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

Appointed to the Board in July 2018

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

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



Andrew Saunders
BSc GradDipEd MBA MAICD

Appointed to the Board in July 2018 (until 30 June 2021)

Andrew is an experienced transformation leader for complex businesses and organisations needing digital change; with broad experience in health, insurance, finance and government. He is currently a Board Director for Eastern Health and Victoria Legal Aid in Melbourne, and Chair for the Health Information & Management Systems Society Asia Pacific.

His 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 for Alfred Health.

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 11 times during 2020–21. Attendance at Board meetings was as follows:

Member	Number of meetings eligible for	Number of meetings attended
Zoe Wainer	10	10
Sue Banks	11	11
Nicole Bartholomeusz	11	11
John Gavens	11	11
Charles Power	11	10
David Stevenson	11	11
Antony Tobin	11	11
Andrew Saunders	11	11

COMMITTEES

The following committees provided advice to the DHSV Board of Directors during the 2020–21 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 (to 30 June 2021)

Members: Mr David Stevenson, Mr John Gavens, Professor Jane Gunn, Ms Elizabeth Davenport (independent)

Community Advisory Committee

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

Chair: Mr David Stevenson

Members: Ms Roxanne Maule (to February 2021), Ms Sandra Anderson, Dr Virendra Khatana, Ms Andrea Cooper, Mr Billy Park, Mr Kevyn Morris, Ms Heather Smith, Ms Rana Ebrahimi, Wolfie Sun, Ms Nicole Bartholomeusz, Mr Charles Power

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 (until June 2021), Mr John Gavens (Acting Chair from June 2021)

Members: Mr John Gavens, Mr David Stevenson, Ms Sue Banks (from March 2021) and Mr Andrew Saunders (until June 2021)

Finance Committee

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

Chair: Ms Sue Banks

Members: Dr Zoe Wainer (until June 2021), Mr John Gavens, Ms Susan McKee (until July 2020)

Population Health Committee

The role of the Population Health Committee is to provide advice and recommendations to the Board on health issues affecting the population served by DHSV. The committee supports achievements of the Victorian action plan to prevent oral disease.

Chair: Professor Jane Gunn

Members: Mr Antony Tobin, Mr Anil Raichur, Mr Kevyn Morris, Dr Felicia Valianatos, Dr Martin Hall, Ms Nicole Bartholomeusz, Professor Mihiri Silva, Mr Jonathan Teoh, Ms Susanne Sofronoff, Dr Shalika Hedge, Ms Susan McKee, Mr Rodrigo Marino, Prof Rachel Martin

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 oversees the implementation and evaluation of safety, quality and clinical governance activities across these services.

Chair: Mr Antony Tobin

Members: Ms Sandra Anderson, Ms Sue Banks, Ms Nicole Bartholomeusz (from September 2020), Mr Keegan Crow, Ms Nicolle Davies (until March 2020), Mr Charles Power (from September 2020), Mr Andrew Saunders (from September 2020 to 30 June 2021), Mr Jonathon Teoh (until September 2020)

Compensation arrangements

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

Managing risk

The Board retained the services of HLB Mann Judd in 2020–21 as internal auditors and risk consultants as part of our ongoing commitment to risk management.

EXECUTIVE

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



Susan McKee

Chief Executive Officer
RN, BSC (HMS), MBA, GAICD

Sue is a Registered Nurse with over 35 years’ experience in the health sector and has worked across 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 is a strategic, values-driven executive with a proven ability to lead organisations through complex change and challenging external environments. She is committed to leading organisations that provide services that enhance the quality of life of its consumers, that is true to its purpose, and values its people.

Sue’s current role as the Chief Executive Officer at Dental Health Services Victoria enables her to use the skills she has gained over the decades to implement the principles of value-based healthcare to transform the organisation and improve the oral health outcomes for the Victorian community.



Tim Hogan

Chief Financial Officer
BBus, FCPA, FAICS, GAICD

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



Mr Nuno Goncalves

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

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



Mr Mark Sullivan

Chief Operating Officer
MHLthAdmin, GradDipHlthAdmin, Cert Purchasing/Planning, AFCHSM, CHM

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



Dr Martin Hall

Chief Oral Health Advisor
BDS, MPH, AdvDipMan, FICD

Martin has over 40 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 an Adjunct Professor at La Trobe University’s Rural Health School and an Honorary Enterprise Fellow within the University of Melbourne’s School of Population and Global Health. He continues his volunteer work as the Director of Kose Nehan – Oral Health Project in East Timor and as a consultant to overseas oral health development projects.

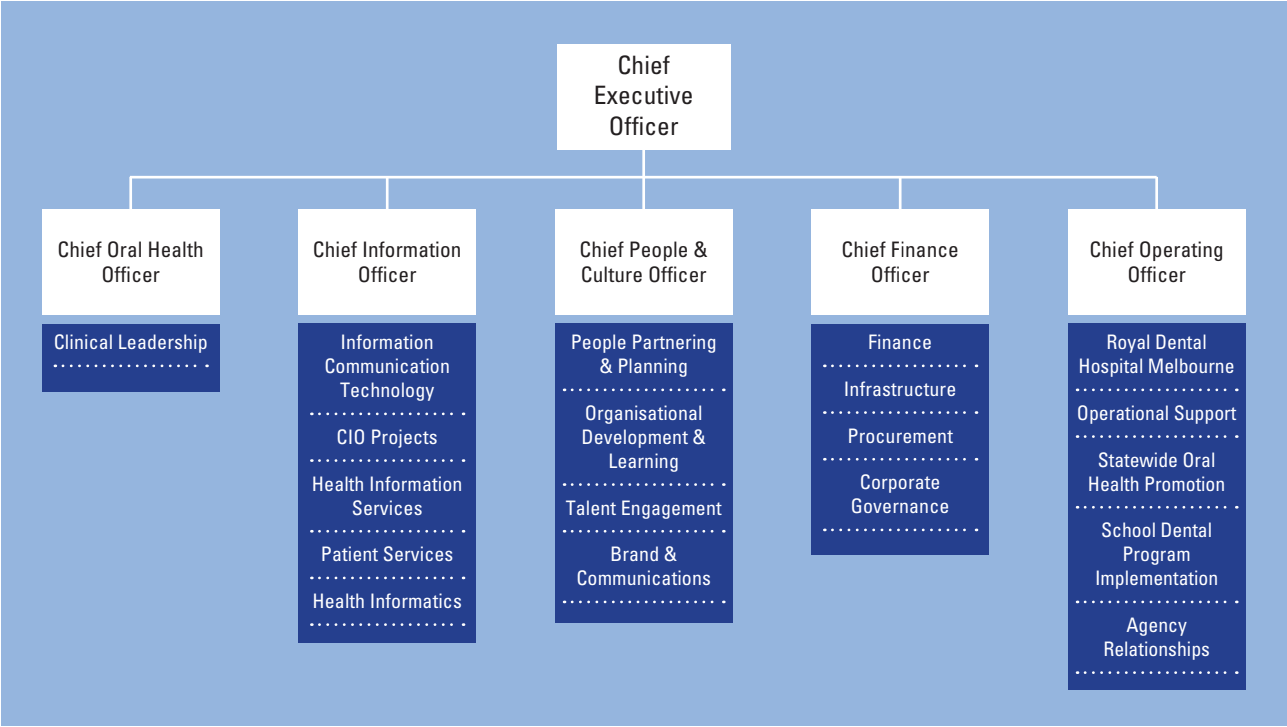


Peter Branov

Chief People and Culture Officer
BBus and GradDip IR/HRM

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

ORGANISATIONAL CHART



Financial Management Compliance

I, David Stevenson, 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.

David Stevenson
Chair, Board of Directors
Dental Health Services Victoria Carlton VIC

26 August 2021

Data Integrity

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

Susan McKee
Chief Executive Officer
Dental Health Services Victoria Carlton VIC

26 August 2021

Social Procurement Framework

DHSV’s endorsed Social Procurement Strategy (SPS) was approved by the Department of Treasury and Finance in March 2021. The SPS adopts a direct market approach for procurements with an anticipated value that falls within the published Social Procurement Framework – Below Threshold Band. For all other procurements, the focus will be a mix of the following five social procurement objectives: opportunities for Victorian Aboriginal people; opportunities for Victorians with disability; women’s equality and safety; opportunities for disadvantaged Victorians; supporting safe and fair workplaces. Activities supporting the SPS include reviewing and updating DHSV’s procurement framework, procedures, and templates, and developing capability through ongoing training of staff. In applying the principles of the SPS, DHSV selected St John Ambulance Australia (Vic) as the preferred supplier for a material logistics project. DHSV’s approach to the Social Procurement Framework is one of continuous improvement with steady progress achieved across 2020-2021.

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 235 requests during the year and all requests were granted in full.

Integrity, fraud and corruption

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



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

26 August 2021

Conflict of Interest

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



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

26 August 2021

Health Purchasing Policies

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



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

26 August 2021

Risk Management Framework and Processes

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



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

26 August 2021

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.

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. 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.

WORKFORCE BREAKDOWN

Labour category	June Current Month FTE*		June YTD FTE*	
	2020	2021	2020	2021
Nursing Registered nurses	17.81	15.93	16.02	16.61
Administration and clerical Admin, clerical, management	210.95	185.80	212.46	192.38
Medical support CSSD techs/ radiologists	21.33	20.05	22.60	20.50
Hotel and allied services Other (e.g. storepersons, maintenance technicians, orderlies)	10.47	8.66	11.17	10.57
Medical officers Anaesthetists	4.39	4.41	4.75	4.47
Ancillary staff (Allied Health) Speech therapists	1.34	1.34	1.34	1.34
Specialist dentists	17.78	18.19	17.11	17.93
Dentists	37.84	26.25	34.46	32.24
Dental therapists	7.76	7.48	7.69	7.52
Dental hygienists	0.40	0.40	0.40	0.24
Dental assistants	98.97	90.51	99.74	95.85
Dental technicians	11.00	11.00	11.13	11.00
Prosthetists	3.28	2.88	3.97	2.95
Total	443.32	392.90	442.84	413.60

* FTE: Full time equivalent

Occupational violence statistics		2020–21
WorkCover accepted claims with an occupational violence cause per 100 FTE		1
Number of accepted work cover claims with lost time injury with an OVA cause per 1,000,000 hours worked		1
Number of occupational violence incidents reported		36
Number of occupational violence incidents reported per 100 FTE		8.70
Percentage of occupational violence incidents resulting in a staff injury, illness or condition		2.77%
OH&S statistics		
Number of reported hazards/incidents for the year per 100 full-time equivalent staff members		60
The number 'lost time' standard claims for the year per 100 full-time equivalent staff members		7
The average cost per claim for the year 2021 – payments to date (as at 30 June 2021)		\$339,441.00
An estimate of outstanding claim costs as advised by WorkSafe		\$105,831.13
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)		
• 2017–18 Average claims cost (payments made)		\$57,059.42
• 2018–19 Average claims cost (payments made)		\$176,671.50
• 2019–20 Average claims cost (payments made)		\$79,483.91
• 2020–21 Average claims cost (payments made)		\$132,178.35
• Premium projection based on current claims		\$995,790.51
Significant variations:		
Seven claims involve payments of weekly compensation. The majority of weekly compensation payments can be contributed to new claims lodges and accepted in 2020–21.		
The legal activity on some of these claims has caused an increase in the estimated costs of the claims.		
In the event of a fatality, a discussion of the circumstances that led to the fatality and the preventative measures that have been taken to prevent recurrence. If the fatality is under investigation or subject to an inquiry, a statement to that effect shall be included.		N/A

WORKFORCE INFORMATION

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

Employment principles

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

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

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

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

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

Organisational values and staff code of conduct

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

Occupational health and safety

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

Our Human Resources team provides continuous assistance, support and mental health first aid to our workforce. This is supported by a referral pathway for ongoing debriefing, an Employee Assistance Program, and peer support groups available for employees.

During 2020–21, DHSV implemented several new initiatives designed to ensure a safe working environment for our employees and aimed at improving overall staff health and wellbeing. In response to the pandemic, we trained a network of Mental Health First Aid Officers that are accredited to work with our staff to provide a first point of contact and referral.

