DENTAL HEALTH SERVICES VICTORIA

dental health
services victoria
oral health for better health

ANNUAL REPORT

2012

WHO WE ARE

Dental Health Services Victoria (DHSV) was established in 1996 and is the leading public oral health agency in Victoria. We are funded by the State Government to provide dental services to people across Victoria. We provide dental services through The Royal Dental Hospital of Melbourne (RDHM) and purchase dental services from 57 community health agencies located at 85 sites across Victoria.

OUR VISION

Oral health for better health

OUR MISSION

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

OUR VALUES

Respect
We treat everyone in an open and courteous manner.
Integrity
We behave fairly and honestly and are accountable for our actions.
Teamwork
We work as a team and in partnership with our patients, our partners and the community.
Excellence
We set best practice standards and are innovative in all that we do.

OUR GOALS

- Embed oral health into general health
- Lead prevention of oral disease
- Help people most at risk of poor oral health
- Gather evidence from the population to inform best practice
- Find new and innovative ways to improve oral health

2011–2012 HIGHLIGHTS*

TREATED 329,078 PEOPLE ACROSS VICTORIA

TREATED 146,898 CHILDREN ACROSS VICTORIA – 2.5% MORE THAN THE PREVIOUS YEAR

REDUCED THE NUMBER OF PEOPLE ON THE PRIORITY DENTURE WAITING LIST BY 2.9%

90.4% OF CATEGORY 1 EMERGENCY PATIENTS OFFERED CARE WITHIN 24 HOURS, WELL ABOVE THE AGREED STATEWIDE TARGET OF 85%

REDUCED THE AVERAGE STATEWIDE RECALL INTERVAL FROM 11.8 MONTHS TO 10.7 MONTHS FOR HIGH RISK CHILDREN, AND 20.1 MONTHS TO 19.2 MONTHS FOR LOW RISK CHILDREN

RECEIVED 8 EXTENSIVE ACHIEVEMENT (EA) RATINGS IN OUR 2011 ACCREDITATION SURVEY

SUPPORTED THE ESTABLISHMENT OF A NEW FOUR–CHAIR CLINIC AT SWAN HILL AND ADDED AN ADDITIONAL FOUR CHAIRS AT NORTH RICHMOND

TREATED 5,705 PATIENTS IDENTIFYING AS ABORIGINAL AND TORRES STRAIT ISLANDER ACROSS VICTORIA – 40% MORE THAN IN PREVIOUS YEAR

*The above highlights were achieved working in partnership with 57 community health agencies across the State.

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RESPONSIBLE BODIES DECLARATION

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 2012.

Mr Mick Ellis
Chair, Board of Directors
Dental Health Services Victoria

Carlton

16 August 2012

YEAR IN REVIEW: REPORT FROM BOARD CHAIR AND CHIEF EXECUTIVE OFFICER

Our focus over the past year has been to establish Dental Health Services Victoria (DHSV) as a leader in the healthcare industry. We have made significant progress in setting up some innovative projects that will change the face of public dentistry and improve the oral health of the Victorian community.

Good dental health is vital for overall health and wellbeing and public dentistry plays an important part in the lives of disadvantaged Victorians. During the year we focussed on improving the way we operate. We are now headed in the right direction and armed with the ability to make a real difference in people's lives.

The Board and staff of DHSV appreciate the support of the Hon. David Davis MP, Minister for Health and Ageing in our endeavours to improve the oral health of all Victorians.

WORKING IN PARTNERSHIP WITH COMMUNITY HEALTH AGENCIES

Working in partnership with the Department of Health and 57 community health agencies across the state, we continued to coordinate services and improve infrastructure across public dental clinics. On 1 July 2011, new funding and accountability arrangements were implemented for community dental clinics in Victoria. The new arrangements simplified public dental funding and improved the quality and consistency of data used for planning and decision-making.

We supported the ongoing development and implementation of regional oral health plans and hosted a forum to support agencies in adhering to the new *National Quality and Safety Standards*.

After an absence of 10 years, we reintroduced public dental services to Swan Hill by supporting the establishment of a new four-chair dental clinic that opened its doors in November 2011. We also contributed to the redevelopment of the North Richmond Community Health Centre by adding an additional four new chairs to their three-chair dental clinic. Two chairs were relocated from Wodonga to Seymour and we completed a statewide upgrade of the water filtration system to assist agencies to filter local water supplies. These improvements contributed to community dental agencies providing care to a total of 286,894 patients over the year.

CARING FOR THE COMMUNITY THROUGH THE ROYAL DENTAL HOSPITAL OF MELBOURNE

We continued to provide quality dental services through The Royal Dental Hospital of Melbourne (RDHM) treating 42,184 patients over 12 months.

We were thrilled to pass the Australian Council on Healthcare Standards accreditation with eight Extensive Achievement ratings – a significant improvement on our 2009 results. This was the result of the hard work and dedication of our hospital staff and indicated that we are on the path to becoming a leader in healthcare in Australia.

