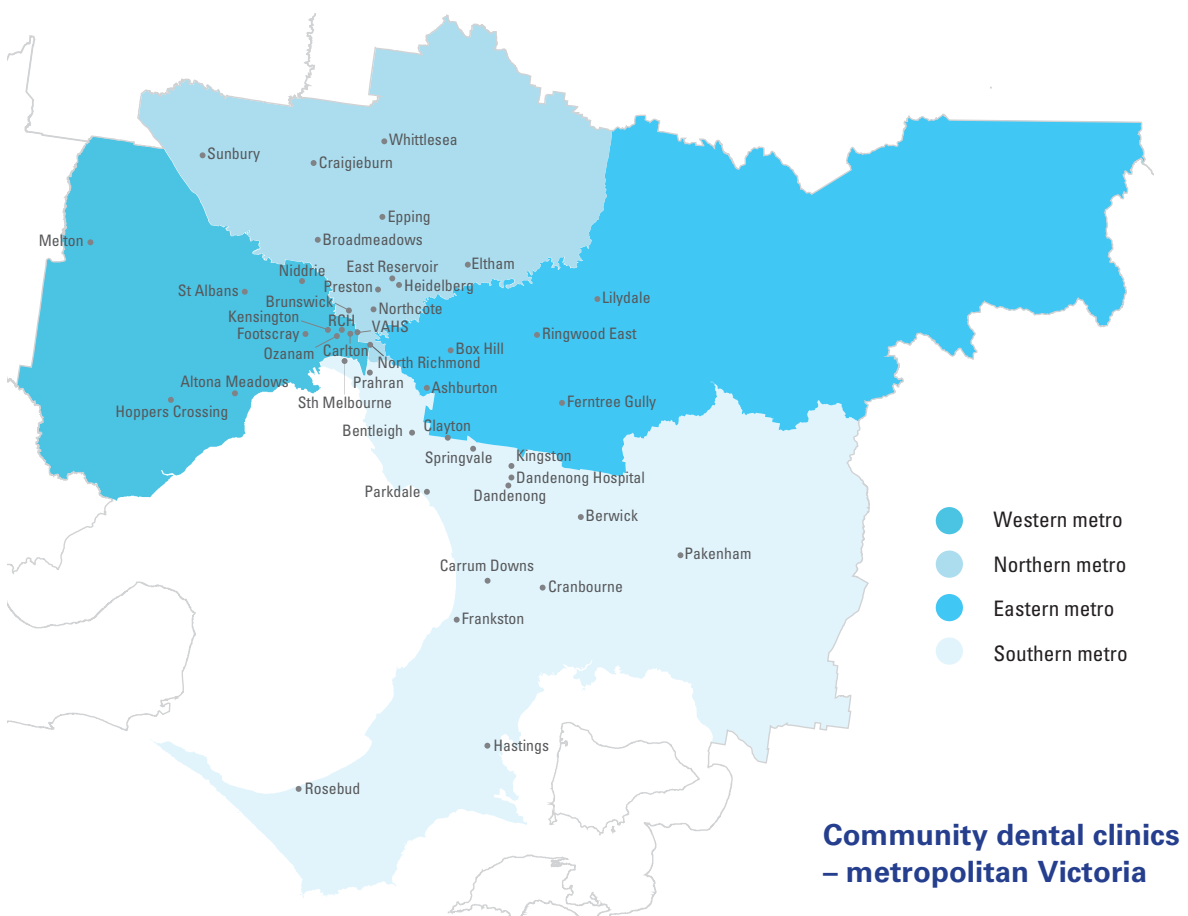
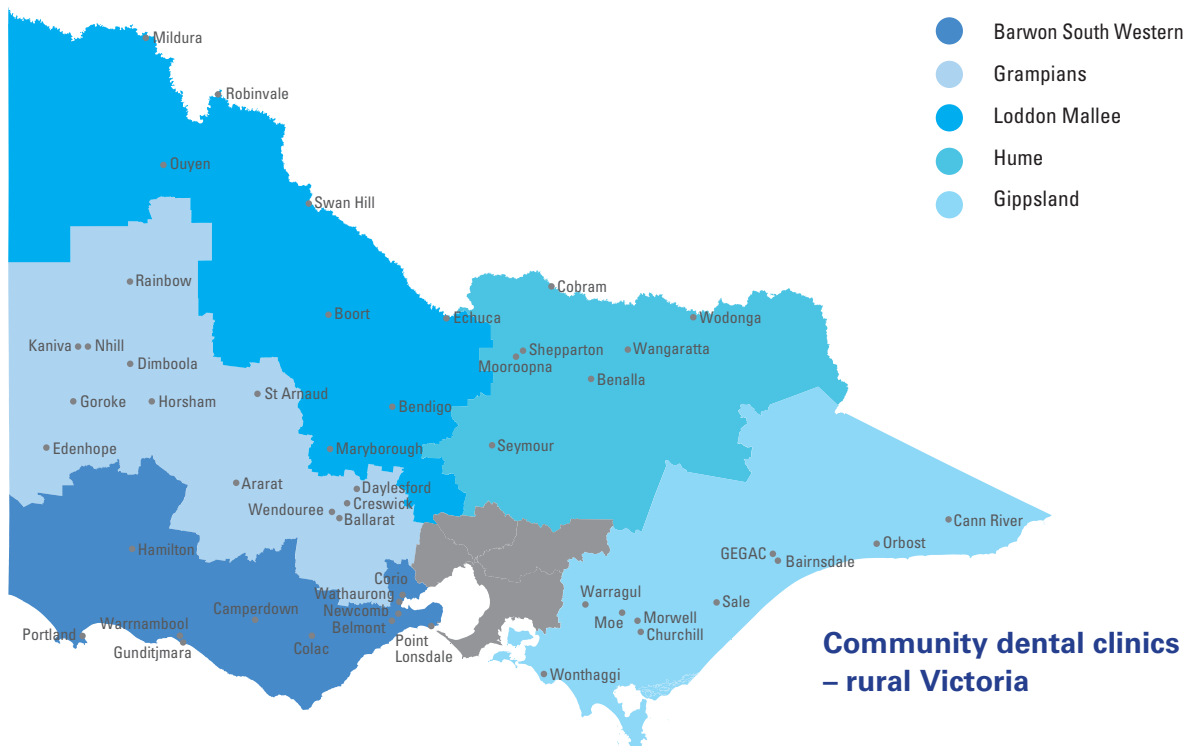


2021–22

**DENTAL HEALTH
SERVICES VICTORIA**





ACKNOWLEDGEMENT

In the spirit of reconciliation, DHSV acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respect to their elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

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 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 575 staff who work to an agreed Statement of Priorities. As trusted advisors in public oral health policy, program and guideline development, we aim to lead the improvement of oral health across Victoria.

DHSV was established under the *Health Services Act 1988*. The responsible Minister for Health during the reporting period was Martin Foley MP.

DHSV acknowledges the ongoing support of the Victorian Government.

Our vision

A future where every Victorian is disease and cavity-free

Our mission

To deliver the world’s best oral and dental healthcare

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

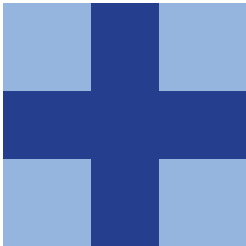
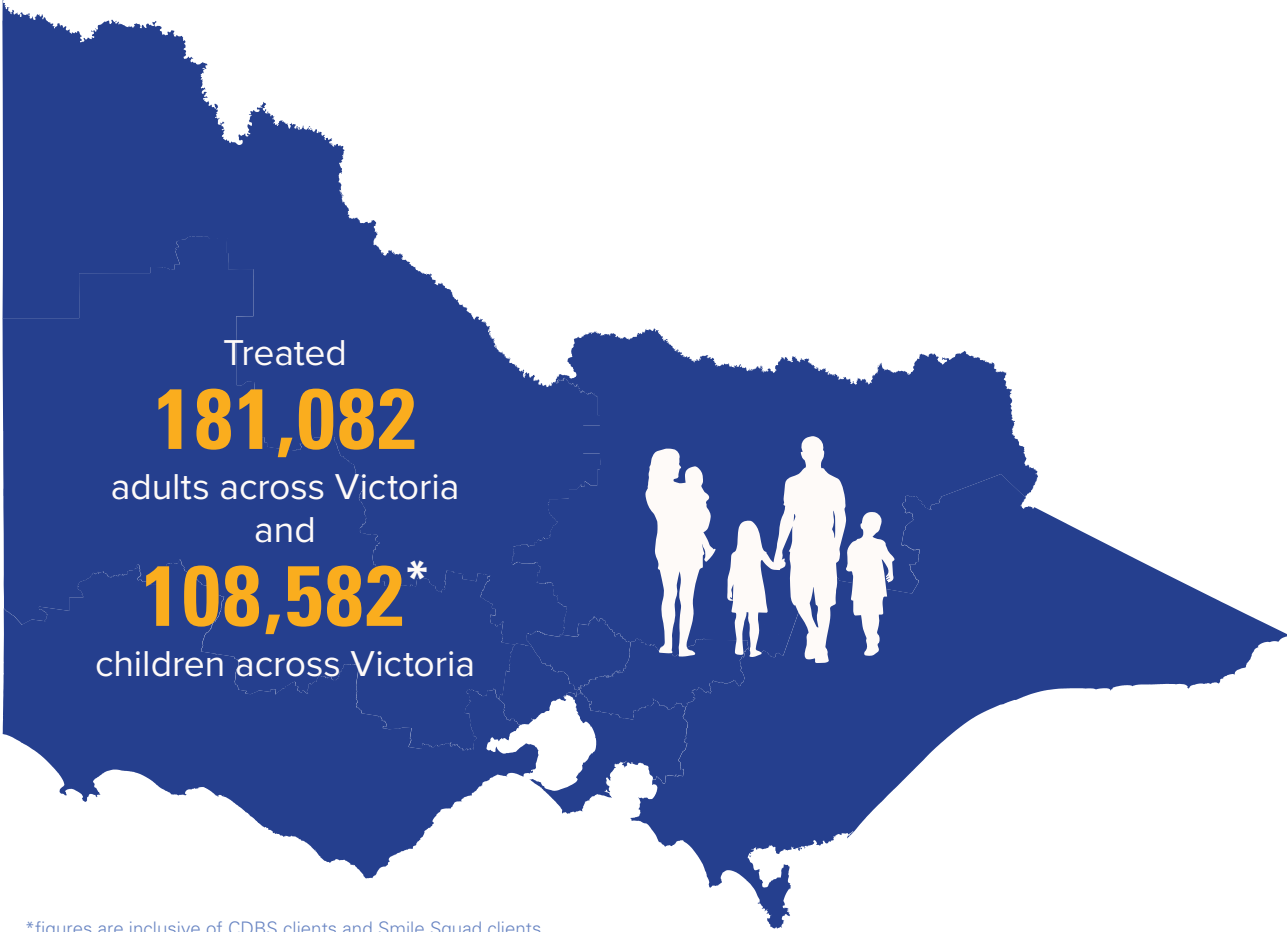
Transform

Transform ourselves and our organisation to achieve better health outcomes

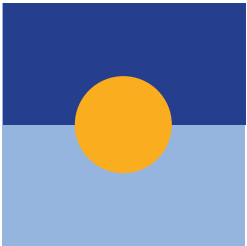
Where the term ‘Aboriginal’ is used it refers to both Aboriginal and Torres Strait Islander peoples.

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

HIGHLIGHTS



124,130
people received emergency
care across the state



11,602
Aboriginal people were
treated statewide



534

people received early
childhood oral health training



75

staff members trained in
Mental Health First Aid



Smile Squad distributed
more than
100,000
dental packs to students



Smiles 4 Miles reached
more than
56,000
children



9,540
refugees and people seeking
asylum received treatment
statewide



Digitised more than
32,000
patient health records

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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 2022.



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

25 August 2022

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 BOARD CHAIR AND CEO

We are pleased to present the Dental Health Services Victoria (DHSV) Annual Report for 2021-22 – an opportunity for us to share our performance, reflect on our successes and challenges, and celebrate the outstanding efforts of those working in public oral health. As we faced another extraordinary 12 months, we emerged as a more resilient, focused and connected organisation. We continued to provide safe, quality care to those in need while setting a bold new vision – a future where every Victorian is disease and cavity-free.

Oral disease is mostly preventable and yet it remains one of the most prevalent diseases in our community. Over the last year, we reassessed how we can create a more effective and advanced oral health system that places the consumer at its centre. In March 2022, we launched our new Strategic Direction after extensive consultation with our insightful staff and valued partners. Underpinned by the principles of value-based health care, it focusses on inspiring behavioural change, improving access to care, leading reform with our partners, and creating a respectful workplace. As we strive to eradicate poor oral health in Victoria, our new direction will unite and energise us with its clear purpose and measured approach.

We are immensely grateful to the Victorian Government for its support throughout the year. The Smile Squad school dental program is a clear example of the Government's commitment to making oral health care more accessible and affordable for Victorian families. Despite COVID-19 restrictions, Smile Squad provided care to over 20,777 students at 228 schools. Additional funding helped us deliver capital upgrades and reduce waiting times for deferred care at community dental agencies and The Royal Dental Hospital of Melbourne. It also enabled us to provide stable employment and flexible working arrangements to public oral health employees.

One thing that has always shone through at DHSV is our staff members' strong sense of social justice. People choose to work in the public health sector because they genuinely want to improve the health and wellbeing of the community. Despite the disruptions that COVID-19 continued to present, our staff showed incredible resilience. Thank you to every staff member for navigating the ever-changing landscape with a proactive and positive mindset. In turn, we continued to foster a respectful workplace where every person feels valued and supported. Our People Matter Survey showed an improvement in employee engagement and a deeper understanding of how individual roles contribute to our organisational purpose.

At DHSV, we know that a strong and cohesive society is one free from inequalities. During the year, we undertook a Workplace Gender Audit and developed our first Gender



Equality Action Plan. The plan outlines how we will spend the next four years working in partnership to achieve gender equality in our organisation. This will ensure we represent the diversity of both the people that provide public dental services and those that access them.