Occupational Violence and Aggression (OVA) continues to be a significant issue across the healthcare sector. DHSV's OVA Committee continued throughout online meetings during 2020–21, monitoring and reporting against the Board-endorsed Occupational Violence Framework.

The DHSV OVA Committee continues to monitor OVA incidents, which are then evaluated in collaboration with the Code Grey Team, Health and Safety representatives and managers. These reports are provided to the Board and measured against the Occupational Violence Framework.

MEETING ACCREDITATION

DHSV is committed to the continuous improvement of our treatment and services to ensure we can provide safe, high-quality care to our patients. We are assessed against a range of standards including the National Safety and Quality Health Service Standards (NSQHSS) for Day Procedure Centres, a set of nationally consistent standards established by the Australian Commission on Safety and Quality in Healthcare (The Commission).

The Australian Council on Healthcare Standards assessed DHSV against the NSQHSS in December 2017, awarding full accreditation for four years. DHSV's next full assessment, due in September 2020, was postponed due to the pandemic and rescheduled by the accrediting body.

DHSV plays a lead role supporting all public community dental agencies to successfully maintain accreditation with the NSQHSS for dental practices. DHSV continues to provide updated resources, advice, and ongoing support for over 50 public community dental agencies across the state.

The DHSV Radiology department was assessed by Quality Innovation Performance against the Diagnostic Imaging Scheme in 2020 and was awarded full accreditation until December 2024.

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

FEES AND CHARGES

Eligible adults:

- a fee of \$29.50 per visit to a maximum of \$118 for a general course of care, which includes an examination and all general dental treatment
- a flat fee of \$29.50 for an emergency course of care, which includes assessment and treatment of the tooth/gums/denture that is causing pain
- \$70.50 per denture capped at \$141 for a full upper and lower denture.

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

- free of charge for an emergency course of care
- a flat fee of \$34.50 per child for a general course of care, which includes an examination and all general dental treatment. Fees per family will not exceed \$138.

Fees for specialist services (RDHM only):

- depend on the treatment. It will not be more than \$356 for a course of care.

FEE EXEMPTIONS

Exemption from fees for public dental services apply to:

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

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

QUALITY RESOURCES

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

STATEMENT OF AVAILABILITY OF OTHER INFORMATION

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

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

ENVIRONMENT PERFORMANCE REPORT

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

DHSV also continues to work with the Department of Health and Sustainability Victoria to report our energy, water and waste usage on a monthly basis. The data presented in this report has been collated over three years from 2018–21 inclusive, as at 30 June 2021. COVID-19 has impacted DHSV’s overall activity levels and results during the 2020–21 period.

Energy consumption

Total energy consumption by energy type (GJ)				
	2018–19	2019–20	2020–21	
Electricity	11,732	10,200	8,697	
Natural gas	33,485	23,533	6,411	

2018–19	Total	45,217
2019–20	Total	33,733
2020–21	Total	15,108

Normalised energy consumption				
	2018–19	2019–20	2020–21	
Energy per unit of floor space RDHM (GJ/m²)	2.47	1.84	0.83	

Greenhouse gas emissions

Total greenhouse gas emissions (tonnes CO2e)				
	2018–19	2019–20	2020–21	
Scope 1—calculated on natural gas consumption	1,830	1,297	330	
Scope 2—calculated on electricity consumption	3,487	2,890	2,368	

2018–19	Total	5,317
2019–20	Total	4,187
2020–21	Total	2,698

Normalised greenhouse gas emissions				
	2018–19	2019–20	2020–21	
Emissions per unit of floor space RDHM (kgCO2e/m²)	291	229	147	

Water consumption

Total water consumption by type (KL)				
	2018–19	2019–20	2020–21	
Potable water	12,055	9,413	5,556	

2018–19	Total	12,055
2019–20	Total	9,413
2020–21	Total	5,556

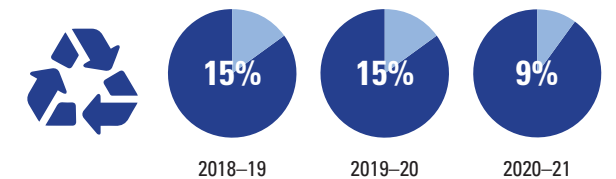
Normalised water consumption				
	2018–19	2019–20	2020–21	
Water per unit of floor space RDHM (kL/m²)	0.66	0.51	0.30	

Waste generation

Total waste generation by type (KG)				
	2018–19	2019–20	2020–21	
Clinical waste	18,000	15,000	17,900	
General waste	260,500	255,240	239,350	
Recycled waste	56,850	62,000	23,555	
Total	335,350	332,240	280,805	

Normalised waste generation				
	2018–19	2019–20	2020–21	
Waste per activity (kg/activity)	47	62	71	

Waste recycling				
Waste recycling rate (percentage)				



STATEMENT OF PRIORITIES

PART A: STRATEGIC PRIORITIES

In 2020–21, Dental Health Services Victoria will contribute to the achievement of the Victorian Government’s commitments by:

Goals	Strategies	Health Service Deliverables	Comments
Maintain robust COVID-19 readiness and response	Providing testing for community and staff if required	Participating in and assisting with the implementation of COVID-19 vaccine immunisation program rollout	<p>The COVID Pandemic Oversight and Response Group rolled out DHSV’s COVIDSafe Plan across the organisation.</p> <p>DHSV supplied guidance for the provision of clinical services to community dental agencies in Victoria, including information on identifying potential risks and issues. Agencies were also supported to prepare a business continuity plan to ensure safe, appropriate clinical services were still provided to patients where possible.</p> <p>The patient screening, QR check-in and temperature check process upon arrival at RDHM continues, ensuring we keep staff and patients as safe as possible. These measures were expanded to include some pre-operative COVID testing for patients scheduled for elective surgery. The process for on-site staff includes daily QR check-in, health attestations and temperature checks at the beginning of each shift.</p> <p>DHSV engaged staff in the state’s vaccination blitz, transporting staff to the Royal Exhibition Building vaccination hub. Staff are regularly encouraged to receive COVID-19 vaccinations through organisation-wide communications and all staff Town Hall information sessions.</p>
	Engage with community to address the needs of patients, especially those most vulnerable whose care has been delayed due to the pandemic	Provide necessary ‘catch-up care’ to support patients to get back on track	<p>The expansion of our telehealth service ensured that we could continue to engage with our most vulnerable patients and provide support and oral health advice. We continued to provide patient-centred care by reducing barriers to accessing services and enabling the right care to be delivered at the most appropriate time and place.</p> <p>The ICHOM Oral Health Questionnaire was established online in each community dental agency’s Titanium database as part of the Active Patient Management during COVID-19 (Waitlists and Recall) project. This provided agencies with a standardised program and the tools to support their patients to manage and minimise the deterioration of their oral health during the pause of full-service treatment during COVID-19 restrictions.</p> <p>Our Community Advisory Committee (CAC) meetings moved online to ensure the consumer voice continues to be included and respected as we design and rollout healthcare services. The CAC contributed by providing feedback on: our telehealth service including the development of information to promote the service to our clients; the functionality of the mobile-responsive website; and our post-visit patient feedback tool. The CAC also provided feedback to inform our COVID-19 patient flows using video tours of RDHM.</p>

Goals	Strategies	Health Service Deliverables	Comments
		Respond to the recommendations of the Royal Commission into Victoria's Mental Health System and the Royal Commission into Aged Care Quality and Safety	<p>DHSV advised The Australian Centre for Evidence Based Aged Care in the development of a training package for residential aged care staff. This was consistent with our submission to the Royal Commission into Aged Care Quality and Safety and our recommendations to support training, prevention, daily oral hygiene regimes, and referral pathways.</p> <p>The training package is aimed at registered nurses, enrolled nurses, personal care workers and allied health staff to provide education in three key areas: dementia care, palliative care, and oral health. This package was designed in collaboration with the Victorian Government – Department of Health, La Trobe University, the Australian Nursing and Midwifery Foundation and consumers.</p>
Develop and foster health partner relationships	Deliver collaborative approaches to planning, procurement and service delivery at scale	Prioritise innovative ways to deliver health care through shared expertise and workforce models, virtual care, co-commissioning services and surgical outpatient reform to deliver improved patient care through greater integration	<p>Smile Squad expanded its fleet to 52 examination vans and 20 treatment vans, examining more than 6,600 students and distributing more than 19,000 dental packs to students.</p> <p>Provided continuity of care and improved access to services by supporting our patients remotely through the expansion of our telehealth service, with a total of 43,756 telehealth services provided to 37,842 patients across the state by DHSV and agencies to 30 June, 2021. This total figure includes 5,694 services provided through RDHM. Telehealth allowed us to improve patient care through remote triage, consultation, and a range of other dental services.</p> <p>We partnered with the University of Melbourne, the Australian Dental Association's Victorian Branch, La Trobe University and the Department of Health to develop the Oral Cancer Learning Hub, an online resource for oral health professionals on cancer risk and prevention, early detection, examination and referral.</p> <p>More than 300 tertiary students and professionals took part in professional development activities through the Healthy Families, Healthy Smiles program, including supported playgroup facilitators and midwives. Training packages have transitioned to online delivery. New resources were developed to support families and partnering professionals who engage with families around good oral health, including:</p> <ul style="list-style-type: none"> • a video resource called 'Let's Brush', developed in English, Vietnamese, Burmese and Arabic and developed in partnership with the City of Melbourne Library Service • a social media kit for early childhood professionals • a new how-to-brush guide for families with young children, 'Caring for gums and teeth 0-6 years' available in English and 12 community languages. <p>Our Smiles 4 Miles oral health promotion program reached more than 51,000 children and their families across 750 early childhood services.</p>

Goals	Strategies	Health Service Deliverables	Comments
		Develop and implement a plan which enables the increase in utilisation and revenue collected through the Child Dental Benefits Schedule for services provided to children and young adults at the Royal Dental Hospital of Melbourne and community based public dental services.	<p>While Smile Squad is being rolled-out statewide, we developed a transitional strategy to maximise CDBS billing, including:</p> <ul style="list-style-type: none"> • analysing the eligible population and forecasting potential revenue • supporting agencies to navigate linkages and processes to claim Medicare • developing tools for agencies to use to convert children's payments to CDBS, which were promoted widely through statewide communications, webinars, and shared with relevant tools and resources on the extranet. <p>To maximise CDBS claiming in Smile Squad, the consent pack now includes the Medicare Bulk Billing Patient Consent Form and a request to obtain informed financial consent for exam and preventive services. This resulted in the majority of families providing consent for the use of their CDBS where eligible.</p> <p>Additional strategies are being explored aimed at improving the secondary consent requirements for submitting CDBS claims to Medicare, and potentially expanding which services can be claimed through the CDBS.</p>

PART B: PERFORMANCE PRIORITIES

High quality and safe care

Key Performance Measure	Target	Actual
Accreditation		
Patient satisfaction at the Royal Dental Hospital of Melbourne, as measured by the Patient Reported Experience Measures	85%	91%

Timely access to care

Key Performance Measure	2020–21 Agencies Target	2020–21 Actual	2020–21 RDHM Target	2020–21 Actual	2020–21 Statewide Target	2020–21 Actual
Emergency Care						
Percentage of Dental Emergency Triage Category 1 clients treated within 24 hours	85%	92%	85%	96%	85%	92%
Percentage of Dental Emergency Triage Category 2 clients treated within 7 days	80%	92%	80%	93%	80%	93%
Percentage of Dental Emergency Triage Category 3 treated within 14 days	75%	92%	75%	85%	75%	91%

Key Performance Measure	2020–21 Agencies Target	2020–21 Actual	2020–21 RDHM Target	2020–21 Actual	2020–21 Statewide Target	2020–21 Actual
General and Denture Care						
Number of hospital initiated postponements per 100 scheduled appointments	-	-	3	8	-	-
Average recall interval for high caries risk eligible clients aged 0 – 17 years (months)	-	-	-	-	12	13
Average recall interval for low caries risk eligible clients aged 0 – 17 years (months)	-	-	-	-	24	18
Waiting time for prosthodontics, endodontic, and orthodontics specialist services patients (months)	-	-	15	15	-	-
Waiting time for other dental specialist services patients (months)	-	-	9	11	-	-
Waiting time for general care (months)	-	-	-	-	23	23
Waiting time for denture care (months)	-	-	-	-	22	22
Waiting time for priority denture care (months)	-	-	-	-	3	4

Key Performance Measure	2020–21 Agencies Target	2020–21 Actual	2020–21 RDHM Target	2020–21 Actual	2020–21 Statewide Target	2020–21 Actual
Activity						
Total number of individuals treated (full year target – 365,000) ^{1&2}	-	-	-	-	365,000	272,446
Priority and emergency clients treated (full year target – 273,800) ²	-	-	-	-	273,800	227,770
Dental Weighted Activity Units (DWAUs – full year target – 351,488) ^{1&2}	-	-	-	-	351,488	241,510

Oral health promotion program

Key Performance Measure	2020–21 Statewide Target	Actual
Children participating in Smiles 4 Miles	34,000	51,209

Effective financial management

Key Performance Indicator	Target	Actual
Operating result (\$m)	0	\$2.7m
Average number of days to pay trade creditors	60 days	32 days
Average number of days to receive patient fee debtors	60 days	55 days
Actual number of days available cash each month	14 days	37 days

¹ Targets reflect additional activity to be delivered under the one-year extension to the National Partnership Agreement on Public Dental Services for Adults until 30 June 2021.