As part of the Business Improvement Program, we continued to implement the Patient Flow Project at RDHM, focussing on how we can better support our patients. The project involves looking at our systems, communications, clinic support processes and infrastructure so we can deliver high quality, efficient and safe care. We identified key problems within our current system and established working groups to tackle priority areas.

Demonstrating our commitment to patient-focussed care, our Community Advisory Committee surveyed our patients to find out how we can make the hospital a more welcoming environment. Findings are now being incorporated into the Patient Flow Project and will inform the development of our new models of care.

Our Aboriginal Community Development Worker and Aboriginal Liaison Officer continued to make the hospital a more welcoming environment for Aboriginal and Torres Strait Islander patients and worked closely with other healthcare organisations to refer people to the hospital. As a result, the number of patients identifying as Aboriginal and Torres Strait Islander at RDHM grew by 43% to 764.

DEVELOPING THE ORAL HEALTH WORKFORCE

We continued to find innovative ways to address workforce shortages in the public dental sector. The *Oral Health Therapy Undergraduate Scholarship Program* and *Internship Program* at The Royal Dental Hospital of Melbourne supported graduates in transitioning into the workforce. These programs were improved through increased mentor support and expansion of the clinical and non-clinical experiences available to graduates.

Our new *International Dental Graduate Program* contracted overseas-trained clinicians to work in the public dental sector, particularly in regional and rural locations and the new *Rural Incentive Scheme* supported practitioners relocating to rural locations.

There continued to be a high demand for our Continuing Professional Development program for dental professionals with both private and public practitioners registering for courses to enhance their clinical practice.

In November 2011, our ongoing efforts to increase the capacity of the oral health workforce were recognised by the Minister for Health, the Hon. David Davis when he awarded our Clinical Director Oral Health Leadership, Prof Hanny Calache and his team a Victorian Public Healthcare Award for 'Developing a Capable and Engaged Workforce'. The project, which was a team effort between DHSV, the University of Melbourne and La Trobe University involved introducing a pilot educational program to expand the scope of practice of dental therapists. The Dental Practice Board of Victoria endorsed the program and all 10 therapists who took part in the pilot program starting working with an extended scope of practice. The DHSV Board and entire organisation were delighted with this incredible achievement.

At DHSV we realise it's important to establish a culture that builds accountability, enhances communication and drives the DHSV values. To achieve this, we introduced Project Connect, an initiative that encourages employees to communicate openly and provides leadership training that empowers individuals to drive organisational change.

OUR COMMITMENT TO RESEARCH AND INNOVATION

Research is an integral part of the work to improve the oral health status of Victorians which is why we are committed to embedding evidence-based clinical practices across the organisation.

Our new Centre for Oral Health Research (COHR) aims to establish major research and development programs that align with the needs of the community and public oral health care sector. The centre includes the *Australian Population Health Improvement Research Strategy – Oral Health (APHIRST–Oral Health)* unit headed by Associate Professor Andrea De Silva-Sanigorski, and the *Oral Health Practice Research Unit (OHPracRU)*, headed by Professor Hanny Calache.

We continued to advocate for a Minimal Intervention Dentistry (MID) approach to clinical caries management across the public and private sector. In March 2012, we convened a national workshop on MID where guests from across Australia and New Zealand discussed advancing the MID approach. The MID National Partnership Working Group adopted a national consensus statement on MID and continued to drive the MID agenda through community education and patient engagement, research and policy development.

During the year, we embarked on an exciting journey to establish new models of care for public dentistry in Victoria. A model of care is a prescription for providing evidence-based care to patients and this project will help us develop clear and consistent messages about what we do and how we care for people. The project is looking at how we can respond to our rapidly changing workforce and improve the patient and carer experience. In 2011–12, we started developing a model of care for emergency services. The project team conducted interviews and forums with consumers, clinical and administrative staff, community dental agency staff and other special interest groups. These forums and interviews helped the team to better understand the emergency service patient journey and will inform decisions as the project progresses over the coming year.

PROMOTING ORAL HEALTH

Through the *Healthy Mothers, Healthy Babies* project, DHSV worked with six agencies across eight communities highlighting the importance of oral health during pregnancy. Findings were presented at CPD events, meetings and conferences. Still in its planning and scoping phase, this project aims to improve the oral health of children aged 0–3 years and pregnant women by building the capacity of health and early childhood professionals in oral health promotion. Project information packs were distributed to more than 150 organisations and the project team conducted online surveys and held meetings with key stakeholders. This process provided valuable information about how the project can best support professionals and services to promote oral health.

During the year our successful *Smiles 4 Miles* program reached 25,000 Victorian children and families with the greatest oral health needs. A strong partnership with the *Victorian Prevention and Health Promotion Achievement Program* was established which means the key oral health messages of the *Smiles 4 Miles* program will now extend to primary schools, secondary schools and workplaces across Victoria.