The challenges of the pandemic made it difficult for us to fulfill our activity targets. With deferred care and people staying at home, it was more important than ever to support a preventative approach. We continued to roll out a range of programs to improve oral and dental health through education, prevention and early intervention. We hope you enjoy reading about the Smile Squad school dental program, Smokefree Smiles, Victorian Oral Cancer Screening and Prevention Program as well as our successful Smiles 4 Miles and Healthy Families, Healthy Smiles programs.

It's always nice to receive accolades for our work and we were thrilled to win the prestigious international 2022 Value Based Health Care Prize in May. The award recognised the innovative nature of our value-based health care approach and its capacity to reduce the overwhelming burden of oral disease.

As always, we'd like to sign off with some thank yous.

In June we farewellled Professor Jane Gunn who concluded her term as a DHSV board director. We thank Jane for the pivotal role she played over the last three years, in particular her exemplary leadership of our Population Health Committee. We reappointed Sue Banks and John Gavens and welcomed Candice Charles as a new board member. Candice brings a wealth of governance and executive experience to the table and will undoubtedly make a valuable contribution to the board moving forward.

Everything we achieve is in collaboration with our key partners. A huge thank you to 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 continued to improve the oral health of Victorians and set the stage for a busy, focused, and transformative year ahead.

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

David Stevenson
Board Chair

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

Susan McKee
Chief Executive Officer (CEO)

YEAR IN REVIEW: REPORT OF OPERATIONS

DHSV'S NEW STRATEGIC DIRECTION

In early 2022 we released our new Strategic Direction, an organisational compass aimed at delivering the world's best oral and dental healthcare.

The new consumer-focused foundational document was launched in March. The Strategic Direction highlights the existing oral health challenges that are faced in Victoria and outlines how we plan to overcome them.

Our Strategic Direction sets out our vision for a future where every Victorian is disease and cavity-free. We aim to achieve our vision by placing patients at the centre of a new, more advanced and effective oral health system that will enable us to help transform their lives for the better.

Our Strategic Direction has defined a series of immediate and longer-term priorities and supporting initiatives to help us realise and achieve our vision. This vision has been developed in-line with the Victorian Action Plan to Prevent Oral Disease 2020–30 and The National Oral Health Plan 2015–2024, which together aim to improve the oral health of all Victorians while reducing the gap for people at higher risk.

The document outlines the big picture of what we hope to achieve, and our detailed annual business plan will

help to ensure that we stay on track, adapt our actions to the current environment and are kept accountable.

Our Strategic Direction places the consumer at the centre of all we do and is underpinned by our value-based healthcare (VBHC) principles. Taking a life course approach, it focuses on prevention and early intervention, building key partnerships, delivering world class care, and empowering people to create healthier environments at home.

The Strategic Direction was developed through a process of extensive consultation with staff, consumers and a wide range of key stakeholders including our Board, senior management, the Department of Health, community dental agencies, universities, and leading healthcare bodies.

Oral disease is among the most prevalent disease in our community – and yet it is also one of the most preventable.

Dental conditions are the highest cause of all potentially preventable hospitalisations in children 0–9 years, predominantly because of tooth decay. Gum disease is the fifth most common health problem and more than 200 Victorians die of oral cancer each year.

We want to change that. We want a future where every Victorian understands that most oral disease is preventable and that good oral health is better health.

Our mission is to deliver the world's best oral and dental healthcare. The Strategic Direction sets out three key pillars to achieve this vision: our strategy is to Empower, Care, and Lead Victorians closer to our vision of a disease and cavity-free future.

OUR STRATEGY

Empower

Focus on prevention and early intervention

- Empower people to make positive behavioural change
- Empower people to prioritise early intervention
- Empower people to focus on preventing oral disease

Care

Deliver world-class oral and dental healthcare

- Care for those in need by providing evidence-based oral and dental healthcare
- Care for the oral and dental health of our children
- Care for the community by focusing on quality of care and patient health outcomes

Lead

Reform, build and improve oral healthcare through key partnerships

- Lead reform to improve the oral and dental health system
- Lead the improvement of oral and dental health outcomes by extending our reach and impact
- Lead the development of evidence-based oral and dental healthcare
- Lead training and development in partnership with education providers

SMILE SQUAD SCHOOL DENTAL PROGRAM

DHSV's flagship school dental program Smile Squad emerges from COVID-19 restrictions to deliver more services to government schools across the state.



Smile Squad is the Victorian Government's free school dental program. It provides all Victorian government primary and secondary school students with free, high quality dental care at school, saving families time and money. It is rolling out across Victoria now and will be offered to all government schools by the end of 2023.

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.

Smile Squad provides a unique opportunity to reduce the burden of oral disease and minimise its impact on the lives of young people and families across Victoria.

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

Emerging stronger

Smile Squad continued to be impacted by COVID-19 restrictions during the 2021–22 reporting period but services returned in some schools across Victoria during Term 4 2021 and the rollout recommenced statewide in Term 1 2022.

When restrictions meant Smile Squad was unable to visit schools, limited dental care was offered in agency fixed clinics in both metropolitan Melbourne and regional Victoria. Services were only provided where and when it was safe to do so and in accordance with strict infection control guidelines.

There were 683 new government primary and secondary schools who were invited to take part in Smile Squad during 2021–22. Schools in 33 local government areas received their invitation to receive Smile Squad services.

Key activities

- Invited schools in the areas selected for phases 4 to 6 of the statewide roll out to participate in the program
- Procured additional vans and equipment to support program expansion bringing the current fleet to 52 examination and 40 treatment vans with a further 10 treatment vans on order
- Reviewed and modified service delivery model options to support most efficient delivery of services
- Developed additional training materials, including instructional videos to support agency staff delivering services
- Commenced provision of dental packs to students in schools who cannot yet receive Smile Squad services to promote the eat well, drink well, clean well message
- Partnered with Vic Kids Eat Well to increase the power of healthy eating messaging shared by both programs
- Engaged with universities training oral health professionals to provide additional clinical placement opportunities
- Engaged Abt Associates to undertake an evaluation of the Smile Squad program.

Key statistics

Key activities during this period included:

- 20,777 students from 228 schools received care
- 27 agencies provided Smile Squad services
- more than 100,000 dental packs were distributed to students
- 18,177 students received an examination
- fluoride varnish was provided to 13,062 students
- fissure sealants were provided to 5,214 students
- 17,987 students received one or more services that help to prevent oral health issues. This represented 87% of all students who were seen by Smile Squad.



IMPROVING HEALTHCARE DELIVERY

DHSV is committed to improving the oral health of all Victorians and improving access to reach the most vulnerable members of our community.

Victorian Adult Oral Health Service Delivery Model

We commenced work on the new Victorian Adult Oral Health Service Delivery Model (SDM) to improve outcomes for adult clients and reduce the wait list. In collaboration with community dental agencies, we are redesigning oral healthcare to embed the principles of value-based healthcare. This includes:

- prioritising clients for access to care based on population and individual risk factors
- delivering preventive interventions while clients wait for active clinical care, including disease stabilisation prior to definitive care
- shifting to increased high value preventive care and reduced low-value definitive care and unwarranted variation
- merging the general and denture wait lists to ensure that care is continuous for clients
- recognising that most oral diseases are chronic in nature and require ongoing management
- measuring patient reported outcomes to enable a shift to outcomes-based funding over time.

We have partnered with community dental agencies to test components of the SDM with clients on general and denture wait lists.

Additional Funding for Deferred Care

Thanks to additional funding from the Department of Health, DHSV has been able to support the completion of care deferred due to the impacts of COVID 19. This additional funding has supported a centralised waitlist management process and enabled the testing of the process for the Adult Oral Health SDM including:

- the implementation of the revised Oral Health Questionnaire (OHQ) and prioritisation tool to identify priority clients based on need
- testing a new online platform that enables offer of care to clients from the wait lists via SMS and completion of the OHQ online
- provision of care via in-house appointments or the private voucher scheme
- evaluation and validation of the OHQ that determines prioritisation.

Due to this additional funding, we have been able to offer care to almost 91,000 people who have been waiting the longest for treatment.

Electronic Oral Health Record (EOHR)

Our Information Communication Technology team has driven the development of a major project that aims to deliver a single Electronic Oral Health Record (EOHR) for Victoria's public oral health system. This ambitious project will deliver benefits including:

- reducing information duplication
- increasing the efficiency of access to oral healthcare services for patients
- providing better insight into the oral healthcare capacity across the state
- creating a more efficient use of resources to deliver better oral care to Victorians.

The primary goal of the project is to provide the right information to the right person at the right time, translating into an improved experience for patients. The project is funded by the Department of Health and supports the capability of Victoria's public oral health digital records management system.

Capital works project

To ensure that we continue to enhance the infrastructure and environment for staff and improve the overall healthcare experience for our patients, the Department of Health fully funded us for a \$13 million capital works project. This significant investment has enabled us to create better organisational efficiencies and implement a thorough mechanical service upgrade, including improved building ventilation.

The project will also reduce our overall environmental impact by installing a solar panel system on both buildings and upgrading our LED lighting in RDHM, providing higher quality lighting that uses less power.

Digitising patient records

Our Health Information Services team is central to improving services and outcomes, leading the digital innovation of paperless systems and processes to improve the patient experience. The team has digitised almost 33,000 patient health records into our clinical management system and digitised more than 90 per cent of all paper forms used across the organisation. By implementing quality checking and processing standards, the new process supports DHSV to ensure the continued integrity of patient medical records.

Aboriginal Liaison Officer

We strive to provide a culturally inclusive environment for all people. 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.

The Aboriginal Liaison Officer (ALO) plays a critical role by providing culturally safe and supportive care for Aboriginal and Torres Strait Islander patients, their families and vulnerable community members accessing oral health services at RDHM. The ALO acts as an advocate and empowers patients to navigate the hospital system and make informed decisions about their oral health.

Supporting the patient journey

Providing patients with oral health support not only in person but via digital channels has become especially important since the onset of the COVID-19 pandemic. Our Patient Services Office supports patient-centred care pathways, leveraging innovative technologies and departmental collaboration to deliver excellence in care. During 2021–22, the team assisted nearly 100,000 patients through telehealth consultations, inbound calls, and email enquiries.

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 March 2022, awarding full accreditation for three years. During the assessment, staff were praised on their friendly and professional approach. The assessors noted that staff were passionate about providing safe, high-quality care to our clients and the community. They also noted the engagement and commitment of the Executive team to ensuring that safety and wellbeing of staff and patients is a priority.

The assessors congratulated DHSV on the continued great work with Partnering with Consumers and Recognising and Responding to Acute Deterioration and acknowledged the work that has commenced with the new standards, Comprehensive Care and Communicating for Safety. We thank our staff for the continued dedication and passion they demonstrate every day delivering care to our patients.

DHSV also 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 September 2022.

Health messaging on patient screens

As part of our ongoing commitment to empower our patients through a focus on prevention and early intervention, screens in patient waiting areas are being used to promote oral health messaging. The screens also provide patients with crucial information on appointment waiting times, COVID-19 safety measures, and more generalised updates.

FOSTERING A RESPECTFUL WORKPLACE

A commitment to fostering a respectful and constructive environment underpins how we work with all members of the community.

DHSV's 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 2021–22 we continued to progress our respectful workplace action plan through a range of key activities.

Positive culture and change

Our ongoing collaboration with Steople, a team of organisational development specialists who support us to implement workplace change, has allowed us to continue creating positive change. We have progressed the recommendations from the Steople Report by continuing to implement our Culture and Engagement Action Plan. The pillars of the plan are modelling behaviour, values alignment, leadership, and communication.

Feedback from staff was sought both formally and informally, including through the Victorian Public Sector Commission's People Matter Survey. Key results from the survey were:

- increased survey participation with a 57 per cent response rate compared to 29 per cent for our comparator group
- improved employee engagement index of 63, up four points from 2019
- 92 per cent of respondents agreed or strongly agreed with the statement 'I am able to work effectively in my workgroup'
- 89 per cent of respondents agreed or strongly agreed with the statement 'I understand how my job contributes to my organisation's purpose'.

Activities continued throughout the year focusing on the key areas of communication, direction, and connection, expanding to incorporate psychological safety and improving systems.

Health and wellbeing initiatives

Staff health and wellbeing remains a key focus for DHSV, 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, including:

- supporting staff to stay sunsmart with free skin cancer checks
- providing nutrition information via a lunch and learn webinar from Diabetes Victoria

- offering access to a discounted gym membership through a local provider and providing staff with the opportunity to register for free HCF body composition scans
- hosting a Wellbeing Hub to share content with staff aimed at improving nutrition, physical exercise, and psychological wellbeing.



Mental Health Awareness program

We have implemented a range of strategic health and wellbeing awareness initiatives to support the physical and psychological wellbeing of staff, including:

- establishing a network of Mental Health First Aid (MHFA) officers by training staff members to provide mental health support to others and improve the skills and knowledge to support mental health at work and in the community
- training two staff members to become MHFA Instructors, increasing our capacity to offer more staff the opportunity to access MHFA
- a mandatory Mental Health Awareness eLearning module for all staff, aimed at reducing stigma and providing staff with a deeper understanding around mental health issues.

The MHFA initiative complements existing services such as the DHSV Employee Assistance Program, and provides informal, neutral, and completely confidential support.

Employee Value Proposition

In 2021, DHSV commenced the Employee Value Proposition (EVP) project to create a simple and compelling story about what it means to work at DHSV to attract and retain the best people for our organisation. Our new 'Open up to better' employment branding encourages employees to open up to better ways of working, better balance, and better ways to learn. It also aligns with our corporate vision of 'Oral health for better health'. The new EVP branding has been shared via branding and recruitment tools.

Community engagement

DHSV has continued to partner with consumers to improve the experience for patients and staff. Our Community Advisory Board sub-committee, Community Advisory Network, and our Partnering with Consumers (PWC) working group continue to play an active role to support the improvements in our service.

Key activities

- appointment of a consumer to co-chair the CAC and PWC
- new procedures to support consumer engagement
- reviewed how we operate against the revised Safer Care Victoria guidelines, 'Building your healthy community: A guide for health service community advisory committees'.