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

FINANCIAL OVERVIEW

The DHSV operating result for the financial year was a surplus of \$2,713,995. The net entity result was a surplus of \$4 million, due to capital grants of \$12.6m (primarily for school dental program), offset by depreciation expenses of \$7.6m and other economic flows of \$1.5m.

Total revenue increased by \$3.4 million (1.6% increase on previous year) due to CPI increases, COVID-related grants and additional funding for the school dental program.

Total expenditure decreased by \$3 million (1.6% on the previous year). The decrease was attributable to a reduction in salaries and wages, and consumable expenses due to lower activity caused by COVID-19 restrictions.

The net financial effect of COVID-19 on DHSV was minimal as the Department of Health provided funding to

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

The total equity increased by \$7.6 million, as a result of asset revaluation and the entity surplus for the year.

The key operational and financial objectives at DHSV are documents in the Statement of Priorities 2020–21.

Detailed financial statements are available at the end of this report.

Summary of financial results					
	2021	2020	2019	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000
Total revenue	217,964	214,583	207,196	197,524	186,849
Total expenses	(213,152)	(216,513)	(209,740)	(200,065)	(191,659)
Other operating flows included in the net result	(804)	(1,487)	(561)	(86)	104
Net result for the year	4,008	(3,417)	(3,105)	(2,627)	(4,706)
Operating result	2,714	140	(31)	(91)	(53)
Total assets	214,350	162,460	160,735	162,192	140,449
Total liabilities	85,070	40,756	35,614	41,723	30,946
Net assets	129,280	121,704	125,121	120,469	109,503
Total equity	129,280	121,704	125,121	120,469	109,503

*The 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 2020–21 is \$4.868 million (excluding GST) with the details shown below:

Business As Usual (BAU) ICT expenditure	
Total (excluding GST)	\$3,411
Non-Business As Usual (non-BAU) ICT expenditure	
(Total=Operational expenditure and capital expenditure) (excluding GST)	\$1,457
Operational expenditure	
Total (excluding GST)	\$426
Capital expenditure (excluding GST)	
Total (excluding GST)	\$1,031

Consultancies

Details of consultancies (under \$10,000)

In 2020–21, there were 17 consultancies where the total fees payable to the consultants were less than \$10,000.

The total expenditure incurred during 2020–21 in relation to these consultancies were \$66,165.23 (excl. GST).

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

In 2020–21, there were 17 consultancies where the total fees payable to the consultants were \$10,000 or greater.

The total expenditure incurred during 2020–21 in relation to these consultancies were \$421,815.50 (excl. GST).

Details of individual consultancies can be requested by emailing finance@dhsv.org.au

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.

Legislation	Requirement	Page reference
Ministerial directions		
Report of Operations		
Charter and purpose		
FRD 22H	Manner of establishment and the relevant Minister	3
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FRD 22H	<i>Application and operation of Protected Disclosure Act 2012</i>	25
FRD 22H	Statement on National Competition Policy	NA
FRD 22H	<i>Application and operation of Carers Recognition Act 2012</i>	NA
FRD 22H	Summary of the entity's environmental performance	29
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<i>Reporting of obligations under the Safe Patient Care Act 2015</i>	Nil return
Reporting of compliance regarding car parking fees	NA

GLOSSARY

ADC	Australian Dental Council
ALO	Aboriginal Liaison Officer
BAU	Business as Usual
CDBS	Child Dental Benefits Schedule
CLiP	Clinical Leadership in Practice Committee
CLG	Clinical Leadership Group
DHSV	Dental Health Services Victoria
DWAU	Dental Weighted Activity Unit
FOI	Freedom of Information
FTE	Full time equivalent
GST	Goods and services tax
HI	Health Informatics
ICHOM	International Consortium for Health Outcomes Measurement
ICT	Information and Communication Technology
IHF	International Hospital Federation
MARAM	Multiagency Risk Assessment and Management
MHFA	Mental Health First Aid
MIOH	Midwifery Initiated Oral Health
NSQHSS	National Safety and Quality Health Service Standards
OHS	Occupational health and safety
OVA	Occupational Violence and Aggression
PREMS	Patient Reported Experience Measures
RDHM	The Royal Dental Hospital of Melbourne
SHRFV	Strengthening Hospital Responses to Family Violence
VACCHO	Victorian Aboriginal Community Controlled Health Organisation Inc
VAGO	Victorian Auditor General’s Office

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

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2021**

DENTAL HEALTH SERVICES VICTORIA

Dental Health Services Victoria has presented its audited general purpose financial statements for the financial year ended 30 June 2021 in the following structure to provide users with the information about DHSVs stewardship of the resources entrusted to it.

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Dental Health Services Victoria

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

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, present fairly the financial transactions during the year ended 30 June 2021 and the financial position of Dental Health Services Victoria at 30 June 2021.

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 26 August 2021.

David Stevenson
Board Chair

26 August 2021

Susan McKee
Chief Executive Officer

26 August 2021

Tim Hogan
Chief Financial Officer

26 August 2021



dental health
services victoria
oral health for better health

Dental Health Services Victoria
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Independent Auditor's Report

To the Board of Dental Health Services Victoria

Opinion	<p>I have audited the financial report of Dental Health Services Victoria (the health service) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2021 • 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. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2021 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. 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 <i>Code of Ethics for Professional Accountants</i> (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.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>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 <i>Financial Management Act 1994</i>, 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.</p> <p>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.</p>

**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.



Travis Derricott

as delegate for the Auditor-General of Victoria

MELBOURNE
12 October 2021

DENTAL HEALTH SERVICES VICTORIA
Comprehensive Operating Statement
For the financial year ended 30 June 2021

	Note	Total 2021 \$'000	Total 2020 \$'000
Income from transactions			
Operating activities	2.1	205,179	206,707
Non-operating activities	2.1	12,785	7,876
Total income from transactions		217,964	214,583
Expenses from transactions			
Employee expenses	3.1	(48,327)	(51,368)
Supplies and consumables	3.1	(1,523)	(3,700)
Grants to other health services and community agencies	3.1	(139,046)	(137,553)
Depreciation and amortisation	4.3	(7,604)	(6,697)
Other operating expenses	3.1	(14,011)	(15,218)
Other non-operating expenses	3.1	(2,641)	(1,977)
Total expenses from transactions		(213,152)	(216,513)
Net result from transactions - net operating balance		4,812	(1,930)
Other economic flows included in net result			
Net loss on sale of non-financial assets	3.5	(1,187)	(245)
Net loss on financial instruments at fair value	3.5	(339)	(251)
Other gain / (loss) from other economic flows	3.5	722	(991)
Total other economic flows included in net result		(804)	(1,487)
Net result for the year		4,008	(3,417)
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment revaluation surplus	4.1(f)	3,575	-
Changes in contributed capital		(7)	-
Total other comprehensive income		3,568	-
Comprehensive result for the year		7,576	(3,417)

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

DENTAL HEALTH SERVICES VICTORIA

Balance Sheet

As at 30 June 2021

	Note	Total 2021 \$'000	Total 2020 \$'000
Current assets			
Cash and cash equivalents	6.2	71,360	26,304
Receivables	5.1(a)	2,706	1,767
Inventories	4.4	637	778
Prepayments		1,102	831
Total current assets		75,805	29,680
Non-current assets			
Receivables	5.1(a)	1,597	1,441
Property, plant and equipment	4.1(a)	136,576	129,799
Intangible assets	4.2	372	1,540
Total non-current assets		138,545	132,780
Total assets		214,350	162,460
Current liabilities			
Payables	5.2	69,857	26,280
Borrowings	6.1	320	99
Provisions	3.3	10,805	11,311
Total current liabilities		80,982	37,690
Non-current liabilities			
Borrowings	6.1	1,870	581
Provisions	3.3	2,218	2,485
Total non-current liabilities		4,088	3,066
Total liabilities		85,070	40,756
Net assets		129,280	121,704
Equity			
Property, plant and equipment revaluation surplus	4.1(f)	106,936	109,189
General purpose surplus		-	512
Contributed capital		52,605	52,612
Accumulated surpluses/(deficits)		(30,261)	(40,609)
Total equity		129,280	121,704
Commitments for expenditure	6.3		
Contingent assets and contingent liabilities	7.2		

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

DENTAL HEALTH SERVICES VICTORIA
Statement of Changes in Equity
For the financial year ended 30 June 2021

Total	Property, plant & equipment revaluation surplus	General purpose surplus	Contributed capital	Accumulated surpluses / (deficits)	Total
Note	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2019	109,189	512	52,612	(37,192)	125,121
Net result for the year	-	-	-	(3,417)	(3,417)
Other comprehensive income for the year	4.1(f)	-	-	-	-
Balance at 30 June 2020	109,189	512	52,612	(40,609)	121,704
Net result for the year	-	-	-	4,008	4,008
Other comprehensive income for the year	4.1(f)	-	-	-	3,575
Transfer to accumulated surplus/deficit	4.1(f)	(512)	-	6,340	-
Reduction of contributed capital	-	-	(7)	-	(7)
Balance at 30 June 2021	106,936	-	52,605	(30,261)	129,280

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 2021**

	Note	Total 2021 \$'000	Total 2020 \$'000
Cash flows from operating activities			
Operating grants from government		214,778	198,281
Capital grants from government		35,502	13,377
Patient fees received		1,437	1,923
Donations and bequests received		25	25
GST received from the Australian Taxation Office		9,915	10,394
Interest and Investment Income received		191	327
Other receipts		5,465	8,515
Total receipts		267,313	232,842
Employee expenses paid		(48,363)	(49,336)
Payments for supplies and consumables		(1,480)	(4,000)
GST paid to the Australian Taxation Office		(536)	(592)
Grant payments to other Health Services and Community Agencies		(138,682)	(138,431)
Purchase of inventories for resale		(5,287)	(3,018)
Other payments		(18,587)	(25,017)
Total payments		(212,935)	(220,394)
Net cash flow from / (used in) operating activities	8.1	54,378	12,448
Cash flows from investing activities			
Purchase of non-financial assets		(8,698)	(6,544)
Purchase of intangible assets		(443)	(789)
Proceeds from disposal of non-financial assets		25	30
Net cash flow from / (used in) investing activities		(9,116)	(7,303)
Cash flows from financing activities			
Repayment of borrowings		(206)	(66)
Net cash outflow from financing activities		(206)	(66)
Net increase/(decrease) in cash and cash equivalents held		45,056	5,079
Cash and cash equivalents at beginning of financial year		26,304	21,225
Cash and cash equivalents at end of financial year	6.2	71,360	26,304

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 2021

Note 1: Basis of preparation

These annual financial statements represent the audited general purpose financial statements for Dental Health Services Victoria (DHSV) for the year ended 30 June 2021. The report provides users with information about DHSVs stewardship of resources entrusted to it.

This section explains the basis of preparing the financial statements and identifies the key accounting estimates and judgements.