Projects involving consumer input included:

- co-designing and testing components of the new centralised waitlist management process and Adult Oral Health Service Delivery Model waitlist digital communication
- implementing resources to increase staff awareness of obligations in the new Child Safety and Wellbeing Policy
- increasing awareness about available family violence support services for patients and staff
- a Partnering with Consumers webinar.

The valuable lived experiences of our consumers also contributed to co-designed projects including our Gender Equality Action Plan and the re-design of RDHM's ground floor to improve cultural sensitivity for Aboriginal and Torres Strait Islander patients.

Gender Equality Action Plan

Under the direction of the *Gender Equality Act 2020* and the Commission for Gender Equality in the Public Sector, we developed our first Gender Equality Action Plan (GEAP). The DHSV GEAP represents our commitment to creating a safe, inclusive workplace that champions equitable access and diverse representation at all levels. It recognises that innovation is required to promote equal rights, opportunities, access, and outcomes for people of all genders. Our GEAP focuses on four key areas:

1. Build organisational ability to promote and support gender equality
2. Investigate and refresh our approach to remuneration, recruitment and development
3. Develop innovative policies and procedures that support people's lived experiences
4. Cultivate an inclusive and safe working environment.

HR Onboard

During 2021–22, we implemented HR Onboard which has allowed our Talent Engagement team to streamline internal processes to improve the candidate and internal staff experience, reducing manual processing, and improving the data integrity of employee information. The offboarding process was also implemented in May 2022 to improve the exit process and provide valuable insights into staff experience.

We have also begun developing a new automated probation schedule in HR Onboard, supporting managers to set goals, use MyDevelopment, and provide employees with constructive feedback using the automated system that flags milestones of their employee life cycle.



Cheers for Peers

A new employee recognition tool, Cheers for Peers, was launched in February 2022. The system allows employees to nominate fellow staff members for their outstanding work in going above and beyond to demonstrate the DHSV values. The simple, easily accessible tool has provided staff with a platform to celebrate success and spotlight staff members. Cheers for Peers was launched with a Bike n Blend activity where fresh and healthy smoothies were made.

Smile Squad workforce actions

In January 2022 we commenced a successful campaign to attract staff to join Smile Squad, advertising a range of roles in metropolitan and regional areas. We have focused on promoting Smile Squad and the benefits of joining the team and have succeeded in attracting more candidates using a variety of channels, building stronger and more stable pipelines for candidates into Smile Squad and supporting agencies to recruit staff.



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 Oral Cancer Screening and Prevention Program led by DHSV in partnership with the University of Melbourne Dental School, the Australian Dental Association's Victorian Branch, La Trobe University Department of Dentistry and Oral Health and funded by the Department of Health, focused on upskilling oral health professionals in cancer risk reduction, early detection, and timely referral to specialist services.

Oral cancers are on the rise in Victoria with over 16 new cases of oral cancer diagnosed and four deaths reported each week. Oral health professionals play a vital role in assessing oral cancer risk and recognising potential signs and symptoms.

In the 12 months since the Oral Cancer Learning Hub was launched, more than 4,700 practitioners visited the website, with over 24,560 page views. The learning hub proved popular with around half of all users accessing the site from outside of Victoria and there was international interest from 72 other countries.

Oral Cancer Learning Hub

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 continuing professional development quiz: oralcancerhub.org.au

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.

Smiles 4 Miles program delivery and training continued to be delivered online, 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, Victorian Aboriginal Community Controlled Health Organisation (VACCHO), and the early childhood care and education sector.

Through the work of these community organisations, Smiles 4 Miles was able to reach 56,527 children and their families across 750 early childhood services in 2021–22. 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:

- 55 Smiles 4 Miles coordinators attending the annual forum and through one-on-one training
- more than 630 early childhood educators taking part in oral health training.

Healthy Families, Healthy Smiles

This year DHSV are celebrating 10 years of the Healthy Families, Healthy Smiles program. The program aims to improve the oral health of young children and pregnant women by building the capacity of health and early childhood professionals to embed oral health promotion into daily practice. Since 2012, the program has provided capacity building opportunities to more than 6,500 professionals.

In 2021–22, professional development was provided to 534 professionals, including maternal and child health nurses, midwives, dietitians, oral health professionals, supported playgroup facilitators, early childhood educators and librarians. Additionally, 145 Graduate Diploma in Child and



Family Health Nursing students from RMIT, La Trobe and Federation universities participated in training.

Healthy Families, Healthy Smiles developed two new, practical resources for professionals: a joint position statement on 'Interdisciplinary Collaboration between Accredited Practising Dietitians, Nutrition and Oral Health Professionals for Oral Health and Nutrition', in partnership with Dietitians Australia; and a factsheet to support oral health promotion in the pharmacy setting.

In 2021–22, family tooth packs were supplied to professionals who work with at-risk families, allowing for promotion of twice daily toothbrushing. Oral health resources were distributed to organisations with an estimated reach of 9,500 families, including:

- 24,800 toothbrushes and 12,200 tubes of toothpaste distributed to 23 maternal and child health services in locations with higher incidence of early childhood decay
- 2,460 toothbrushes and 1,230 tubes of toothpaste distributed to three Early Parenting Centres
- 4,975 toothbrushes and 3,175 tubes of toothpaste distributed to six maternal and child health services, funded by Colgate as part of the Mrs Marsh initiative
- 6,020 toothbrushes and 3,900 tubes of toothpaste distributed to services working with vulnerable families, made possible with remaining stock from the Alliance for a Cavity Free Future initiative.

Oral health resources for families

In 2021–22, Smiles 4 Miles and Healthy Families, Healthy Smiles collaborated to produce engaging new resources that support the oral health of young families. The Deadly Tooth Tips series developed with Aboriginal artist Madison Connors features our new, 'deadly' dental health ambassadors, Wala the Platypus, Dhuna the Koala, and Dirran the Kangaroo. The series includes a tip sheet, posters and a social media toolkit featuring tips for good oral health.

The Toothbrushing with young children video series supports families to help their children to brush well at key developmental stages by providing practical tips, advice from parents, and helpful guides for toothbrushing with babies, toddlers, and preschoolers.



Basic Life Support

We partnered with the Red Cross in late 2021 to deliver a critical training program, providing our frontline workers with the knowledge they need to provide Basic Life Support. Basic Life Support (BLS) is a crucial and potentially life-saving skillset for providing emergency treatment until more advanced interventions can be performed by paramedics.

We ran the BLS training as a pilot program, starting with 200 staff members from our Primary Care and Specialist Care departments. As part of the program, staff were required to complete an e-Learn module followed by a 1-hour practical session to assess the level of competency they have achieved through the training. The training will continue to be rolled out with an additional 200 staff members scheduled to complete the program.

EXCELLENCE IN LEADERSHIP

DHSV is committed to strengthening clinical leadership and governance across the public oral health sector.

Our clinical leadership drives and guides public oral health service delivery across Victoria. Adaptive and responsive clinical leadership is central to evidence-informed decision-making to support safe, quality, and consistent care.

Office of the Chief Oral Health Officer

The Office of the Chief Oral Health Officer (COHO) is critical to clinical leadership, governance, engagement, and capacity building for the Victorian public dental sector. The team provides responsive, evidence-based advice to the Executive, the DHSV Board, and the Department of Health on clinical matters including a continuing response to COVID-19, the development of service delivery models, safety and quality, and clinician support.

The small but highly experienced team has been strengthened through cross-portfolio collaboration, a greater statewide focus, and has expanded to include key clinical leaders embedded across the organisation.

Key activities

- Strengthening clinical leadership and governance through the Oral Health Clinical Council, the National Standards committee and working groups, Clinical Leadership in Practice (CLiP), the Product Evaluation and Technology Assessment Committee (PETAC), Senior Clinician Network, regional senior dentist meetings, and the DHSV Population Health Committee.
- Building clinician capacity through individual mentoring, subject matter expert advice and participation in the Melbourne Dental School clinical mentoring program, leading professional development opportunities such as Radiological Interpretation, nitrous oxide sedation, and International Caries Detection and Assessment System training programs.
- Presentations including at conferences, undergraduate training and clinical forums and publishing articles in peer-review journals, particularly about DHSV's value-based healthcare agenda.
- Leading service improvements including access and waiting list management initiatives, development of a RDHM conscious sedation program, progressing the adult service delivery model, and specialist referrals.
- Involvement in key improvement projects across the state and at RDHM, including supporting the development of new online learning modules, refining referrals and escalation processes, and providing expert advice on technological advancements including the Electronic Oral Health Record, red band handpieces, and nitrous oxide application.
- Working together with our university partners on research projects and curriculum review.

Accreditation and continuous improvement

As part of DHSV's commitment to successfully achieving accreditation, all clinically focused procedures, guidelines, and policies were reviewed by the clinical leadership group with the aim of improving client outcomes through evidence-based clinical practice. The co-design approach of the COHO team involved a thorough review of all content and resulted in pragmatic, sustainable practice improvements across RDHM and will inform community dental agencies across the state.

Oral Health Clinical Council

The Oral Health Clinical Council continues to play a key role in clinical governance by providing a voice to Victorian clinicians, championing the principles of VBHC, and ensuring safe, innovative high quality care.

Clinical Leadership in Practice (CLiP)

The Clinical Leadership in Practice committee is comprised of senior clinicians from key agencies across Victoria with a focus on clinical guidelines and procedures. In the past 12 months, CLiP has completed work on specialist referral processes, clinical guidelines, and service delivery models.

Women and Leadership Scholarship

Eight women from across DHSV were awarded Women and Leadership Scholarships, sponsored by our Chief Executive Officer. The scholarship forms part of our work on gender equity by sponsoring women in our organisation to develop their skills in preparation for taking on leadership roles. Aimed at mid-level to senior managers, it supports them to participate in the Executive Ready program run by Women and Leadership Australia.

Health Informatics

Health Informatics (HI) is a newly formed department integrating the research, evaluation, data and analytics arms of the organisation.

Health Informatics 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.

Key activities

- Contributing to the development of the International Consortium for Health Outcomes Measurement adult oral health standard set, and leading its implementation, trialling, and refinement in collaboration with the international working group
- Implementation of new Dental Weighted Activity Unit service item values to incentivise improvement in patient outcomes
- Undertaking major data analysis for the Department of Health for funding and pricing review of Victorian public dental services.

BUILDING A STRONGER WORKFORCE

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

Return to Work as a Dental Assistant refresher program

In May 2022 we ran our first Return to Work as a Dental Assistant (DA) refresher program to provide an employment pathway for Certificate III qualified DAs to return to the workforce. The free, five-day program provides students with a combination of online content, hands-on training, networking, and skills development. The course content covers infection control, instrument management, career pathways, and an introduction to value-based healthcare and Smile Squad.

In addition to refreshing the skills of dental assistants and helping to build their confidence to re-enter the workforce, the course is also pivotal in addressing workforce shortage issues that have become prevalent.

DHSV Oral Health Innovations Conference

DHSV delivered its third online Oral Health Innovations Conference in May 2022. More than 650 people registered for the event, which featured a more clinical focus than in previous years. The program included an overview of the new DHSV Strategic Direction, along with presentations on Smile Squad, a focus on young children, and the Adult General Model of Service Delivery. Participants were also introduced to a range of innovative projects across the sector and provided with the opportunity to register for online interactive workshops.



Refugee dentists train as dental assistants

DHSV collaborated with Bendigo Kangan Institute on an online Certificate III Dental Assisting course for refugee dentists. The course supports participants 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. Several of these participants have undertaken their work placements at RDHM.

Overseas Trained Clinicians programs

Training programs for overseas trained clinicians (OTC) recommenced with a reduced capacity, with COVID-19 restrictions limiting the numbers of participants permitted in the simulation laboratory. More than 70 per cent of OTC students in the 2021–22 period successfully completed their ADC exams and are now employed in public dental roles.

Antarctic Doctors Program

During 2021–22, ongoing quarantine restrictions between states and a fear of COVID-19 being transmitted to the Antarctic bases where there is limited medical support necessitated a change in the delivery of the basic dentistry component of the Antarctic Doctors Program. We continued our collaboration with the Tasmanian public oral health service and provided the necessary materials for staff to deliver the week-long theory component of the training to the team of six medical practitioners quarantining in Tasmania.

CEO Professional Development Scholarship

As part of DHSV’s commitment to finding new and innovative ways to support the learning and development of our people we introduced the CEO Professional Development Scholarship.

The scholarship was aimed at transforming the way we work by fostering a culture of continuous improvement and the learning of DHSV staff by advancing their skills, diversifying their experience, and improving their capacity to build enduring careers. A total of 28 staff members received funding of \$2,000 each to contribute towards education programs.

Awards and recognition

DHSV was the proud recipient of the prestigious international 2022 Value-Based Health Care Prize from the Value-Based Health Care Center Europe. DHSV was recognised for ‘Improving Oral Service Delivery and Outcomes using the Principles of VBHC – VBHC in Dental Care: from volume to value and to high value/volume’. The Award recognises healthcare initiatives that have adopted a fundamentally new line of thinking in creating excellent patient value in terms of real outcomes, real connections, and one common language.

DHSV’s CPD training as part of the Oral Cancer Learning Hub received the Diamond Award for Best Online Learning Model as part of LearnXLive, Australia’s premier awards recognising exceptional learning and education projects. The award recognises learning models delivered online to support and advance professional learning.



Brand and Communications

The Brand and Communications team relaunched the internal staff newsletter, Chatterbox, using a new email platform. The new platform includes access to analytics, which has enabled the team to assess which content most resonates with audiences, and to refine and strengthen their targeted communications. The platform encourages staff engagement from across the organisation, providing a space that fosters a sense of community by sharing success stories, staff profiles, and highlighting the patient experience.

Regular communications keep staff informed and engaged. Employees are updated by daily all-staff emails, weekly CEO updates, and monthly online Town Hall meetings. Staff wellbeing remains a focus, with the Brand and Communications team providing staff with health and wellbeing resources, COVID-19 information and Department of Health updates.

The team was also central to the development and design of major publications including the new Strategic Direction and the Gender Equality Action Plan.

Continuing COVID-19 safety measures

DHSV is committed to keeping staff and patients as safe as possible during the ongoing COVID-19 pandemic. Our safety measures include:

- coordinating personal protective equipment and respiratory protective equipment fit testing for RDHM staff with an Occupational Hygienist
- providing staff with information on COVID-19 leave entitlements
- keeping staff updated with vaccine information and providing links to state and federal Department of Health information debunking vaccine myths
- improving patient flows and waiting room areas for increased patient safety.

Family violence response and social work service

During 2021–22, the Strengthening Hospital Responses to Family Violence (SHRFV) initiative released its Foundational family violence eLearn package and resources.

Targeted at DHSV staff working in non-clinical roles, the eLearn package guides staff in facilitating safe and respectful engagement with individuals experiencing or impacted by family violence. An eLearn targeted at clinical staff will soon be released.

Despite the ongoing challenges of COVID-19, additional family violence response training was delivered to dental students and staff working in Primary Care.

SHRFV has contributed to preparing DHSV to comply with the new Victorian Child Safe Standards that take effect from 1 July 2022. Central to this work is the development of a training package to support our workforce to understand how to appropriately address allegations of child abuse or concerns of child safety within our organisation.

Under the auspices of the SHRFV initiative, RDHM's social work service continues to provide an advocacy and support service for patients accessing care. The social work service has now received 111 referrals from across RDHM, undertaking interventions in advocacy, psychosocial assessment, care coordination, counselling and referrals to community services.

Patient experience

DHSV implemented an improved system to source feedback from our patients. Patients receive a link via text message following their appointment at RDHM, allowing them to share feedback in their own time. Patient Reported Experience Measures was introduced to gain more meaningful insights from patients.

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



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 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
- 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 cardholders
- 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.

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 or disability services, supported by a letter of recommendation from their case manager or staff of special developmental schools.

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 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, prosthetics,

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 (Governance and Accountability) Act 2004*. On the Minister for Health’s recommendation, the Governor in Council appoints the DHSV Board of Directors. Members have a mix of qualifications, skills and experience, particularly in the areas of oral health, community welfare, and finance.



David Stevenson (Chair)
BBus(Mgt) and GAICD

Appointed to the Board in July 2018

David has over 20 years' experience as a CEO and Senior Executive, both in Australia and Internationally. He has worked with iconic brands such as Nike where he was Vice President and responsible for a \$5b business across 156 countries, the AFL where he is currently the GM Operations, Foot Locker, and the Western Bulldogs as CEO. He is also founder and partner of Bold Works. David is passionate about improving the health of our community, 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.



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

Appointed to the Board in July 2019

John is an experienced board director. His directorships include the water sector, coastal asset management, education, and the disability sector. His committee experience includes audit, risk, customer advisory, environment, and RAP. John is also an independent member of several audit committees and is on the Disciplinary Tribunal and Quality Review panels of Chartered Accountants ANZ.

John has more than 30 years' experience as a partner in a financial services firm providing internal and external audit, assurance, strategic, risk management, probity, compliance, fraud, and governance advice. John was an approved service provider to the Victorian Auditor General for over 20 years. He was also a member of the Australian Auditing and Assurance Standards Board. John provides strong strategic thinking capability combined with sound governance and technical skills.



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

Appointed to the Board in July 2020

Nicole Bartholomeusz has worked extensively in public health and government in executive and non-executive roles for over 20 years. She 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 passionate about addressing the social determinants of poor health such as poverty, housing and education. Her background as a clinician, combined with a Masters in Business Administration and experience delivering public health services, puts her in a unique position to provide leadership within the health sector.

Nicole previously served as a non-Executive Board Director for Macedon Ranges North Western Metropolitan Medicare Local and Western Health. She is also Chair of the Australian Health, Housing & Homelessness Network and a Council member with the Australian Healthcare & Hospitals Association. Nicole has a strong interest in health policy and health system redesign, together being a trusted and collaborative partner to deliver high quality, outcome based, population health models.



Katherine Stevens
BN and JD

Appointed to the Board in July 2021

Katherine has worked extensively in public health as a nurse, lawyer, and leader for over 20 years at a variety of public health services across Victoria. She is currently a senior lawyer at The Royal Children’s Hospital. Katherine has advised on matters of governance, the law and Board operations. She has also been responsible for the translation of strategy into innovative policy and responsive legal frameworks.

Katherine has extensive experience in cross-disciplinary collaboration, working with teams of experts to identify and respond to issues inherent in critical incidents and strategic, clinical, and enterprise risks. In previous roles, Katherine has been responsible for a wide range of matters across operational and structural change, strategy development, and the delivery of major capital developments. Katherine is Chair of the Dental Health Services Victoria Audit and Risk Committee, and a member of the Safety and Quality Committee.



John Donovan
GAICD

Appointed to the Board in August 2021

John is Managing Director of AFM Investments Partners, and a member of Audit and Risk and Finance

Committees. He is a Director of Pensions for Purpose (UK) and was a Director of La Trobe Regional Hospital, Vline, Gippsland Water, and AdminPartners. He was an independent member of the managed funds Compliance Committee of Trustees Australia and was a member of the Advisory Committee of the Australian Centre for Financial Studies.

John is a Graduate Member of the Australian Institute of Company Directors, a Senior Fellow of Finsia, a Fellow of the Australian Institute of Management, a Certified Practising Marketer and Fellow of the Australian Marketing Institute, associate member of the Australasian Investor Relations Association and the Responsible Manager of an Australian Financial Services Licence. John holds a Master of Public Relations, Business and leadership specialist subjects and executive development courses at Melbourne Business School, and a Certificate in Governance Practice from the Australian Institute of Governance.



Charles Power
BEC (Hons) LLB

Appointed to the Board in July 2020

Charles is a legal practitioner with more than 30 years of 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.



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 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 Chair and member of the Client Experience 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.



Jane Gunn
MBBS, PhD, FAHMS, FRACGP, DRANZCOG

Appointed to the Board in July 2019

Professor Jane Gunn is a medical practitioner, PhD graduate, Member of

the Australian Institute of Company Directors, Fellow of the Australian Academy of Health and Medical Sciences and Fellow of the Royal Australian College of General Practitioners. She is Dean of the Faculty of Medicine, Dentistry and Health Sciences and holds the inaugural Chair of Primary Care research at the University of Melbourne. She is recognised for her leadership in traversing the research-practice gap.

Her research program in primary care mental health has twice been included in the National Health and Medical Research Council's (NHMRC) Ten of the Best collection. She is a member of NHMRC Council, has served two terms on NHMRC Research Committee, and chaired numerous grant review panels.

Jane's decade of Board experience includes Boards of Northern Melbourne Medicare Local, Peter MacCallum Cancer Centre, Eastern Melbourne Primary Health Network, WEHI, The Florey Institute of Neuroscience and Mental Health, The Murdoch Children's Research Institute, and The Melbourne Academic Centre for Health.

In 2020, Jane was instrumental in guiding the University through the COVID-19 pandemic in her role as the Chief Public Health Adviser on the University of Melbourne leadership team for the pandemic response. Jane is committed to good governance, fostering collaborative research, mentoring the next generation, and catalysing innovation.



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.

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.

SUB-COMMITTEES

The following committees provided advice to the DHSV Board of Directors during the 2021–22 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: Katherine Stevens

Members: John Donovan, John Gavens and Jane Gunn

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: John Gavens (from October 2021), David Stevenson (July – October 2021)

Members: Sandra Anderson, Virendra Khatana, Andrea Cooper, Billy Park, Kevyn Morris, Rana Ebrahimi, Wolfie Sun, Nicole Bartholomeusz, 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: David Stevenson (from August 2021), Acting Chair John Gavens (July – August 2021)

Members: Sue Banks, Nicole Bartholomeusz (from October 2021) and John Gavens

Finance Committee

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

Chair: Sue Banks

Members: David Stevenson and John Donovan

Managing risk

The Board retained the services of HLB Mann Judd in 2021–22 as internal auditors as part of our ongoing commitment to risk management.

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: Nicole Bartholomeusz

Members: Antony Tobin, Anil Raichur, Clare Lin, Kevyn Morris, Felicia Valianatos, Martin Hall, Nicole Bartholomeusz, Mihiri Silva, Jonathan Teoh, Susanne Sofronoff, Shalika Hedge, Susan McKee, Tan Nguyen (from February 2022)

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: Antony Tobin

Members: Sandra Anderson, Sue Banks (to September 2021), Nicole Bartholomeusz (to September 2021), Keegan Crow, Peter Daffy (from March 2022), Roxanne Maule (from September 2021), Charles Power, Katherine Stevens (from September 2021), Felicia Valianatos (from September 2021)

BOARD MEETINGS

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

In addition to the Annual General Meeting, the Board met 12 times during 2021–22. Attendance at Board meetings was as follows:

Member	Number of meetings eligible for	Number of meetings attended
David Stevenson	12	12
Nicole Bartholomeusz	12	10
Sue Banks	12	12
John Donovan	11	10
John Gavens	12	11
Jane Gunn	12	7
Charles Power	12	11
Katherine Stevens	12	12
Antony Tobin	12	12

EXECUTIVE

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



Susan McKee

Chief Executive Officer

RN, BSC (HMS), MBA, GAICD

Susan is a forward-thinking CEO and non-executive director on a mission to make quality healthcare more

accessible, safe, and patient-centred. Since starting her career as a Registered Nurse, Susan has spent 35 years improving healthcare systems across the public, not-for-profit, and private sectors as a nursing director and senior executive.

Susan's strategic and values-driven approach inspires creative thinking, bold innovation, and a collaborative workplace culture. Never one to pull the ladder up behind her, Susan mentors aspiring healthcare leaders and strongly advocates for gender equity, cultural diversity, and social justice for all.

She lives by the motto "If not now, when? If not you, who?"



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 achievement of 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.



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 15 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. As Chief Information Officer he provides leadership in the adoption of innovative technologies that deliver improved experiences and outcomes for our consumers, staff and partners.



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.



Martin Hall

Chief Oral Health Advisor

BDS, MPH, AdvDipMan, FICD

Dr Martin Hall 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 in NSW as the Principal Dental Officer Mid North Coast Health Services and in Victoria as Senior Dentist and General Manager Clinical and Oral Health Services North Richmond Community Health.

He is an Honorary Enterprise Fellow in the Melbourne School of Population and Global Health; Honorary Adjunct Professor at La Trobe University's School of Rural Health and Director of "Kose Nehan" – an Oral Health Project in East Timor. Martin was inducted into the International College of Dentists in 2015. His current role as Chief Oral Health Officer for Dental Health Services Victoria has a focus on clinical leadership and governance and includes the development of new preventive-based models of care within Victoria's Public Oral Health services.



Peter Branov

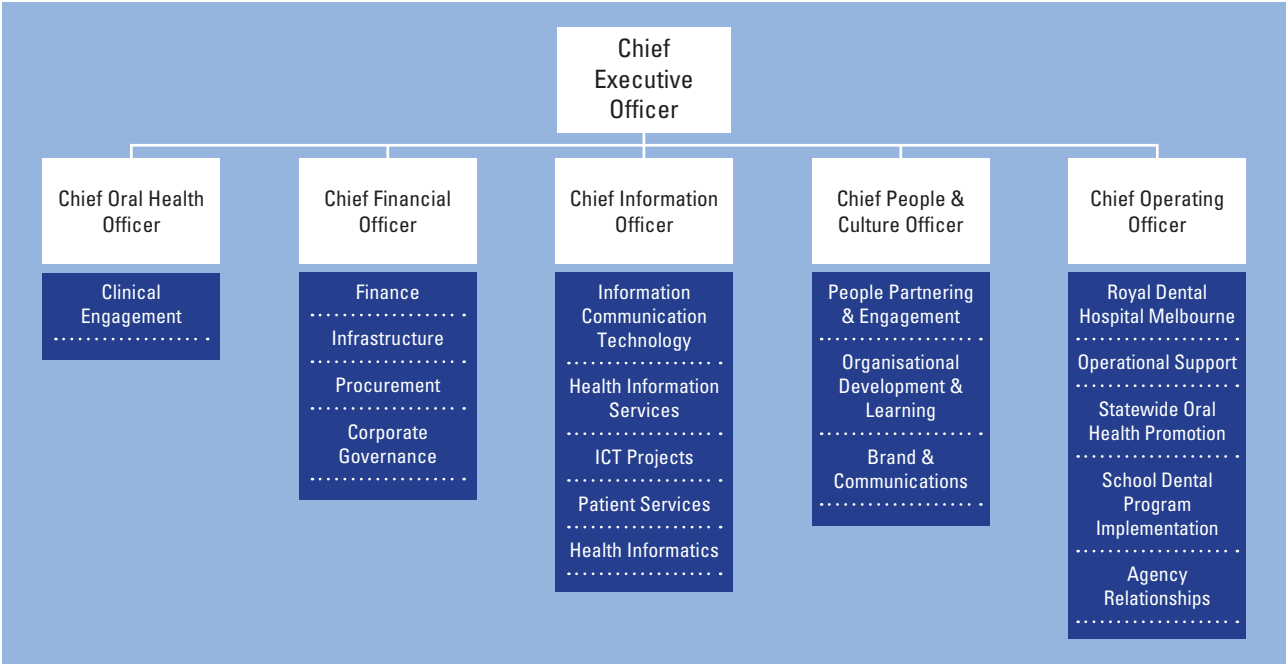
Chief People and Culture Officer

BBus and GradDip IR/HRM

Peter is an innovative HR leader with over 25 years' experience and a track record of delivery. Peter leads the

People and Culture portfolio and is committed to delivering high quality, people-centred services that drive change and align culture with values. Peter has expertise in workforce planning and workplace relations, strategy and culture, health and wellbeing, change management and championing diversity and cultural development. 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



Buildings management

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

Purchasing and tendering

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

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.