Note 1.1: Basis of preparation of the financial statements

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 2021 and the comparative information presented in these financial statements for the year ended 30 June 2020.

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

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 1.2: Impact of COVID-19 pandemic

In the previous financial year, a global pandemic caused by the COVID-19 Coronavirus (COVID-19) was declared. To contain the spread of COVID-19 and prioritise the health and safety of our community, DHSV was required to comply with various restrictions announced by the Commonwealth and State Governments, which in turn, has continued to impact the way in which DHSV operates.

DHSV introduced a range of measures in both the prior and current year, including:

- Introducing restrictions on non-essential visitors
- Greater utilisation of telehealth services
- Implementing reduced visitor hours
- Deferring dental surgery and reducing activity
- Performing COVID-19 testing
- Implementing work from home arrangements where appropriate.

DHSV implements operational changes, including clinical activity and working from home arrangements, in line with the imposed restrictions as they occur.

The financial impacts of the pandemic are disclosed in the subsequent Notes.

Note 1.3: 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.

DENTAL HEALTH SERVICES VICTORIA
Notes to the Financial Statements for the year ended 30 June 2021

Note 1.4: Equity

Contributed Capital

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

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

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

Note 1.5: Key accounting estimates and judgements

Management make estimates and judgements when preparing the financial statements.

These estimates and judgements are based on historical knowledge and best available current information and assume any reasonable expectation of future events. Actual results may differ.

Revisions to key estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision.

The accounting policies and significant management judgements and estimates used, and any changes thereto, are identified at the beginning of each section where applicable and are disclosed in further detail throughout the accounting policies.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

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: *Fair value of assets and services received free of charge or nominal consideration*

2.3: *Other income*

Impact of COVID-19 pandemic

Revenue recognised to fund the delivery of our services during the financial year was not materially impacted by the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

Key judgements and estimates

Key judgements and estimates	Description
Identifying performance obligations	<p>DHSV applies significant judgment when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligations.</p> <p>If this criteria is met, the contract/funding agreement is treated as a contract with a customer, requiring DHSV to recognise revenue as or when the health service transfers promised goods or services to customers.</p> <p>If this criteria is not met, funding is recognised immediately in the net result from operations.</p>
Determining timing of revenue recognition	<p>DHSV applies significant judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over time.</p>
Determining time of capital grant income recognition	<p>DHSV applies significant judgement to determine when its obligation to construct an asset is satisfied. Costs incurred is used to measure the health service's progress as this is deemed to be the most accurate reflection of the stage of completion.</p>

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 2.1: Income from transactions

	Total 2021 \$'000	Total ^(iv) 2020 \$'000
Operating activities		
Revenue from contracts with customers		
Government grants (State) - Operating ⁽ⁱ⁾	117,676	139,129
Patient fees	1,632	1,963
Commercial activities ⁽ⁱⁱ⁾	4,864	6,194
Other revenue from operating activities	377	220
Total revenue from contracts with customers	124,549	147,506
Other sources of income ⁽ⁱⁱⁱ⁾		
Government grants (State) - Operating ⁽ⁱ⁾	79,109	58,831
Assets received free of charge	1,521	370
Total other sources of income	80,630	59,201
Total revenue and income from operating activities	205,179	206,707
Income from non-operating activities ⁽ⁱⁱⁱ⁾		
Government grants (State) - Capital	12,569	7,173
Capital donations	25	-
Other sources of income	191	703
Total income from non-operating activities	12,785	7,876
Total income from transactions ⁽ⁱⁱⁱ⁾	217,964	214,583

⁽ⁱ⁾ Income from operating activities includes repurposed funding of \$55.9m in addition to \$3.79m received from the Department of Health to cover operational costs due to impacts of COVID-19.

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

⁽ⁱⁱⁱ⁾ Other sources of income and Income from non-operating activities are recognised as income for not-for-profit entities (AASB 1058).

^(iv) Prior year figure was reclassified for comparative purposes.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 2.1: Income from transactions (continued)

How we recognise revenue and income from transactions

Government operating grants

To recognise revenue, DHSV assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15: *Revenue from Contracts with Customers*.

When both of these conditions are satisfied, the health service:

- Identifies each performance obligation relating to the revenue
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfied its performance obligations, at the time or over time when services are rendered.

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, the health service:

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example, AASB 9, AASB 16, AASB 116 and AASB 138)
- recognises related amounts (being contributions by owners, lease liabilities, financial instruments, provisions, revenue or contract liabilities from a contract with a customer), and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

The types of government grants recognised under AASB 15: *Revenue from Contracts with Customers* includes:

Government Grant	Performance Obligation
Activity Based Funding (ABF) paid as Dental Weighted Average Units (DWAUs)	The performance obligations for ABF are the number of DWAUs generated in providing dental services to patients in accordance with levels of activity agreed to with the Department of Health (DoH) in the annual Statement of Priorities (SoP). Revenue is recognised at a point in time, which is when a patient is provided dental services and in accordance with the DWAU activity for each treatment type. The performance obligations align with funding conditions set out in the Policy and Funding Guidelines issued by the DoH.
Other grants	Funding conditions for various recurrent and one-off grants that contain enforceable and sufficiently specific performance obligations.

Capital grants

Where DHSV receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liabilities, financial instruments, provisions, revenue or contract liabilities arising from a contract with a customer) recognised under other Australian Accounting Standards. Income is recognised progressively as the asset is constructed which aligns with DHSV's obligation to construct the asset.

Income from grants to procure dental vans and associated equipment to provide dental care to children under the School Dental Project is recognised progressively as the asset is assembled, as per AASB 1058.

The progressive method is used as this most closely reflects the progress to completion, as costs are incurred as the works are done (see Note 5.2(a)).

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 2.1: Income from transactions (continued)

The following are other transactions that DHSV has determined to be classified as revenue from contracts with customers in accordance with AASB 15.

Patient Fees

The performance obligations related to patient fees are dependent on type of treatments and number of visits. These performance obligations have been selected as they align with the terms and conditions of the provision of dental services. Revenue is recognised at a point in time when the performance obligation (provision of service) is satisfied.

Commercial activities

Revenue from commercial activities are predominantly from sales of goods and services to community agencies including the provision of technical support and fees for overseas training courses. Performance obligations are satisfied when goods and services are delivered to and accepted by the customers. Revenue is recognised when, or as, the performance obligations for the sale of goods and services to the customer are satisfied.

- Customers obtain control of goods at a point in time when the goods are delivered to and have been accepted at their premises.
- Revenue from rendering of services is recognised at a point in time when the performance obligation is satisfied through the completion of the service; and over time when the customer simultaneously receives and consumes the services as it is provided.
- Historically, refund obligations were not material.
- Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability (Note 5.2(b)). Where the performance obligations are satisfied but not yet billed, a contract asset is recorded (Note 5.1(c)).

Other Revenue from Operating Activities

Other income is recognised as revenue when earned. Other income includes expense recoveries from The University of Melbourne and RMIT associated with tenancy agreements, recoveries for salaries and wages and external services provided.

Note 2.2: Fair value of assets and services received free of charge or nominal consideration

	Total 2021 \$'000	Total 2020 \$'000
Personal Protective Equipment (PPE) from Monash Health	1143	215
Cash and capital donations	25	25
Non-cash revenue from DoH - Insurance	222	84
Non-cash revenue from DoH - Long Service Leave	156	46
Total fair value of assets and services received free of charge	1,546	370

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 2.2: Fair value of assets and services received free of charge (continued)

How we recognise the fair value of assets and services received free of charge or for nominal consideration

Donations and bequests

Donations and bequests are generally recognised as income upon receipt (which is when DHSV usually obtained control of the asset) as they do not contain sufficiently specific and enforceable performance obligations. Where sufficiently specific and enforceable performance obligations exist, revenue is recorded as and when the performance obligation is satisfied.

Personal protective equipment

In order to meet the State of Victoria's health system supply needs during the COVID-19 pandemic, arrangements were put in place to centralise the purchasing of essential personal protective equipment (PPE) and other essential plant and equipment.

The general principles of the State Supply Arrangement were that Health Share Victoria sourced, secured and agreed terms for the purchase of the PPE products, funded by the Department of Health, while Monash Health took delivery, and distributed an allocation of the products to DHSV as resources provided free of charge. Health Share Victoria and Monash Health were acting as an agent of the Department of Health under this arrangement.

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

The Department of Health (DoH) makes some payments on behalf of DHSV as follows:

Supplier	Description
Victorian Managed Insured Authority	The Department of Health purchases non-medical indemnity insurance for DHSV which is paid directly to the Victorian Managed Insurance Authority. To record this contribution, such payments are recognised as income with a matching expense in the net result from transactions.
Department of Health	Long Service Leave (LSL) revenue is recognised upon finalisation of movements in LSL liability in line with the long service leave funding arrangements set out in the relevant Department of Health Hospital Circular.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 2.3: Other income

	Total 2021 \$'000	Total 2020 \$'000
Rental income - operating leases	62	159
Interest income	191	325
Total other income	253	484

How we recognise other income

Interest income

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

Rental and lease income

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

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

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

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

The following table sets out the maturity analysis of undiscounted future lease payments receivable under DHSV's operating leases:

	Total 2021 \$'000	Total 2020 \$'000
Non-cancellable operating lease receivables		
Not longer than one year	94	46
Longer than one year but not longer than five years	139	233
Total other income	233	279

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

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 *Employee benefits in the balance sheet*

3.4 *Superannuation*

3.5 *Other economic flows*

Impact of COVID-19 pandemic

Expenses incurred to deliver services during the financial year were impacted by the COVID-19 Coronavirus pandemic. This resulted in direct and indirect costs being affected, such as provision of additional security guards, additional cleaning, salary maintenance of casual staff members and increased annual leave liability.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring and classifying employee benefit liabilities	<p>DHSV applies significant judgment when measuring and classifying its employee benefit liabilities.</p> <p>Employee benefit liabilities are classified as a current liability if DHSV does not have an unconditional right to defer payment beyond 12 months. Annual leave, accrued days off and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category.</p> <p>Sick leave entitlements are not included in employee benefits as a liability, as they are non vesting.</p> <p>Employee benefit liabilities are classified as a non-current liability if DHSV has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category.</p> <p>DHSV also applies judgement to determine when it expects its employee entitlements to be paid. With reference to historical data, if the health service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value. All other entitlements are measured at their nominal value.</p>

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 3.1: Expenses from transactions

		Total 2021 \$'000	Total 2020 \$'000
	Note		
Salaries and wages		38,667	40,987
On-costs		8,338	8,982
Agency expenses		375	563
Work cover premium		947	836
Total employee expenses		48,327	51,368
Drug supplies		242	302
Medical and surgical supplies		1,281	3,398
Total supplies and consumables		1,523	3,700
Grants to other health services and community agencies		139,046	137,553
Finance costs		51	19
Medical indemnity and motor vehicle insurance		229	84
Fuel, light, power and water		673	772
Repairs and maintenance		792	470
Maintenance contracts		432	433
Computer expenses		2,422	2,505
Other administrative expenses		7,999	10,079
Expenses related to leases of low value assets		44	47
Expenditure for capital purposes		1,369	809
Total other operating expenses		14,011	15,218
Total operating expense		202,907	207,839
Assets provided free of charge		1,118	215
Specific expenses		1,523	1,762
Total other non-operating expenses		2,641	1,977
Depreciation and amortisation	4.3	7,604	6,697
Total depreciation and amortization		7,604	6,697
Total non-operating expense		10,245	8,674
Total expenses from transactions		213,152	216,513

How we recognise expenses from transactions

Expense recognition

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

Employee expenses

Employee expenses include:

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

Grants and other transfers

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

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 3.1: Expenses from transactions (continued)

Other operating expenses

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

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

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

Supplies and consumables

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

Finance costs

Finance costs include finance charges in respect of leases which are recognised in accordance with AASB 16 Leases.