Social Procurement Framework

Dental Health Services Victoria (DHSV) has imbedded the requirements of the Victorian Social Procurement Framework (SPF) in the planning phase of individual procurements. DHSV seeks opportunities, and where available, clearly communicates identified social outcomes to potential suppliers from the outset of the market approach through the Invitation to Supply (ITS) suite of documents. For this reporting period, our spend on individual procurements was within the Below threshold Band. Across the 2021-2022 reporting period DHSV purchased from 12 social benefit suppliers. The aggregate spend was approximately \$450,000. DHSV’s approach to the SPF is one of continuous improvement.

Local Jobs First

The *Local Jobs First Act 2003* introduced in August 2018 brings together the Victorian Industry Participation Policy (VIPP) and Major Project Skills Guarantee (MPSG) policy which were previously administered separately. Departments and public sector bodies are required to apply the Local Jobs First policy in all projects valued at \$3 million or more in Metropolitan Melbourne or for state-wide projects, or \$1 million or more for projects in regional Victoria.

MPSG applies to all construction projects valued at \$20 million or more. The MPSG guidelines and VIPP guidelines will continue to apply to MPSG-applicable and VIPP applicable projects respectively where contracts have been entered prior to 15 August 2018. During the 2021-22 reporting period, DHSV did not commence projects that meet the Local Jobs First policy value threshold. During this period, no grants were provided that would entail an interaction with the Industry Capability Network.

Projects completed – Local Jobs First Standard

During the 2021-22 period, DHSV completed two Local Jobs First Standard projects, totalling \$11.2 million. Of those projects, one was for the build of 25 single chair dental vehicles where the supplier is located in NSW. The second project was with an international supplier for an assortment of portable dental equipment. The dental vehicle procurement included several contestable items, vehicle parts and accessories. The Portable Dental Equipment procurement included two contestable items, chairs/stools and operating theatre lighting.

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

25 August 2022

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

25 August 2022

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

25 August 2022

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

25 August 2022

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

25 August 2022

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

25 August 2022

Public Interest Disclosures Act 2012

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.

Freedom of Information

The Victorian *Freedom of Information 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 (FOI) are requests by patients for access to their own personal dental records. DHSV processed 303 FOI applications during the year.

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.

WORKFORCE BREAKDOWN

June 2022										June 2021									
All employees					Ongoing			Fixed-term and casual		All employees					Ongoing			Fixed-term and casual	
	Number (head count)	FTE	Full-time (head count)	Part-time (head count)	FTE	Number (head count)	FTE	Number (head count)	FTE	Number (head count)	FTE	Full-time (head count)	Part-time (head count)	FTE	Number (head count)	FTE			
Gender																			
Women	418	292	126	220	248	72	44	427	295	133	233	261	61	34					
Men	157	106	58	62	80	37	26	162	107	58	67	82	37	23					
Self-described	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Total	575	398	184	282	328	109	70	589	402	191	300	343	98	59					
Age																			
15-24	19	12	2	3	4	14	8	19	12	5	3	7	11	5					
25-34	107	74	33	30	46	44	28	123	83	36	40	54	47	29					
35-44	156	100	40	95	87	21	13	162	102	41	101	91	20	111					
45-54	157	111	58	81	99	18	12	149	106	60	76	97	13	9					
55-64	106	80	42	54	73	10	7	108	79	40	61	74	7	5					
65+	30	21	9	19	19	2	2	28	20	9	19	20	-	-					
Total	575	398	184	282	328	109	70	589	402	191	300	343	98	59					
Classification																			
Administration & Clerical	214	184	108	51	143	55	41	208	180	106	55	144	47	36					
Specialist Dentist	61	20	-	54	17	7	3	61	18	-	52	15	9	3					
Dentist	52	28	2	35	20	15	8	58	29	3	37	20	18	9					
Dental Assistant	124	91	42	72	87	10	4	137	97	46	78	94	13	3					
Other*	118	69	32	70	61	16	8	119	72	35	78	69	6	3					
Executive	6	6	-	-	-	6	6	6	6	1	-	1	5	5					
Total Employees	575	398	184	282	328	109	70	589	402	191	300	343	98	59					

*Other includes Nurses, Dental Technicians, Dental Therapists and other medical and non-medical staff.

Other includes nurses, dental technicians, dental therapists and other medical and non-medical staff.

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 DHSV values.

Safety culture

DHSV is committed to ensuring the right systems are in place to address occupational health and safety concerns. We have implemented a range of initiatives to address bullying, harassment, and occupational violence and aggression, including Frontline Code Grey training for frontline staff and managers, empowering staff to speak up for safety.

We have Family Violence officers onsite and on call when required for staff, along with Health and Safety representatives and Mental Health First Aid officers to support staff as required.

Occupational violence statistics	2021–22
WorkCover accepted claims with an occupational violence cause per 100 FTE	0
Number of accepted work cover claims with lost time injury with an OVA cause per 1,000,000 hours worked	0
Number of occupational violence incidents reported	23
Number of occupational violence incidents reported per 100 FTE	10.18
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	0
OH&S statistics	
Number of reported hazards/incidents for the year per 100 full-time equivalent staff members	25
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 2022 – payments to date (as of 30 June 2022)	\$46,545.13
An estimate of outstanding claim costs as advised by WorkSafe	\$1,808.79
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)	
• 2018-19 Average claims cost (payments made)	\$268,129.15
• 2019-20 Average claims cost (payments made)	\$93,988.28
• 2020-21 Average claims cost (payments made)	\$223,971.37
• 2021-22 Average claims cost (payments made)	\$46,545.13
• Premium projection based on current claims	\$1,206.738.91
Significant variations:	
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

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.

DHSV values the important role Health and Safety Representatives (HSR) play in identifying and resolving occupational hazards. In 2021–22, we implemented monthly HSR meetings to share updates on legislative changes, safety campaigns, and wellbeing initiatives, and also showcase examples of practical risk mitigation controls by HSRs. Workplace Health and Safety Committees continued to provide a regular forum for collaboration to address current and emerging risks, which has contributed to safety system improvements in areas including liquid nitrogen, occupational violence and aggression, chemical waste, and improvements to the warehouse.

DHSV continues to take positive steps to support staff who experience family violence. Our Family Violence Contact Officer Program has reached even more employees during the last 12 months. Workplace Health and Safety received further referrals through our confidential and centralised Health and Safety Consultant, Return to Work Coordinator, and Social Worker pathways. We continued to train and upskill our contact officers to ensure the best support can be provided to our staff. Additional support resources were created and circulated widely in response to the increase in family violence during the coronavirus pandemic.

The increased use of personal protective equipment and respiratory protective equipment during the pandemic highlighted the need to implement safety controls designed to protect staff from respiratory hazards. We developed and implemented a Respiratory Protection Program and trained a network of Fit Testers accredited to fit test staff annually and as required. The successful program saw more than 395 staff fit tested against the Therapeutic Goods Administration registered P2/N95 respirators. Regulatory assessments of our program have resulted in positive results.

The People Partnering and Engagement team's COVID-19 response focused on worker safety and wellbeing, industrial obligations and relations, and employee conditions during the COVID-19 vaccination rollout. Under the guidance of the Department of Health, we employed effective initiatives to support employees including the development of employee benefits, entitlements, and wellbeing programs. The management team was supported by the People Partnering and Engagement team through further developing flexible and remote working practices.

Occupational Violence and Aggression (OVA) remains a significant issue across the healthcare sector. Our OVA committee co-partners with the Work Health and Safety committee to monitor, evaluate, and report OVA incidents against the Board-endorsed Occupational Violence Framework.

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 below 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.



FEES AND CHARGES

Eligible adults:

- a fee of \$30 per visit if you hold a Pensioner Concession Card or Healthcare Card. The most you will need to pay for a complete general course of care is \$120
- a flat fee of \$30 for an emergency course of care, which includes assessment and treatment of the tooth/gums/denture that is causing pain
- \$71.50 per denture capped at \$143 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 \$35 per child for a general course of care, which includes an examination and all general dental treatment. Fees per family will not exceed \$140.

Fees for specialist services (RDHM only):

- depend on the treatment. It will not be more than \$362 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.

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 organisations 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 2019–22, as at 30 June 2022. COVID-19 has impacted DHSV's overall activity levels and results during the 2021–22 period.

Energy consumption

Total energy consumption by energy type (GJ)				
	2019–20	2020–21	2021–22	
Electricity	10,200	8,775	9,092	
Natural gas	23,533	6,411	6,286	

2019–20	Total	33,733
2020–21	Total	15,186
2021–22	Total	15,378

Normalised energy consumption				
	2019–20	2020–21	2021–22	
Energy per unit of floor space RDHM (GJ/m²)	1.84	0.83	0.84	

Greenhouse gas emissions

Total greenhouse gas emissions (tonnes CO2e)				
	2019–20	2020–21	2021–22	
Scope 1—calculated on natural gas consumption	1,297	397	323	
Scope 2—calculated on electricity consumption	2,890	2,388	2,298	

2019–20	Total	4,187
2020–21	Total	2,785
2021–22	Total	2,621

Normalised greenhouse gas emissions				
	2019–20	2020–21	2021–22	
Emissions per unit of floor space RDHM (kgCO2e/m²)	229	152	143	

Water consumption

Total water consumption by type (KL)				
	2019–20	2020–21	2021–22	
Potable water	9,413	6,477	8,980	

2019–20	Total	9,413
2020–21	Total	6,477
2021–22	Total	8,980

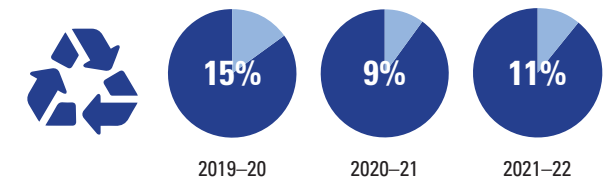
Normalised water consumption				
	2019–20	2020–21	2021–22	
Water per unit of floor space RDHM (kL/m²)	0.51	0.35	0.49	

Waste generation

Total waste generation by type (KG)				
	2019–20	2020–21	2021–22	
Clinical waste	15,000	17,900	27,322	
General waste	255,240	239,350	239,083	
Recycled waste	62,000	23,555	29,085	
Total	332,240	280,805	295,490	

Normalised waste generation				
	2019–20	2020–21	2021–22	
Waste per activity (kg/activity)	62	71	70	

Waste recycling				
Waste recycling rate (percentage)				



STATEMENT OF PRIORITIES

PART A: STRATEGIC PRIORITIES

In 2021–22, Dental Health Services Victoria will contribute to the achievement of the Victorian Government's commitments by:

Goals	Health Service Deliverables	Comments
Maintain robust COVID-19 readiness and response	Participating in and assisting with the implementation of COVID-19 vaccine immunisation program rollout	DHSV has a robust and active COVID plan which is reviewed regularly. DHSV has offered its assistance to support immunisation and testing programs.
Actively collaborate on the development and delivery of priorities within your Health Service Partnership	Be collectively accountable for delivering against Partnership accountables as set out in the Health Service Partnership Policy and Guidelines	DHSV is not an official member of any health partnership. DHSV collaborates with the specialist hospitals in the precinct. DHSV collaborates with over 50 community dental agencies across Victoria.
Engage with your community to address the needs of patients, especially those whose care has been delayed due to the pandemic	Provide necessary 'catch-up care' to support patients to get back on track	\$27 million has been allocated to address deferred care. DHSV has implemented a centralised process to engage/provide care to patients waiting longer than 9 months. Telehealth was implemented in 2020 and continues to be a clinical offering.
Embed the Aboriginal and Torres Strait Islander Cultural Safety Framework	Build a continuous quality improvement approach to improving cultural safety, underpinned by Aboriginal self-determination, to ensure delivery of culturally safe care to Aboriginal patients and families, and provide cultural safe workplaces for Aboriginal employees	DHSV has a Reconciliation Action Plan whose creation was led by Aboriginal and Torres Strait Islanders. A number of significant actions have been achieved from this Plan. Aboriginal Cultural Awareness and cultural safety training is mandatory for all DHSV staff.
Increase utilisation and revenue collected through the Child Dental Benefits Schedule	Develop and implement a plan for revenue collected through the Child Dental Benefits Schedule	A Child Dental Benefits Schedule implementation plan been completed and is now being enacted. Significant work has been completed to improve the process, including an electronic consent process. The uptake of the Child Dental Benefits Schedule is increasing and continues to be monitored.
Develop an Innovations Grants Program	Use the funds from the Innovations Grants Program to develop and implement innovative projects to improve access to dental care for vulnerable Victorians	\$7 million has been allocated to the Innovation Grants Program. A first round Expression of Interest was undertaken and project selection is currently underway. These funds have been rolled forward to 2022–23.

Goals	Health Service Deliverables	Comments
Develop a statewide model of care to deliver public dental services to Aboriginal people	Focus on collaborative partnerships that will enable improvements in Aboriginal oral health, with a focus on prevention and early intervention and system enhancements	<p>\$3 million has been allocated to complete this piece of work over an 18-month period.</p> <p>A project plan has been completed and is currently being actioned.</p>
Develop a statewide service plan for public dental services for the future design of the system	Establish a clear direction and priorities for the future design of the public dental system, prioritising responsiveness and meeting demand to improve access to care and deliver better oral health outcomes	<p>A statewide service plan has been completed and is with the Department of Health for review and feedback.</p> <p>To develop the plan, a comprehensive review of statewide activity, chair profile, and utilisation was completed.</p> <p>In preparing the report, DHSV considered current and future population trends, future models of care, and changing service delivery methods.</p> <p>A report will be completed for the DHSV Board of Directors in September 2022.</p>

PART B: PERFORMANCE PRIORITIES

High quality and safe care

Key Performance Measure	Target	Actual
Infection prevention and control		
Compliance with the Hand Hygiene Australia program	85%	86%
Percentage of healthcare workers immunised for influenza	92%	93%
Patient experience		
Patient satisfaction at the Royal Dental Hospital of Melbourne, as measured by the Patient Reported Experience Measures	85%	92%

Strong governance, leadership, and culture

Key Performance Measure	Target	Actual
Organisation culture		
People matter survey – Percentage of staff with an overall positive response to safety culture survey questions	62%	63%

Timely access to care

Key Performance Measure	2021-22 Agencies Target	2021-22 Actual	2021-22 RDHM Target	2021-22 Actual	2021–22 Statewide Target	2021–22 Actual
Emergency Care						
Percentage of Dental Emergency Triage Category 1 clients treated within 24 hours	90%	91%	90%	95%	90%	91%
Percentage of Dental Emergency Triage Category 2 clients treated within 7 days	80%	93%	80%	90%	80%	92%
Percentage of Dental Emergency Triage Category 3 treated within 14 days	75%	92%	75%	84%	75%	92%

Key Performance Measure	2021-22 Agencies Target	2021-22 Actual	2021-22 RDHM Target	2021-22 Actual	2021–22 Statewide Target	2021–22 Actual
General and Denture Care						
Number of hospital initiated postponements per 100 scheduled appointments	-	-	3	9	-	-
Average recall interval for high caries risk eligible clients	-	-	-	-	12	14
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	18	-	-

Waiting time for other dental specialist services patients (months)	-	-	9	15	-	-
Waiting time for general care (months)	-	-	-	-	23	27
Waiting time for denture care (months)	-	-	-	-	22	20
Waiting time for priority denture care (months)	-	-	-	-	3	3
Key Performance Measure	2021-22 Agencies Target	2021-22 Actual	2021-22 RDHM Target	2021-22 Actual	2021-22 Statewide Target	2021-22 Actual
Activity						
Total number of individuals treated (full year target – 409,000) ^{1&2}	-	-	-	-	409,000	266,206
Priority and emergency clients treated (full year target – 273,800) ²	-	-	-	-	273,800	206,462
Dental Weighted Activity Units (DWAUs – full year target – 391,892) ^{1&2}	-	-	-	-	391,892	272,813

Oral health promotion program

Key Performance Measure	2021-22 Statewide Target	Actual
Children participating in Smiles 4 Miles	49,000	56,527

Effective financial management

Key Performance Indicator	Target	Actual
Operating result (\$m)	0	(0.048)
Average number of days to pay trade creditors	60 days	38 days
Average number of days to receive patient fee debtors	60 days	42 days
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	1.0
Actual number of days available cash each month	14 days	27 days
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June	Variance ≤ \$250,000	Yes

¹ Targets reflect additional activity to be delivered under the *Federation Funding Agreement – Schedule on Public Dental Services for Adults* and additional State investment for *Responding to community – based healthcare demand*.

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

FINANCIAL OVERVIEW

The DHSV operating result for the financial year was a deficit of \$48k. The net entity result was a deficit of \$1 million, due to capital grants of \$9.5 million (primarily for School Dental Program), offset by depreciation expenses of \$8.3 million assets transferred to agencies of \$2.4 million and other economic flows.

Total revenue decreased by \$6.7 million (3.2% decrease on previous year) due to the impacts of COVID-19 on our ability to deliver target activity in 2021–22. Total expenditure decreased by \$800k on the previous year, predominatly due to a number of vacancies during the year that resulted in a reduction of salaries and wages.

The net financial effect of COVID-19 on DHSV was minimal as Department of Health provided funding to compensate for the lost revenue that resulted from limited activity and additional expenditure that occurred

due to COVID-19. The unutilised grants, due to limited activity, are not recognised as revenue and are carried over to FY2022–23.

As responses by government continue to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on DHSV, its operations, its future results and financial position.

The total equity decreased by \$1million as a result of the entity deficit for the year.

The key operational and financial objectives at DHSV are documented in the Statement of Priorities 2021–22.

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

Summary of financial results					
	2022	2021	2020	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000
Total revenue	210,998	217,964	214,583	207,196	197,524
Total expenses	(212,350)	(213,152)	(216,513)	(209,740)	(200,065)
Other operating flows included in the net result	309	(804)	(1,487)	(561)	(86)
Net result for the year	(1,043)	4,008	(3,417)	(3,105)	(2,627)
Operating result	(48)	2,714	140	(31)	(91)
Total assets	270,058	214,350	162,460	160,735	162,192
Total liabilities	141,821	85,070	40,756	35,614	41,723
Net assets	128,237	129,280	121,704	125,121	120,469
Total equity	128,237	129,280	121,704	125,121	120,469

*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 2021–22 is \$4.860 million (excluding GST) with the details shown below.

Business As Usual (BAU) ICT expenditure**	
Total (excluding GST)	\$3,852
Non-Business As Usual (non-BAU) ICT expenditure*	
(Total=Operational expenditure and capital expenditure) (excluding GST)	\$1,008
Operational expenditure	
Total (excluding GST)	\$618
Capital expenditure (excluding GST)	
Total (excluding GST)	\$390

Consultancies

Details of consultancies (under \$10,000)

In 2021–22, there were 30 consultancies where the total fees payable to the consultants were less than \$10,000.

The total expenditure incurred during 2021–22 in relation to these consultancies were \$140,674.99 (excl. GST).

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

In 2021–22, there were 25 consultancies where the total fees payable to the consultants were \$10,000 or greater.

The total expenditure incurred during 2021–22 in relation to these consultancies were \$959,538.08 (excl. GST).

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

*Non-BAU ICT expenditure relates to extending or enhancing DHSV's current ICT capabilities.

**BAU ICT expenditure is all remaining ICT expenditure that primarily relates to activities to operate and maintain existing ICT capability.

DISCLOSURE INDEX

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

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GLOSSARY

ADC	Australian Dental Council
ALO	Aboriginal Liaison Officer
BAU	Business as Usual
CDBS	Child Dental Benefits Schedule
CLiP	Clinical Leadership in Practice Committee
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
MHFA	Mental Health First Aid
NSQHSS	National Safety and Quality Health Service Standards
OHS	Occupational health and safety
OVA	Occupational Violence and Aggression
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
VBHC	Value-based healthcare

**DENTAL HEALTH
SERVICES VICTORIA**

ABN: 55 264 981 997

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dental health
services victoria
oral health for better health

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

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2022**

DENTAL HEALTH SERVICES VICTORIA

Dental Health Services Victoria (DHSV) has presented its audited general purpose financial statements for the financial year ended 30 June 2022 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 2022 and the financial position of Dental Health Services Victoria at 30 June 2022.

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 25 August 2022.

David Stevenson
Board Chair

Carlton
25 August 2022

Susan McKee
Chief Executive Officer

Carlton
25 August 2022

Tim Hogan
Chief Financial Officer

Carlton
25 August 2022



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 2022 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 2022 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.



Dominika Ryan
as delegate for the Auditor-General of Victoria

MELBOURNE
20 September 2022

DENTAL HEALTH SERVICES VICTORIA
Comprehensive Operating Statement
For the financial year ended 30 June 2022

	Note	Total 2022 \$'000	Total 2021 \$'000
Revenue and income from transactions			
Operating activities	2.1	201,200	205,179
Non-operating activities	2.1	9,798	12,785
Total revenue and income from transactions		210,998	217,964
Expenses from transactions			
Employee expenses	3.1	(46,711)	(48,327)
Supplies and consumables	3.1	(3,504)	(1,523)
Grants to other health services and community agencies	3.1	(135,219)	(139,046)
Depreciation and amortisation	4.3	(8,316)	(7,604)
Other operating expenses	3.1	(14,792)	(14,011)
Other non-operating expenses	3.1	(3,808)	(2,641)
Total expenses from transactions		(212,350)	(213,152)
Net result from transactions - net operating balance		(1,352)	4,812
Other economic flows included in net result			
Net loss on sale of non-financial assets	3.5	(17)	(1,187)
Net loss on financial instruments at fair value	3.5	(193)	(339)
Other gain / (loss) from other economic flows	3.5	519	722
Total other economic flows included in net result		309	(804)
Net result for the year		(1,043)	4,008
Other economic flows - 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		(1,043)	7,576

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

DENTAL HEALTH SERVICES VICTORIA

Balance Sheet

As at 30 June 2022

	Note	Total 2022 \$'000	Total 2021 \$'000
Current assets			
Cash and cash equivalents	6.2	126,966	71,360
Receivables	5.1(a)	1,740	2,706
Inventories	4.4	836	637
Prepayments		937	1,102
Total current assets		130,479	75,805
Non-current assets			
Receivables	5.1(a)	1,638	1,597
Property, plant and equipment	4.1(a)	137,599	136,576
Intangible assets	4.2	342	372
Total non-current assets		139,579	138,545
Total assets		270,058	214,350
Current liabilities			
Payables	5.2	127,306	69,857
Borrowings	6.1	391	320
Provisions	3.3	11,105	10,805
Total current liabilities		138,802	80,982
Non-current liabilities			
Borrowings	6.1	1,673	1,870
Provisions	3.3	1,346	2,218
Total non-current liabilities		3,019	4,088
Total liabilities		141,821	85,070
Net assets		128,237	129,280
Equity			
Property, plant and equipment revaluation surplus	4.1(f)	106,487	106,936
Contributed capital		52,605	52,605
Accumulated surpluses/(deficits)		(30,855)	(30,261)
Total equity		128,237	129,280
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 2022

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 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	3,575	-	-	-	3,575
Transfer to accumulated surplus/deficit	(5,828)	(512)	-	6,340	-
Reduction of contributed capital	-	-	(7)	-	(7)
Balance at 30 June 2021	4.1(f)	106,936	52,605	(30,261)	129,280
Net result for the year	-	-	-	(1,043)	(1,043)
Transfer to accumulated surplus/deficit	(449)	-	-	449	-
Balance at 30 June 2022	4.1(f)	106,487	52,605	(30,855)	128,237

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 2022

	Note	Total 2022 \$'000	Total 2021 \$'000
Cash flows from operating activities			
Operating grants from government		242,811	214,778
Capital grants from government		11,653	35,502
Patient fees received		2,210	1,437
Donations and bequests received		20	25
GST received from the Australian Taxation Office		9,921	9,915
Interest and Investment Income received		270	191
Other receipts		6,523	5,465
Total receipts		273,408	267,313
Employee expenses paid		(46,644)	(48,363)
Payments for supplies and consumables		(3,430)	(1,480)
GST paid to the Australian Taxation Office		(558)	(536)
Grant payments to other Health Services and Community Agencies		(132,601)	(138,682)
Purchase of inventories for resale		(8,124)	(5,287)
Other payments		(16,993)	(18,587)
Total payments		(208,350)	(212,935)
Net cash flow from / (used in) operating activities	8.1	65,058	54,378
Cash flows from investing activities			
Purchase of non-financial assets		(9,123)	(8,698)
Purchase of intangible assets		(222)	(443)
Proceeds from disposal of non-financial assets		19	25
Net cash flow from / (used in) investing activities		(9,326)	(9,116)
Cash flows from financing activities			
Repayment of borrowings		(126)	(206)
Net cash outflow from financing activities		(126)	(206)
Net increase/(decrease) in cash and cash equivalents held		55,606	45,056
Cash and cash equivalents at beginning of financial year		71,360	26,304
Cash and cash equivalents at end of financial year	6.2	126,966	71,360

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 2022

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 2022. 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 2022 and the comparative information presented in these financial statements for the year ended 30 June 2021.

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

The annual financial statements were authorised for issue by the Board of DHSV and its controlled entities on 25 August 2022.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2022

Note 1.2: Impact of COVID-19 pandemic

In March 2020, a state of emergency was declared in Victoria due to the global coronavirus pandemic, known as COVID-19. On 2 August 2020 a state of disaster was added with both operating concurrently. The state of disaster in Victoria concluded on 28 October 2020 and the state of emergency concluded on 15 December 2021.

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.

In response to the ongoing COVID-19 pandemic, DHSV has:

- Introduced restrictions on non-essential visitors
- Adopted greater utilisation of telehealth services
- Changed infection control practices
- Deferred dental surgery and reduced activity
- Introduced measures to ensure social distancing requirements are met
- Implemented work from home arrangements where appropriate.

The financial impacts for the year ended 30 June 2022 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 2022

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 from 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 2022

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: *Revenue and 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 decreased during the financial year due to the impacts of COVID-19 Coronavirus pandemic. Activity based funding decreased as the level of activity agreed in the Statement of Priorities (SoP) could not be delivered due to reductions in the number of patients being treated and limitations on types of treatments provided.

This was offset by additional funding provided by the Department of Health (DoH) to compensate for reductions in revenue and to cover certain direct and indirect COVID-19 related costs. Funding provided included COVID-19 and state repurposing grants, and sustainability funding.

For the year ended 30 June 2022, the COVID-19 pandemic has impacted DHSV's ability to satisfy its performance obligations contained within its contracts with customers. DHSV received confirmation there would be no obligation to return funds to the DoH where performance obligations had not been met.

This resulted in approximately \$20m being recognised as income for the year ended 30 June 2022 which would have otherwise been recognised as a contract liability in the Balance Sheet until subsequent years when underlying performance obligations were fulfilled.

Key judgements and estimates

Key judgements and estimates	Description
Identifying performance obligations	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. 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. If this criteria is not met, funding is recognised immediately in the net result from operations.
Determining timing of revenue recognition	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.
Determining time of capital grant income recognition	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.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2022

Note 2.1: Revenue and income from transactions

	Total 2022 \$'000	Total 2021 \$'000
Operating activities		
Revenue from contracts with customers		
Government grants (State) - Operating ⁽ⁱ⁾	147,108	117,676
Patient fees	2,103	1,632
Commercial activities ⁽ⁱⁱ⁾	5,624	4,864
Total revenue from contracts with customers	154,835	124,172
Other sources of income ⁽ⁱⁱⁱ⁾		
Government grants (State) - Operating ⁽ⁱ⁾	44,275	79,109
Other revenue from operating activities	429	377
Assets received free of charge	1,661	1,521
Total other sources of income	46,365	81,007
Total revenue and income from operating activities	201,200	205,179
Income from non-operating activities ⁽ⁱⁱⁱ⁾		
Government grants (State) - Capital	9,463	12,569
Donations	20	25
Other sources of income	315	191
Total income from non-operating activities	9,798	12,785
Total revenue and income from transactions ⁽ⁱⁱⁱ⁾	210,998	217,964

⁽ⁱ⁾ Income from operating activities includes repurposed funding of \$19.9m in addition to \$5.7m 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).