Non-operating expenses

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

Note 3.2: Specific expenses

	Total 2021 \$'000	Total 2020 \$'000
Specific expenses		
Amounts paid for the purchase of dental equipment on behalf of external Dental agencies ⁽ⁱ⁾	1,523	1,489
Legal expenses -claim settlement	-	273
Total specific expenses	1,523	1,762

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

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 3.3: Employee benefits in the balance sheet

	Total 2021 \$'000	Total 2020 \$'000
Current provisions		
Employee benefits ⁽ⁱ⁾		
Accrued days off		
- Unconditional and expected to be settled wholly within 12 months ⁽ⁱⁱ⁾	213	355
Annual leave		
- Unconditional and expected to be settled wholly within 12 months ⁽ⁱⁱ⁾	2,290	2,423
- Unconditional and expected to be settled wholly after 12 months ⁽ⁱⁱⁱ⁾	823	696
Long service leave		
- Unconditional and expected to be settled wholly within 12 months ⁽ⁱⁱ⁾	763	736
- Unconditional and expected to be settled wholly after 12 months ⁽ⁱⁱⁱ⁾	5,337	5,335
Employee Termination Benefits		
- Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	354	761
Provisions related to employee benefit on-costs		
- Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	335	339
- Unconditional and expected to be settled after 12 months ⁽ⁱⁱⁱ⁾	690	666
Total current provisions	10,805	11,311
Non-current provisions		
Conditional long service leave ^{(i) (iii)}	1,980	2,244
Provisions related to employee benefit on-costs ⁽ⁱⁱⁱ⁾	238	241
Total non-current provisions	2,218	2,485
Total provisions	13,023	13,796
(a) Employee benefits and related on-costs		
Current employee benefits and related on-costs		
Unconditional long service leave entitlements	6,779	6,744
Annual leave entitlements	3,459	3,451
Employee termination benefits	354	761
Accrued days off	213	355
Non-current employee benefits and related on-costs		
Conditional long service leave entitlements ⁽ⁱⁱⁱ⁾	2,218	2,485
Total employee benefits and related on-costs	13,023	13,796
Notes:		
<i>(i) Employee benefits consist of amounts for accrued days off, annual leave and long service leave accrued by employees, not including on-costs.</i>		
<i>(ii) The amounts disclosed are nominal amounts.</i>		
<i>(iii) The amounts disclosed are discounted to present values.</i>		
(b) Movements in long service leave		
Balance at start of year	9,229	7,977
Provision made during the year		
- Revaluations	(722)	991
- Expense recognising employee service	1,285	1,278
Settlement made during the year	(795)	(1,017)
Balance at end of year	8,997	9,229

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 3.3: Employee benefits in the balance sheet (continued)

How we recognise employee benefits

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

Provisions

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

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

Annual leave and accrued days off

Liabilities for annual leave and accrued days off are 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 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

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 - if DHSV does not expect to wholly settle within 12 months.

Conditional LSL is measured at present value and 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 benefits

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

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 3.4: Superannuation

	Paid Contributions for the Year		Contributions Outstanding at Year End	
	Total 2021 \$'000	Total 2020 \$'000	Total 2021 \$'000	Total 2020 \$'000
Defined benefit plans: ⁽ⁱ⁾				
Aware Super	18	19	1	-
ESS State Super	34	53	69	-
Defined contribution plans:				
Aware Super	2,392	2,537	69	70
Other	1,427	1,448	42	39
Total	3,871	4,057	181	109

(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.

How we recognise superannuation

Defined benefit superannuation plans

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

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

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

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

Defined contribution superannuation plans

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

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 3.5: Other economic flows

	Total 2021 \$'000	Total 2020 \$'000
Net gain / (loss) on sale of non-financial assets		
Impairment of intangible assets	(926)	(263)
Impairment of non-financial assets	(286)	-
Net gain on disposal of non-financial assets	25	18
Total net gain / (loss) on disposal of non-financial assets	(1,187)	(245)
Net gain / (loss) on financial instruments		
Allowance for impairment losses of contractual receivables	(339)	(251)
Total net gain / (loss) on financial instruments	(339)	(251)
Other gain / (loss) from other economic flows		
Net gain/ (loss) arising from revaluation of long service liability	722	(991)
Total net gain / (loss) from other economic flows	722	(991)
Total other gains/(losses) from economic flows	(804)	(1,487)

Net gain/ (loss) on non-financial assets

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

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

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

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

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

Other gains/ (losses) from other economic flows

Other gains/ (losses) include:

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

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 4: Key assets to support service delivery

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

Structure

4.1 Property, plant & equipment

4.2 Intangible assets

4.3 Depreciation and amortisation

4.4 Inventories

Impact of COVID-19 pandemic

Assets used to support the delivery of our services during the financial year were not materially impacted by the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring fair value of property, plant and equipment	<p>DHSV obtains independent valuations for its non-current assets at least once every five years.</p> <p>If an independent valuation has not been undertaken at balance date, DHSV estimates possible changes in fair value since the date of the last independent valuation with reference to Valuer-General of Victoria indices.</p> <p>Managerial adjustments are recorded if the assessment concludes a material change in fair value has occurred. Where exceptionally large movements are identified, an interim independent valuation is undertaken.</p>
Estimating useful life and residual value of property, plant and equipment	<p>DHSV assigns an estimated useful life to each item of property, plant and equipment, whilst also estimating the residual value of the asset, if any, at the end of the useful life. This is used to calculate depreciation of the asset.</p> <p>DHSV reviews the useful life, residual value and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.</p>
Estimating useful life of right-of-use assets	<p>The useful life of each right-of-use asset is typically the respective lease term, except where DHSV is reasonably certain to exercise a purchase option contained within the lease (if any), in which case the useful life reverts to the estimated useful life of the underlying asset.</p> <p>DHSV applies significant judgement to determine whether or not it is reasonably certain to exercise such purchase options.</p>
Estimating restoration costs at the end of a lease	<p>Where a lease agreement requires DHSV to restore a right-of-use asset to its original condition at the end of a lease, the health service estimates the present value of such restoration costs. This cost is included in the measurement of the right-of-use asset, which is depreciated over the relevant lease term.</p>
Estimating the useful life of intangible assets	<p>DHSV assigns an estimated useful life to each intangible asset with a finite useful life, which is used to calculate amortisation of the asset.</p>
Identifying indicators of impairment	<p>At the end of each year, DHSV assesses impairment by evaluating the conditions and events specific to the health service that may be indicative of impairment triggers. Where an indication exists, the health service tests the asset for impairment.</p> <p>The health service considers a range of information when performing its assessment, including considering:</p> <ul style="list-style-type: none"> - If an asset's value has declined more than expected based on normal use - If a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset - If an asset is obsolete or damaged - If the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life - If the performance of the asset is or will be worse than initially expected. <p>Where an impairment trigger exists, DHSV applies significant judgement and estimate to determine the recoverable amount of the asset.</p>

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 4.1: Property, plant and equipment

(a) Gross carrying amount and accumulated depreciation

	Total 2021 \$'000	Total 2020 \$'000
Land		
Land - Crown	1,579	1,309
ROU - Land at fair value	35,547	32,242
Accumulated depreciation - ROU - Land	(561)	-
Total land at fair value	36,565	33,551
Buildings ⁽ⁱ⁾		
Buildings at fair value	1,259	71,500
Accumulated depreciation	(144)	(3,555)
ROU - Buildings at fair value	66,686	-
Accumulated depreciation - ROU - Buildings	(3,412)	-
Total buildings at fair value	64,389	67,945
Leasehold Improvements ⁽ⁱ⁾		
Leasehold improvements at fair value	17,088	18,411
Work in progress	172	-
Accumulated depreciation	(1,700)	(1,635)
Total leasehold improvements	15,560	16,776
Plant and Equipment		
Plant and equipment at fair value	867	955
Accumulated depreciation	(751)	(804)
Total plant and equipment	116	151
Medical Equipment		
Medical equipment at fair value	10,519	6,691
Work in progress	298	2,743
Accumulated depreciation	(4,298)	(3,973)
Total medical equipment	6,519	5,461
Computers and Communication		
Computers and communication at fair value	1,808	3,103
Accumulated depreciation	(986)	(2,922)
Total computers and communications	822	181
Furniture and Fittings		
Furniture and fittings at fair value	51	59
Accumulated depreciation	(51)	(55)
Total furniture & fittings	-	4
Motor Vehicles		
Motor vehicles at fair value	7,881	5,503
Work in progress	4,907	1,489
Accumulated depreciation	(2,350)	(1,938)
ROU - Motor vehicles at fair value	2,448	746
Accumulated depreciation - ROU - Motor vehicles	(281)	(70)
Total motor vehicles	12,605	5,730
Total	136,576	129,799

⁽ⁱ⁾ The comparatives relating to buildings have been re-classified to reflect the application of the AASB 16 Leases at Jun-2 and Jun-21.

DENTAL HEALTH SERVICES VICTORIA
Notes to the Financial Statements for the year ended 30 June 2021

Note 4.1: Property, plant and equipment

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

	Crown Land	ROU Land	Buildings	Buildings Improvements	Leasehold Improvements	Plant & Equipment	Medical Equipment	Computers & Comm Equipment	Furniture & Fittings	Motor Vehicles	ROU Motor Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2019	1,309	32,242	70,225	-	18,411	127	3,656	387	8	2,442	-	128,807
Additions	-	-	1,437	-	-	83	762	139	1	3,168	746	6,336
Disposals	-	-	-	-	-	-	-	-	-	(12)	-	(12)
Work in progress assets movements	-	-	(162)	-	-	-	1,453	(216)	-	(121)	-	954
Depreciation and amortisation (note 4.3)	-	-	(3,555)	-	(1,635)	(59)	(410)	(129)	(5)	(423)	(70)	(6,286)
Balance at 30 June 2020	1,309	32,242	67,945	-	16,776	151	5,461	181	4	5,054	676	129,799
Additions	-	-	-	-	312	-	4,037	784	-	2,413	1,772	9,318
Revaluation ^(a)	270	3,305	-	-	-	-	-	-	-	-	-	3,575
Reclassification	-	-	(66,686)	66,686	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	(88)	(209)	(2,079)	-	(35)	-	(2,411)
Work in progress assets movements	-	-	-	-	172	-	(2,445)	-	-	3,418	-	1,145
Depreciation and amortisation (note 4.3)	-	(561)	(144)	(3,412)	(1,700)	53	(325)	1,936	(4)	(412)	(281)	(4,850)
Balance at 30 June 2021	1,579	34,986	1,115	63,274	15,560	116	6,519	822	-	10,438	2,167	136,576

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

^(b) Managerial revaluation, based on VGV indices, was completed as at 30 June 2021

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 4.1: Property, plant and equipment

How we recognise property, plant and equipment

Initial recognition

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

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

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

The cost of a leasehold improvement is capitalised as an asset and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the improvements.

Subsequent measurement

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

Revaluation

Fair value is based on periodic valuations by independent valuers, which normally occur once every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate a material change in fair value has occurred.

In compliance with FRD 103H, in the year ended 30 June 2021, management conducted an annual assessment of the fair value of land and buildings. To facilitate this, management obtained from the Department of Treasury and Finance the Valuer General of Victoria (VGV) indices for the financial year ended 30 June 2021.

An adjustment is recognised if the assessment concludes that the fair value of land and buildings has changed by 10% or more since the last revaluation (whether that be the most recent independent valuation or managerial valuation). Any estimated change in fair value of less than 10% is deemed immaterial to the financial statements and no adjustment is recorded. Where the assessment indicates there has been an exceptionally material movement in the fair value of land and buildings since the last independent valuation, being equal to or in excess of 40%, DHSV would obtain an interim independent valuation prior to the next scheduled independent valuation.

An independent valuation of DHSV's property, plant and equipment was performed by the VGV in May 2019. The valuation, which complies with Australian Valuation Standards, was determined by reference to the amount for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The managerial assessment performed at 30 June 2021 indicated an overall increase in fair value of land of 10.66% (\$3,574,983).

As the cumulative movement was greater than 10% for land and buildings since the last revaluation a managerial revaluation adjustment was required as at 30 June 2021.

Revaluation increments are recognised in 'Other Comprehensive Income' and are credited directly to the asset revaluation reserve, 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, in which case the increment is recognised as income in the net result.