DENTAL HEALTH SERVICES VICTORIA
Notes to the Financial Statements for the year ended 30 June 2022

Note 2.1: Revenue and 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)).

Grants received for building upgrades and ICT infrastructure are recognised as income when or as these projects are completed, as per AASB 1058.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2022

Note 2.1: Revenue and 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 is predominantly from sales of goods and services to community agencies including the provision of technical support and fees for 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 2022 \$'000	Total 2021 \$'000
Personal Protective Equipment (PPE) from Monash Health	1,399	1,143
Cash and capital donations	20	25
Non-cash revenue from DoH - Insurance	222	222
Non-cash revenue from DoH - Long Service Leave	40	156
Total fair value of assets and services received free of charge	1,681	1,546

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2022

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 HealthShare 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. HealthShare 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 2022

Note 2.3: Other income

	Total 2022 \$'000	Total 2021 \$'000
Interest income	315	191
Rental income - operating leases	86	62
Total other income	401	253

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 2022 \$'000	Total 2021 \$'000
Non-cancellable operating lease receivables		
Not longer than one year	98	94
Longer than one year but not longer than five years	41	139
Total other income	139	233

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2022

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 pandemic. This resulted in direct and indirect costs being affected, such as provision of additional security guards, and additional cleaning.

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>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> <p>Expected future payments incorporate anticipated future wage and salary levels, duration of service and employee departures, and are discounted at rates determined by reference to market yields on government bonds at the end of the reporting period.</p> <p>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 2022

Note 3.1: Expenses from transactions

		Total 2022 \$'000	Total 2021 \$'000
	Note		
Salaries and wages		36,823	38,667
On-costs		8,373	8,338
Agency expenses		310	375
Work cover premium		1,205	947
Total employee expenses		46,711	48,327
Drug supplies		258	242
Medical and surgical supplies		3,246	1,281
Total supplies and consumables		3,504	1,523
Grants to other health services and community agencies		135,219	139,046
Finance costs		79	51
Medical indemnity and motor vehicle insurance		230	229
Fuel, light, power and water		823	673
Repairs and maintenance		585	792
Maintenance contracts		465	432
Computer expenses		2,825	2,422
Cleaning and laundry expenses		1,054	979
Consultancy expenses		1,100	671
Motor vehicle expenses		678	569
Other administrative expenses		6,856	5,780
Expenses related to leases of low value assets		50	44
Expenditure for capital purposes		47	1,369
Total other operating expenses		14,792	14,011
Total operating expense		200,226	202,907
Assets provided free of charge	2.2	1,399	1,118
Specific expenses		2,409	1,523
Total other non-operating expenses		3,808	2,641
Depreciation and amortisation	4.3	8,316	7,604
Total depreciation and amortization		8,316	7,604
Total non-operating expense		12,124	10,245
Total expenses from transactions		212,350	213,152

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; 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 2022

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

Specific expenses

Amounts paid for the purchase of dental equipment on behalf of external Dental agencies ⁽ⁱ⁾

Total specific expenses

Total 2022 \$'000	Total 2021 \$'000
2,409	1,523
2,409	1,523

(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 it is 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 2022

Note 3.3: Employee benefits in the balance sheet

	Total 2022 \$'000	Total 2021 \$'000
Current provisions		
Employee benefits ⁽ⁱ⁾		
Accrued days off		
- Unconditional and expected to be settled wholly within 12 months ⁽ⁱⁱ⁾	252	213
Annual leave		
- Unconditional and expected to be settled wholly within 12 months ⁽ⁱⁱ⁾	2,543	2,290
- Unconditional and expected to be settled wholly after 12 months ⁽ⁱⁱⁱ⁾	563	823
Long service leave		
- Unconditional and expected to be settled wholly within 12 months ⁽ⁱⁱ⁾	1,099	763
- Unconditional and expected to be settled wholly after 12 months ⁽ⁱⁱⁱ⁾	5,498	5,337
Employee Termination Benefits		
- Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	-	354
Provisions related to employee benefit on-costs		
- Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	418	335
- Unconditional and expected to be settled after 12 months ⁽ⁱⁱⁱ⁾	732	690
Total current provisions	11,105	10,805
Non-current provisions		
Conditional long service leave ^{(i) (iii)}	1,199	1,980
Provisions related to employee benefit on-costs ⁽ⁱⁱⁱ⁾	147	238
Total non-current provisions	1,346	2,218
Total provisions	12,451	13,023
(a) Employee benefits and related on-costs		
Current employee benefits and related on-costs		
Unconditional long service leave entitlements	7,403	6,779
Annual leave entitlements	3,450	3,459
Employee termination benefits	-	354
Accrued days off	252	213
Non-current employee benefits and related on-costs		
Conditional long service leave entitlements ⁽ⁱⁱⁱ⁾	1,346	2,218
Total employee benefits and related on-costs	12,451	13,023
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	8,997	9,229
Provision made during the year		
- Revaluations	(519)	(722)
- Expense recognising employee service	1,101	1,285
Settlement made during the year	(830)	(795)
Balance at end of year	8,749	8,997

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2022

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 2022

Note 3.4: Superannuation

	Paid Contributions for the Year		Contributions Outstanding at Year End	
	Total 2022 \$'000	Total 2021 \$'000	Total 2022 \$'000	Total 2021 \$'000
Defined benefit plans: ⁽ⁱ⁾				
Aware Super	3	18	-	1
ESS State Super ⁽ⁱⁱ⁾	28	34	1	1
Defined contribution plans:				
Aware Super	2,371	2,392	81	69
HESTA	312	267	12	9
Uni Super	212	163	7	6
Other	996	997	38	27
Total	3,922	3,871	139	113

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

⁽ⁱⁱ⁾ Prior year figures have been updated to more accurately reflect contributions outstanding at year end.

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 2022

Note 3.5: Other economic flows

	Total 2022 \$'000	Total 2021 \$'000
Net gain / (loss) on non-financial assets		
Impairment of intangible assets	-	(926)
Impairment of non-financial assets	(36)	(286)
Net gain on disposal of non-financial assets	19	25
Total net gain / (loss) on non-financial assets	(17)	(1,187)
Net gain / (loss) on financial instruments		
Allowance for impairment losses of contractual receivables	(193)	(339)
Total net gain / (loss) on financial instruments	(193)	(339)
Other gain / (loss) from other economic flows		
Net gain/ (loss) arising from revaluation of long service liability	519	722
Total net gain / (loss) from other economic flows	519	722
Total other gains/(losses) from economic flows	309	(804)

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 2022

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 2022

Note 4.1: Property, plant and equipment

(a) Gross carrying amount and accumulated depreciation

	Total 2022 \$'000	Total 2021 \$'000
Land		
Land - Crown	1,579	1,579
ROU - Land at fair value	35,547	35,547
Accumulated depreciation - ROU - Land	(1,173)	(561)
Total land at fair value	35,953	36,565
Buildings		
Buildings at fair value	1,259	1,259
Accumulated depreciation	(288)	(144)
ROU - Buildings at fair value	66,686	66,686
Accumulated depreciation - ROU - Buildings	(6,824)	(3,412)
Total buildings at fair value	60,833	64,389
Leasehold Improvements		
Leasehold improvements at fair value	18,593	17,088
Work in progress	526	172
Accumulated depreciation	(3,422)	(1,700)
Total leasehold improvements	15,697	15,560
Plant and Equipment		
Plant and equipment at fair value	867	867
Accumulated depreciation	(775)	(751)
Total plant and equipment	92	116
Medical Equipment		
Medical equipment at fair value	10,117	10,505
Work in progress	2,099	298
Accumulated depreciation	(4,950)	(4,298)
Total medical equipment	7,266	6,505
Computers and Communication		
Computers and communication at fair value	2,059	1,822
Work in progress	169	-
Accumulated depreciation	(1,335)	(986)
Total computers and communications	893	836
Furniture and Fittings		
Furniture and fittings at fair value	101	51
Accumulated depreciation	(59)	(51)
Total furniture & fittings	42	-
Motor Vehicles		
Motor vehicles at fair value	16,083	7,881
Work in progress	1,734	4,907
Accumulated depreciation	(3,027)	(2,350)
ROU - Motor vehicles at fair value	2,686	2,448
Accumulated depreciation - ROU - Motor vehicles	(653)	(281)
Total motor vehicles	16,823	12,605
Total	137,599	136,576

DENTAL HEALTH SERVICES VICTORIA
Notes to the Financial Statements for the year ended 30 June 2022

Note 4.1: Property, plant and equipment

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

	Crown Land	ROU Land	Buildings	ROU Buildings	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 2020	1,309	32,242	67,945	-	16,776	151	5,461	181	4	5,054	676	129,799
Additions ⁽ⁱⁱ⁾	-	-	-	-	312	-	4,023	798	-	2,413	1,772	9,318
Revaluation ⁽ⁱ⁾⁽ⁱⁱ⁾	270	3,305	-	-	-	-	-	-	-	-	-	3,575
Reclassification	-	-	(66,686)	66,686	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	(70)	-
Work in progress assets movements	-	-	-	-	172	-	(2,445)	-	-	3,418	-	1,145
Depreciation and amortisation (note 4.3)	-	(561)	(144)	(3,412)	(1,700)	(35)	(534)	(143)	(4)	(447)	(211)	(7,191)
Balance at 30 June 2021	1,579	34,986	1,115	63,274	15,560	116	6,505	836	-	10,438	2,167	136,576
Additions	-	-	-	-	1,505	-	37	237	50	10,536	238	12,603
Disposals	-	-	-	-	-	-	(425)	-	-	(2,242)	-	(2,667)
Work in progress assets movements	-	-	-	-	354	-	1,801	169	-	(3,173)	-	(849)
Depreciation and amortisation (note 4.3)	-	(612)	(144)	(3,412)	(1,722)	(24)	(652)	(349)	(8)	(769)	(372)	(8,064)
Balance at 30 June 2022	1,579	34,374	971	59,862	15,697	92	7,266	893	42	14,790	2,033	137,599

⁽ⁱ⁾ 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.

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

⁽ⁱⁱⁱ⁾ The additions from prior period have been re-stated to more accurately reflect opening balances.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2022

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 103I, in the year ended 30 June 2022, 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 2022.

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 2022 indicated an immaterial movement in fair value of land and buildings.

As the cumulative movement was less than 10% for land and buildings since the last revaluation a managerial revaluation adjustment was not required as at 30 June 2022.

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 2022

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 and buildings	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 the right-of-use assets 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 June 2022 right-of-use assets have been assessed for revaluation as per Note 4.1.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2022

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 2022				
Specialised land at fair value	1,579	-	-	1,579
Total land at fair value	1,579	-	-	1,579
Specialised buildings at fair value	971	-	-	971
Total of buildings at fair value	971	-	-	971
Leasehold improvements at fair value	15,697	-	-	15,697
Total of leasehold improvements at fair value	15,697	-	-	15,697
Vehicles	14,790	-	35	14,755
Plant and equipment	92	-	-	92
Computer and communications	893	-	-	893
Furniture and fittings	42	-	-	42
Total of plant, equipment and vehicles at fair value	15,817	-	35	15,782
Medical equipment at fair value				
Total medical equipment at fair value	7,266	-	-	7,266
Specialised land	34,374			34,374
Specialised buildings	59,862			59,862
Motor vehicles ⁽ⁱⁱ⁾	2,033		2,033	-
Total right of use assets at fair value	96,269		2,033	94,236
	137,599	-	2,068	135,531

Fair value measurement hierarchy for assets as at 30 June 2021

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	836	-	-	836
Furniture and fittings	-	-	-	-
Total of plant, equipment and vehicles at fair value	11,390	-	75	11,315
Medical equipment at fair value				
Total medical equipment at fair value	6,505	-	-	6,505
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

Note

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

⁽ⁱⁱ⁾ Right of use motor vehicles have been transferred to Level 2 as we believe fair value measurement is indirectly observable.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2022

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
Balance at 1 July 2020	4.1 (b)	1,309	32,242	67,945	-	16,776	151	5,461	181	4	4,931
Addition/(disposals)	4.1 (b)	-	-	-	-	312	(88)	1,369	(1,281)	-	2,413
Reclassification		-	-	(66,686)	66,686	-	-	-	-	-	-
Work in progress assets movements		-	-	-	-	172	-	-	-	-	3,418
Gains or losses recognised in net result		-	-	-	-	-	-	-	-	-	-
- Depreciation	4.3	-	(561)	(144)	(3,412)	(1,700)	53	(325)	1,936	(4)	(399)
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	6,505	836	-	10,363
Addition/(disposals)	4.1 (b)	-	-	-	-	1,505	-	(388)	237	50	8,230
Work in progress assets movements		-	-	-	-	354	-	1,801	169	-	(3,173)
Gains or losses recognised in net result		-	(612)	(144)	(3,412)	(1,722)	(24)	(652)	(349)	(8)	(665)
- Depreciation	4.3	-	-	-	-	-	-	-	-	-	-
Items recognised in other comprehensive income		-	-	-	-	-	-	-	-	-	-
- Revaluation											
Balance at 30 June 2022	4.1 (c)	1,579	34,374	971	59,862	15,697	92	7,266	893	42	14,755

DENTAL HEALTH SERVICES VICTORIA
Notes to the Financial Statements for the year ended 30 June 2022

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 Right of use - 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 2 & 3	Market and 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 2022.

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, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

In addition, DHSV determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest 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 2022

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 existing carrying amount.

There were no changes in valuation techniques throughout the period to 30 June 2022.