Impairment

At the end of each financial year, DHSV assesses if there is any indication that an item of property, plant and equipment may be impaired by considering internal and external sources of information. If an indication exists, DHSV estimates the recoverable amount of the asset. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised. An impairment loss of a revalued asset is treated as a revaluation decrease as noted above.

DHSV has concluded that the recoverable amount of property, plant and equipment which are regularly revalued is expected to be materially consistent with the current fair value. As such, there were no indications of property, plant and equipment being impaired at balance date.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 4.1: Property, plant and equipment (continued)

How we recognise right-of-use assets

Where DHSV enters a contract, which provides the health service with the right to control the use of an identified asset for a period of time in exchange for payment, this contract is considered a lease.

Unless the lease is considered a short-term lease or a lease of a low-value asset (refer to Note 6.1 for further information), the contract gives rise to a right-of-use asset and corresponding lease liability. DHSV presents its right-of-use assets as part of property, plant and equipment as if the asset was owned by the health service.

Right-of-use assets and their respective lease terms include:

Class of right-of-use asset	Lease term
Leased land	40 years & 99 years
Leased motor vehicles	5 years

Initial Recognition

When a contract is entered into, DHSV assesses if the contract contains or is a lease. If a lease is present, a right-of-use asset and corresponding lease liability is recognised. The definition and recognition criteria of a lease is disclosed at Note 6.1.

The right-of-use asset is initially measured at cost and comprises the initial measurement of the corresponding lease liability, adjusted for:

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

DHSV holds lease agreements which contain significantly below-market terms and conditions, which are principally to enable the health service to further its objectives. The health service has applied temporary relief and continues to measure those right-of-use asset at cost. Refer to Note 6.1 for further information regarding the nature and terms of the concessional lease, and DHSV's dependency on such lease arrangements.

Subsequent measurement

DHSV depreciates the right-of-use assets on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful life of the right-of-use assets are determined on the same basis as property, plant and equipment, other than where the lease term is lower than the otherwise assigned useful life. The right-of-use assets are also subject to revaluation, and as at 30 Jun 2021 right-of-use assets have been subject to an interim managerial revaluation as reflected in Note 4.1.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 4.1: Property, plant and equipment

(c) Fair value measurement hierarchy for assets

Note	Carrying amount	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2021				
Specialised land at fair value	1,579	-	-	1,579
Total land at fair value	1,579	-	-	1,579
Specialised buildings at fair value	1,115	-	-	1,115
Total of buildings at fair value	1,115	-	-	1,115
Leasehold improvements at fair value	15,248	-	-	15,248
Total of leasehold improvements at fair value	15,248	-	-	15,248
Vehicles	10,438	-	75	10,363
Plant and equipment	116	-	-	116
Computer and communications	822	-	-	822
Furniture and fittings	-	-	-	-
Total of plant, equipment and vehicles at fair value	11,376	-	75	11,301
Medical equipment at fair value				
Total medical equipment at fair value	6,519	-	-	6,519
Specialised land	34,986			34,986
Specialised buildings	63,586			63,586
Motor vehicles	2,167			2,167
Total right of use assets at fair value	100,739			100,739
	136,576	-	75	136,501

Fair value measurement hierarchy for assets as at 30 June 2020

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

Note

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

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

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 4.1: Property, plant and equipment

(d) Reconciliation of level 3 fair value measurement

	Note	Crown Land \$'000	ROU Land \$'000	Buildings \$'000	ROU Buildings \$'000	Leasehold Improvements \$'000	Plant & Equipment \$'000	Medical Equipment \$'000	Computers & Comm Eqpt \$'000	Furniture & Fittings \$'000	Motor Vehicles \$'000	ROU Motor Vehicles \$'000
Balance at 1 July 2019	4.1 (b)	33,551	-	70,225	-	18,411	127	3,656	387	8	2,254	-
Addition/(disposals)	4.1 (b)	-	-	1,275	-	-	83	2,215	(77)	1	3,039	746
Recognition of right of use assets on initial application of AASB 16	4.3	(32,242)	32,242	-	-	-	-	-	-	-	-	-
Gains or losses recognised in net result		-	-	(3,555)	-	(1,635)	(59)	(410)	(129)	(5)	(362)	(70)
- Depreciation												
Balance at 30 June 2020	4.1 (c)	1,309	32,242	67,945	-	16,776	151	5,461	181	4	4,931	676
Addition/(disposals)	4.1 (b)	-	-	-	-	312	(88)	1,383	(1,295)	-	2,413	1,772
Reclassification		-	-	(66,686)	66,686	-	-	-	-	-	-	-
Work in progress assets movements		-	-	-	-	172	-	-	-	-	3,418	-
Gains or losses recognised in net result	4.3	-	(561)	(144)	(3,412)	(1,700)	53	(325)	1,936	(4)	(399)	(281)
- Depreciation												
Items recognised in other comprehensive income		270	3,305	-	-	-	-	-	-	-	-	-
- Revaluation												
Balance at 30 June 2021	4.1 (c)	1,579	34,986	1,115	63,274	15,560	116	6,519	822	-	10,363	2,167

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 4.1: Property, plant and equipment (continued)

(e) Fair value determination

Asset Class	Examples of types of assets	Expected fair value level	Likely valuation approach	Significant inputs (Level 3 only) ⁽ⁱ⁾
Specialised land Right of use - land	Land subject to restrictions	Level 3	Market approach	- Community Service Obligations (CSO) adjustments ⁽ⁱ⁾
Specialised buildings	Specialised buildings with limited alternative uses	Level 3	Depreciated replacement cost approach	- Cost per square metre - Useful life
Plant and equipment	Specialised items with limited alternative uses	Level 3	Depreciated replacement cost approach	- Cost per unit - Useful life
Vehicles	If there is an active market	Level 3	Market approach	N/A
	If there is no active market available		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 2021.

How we measure fair value

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, characteristic 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 input that is significant to the fair value measurement as a whole) at the end of each reporting period. There have been no transfers between levels for the period.

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

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

Valuation hierarchy

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

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

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.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 4.1: Property, plant and equipment (continued)

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.

Specialised land and specialised buildings

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

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

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

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

There were no changes in valuation techniques throughout the period to 30 June 2021.

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

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 4.1: Property, plant and equipment

(f) Property, plant and equipment revaluation surplus

	Note	Total 2021 \$'000	Total 2020 \$'000
Property, plant and equipment revaluation surplus			
Balance at the beginning of the reporting period		109,189	109,189
Transfer of revaluation surplus		(5,828)	-
Revaluation increment			
- Crown land	4.1 (b)	270	-
- ROU - Land	4.1 (b)	3,305	-
Total revaluation increment		3,575	-
Balance at the end of the reporting period*		106,936	109,189
* Represented by:			
- Crown land		467	6,025
- ROU - Land		27,202	23,897
- Leasehold Improvements		78,818	78,818
- Medical equipment		331	331
- Motor vehicles		118	118
Total		106,936	109,189

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 4.2: Intangible assets

(a) Gross carrying amount and accumulated amortisation

	Total 2021 \$'000	Total 2020 \$'000
Intangible produced assets - software	4,794	5,550
Accumulated amortisation	(4,422)	(4,010)
Total intangible assets	372	1,540

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

	Total \$'000
Balance at 1 July 2019	1,425
Additions	517
Work in progress assets	272
Impairment of non-financial assets	(263)
Amortisation (note 4.4)	(411)
Balance at 1 July 2020	1,540
Additions	171
Impairment of non-financial assets	(926)
Amortisation (note 4.4)	(413)
Balance at 30 June 2021	372

How we recognise intangible assets

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

Initial recognition

Purchased intangible assets are initially recognised at cost

Expenditure on research activities is recognised as an expense in the period on which it is incurred.

Subsequent measurement

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

Impairment

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

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 4.3: Depreciation and amortisation

	Total 2021 \$'000	Total 2020 \$'000
Depreciation		
Buildings	145	3,555
Right of use - Buildings	3,412	-
Leasehold improvements	1,699	1,635
Right of use - Land	561	-
Plant and equipment	35	59
Medical equipment	534	410
Computers and communication	143	129
Furniture and fittings	4	5
Motor vehicles	447	423
Right of use motor vehicles	211	70
Total depreciation	7,191	6,286
Amortisation		
Intangible assets	413	411
Total depreciation and amortisation	7,604	6,697

How we recognise depreciation

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

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

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

How we recognise amortization

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.

	2021	2020
Leasehold improvement		
- Structure shell building fabric	45 to 60 years	45 to 60 years
- Site engineering services and central plant	15 to 40 years	15 to 40 years
Central plant		
- Fit out	15 to 30 years	15 to 30 years
- Trunk reticulated building systems	15 to 30 years	15 to 30 years
Relocatable buildings	20 years	20 years
Building improvements	5 years	5 years
Plant and equipment	5 to 10 years	5 to 10 years
Medical equipment	5 to 15 years	5 to 15 years
Computers and communication	3 years	3 years
Furniture and fittings	5 years	5 years
Motor vehicles	5 to 15 years	5 to 15 years
Right of Use - Land & Buildings	40 to 99 years	40 to 99 years
Right of Use - Motor Vehicles	5 to 15 years	5 to 15 years

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

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 4.4: Inventories

	Total 2021 \$'000	Total 2020 \$'000
Medical and surgical lines		
At cost	453	471
Loss of service potential	(9)	(18)
Total medical and surgical lines	444	453
Engineering stores		
Engineering stores	239	371
Loss of service potential	(46)	(46)
Total engineering stores	193	325
Total inventories	637	778

How we recognise inventories

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

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

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

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

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

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 5: Other assets and liabilities

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

Structure

5.1 Receivables and contract assets

5.2 Payables and contract liabilities

Impact of COVID-19 pandemic

The measurement of other assets and liabilities were not materially impacted by the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring deferred capital grant income	Where DHSV has received funding to construct an identifiable non-financial asset, such funding is recognised as deferred capital grant income until the underlying asset is constructed. DHSV applies significant judgement when measuring the deferred capital grant income balance, which references the estimated the stage of completion at the end of each financial year.
Measuring contract liabilities	DHSV applies significant judgement to measure its progress towards satisfying a performance obligation as detailed in Note 2. Where a performance obligation is yet to be satisfied, the health service assigns funds to the outstanding obligation and records this as a contract liability until the promised good or service is transferred to the customer.
Recognition of other provisions	Other provisions include DHSV's obligation to restore leased assets to their original condition at the end of a lease term. The health service applies significant judgement and estimate to determine the present value of such restoration costs.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 5.1(a): Receivables and contract assets

		Total 2021 \$'000	Total 2020 \$'000
	Note		
Current			
Contractual			
Inter hospital debtors		137	96
Trade debtors		979	417
Patient fees		291	217
Accrued investment income		1	1
Contract assets	5.1 (c)	425	268
Less allowance for impairment losses of contractual receivables			
Trade debtors		(125)	(7)
Patient fees		(109)	(82)
Total current contractual		1,599	910
Statutory			
GST receivable		1,107	857
Total current statutory		1,107	857
Total current receivables		2,706	1,767
Non-current			
Contractual			
Long service leave - Department of Health		1,597	1,441
Total non-current receivables		1,597	1,441
Total receivables		4,303	3,208
<i>(i) Financial assets classified as receivables and contract assets (Note 7.1(a)).</i>			
Total receivables and contract assets		4,303	3,208
Contract assets		(425)	(268)
GST Receivable		(1,107)	(857)
Total Financial Assets	7.1(a)	2,771	2,083

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

	Total 2021 \$'000	Total 2020 \$'000
Balance at beginning of year	89	107
Reversal of allowance written off during the year as uncollectable	(194)	(269)
Increase in allowance recognised in net result	339	251
Balance at end of year	234	89

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 5.1(b): Receivables (continued)

How we recognise receivables

Receivables consist of:

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

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

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

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

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

Note 5.1(c) Contract assets

Balance at beginning of year

Revenue recognised from performance obligations satisfied in previous period

Revenue recognised in the period

Total contract assets

Represented by

Current contract assets

Non-current contract assets

Total contract assets

	Total 2021 \$'000	Total 2020 \$'000
	268	2,135
	425	268
	(268)	(2,135)
	425	268
	425	268
	-	-
	425	268

How we recognise contract assets

Contract assets relate to DHSV's right to consideration in exchange for goods transferred to customers for works completed, but not yet billed at the reporting date. The balance of the contract assets at 30 June 2021 was impacted by timing of the works completed and is new compared to last year as it is not billable at this stage. The works are expected to be completed and recovered early next year.

Impairment losses of contractual receivables

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

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 5.2: Payables and contract liabilities

		Total 2021 \$'000	Total 2020 \$'000
	Note		
Current			
Contractual			
Trade creditors		2,526	332
Accrued wages and salaries		1,226	1,204
Accrued expenses		1,250	1,084
Deferred capital grant revenue	5.2(a)	30,791	7,858
Contract liabilities - income received in advance ⁽ⁱ⁾	5.2(b)	22,392	4,492
Amounts payable to government and agencies		11,661	11,297
		69,846	26,267
Statutory			
FBT Payable		11	13
		11	13
Total Payables		69,857	26,280

⁽ⁱ⁾ Prior year figures were reclassified for comparative purposes.

⁽ⁱⁱ⁾ Financial liabilities classified as payables and contract liabilities

Total payables	69,857	26,280
Deferred grant income	(30,791)	(7,858)
Contract liabilities	(22,392)	(4,492)
Total Financial Liabilities	16,674	13,930

How we recognise payables and contract liabilities

Payables consist of:

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

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

Note 5.2(a): Deferred capital grant revenue

	Total 2021 \$'000	Total 2020 \$'000
Opening balance of deferred grant income	7,858	-
Grant consideration for capital works received during the year	31,753	13,826
Deferred grant revenue recognition due to completion of capital works	(8,820)	(5,968)
Closing balance of deferred grant income	30,791	7,858

How we recognise deferred capital grant revenue

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

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 5.2(b): Contract liabilities

	Total 2021 \$'000	Total 2020 \$'000
Opening balance of contract liabilities	4,492	4,055
Grants received for obligation not yet fulfilled	24,161	3,344
Other revenue received for obligation not yet fulfilled	251	336
Grants recognised for the completion of performance obligation in prior period	(6,176)	(2,676)
Other revenue recognised for the completion of performance obligation in prior period	(336)	(567)
Total contract liabilities	22,392	4,492
Represented by		
Current contract liabilities ⁽ⁱ⁾	22,392	4,492

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

How we recognise contract liabilities

Contract liabilities predominantly include operating and project grants received in advance from DoH (refer to Note 2.1).

Contract liabilities are recognised as revenue when goods and services are transferred to the customer.

Note 5.2(c): Grant consideration

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

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

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 6: How we finance our operations

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

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

Structure

6.1 Borrowings

6.2 Cash and cash equivalents

6.3 Commitments for expenditure

Impact of COVID-19 pandemic

Our finance and borrowing arrangements were not materially impacted by the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Determining if a contract is or contains a lease	DHSV applies significant judgement to determine if a contract is or contains a lease by considering if the health service: <ul style="list-style-type: none">- has the right-to-use an identified asset- has the right to obtain substantially all economic benefits from the use of the leased asset and- can decide how and for what purpose the asset is used throughout the lease.
Determining if a lease meets the short-term or low value asset lease exemption	DHSV applies significant judgement when determining if a lease meets the short-term or low value lease exemption criteria. The health service estimates the fair value of leased assets when new. Where the estimated fair value is less than \$10,000, the health service applies the low-value lease exemption. The health service also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months the health service applies the short-term lease exemption.
Discount rate applied to future lease payments	DHSV discounts its lease payments using the interest rate implicit in the lease. If this rate cannot be readily determined, which is generally the case for the health service's lease arrangements, DHSV uses its incremental borrowing rate, which is the amount the health service would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.
Assessing the lease term	The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if DHSV is reasonably certain to exercise such options. DHSV determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including: <ul style="list-style-type: none">- If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease.- If any leasehold improvements are expected to have a significant remaining value, the health service is typically reasonably certain to extend (or not terminate) the lease.- The health service considers historical lease durations and the costs and business disruption to replace such leased assets.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 6.1: Borrowings

	Total 2021 \$'000	Total 2020 \$'000
CURRENT		
Lease liability ⁽ⁱ⁾	320	99
Total current borrowings	320	99
NON CURRENT		
Lease liability ⁽ⁱ⁾	1,870	581
Total non current borrowings	1,870	581
Total borrowings	2,190	680

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

Total cash outflow for leases in the reporting period was \$282k (including \$49k of interest).

Maturity analysis of borrowings

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

DENTAL HEALTH SERVICES VICTORIA
Notes to the Financial Statements for the year ended 30 June 2021

Note 6.1: Borrowings (continued)

6.1 (a) Lease liabilities

Repayments in relation to leases are payable as follows:

	Minimum future lease payments		Present value of minimum future lease payments	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Not later than one year	392	122	320	99
Later than 1 year and not later than 5 years	2,021	631	1,870	581
Minimum lease payments	2,413	753	2,190	680
Less future finance charges	223	73	-	-
TOTAL	2,190	680	2,190	680
Included in the financial statements as:				
Current borrowings - lease liability	320	99	320	99
Non-current borrowings - lease liability	1,870	581	1,870	581
TOTAL	2,190	680	2,190	680

The weighted average interest rate implicit in the lease is 2.75% (2020: 3.75%)

How we recognise lease liabilities

A lease is defined as a contract, or part of a contract, that conveys the right for DHSV to use an asset for a period of time in exchange for payment.

To apply this definition, DHSV ensures the contract meets the following criteria:

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

DHSV's lease arrangements consist of the following:

Type of asset leased	Lease term
Leased land	40 years & 99 years
Leased motor vehicles	5 years

All leases are recognised on the balance sheet, with the exception of low value leases (less than \$10,000 AUD) and short term leases of less than 12 months. The following low value, short term and variable lease payments are recognised in profit or loss:

Type of payment	Description of payment
Low value lease payments	Leases where the asset's fair value, when new, is no more than \$10,000

DENTAL HEALTH SERVICES VICTORIA
Notes to the Financial Statements for the year ended 30 June 2021

Note 6.1: Borrowings (continued)

Separation of lease and non-lease components

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

Initial measurement

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

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

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

Subsequent measurement

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

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

Short-term leases and leases of low value assets

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

Presentation of right-of-use assets and lease liabilities

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

Leases with significantly below market terms and conditions

DHSV holds lease arrangements which contain significantly below-market terms and conditions, which are principally to enable the health service to further its objectives. These are commonly referred to as a peppercorn or concessionary lease arrangement.

The nature and terms of such lease arrangements, including DHSV's dependency on such lease arrangements is described below:

Description of asset	Our dependence on lease	Nature and terms
Leased land	The leased land is used for the provision of dental services. DHSV's dependence on this lease is considered to be high.	40 & 99 year lease with annual payments of \$104.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 6.2: Cash and cash equivalents

	Total 2021 \$'000	Total 2020 \$'000
Cash on hand and at bank	37,880	4,898
Cash at bank - Central Banking System	33,480	21,406
Total cash and cash equivalents	71,360	26,304

Represented by:		
Cash for health service operations (as per cash flow statement)	71,360	26,304
Total cash and cash equivalents	71,360	26,304

How we recognise cash and cash equivalents

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

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 6.3: Commitments for expenditure

	Total 2021 \$'000	Total 2020 \$'000
Capital expenditure commitments		
Less than 1 year	1,688	1,835
Longer than 1 year but not longer than 5 years	1,319	-
Total capital expenditure commitments	3,007	1,835
Operating expenditure commitments		
Less than 1 year	1,108	3,729
Longer than 1 year but not longer than 5 years	919	2,416
Total operating expenditure commitments	2,027	6,145
Non-cancellable short term and low value lease commitments		
Less than 1 year	-	134
Longer than 1 year but not longer than 5 years	-	694
Total non-cancellable lease commitments	-	828
Total commitments for expenditure (inclusive of GST)	5,034	8,808
Less GST Recoverable from ATO	(443)	(801)
Total commitments for expenditure (exclusive of GST)	4,591	8,007

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

How we disclose our commitments

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

Short term and low value leases

DHSV discloses short term and low value lease commitments which are excluded from the measurement of right-of-use assets and lease liabilities. Refer to Note 6.1 for further information.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 7: Risks, contingencies & valuation uncertainties

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

Structure

7.1 *Financial instruments*

7.2 *Contingent assets and contingent liabilities*

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

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
2021	Note			
Contractual financial assets				
Cash and cash equivalents	6.2	71,360	-	71,360
Receivables and contract assets	5.1	2,771	-	2,771
Total financial assets ⁽ⁱ⁾		74,131	-	74,131
Financial liabilities				
Payables	5.2	-	16,674	16,674
Borrowings	6.1	-	2,190	2,190
Total financial liabilities ⁽ⁱ⁾		-	18,864	18,864
		Financial assets at amortised cost \$'000	Financial liabilities at amortised cost \$'000	Total \$'000
2020	Note			
Contractual financial assets				
Cash and cash equivalents	6.2	26,304	-	26,304
Receivables and contract assets	5.1	2,083	-	2,083
Total financial assets (i)		28,387	-	28,387
Financial liabilities				
Payables	5.2	-	13,930	13,930
Borrowings	6.1	-	680	680
Total financial liabilities (i)		-	14,610	14,610

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

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 7.1: Financial instruments (continued)

Categories of financial assets under AASB 9 *Financial Instruments*

Financial assets at amortised cost

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

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

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

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

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; or DHSV retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or DHSV has transferred its rights to receive cash flows from the asset and either:

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

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

Financial liabilities at amortised cost

Financial liabilities are measured at amortised cost using the effective interest method, where they are not held at fair value through net result.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in net result over the relevant period. The effective interest is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

DHSV recognises the following liabilities in this category:

- Payables (excluding statutory Payables and contract liabilities)
- borrowings, and
- other liabilities

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

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

Reclassification of financial instruments

Subsequent to initial recognition reclassification of financial liabilities is not permitted.

Financial assets are required to be reclassified between fair value through net result, fair value through other comprehensive income and amortised cost when and only when DHSV's business model for managing its financial assets has changed such that its previous model would no longer apply.

Impairment of financial assets under AASB 9 *Financial Instruments*

DHSV records the allowance for expected credit loss for the relevant financial instruments in accordance with AASB 9: *Financial Instruments* 'Expected Credit Loss' approach. Subject to AASB 9 *Financial Instruments*, impairment assessment includes DHSV's 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.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

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

				Maturity Dates			
Note	Carrying amount \$'000	Nominal amount \$'000	Less than 1 month \$'000	1 - 3 months \$'000	3 months - 1 year \$'000	1 - 5 years \$'000	
2021							
Financial liabilities							
At amortised cost							
Payables 5.2	16,674	16,674	16,674	-	-	-	
Borrowings 6.1	2,190	2,190	27	53	240	1,870	
Total financial liabilities	18,864	18,864	16,701	53	240	1,870	
2020							
Financial liabilities							
At amortised cost							
Payables 5.2	13,930	13,930	13,930	-	-	-	
Borrowings 6.1	680	680	8	33	58	581	
Total financial liabilities	14,610	14,610	13,938	33	58	581	

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

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 7.1: Financial instruments (continued)

(c) Contractual receivables at amortised costs

1/07/2020	Current	Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	Total
Expected loss rate	0.25%	10.34%	24.24%	100.00%	0.00%	
Gross carrying amount of contractual receivables	809	29	66	117	-	1,021
Loss allowance	2	3	16	117	-	138

30/06/2021	Current	Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	Total
Expected loss rate	0.33%	9.86%	23.65%	65.09%	100.00%	
Gross carrying amount of contractual receivables	598	213	427	169	-	1,407
Loss allowance	2	21	101	110	-	234

Contractual receivables at amortised cost

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

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

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 7.1: Financial instruments (continued)

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

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

Statutory receivables at amortised cost

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

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

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 7.2: Contingent assets and contingent liabilities

There are no material contingencies to report.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 8: Other disclosures