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 2022

Note 4.1: Property, plant and equipment

(f) Property, plant and equipment revaluation surplus

		Total 2022 \$'000	Total 2021 \$'000
	Note		
Property, plant and equipment revaluation surplus			
Balance at the beginning of the reporting period		106,936	109,189
Transfer of revaluation surplus		(449)	(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*		106,487	106,936
* Represented by ⁽ⁱ⁾ :			
- Crown land		779	779
- ROU - Land		27,202	27,202
- ROU - Buildings		78,309	78,309
- Buildings		197	197
- Medical equipment		-	331
- Motor vehicles		-	118
Total		106,487	106,936

⁽ⁱ⁾ The comparatives have been amended to reflect a more accurate representation by asset class.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2022

Note 4.2: Intangible assets

(a) Gross carrying amount and accumulated amortisation

	Total 2022 \$'000	Total 2021 \$'000
Intangible produced assets - software	4,796	4,794
Work in progress assets	222	-
Accumulated amortisation	(4,676)	(4,422)
Total intangible assets	342	372

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

	Total \$'000
Balance at 1 July 2020	1,540
Additions	171
Impairment of non-financial assets	(926)
Amortisation (note 4.4)	(413)
Balance at 1 July 2021	372
Work in progress assets	222
Amortisation (note 4.4)	(252)
Balance at 30 June 2022	342

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 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 tested for impairment whenever an indication of impairment is identified.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2022

Note 4.3: Depreciation and amortisation

	Total 2022 \$'000	Total 2021 \$'000
Depreciation		
Buildings	144	145
Right of use - Buildings	3,412	3,412
Leasehold improvements	1,722	1,699
Right of use - Land	612	561
Plant and equipment	24	35
Medical equipment	656	534
Computers and communication	349	143
Furniture and fittings	8	4
Motor vehicles	765	447
Right of use motor vehicles	372	211
Total depreciation	8,064	7,191
Amortisation		
Intangible assets	252	413
Total depreciation and amortisation	8,316	7,604

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.

	2022	2021
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 2022

Note 4.4: Inventories

	Total 2022 \$'000	Total 2021 \$'000
Medical and surgical lines		
At cost	575	453
Loss of service potential	(15)	(9)
Total medical and surgical lines	560	444
Engineering stores		
Engineering stores	322	239
Loss of service potential	(46)	(46)
Total engineering stores	276	193
Total inventories	836	637

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 2022

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 2022

Note 5.1(a): Receivables and contract assets

		Total 2022 \$'000	Total 2021 \$'000
	Note		
Current			
Contractual			
Inter hospital debtors		192	137
Trade debtors		522	979
Patient fees		193	291
Accrued investment income		46	1
Contract assets ⁽ⁱ⁾	5.1 (c)	51	425
Less allowance for impairment losses of contractual receivables			
Trade debtors		(149)	(125)
Patient fees		(74)	(109)
Total current contractual		781	1,599
Statutory			
GST receivable ⁽ⁱ⁾		959	1,107
Total current statutory		959	1,107
Total current receivables		1,740	2,706
Non-current			
Contractual			
Long service leave - Department of Health		1,638	1,597
Total non-current receivables		1,638	1,597
Total receivables ⁽ⁱ⁾		3,378	4,303
⁽ⁱ⁾ Financial assets classified as receivables and contract assets (Note 7.1(a)).			
Total receivables and contract assets		3,378	4,303
Contract assets		(51)	(425)
GST Receivable		(959)	(1,107)
Total Financial Assets	7.1(a)	2,368	2,771

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

	Total 2022 \$'000	Total 2021 \$'000
Balance at beginning of year	234	89
Reversal of allowance written off during the year as uncollectable	(204)	(194)
Increase in allowance recognised in net result	193	339
Balance at end of year	223	234

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2022

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 2022 \$'000	Total 2021 \$'000
	425	268
	51	425
	(425)	(268)
	51	425
	51	425
	-	-
	51	425

How we recognise contract assets

Contract assets relate to DHSVs right to consideration in exchange for goods transferred to customers for works completed, but not yet billed at the reporting date. The works are expected to be completed and recovered early next year.

Impairment losses of contractual receivables

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

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2022

Note 5.2: Payables and contract liabilities

		Total 2022 \$'000	Total 2021 \$'000
	Note		
Current			
Contractual			
Trade creditors		3,284	2,526
Accrued wages and salaries		1,346	1,226
Accrued expenses		1,679	1,250
Deferred capital grant revenue ⁽ⁱ⁾	5.2(a)	32,981	30,791
Contract liabilities - income received in advance ⁽ⁱ⁾	5.2(b)	73,728	22,392
Amounts payable to government and agencies		14,279	11,661
		127,297	69,846
Statutory			
FBT Payable		9	11
		9	11
Total Payables ⁽ⁱ⁾		127,306	69,857

⁽ⁱ⁾ Financial liabilities classified as payables and contract liabilities

Total payables		127,306	69,857
Deferred grant income		(32,981)	(30,791)
Contract liabilities		(73,728)	(22,392)
Total Financial Liabilities	7.1(a)	20,597	16,674

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 2022 \$'000	Total 2021 \$'000
Opening balance of deferred grant income	30,791	7,858
Grant consideration for capital works received during the year	10,618	31,753
Deferred grant revenue recognition due to completion of capital works	(8,428)	(8,820)
Closing balance of deferred grant income	32,981	30,791

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 2022

Note 5.2(b): Contract liabilities

	Total 2022 \$'000	Total 2021 \$'000
Opening balance of contract liabilities	22,392	4,492
Grants received for obligation not yet fulfilled	61,375	24,161
Other revenue received for obligation not yet fulfilled	159	251
Grants recognised for the completion of performance obligation in prior period	(9,947)	(6,176)
Other revenue recognised for the completion of performance obligation in prior period	(251)	(336)
Total contract liabilities	73,728	22,392
Represented by		
Current contract liabilities	73,728	22,392

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 2022

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. <p>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.</p> <p>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.</p>
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. <p>DHSV determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including:</p> <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 2022

Note 6.1: Borrowings

	Total 2022 \$'000	Total 2021 \$'000
CURRENT		
Lease liability ⁽ⁱ⁾	391	320
Total current borrowings	391	320
NON CURRENT		
Lease liability ⁽ⁱ⁾	1,673	1,870
Total non current borrowings	1,673	1,870
Total borrowings	2,064	2,190

⁽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 \$545k (including \$76k 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 2022

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	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Not later than one year	456	392	391	320
Later than 1 year and not later than 5 years	1,769	2,021	1,673	1,870
Minimum lease payments	2,225	2,413	2,064	2,190
Less future finance charges	(161)	(223)	-	-
TOTAL	2,064	2,190	2,064	2,190
Included in the financial statements as:				
Current borrowings - lease liability	391	320	391	320
Non-current borrowings - lease liability	1,673	1,870	1,673	1,870
TOTAL	2,064	2,190	2,064	2,190

The weighted average interest rate implicit in the lease is 2.25% (2021: 2.75%)

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 and buildings	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 2022

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 DHSV's 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.

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.

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.

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 and buildings	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 leases with annual payments of \$104 (each).

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2022

Note 6.2: Cash and cash equivalents

	Total 2022 \$'000	Total 2021 \$'000
Cash on hand and at bank	15,966	37,880
Cash at bank - Central Banking System	111,000	33,480
Total cash and cash equivalents	126,966	71,360
Represented by:		
Cash for health service operations (as per cash flow statement)	126,966	71,360
Total cash and cash equivalents	126,966	71,360

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 2022

Note 6.3: Commitments for expenditure

	Total 2022 \$'000	Total 2021 \$'000
Capital expenditure commitments		
Less than 1 year	5,280	1,688
Longer than 1 year but not longer than 5 years	4,082	1,319
Total capital expenditure commitments	9,362	3,007
Operating expenditure commitments		
Less than 1 year	1,117	1,108
Longer than 1 year but not longer than 5 years	446	919
Total operating expenditure commitments	1,563	2,027
Total commitments for expenditure (inclusive of GST)	10,925	5,034
Less GST Recoverable from ATO	(993)	(443)
Total commitments for expenditure (exclusive of GST)	9,932	4,591

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 2022

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 2022

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
2022	Note			
Contractual financial assets				
Cash and cash equivalents	6.2	126,966	-	126,966
Receivables and contract assets	5.1(a)	2,368	-	2,368
Total financial assets⁽ⁱ⁾		129,334	-	129,334
Financial liabilities				
Payables	5.2	-	20,597	20,597
Borrowings	6.1	-	2,064	2,064
Total financial liabilities⁽ⁱ⁾		-	22,661	22,661
2021	Note			
Contractual financial assets				
Cash and cash equivalents	6.2	71,360	-	71,360
Receivables and contract assets	5.1(a)	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

(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 2022

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 2022

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 analysis of financial liabilities as at 30 June						
Note	Carrying amount \$'000	Nominal amount \$'000	Less than 1 month \$'000	Maturity Dates		
				1 - 3 months \$'000	3 months - 1 year \$'000	1 - 5 years \$'000
2022						
Financial liabilities						
At amortised cost						
Payables 5.2	20,597	20,597	20,597	-	-	-
Borrowings 6.1	2,064	2,064	33	65	293	1,673
Total financial liabilities	22,661	22,661	20,630	65	293	1,673
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

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 2022

Note 7.1: Financial instruments (continued)

(c) Contractual receivables at amortised costs

1/07/2021	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
30/06/2022	Current	Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	Total
Expected loss rate	0.68%	10.13%	21.28%	61.28%	100.00%	
Gross carrying amount of contractual receivables	296	237	94	266	14	907
Loss allowance	2	24	20	163	14	223

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 2022

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 2022

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 2022

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 2022

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

		Total 2022 \$'000	Total 2021 \$'000
	Note		
Net result for the Year		(1,043)	4,008
Non-cash movements:			
Depreciation and amortisation	4.3	8,316	7,604
Impairment of non-financial assets		36	286
Impairment of financial assets		-	926
Allowance for impairment losses of contractual receivables	5.1 (a)	193	339
Movements included in investing and financing activities:			
Net gain from disposal of non-financial physical assets		(19)	(25)
Movements in assets and liabilities:			
Change in operating assets and liabilities			
(Increase)/decrease in receivables		732	(1,434)
(Increase)/decrease in other assets		165	(271)
Increase/(decrease) in payables		57,449	43,577
Increase/(decrease) in employee benefits		(572)	(773)
(Increase)/decrease in inventories		(199)	141
Net cash inflow/(outflow) from operating activities		65,058	54,378

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2022

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:		
Martin Foley, Minister for Health and Minister for Ambulance Services	1/07/2021	27/06/2022
Mary-Anne Thomas, Minister for Health and Minister for Ambulance Services	27/06/2022	30/06/2022
Governing Board		
Mr David Stevenson	1/07/2021	30/06/2022
Ms Jane Gunn	1/07/2021	30/06/2022
Mr John Gavens	1/07/2021	30/06/2022
Ms Susan Banks	1/07/2021	30/06/2022
Mr Antony Tobin	1/07/2021	30/06/2022
Ms Katherine Stevens	1/07/2021	30/06/2022
Mr Charles Power	1/07/2021	30/06/2022
Ms Nicole Bartholomeusz	1/07/2021	30/06/2022
Mr John Donovan	24/08/2021	30/06/2022
Accountable officer		
Ms Susan McKee (Chief Executive Officer)	1/07/2021	30/06/2022

Remuneration of responsible persons

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

Income band	2022 No.	2021 No.
\$20,000 - \$29,999	8	7
\$30,000 - \$39,999	-	1
\$50,000 - \$59,999	1	-
\$60,000 - \$69,999	-	1
\$140,000 - \$149,999	-	-
\$350,000 - \$359,999	1	1
Total numbers	10	10
	2022	2021
	\$'000	\$'000
Total remuneration received or due and receivable by Responsible persons from the reporting entity amounted to:	627	648

Amounts relating to Responsible Ministers are reported within the State's Annual Financial Report.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2022

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	
	2022 \$'000	2021 \$'000
Short-term employee benefits	1,218	1,200
Post-employment benefits	115	115
Other long-term benefits	20	20
Termination benefits	-	-
Total remuneration ⁽ⁱ⁾	1,353	1,335
Total number of executives	5	5
Total annualised employee equivalents (AEE) ⁽ⁱⁱ⁾	5.00	5.00

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.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2022

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	Mr David Stevenson	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	Ms Katherine Stevens	Board member
Dental Health Services Victoria	Mr John Donovan	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 State's Annual Financial Report.

	Total 2022 \$'000	Total 2021 \$'000
Compensation - KMPs		
Short-term employee benefits	1,794	1,775
Post-employment benefits	167	170
Other long-term benefits	20	38
Termination benefits	-	-
Total ⁽ⁱ⁾	1,981	1,983

(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 2022

Note 8.4: Related parties (continued)

Significant transactions with government-related entities

DHSV received funding from the DoH of \$254.5 million (2021: \$250.3 million).

Expenses incurred by DHSV in delivering services and outputs are in accordance with Health Purchasing Victoria requirements.

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 2022.

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

Agency	Total 2022 \$'000	Total 2021 \$'000
Monash Health	13,008	11,112
Barwon Health	7,665	7,004
Peninsula Health	7,151	6,810
Ballarat Health Services	5,324	4,971
Other Transactions ⁽ⁱ⁾	31,614	31,827
Total	64,762	61,724

(i) Other transactions relates to dental grants provided to 23 other agencies, where transactions with each agency 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 \$15.1 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 2022

Note 8.5: Remuneration of auditors

	Total 2022 \$'000	Total 2021 \$'000
Victorian Auditor-General's Office		
Audit of financial statements	37	34
Total remuneration of auditors	37	34

Note 8.6: Ex-gratia expenses

	Total 2022 \$'000	Total 2021 \$'000
DHSV has made the following ex gratia expenses:		
Compensation for economic loss	66	69
Total ex-gratia expenses	66	69

Includes ex-gratia for both individual items and in aggregate that are greater than or equal to \$5,000.

Note 8.7: Events occurring after the Balance Sheet date

No 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 2022

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 2022

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 2022 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 2022, 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 2023	The standard is not expected to have a significant impact on DHSV

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2022

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 2021-2022 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 17 Insurance Contracts.
- AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendment*.
- AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definitions of Accounting Estimates*.
- AASB 2021-5 *Amendments to Australian Accounting Standards - Deferred Tax related to Assets and Liabilities arising from a Single Transaction*.
- AASB 2021-6 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards*.
- AASB 2021-7 *Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*.

DENTAL HEALTH SERVICES VICTORIA

Notes to the Financial Statements for the year ended 30 June 2022

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 2022

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 2022

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 2022

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 2022

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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