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

Structure

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

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

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

		Total 2021 \$'000	Total 2020 \$'000
	Note		
Net result for the Year		4,008	(3,417)
Non-cash movements:			
Depreciation and amortisation	4.3	7,604	6,697
Impairment of non-financial assets		926	263
Impairment of financial assets		286	-
Allowance for impairment losses of contractual receivables	5.1 (a)	339	251
Movements included in investing and financing activities:			
Net gain from disposal of non-financial physical assets		(25)	(18)
Movements in assets and liabilities:			
Change in operating assets and liabilities			
(Increase)/decrease in receivables		(1,434)	3,668
(Increase)/decrease in other assets		(271)	174
Increase/(decrease) in payables		43,577	1,757
Increase/(decrease) in employee benefits		(773)	2,705
(Increase)/decrease in inventories		141	368
Net cash inflow/(outflow) from operating activities		54,378	12,448

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 8.2: Responsible persons disclosures

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

	Period	
Responsible ministers:		
Jenny Mikakos, Minister for Health and Minister for Ambulance Services	1/07/2020	26/09/2020
Martin Foley MP, Minister for Health, Minister for Ambulance Services and Minister for the Co-ordination of Health and Human Services - COVID-19.	26/09/2020	30/06/2021
Governing Board		
Dr Zoe Wainer	1/07/2020	4/06/2021
Ms Jane Gunn	1/07/2020	30/06/2021
Mr John Gavens	1/07/2020	30/06/2021
Ms Susan Banks	1/07/2020	30/06/2021
Mr Antony Tobin	1/07/2020	30/06/2021
Mr Andrew Saunders	1/07/2020	30/06/2021
Mr David Stevenson	1/07/2020	30/06/2021
Mr Charles Power	1/07/2020	30/06/2021
Ms Nicole Bartholomeusz	1/07/2020	30/06/2021
Accountable officer		
Ms Susan McKee (Chief Executive Officer)	1/07/2020	30/06/2021

Remuneration of responsible persons

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

Income band	2021 No.	2020 No.
\$20,000 - \$29,999	7	8
\$30,000 - \$39,999	1	-
\$50,000 - \$59,999	-	1
\$60,000 - \$69,999	1	-
\$140,000 - \$149,999	-	1
\$350,000 - \$359,999	1	-
\$390,000 - \$399,999	-	1
Total numbers	10	11
	2021	2020
	\$'000	\$'000
Total remuneration received or due and receivable by Responsible persons from the reporting entity amounted to:	648	864

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

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 8.3: Remuneration of executives

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

Remuneration of executive officers (including Key Management Personnel disclosed in Note 8.4)	Total Remuneration	
	2021 \$'000	2020 \$'000
Short-term employee benefits	1,200	1,309
Post-employment benefits	115	124
Other long-term benefits	20	7
Termination benefits	-	75
Total remuneration ⁽ⁱ⁾	1,335	1,515
Total number of executives	5	8
Total annualised employee equivalents (AEE) ⁽ⁱⁱ⁾	5.00	5.65

Notes:

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

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

Total remuneration payable to executives during the year included additional executive officers.

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

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Termination benefits

Termination of employment payments, such as severance packages.

Other factors

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

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 8.4: Related parties

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

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

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

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

Entity	Key Management Personnel	Position title
Dental Health Services Victoria	Dr Zoe Wainer	Chair of the Board
Dental Health Services Victoria	Prof Jane Gunn	Board member
Dental Health Services Victoria	Mr John Gavens	Board member/Acting Chair of the Board
Dental Health Services Victoria	Ms Susan Banks	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 Charles Power	Board member
Dental Health Services Victoria	Ms Nicole Bartholomeusz	Board member
Dental Health Services Victoria	Ms Susan McKee	Chief Executive Officer
Dental Health Services Victoria	Mr Mark Sullivan	Chief Operating Officer
Dental Health Services Victoria	Mr Tim Hogan	Chief Financial Officer
Dental Health Services Victoria	Mr Nuno Goncalves	Chief Information Officer
Dental Health Services Victoria	Dr Martin Hall	Chief Oral Health Advisor
Dental Health Services Victoria	Mr Peter Branov	Chief People and Culture Officer

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

	Total 2021 \$'000	Total 2020 \$'000
Compensation - KMPs		
Short-term employee benefits	1,775	2,024
Post-employment benefits	170	193
Other long-term benefits	38	7
Termination benefits	-	156
Total ⁽ⁱ⁾	1,983	2,380

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

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 8.4: Related parties (continued)

Significant transactions with government-related entities

DHSV received funding from the DoH of \$250.3 million (2020: \$211.7 million).

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

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

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

Transactions with KMPs and other related parties

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

Outside of normal citizen type transactions with DHSV, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions with Cabinet Ministers required to be disclosed in 2021.

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

Agency	Total 2021 \$'000	Total 2020 \$'000
Monash Health	11,112	10,898
Barwon Health	7,004	7,254
Peninsula Health	6,810	6,786
Ballarat Health Services	4,971	5,401
Bendigo Health Care Group	4,778	6,590
Other Transactions ⁽ⁱ⁾	27,049	28,605
Total	61,724	65,534

(i) Other transactions relates to dental grants provided to 23 other agencies, where each individual transaction is below \$5 million.

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

Entity	Key Management Personnel	Position Title
Cohealth Ltd	Ms Nicole Bartholomeusz	Chief Executive Officer
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 \$16.8 million (including GST).

Other disclosures

DHSV has a contractual arrangement with the University of Melbourne where DHSV Board member, Professor Jane Gunn is Deputy Dean of the Faculty of Medicine, Dentistry & Health Sciences, who may have significant influence over financial arrangements.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 8.5: Remuneration of auditors

	Total 2021 \$'000	Total 2020 \$'000
Victorian Auditor-General's Office		
Audit of financial statements	34	34
Total remuneration of auditors	34	34

Note 8.6: Ex-gratia expenses

Ex-gratia expenses were \$68.5k in 2021 (2020: Nil)

Note 8.7: Events occurring after the Balance Sheet date

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

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

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

Note 8.8: Economic dependency

DHSV is dependent on the Department of Health 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 will not continue to support DHSV

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 8.9: Changes in accounting policy and revision of estimates

Changes in accounting policy

There are no material changes to accounting policy to report.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

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 2021 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 2021, the following standards and interpretations had been issued by the AASB but were not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the table below. DHSV has not and does not intend to adopt these standards early.

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on DHSVs financial statements
<i>AASB 17 Insurance Contracts</i>	The new Australian standard seeks to eliminate inconsistencies and weaknesses in existing practices by providing a single principle based framework to account for all types of insurance contracts, including reissuance contract that an insurer holds. It also provides requirements for presentation and disclosure to enhance comparability between entities. This standard currently does not apply to the not-for-profit public sector entities.	1 Jan 2023	The assessment has indicated that there will be no significant impact to DHSV.
<i>AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current</i>	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. A liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.	1 Jan 2022 However, ED 301 has been issued with the intention to defer application to 1 January 2023.	The standard is not expected to have a significant impact on DHSV
<i>AASB 2020-3 Amendments to Australian Accounting Standards – Covid-19 Related Rent Concessions beyond 30 June 2021</i>	This Standard amends AASB 16 to extend by one year the application period of the expedient added to AASB 16 by AASB 2020-4 <i>Amendments to Australian Accounting Standards - Covid-19 Related Rent Concessions</i> . The practical expedient permits lessees not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications (e.g account for as variable lease payment instead). This standard extends the practical expedient to rent concessions that reduce only lease payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met.	1 Apr 2021	The standard is not expected to have a significant impact on DHSV

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

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 2020-2021 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 2020-2 *Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities.*
- AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C).*
- AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments*
- AASB 2020-7 *Amendments to Australian Accounting Standards - Covid-19-Rent Related Concessions: Tier 2 Disclosures.*
- AASB 2020-8 *Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform - Phase 2.*
- AASB 2020-9 *Amendments to Australian Accounting Standards - Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments.*
- AASB 2021-1 *Amendments to Australian Accounting Standards - Transition to Tier 2: Simplified Disclosure for Not-for-Profit Entities.*
- AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definitions of Accounting Estimates.*

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

Note 8.11: Glossary of terms and style conventions

Actuarial gains or losses on superannuation defined benefit plans

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

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

Amortisation

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

Associates

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

Comprehensive result

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

Commitments

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

Current grants

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

Depreciation

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

Effective interest method

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

Employee benefits expenses

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

Ex gratia expenses

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

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

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

Financial asset

A financial asset is any asset that is:

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

Financial instrument

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

Financial liability

A financial liability is any liability that is:

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

Financial statements

A complete set of financial statements comprises:

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

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

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

Grants and other transfers

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

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

General government sector

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

Intangible produced assets

Refer to produced assets in this glossary.

Intangible non-produced assets

Refer to non-produced assets in this glossary.

Interest expense

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

Interest income

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

Investment properties

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

Joint Arrangements

Joint arrangement is an arrangement of which two or more other parties have joint control. A joint arrangement has the following characteristics:

- (a) The parties are bound by a contractual arrangement.
- (b) The contractual arrangement gives two or more of those parties joint control of the arrangement.

A joint arrangement is either a joint operation or a joint venture.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

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

Liabilities

Liabilities refers to interest-bearing liabilities mainly raised from public liabilities raised through the Treasury Corporation of Victoria, finance leases and other interest-bearing arrangements. Liabilities also include non-interest-bearing advances from government that are acquired for policy purposes.

Net acquisition of non-financial assets (from transactions)

Purchases (and other acquisitions) of non-financial assets less sales (or disposals) of non-financial assets less depreciation plus changes in inventories and other movements in non-financial assets. It includes only those increases or decreases in non-financial assets resulting from transactions and therefore excludes write-offs, impairment write-downs and revaluations.

Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other comprehensive income'. Net result from transactions/net operating balance is a key fiscal aggregate and is income from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets.

Net worth

Assets less liabilities, which is an economic measure of wealth.

Non-financial assets

Non-financial assets are all assets that are not 'financial assets'. It includes inventories, land, buildings, infrastructure, road networks, land under roads, plant and equipment, investment properties, cultural and heritage assets, intangible and biological assets.

Non-produced assets

Non-produced assets are assets needed for production that have not themselves been produced. They include land, subsoil assets, and certain intangible assets. Non-produced intangibles are intangible assets needed for production that have not themselves been produced. They include constructs of society such as patents.

Non-profit institution

A legal or social entity that is created for the purpose of producing or distributing goods and services but is not permitted to be a source of income, profit or other financial gain for the units that establish, control or finance it.

Payables

Includes short and long term trade debt and accounts payable, grants, taxes and interest payable.

Produced assets

Produced assets include buildings, plant and equipment, inventories, cultivated assets and certain intangible assets. Intangible produced assets may include computer software, motion picture films, and research and development costs (which does not include the start up costs associated with capital projects).

Public financial corporation sector

Public financial corporations (PFCs) are bodies primarily engaged in the provision of financial intermediation services or auxiliary financial services. They are able to incur financial liabilities on their own account (e.g. taking deposits, issuing securities or providing insurance services). Estimates are not published for the public financial corporation sector.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2021

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

Public non-financial corporation sector

The public non-financial corporation (PNFC) sector comprises bodies mainly engaged in the production of goods and services (of a non-financial nature) for sale in the market place at prices that aim to recover most of the costs involved (e.g. water and port authorities). In general, PNFCs are legally distinguishable from the governments which own them.

Receivables

Includes amounts owing from government through appropriation receivable, short and long term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

Sales of goods and services

Refers to income from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services and work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets such as buildings and entertainment, but excludes rent income from the use of non-produced assets such as land. User charges includes sale of goods and services income.

Supplies and services

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of DHSV.

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

Taxation income

Taxation income represents income received from the State's taxpayers and includes:

- payroll tax; land tax; duties levied principally on conveyances and land transfers;
- gambling taxes levied mainly on private lotteries, electronic gaming machines, casino operations and racing;
- insurance duty relating to compulsory third party, life and non-life policies;
- insurance company contributions to fire brigades;
- motor vehicle taxes, including registration fees and duty on registrations and transfers;
- levies (including the environmental levy) on statutory corporations in other sectors of government; and
- other taxes, including landfill levies, license and concession fees.

Transactions

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows in an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset.

Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash.

Style conventions

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

- zero, or rounded to zero

(xxx.x) negative numbers

201x year period

201x-1x year period

**DENTAL HEALTH
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