Students studying the *Graduate Certificate in Diabetes Education and Healthcare* at Mayfield Education continued to receive oral health lectures. Additional work with the Australian Diabetes Educators Association resulted in the development of a national oral health and diabetes online CPD course for diabetes educators.

DHSV undertook a pilot program working with high risk families in Swan Hill, East Gippsland, Dandenong and Brimbank. Oral hygiene products were distributed to the families and information and training was provided to maternal and child health nurses at all four sites.

In September 2011, we were pleased to award our Smile of the Year Award to Christi Malthouse. As a mother of two committed to encouraging her children to live healthy lives, Christi was the perfect person to spread our oral health messages to the community.

We continued to convene the National Oral Health Promotion Steering Group. Established in 2006, the group provides leadership and coordinates the delivery of the health promotion components of the *Australian National Oral Health Plan 2004–2013*.

ADVOCATING FOR ORAL HEALTH

In November 2011, members of the National Advisory Council on Dental Health were given a tour of RDHM. Our CEO, Dr Deborah Cole also attended a round table discussion with the council to express support for a universal dental scheme that would enable Australians to access subsidised dental care through a system like Medicare. The National Advisory Council on Dental Health was established by the Federal Government to provide expert advice on future dental policy.

RECOGNISING LEADERS IN ORAL HEALTH

For the second year, we recognised the outstanding work of three oral health professionals by awarding them Public Oral Healthcare Awards. In 2011, Dr David Whelan, Ms Christine Ingram and Dr Mark Gussy were recognised for their dedication and commitment to public oral health.

Dr Whelan commenced his career in 1981 and has been making significant changes to public dentistry ever since. He is well known for leading the provision of public dental services in the Shepparton area as well as his dedication to improving the dental health workforce and supporting undergraduate placements. Dr Whelan has also volunteered his services in Vietnam, Cambodia and remote Aboriginal communities in Australia.

Christine Ingram is the Oral Health Manager at the Victorian Aboriginal Health Service. Since taking on the role in 1998, she has cared for countless members of Aboriginal communities and motivated them to improve their oral health.

Dr Mark Gussy is the Deputy Head of the Department of Dentistry and Oral Health and the coordinator of the Bachelor of Oral Health Science program at La Trobe University. He also leads the developing research program for the department. Dr Gussy has been instrumental in expanding the scope of practice of oral health therapists and is involved in several other programs, including the *Oral Health of Children* program at Bendigo Health.

We look forward to recognising the contribution of more public oral health ambassadors at our AGM in November 2012.

THE ROAD AHEAD

We face significant challenges in the public dental system, including the growing and ageing population, demand for services and rising levels of oral disease. Over the coming years we will rise to the challenge and provide high quality services to a larger number of the population. We will do this through effective strategic planning that is informed by population data and demonstrates our ongoing commitment to innovation and leadership.

Our draft *Strategic Plan 2012–2015* has been approved by the DHSV Board of Directors. The plan, which is available on our website (www.dhsv.org.au), outlines our vision for the future and our commitment to working with our public and private partners, patients and communities to improve the oral health of Victorians. The plan has been developed in line with the *Victorian Health Priorities Framework 2012–2022: Metropolitan Health Plan* and focuses on three priority areas:

- Excellence in service delivery – We will work with our public and private partners in providing quality dental services that improve the oral health of the community.
- Population oral health approach – We will work with our partners to improve oral health by aiming our initiatives at communities and not just individuals.
- Leadership in oral health – We will implement models of care that produce excellent health outcomes and experiences for the community.

With hard work, strong partnerships and a focus on innovation, we are confident that this plan will set us on the right track.

Underpinning our draft *Strategic Plan 2012–2015* is our annual *Business Plan* as well as a number of enabling plans. Our new *Workforce Strategy 2012–2015* aims to establish the public oral health sector as an employer of choice. The strategy focuses on improving organisational performance, effective training and development, strengthening HR delivery and establishing our core attributes as an employer.

As part of the integration of oral health with state health promotion priorities, DHSV led the development of a five-year oral health promotion plan. The plan is designed to work across all sectors including business, government and non-government organisations and was developed in consultation with over 200 people throughout Victoria. The plan aims to improve the oral health of all Victorians particularly at-risk groups. It supports:

- prevention and early intervention of oral disease
- building the capacity of communities and individuals to promote oral health
- integrating oral health with general health
- raising awareness of oral health messages and oral health literacy.

The draft plan was distributed for consultation in May 2012.

These plans provide a roadmap for how we can improve the oral health of the community over the coming years, finding new solutions to old problems and harnessing untapped opportunities.

FINANCIAL PERFORMANCE

DHSV achieved an operating deficit of $0.3 million. The net entity result was a deficit of $5.9 million. A detailed set of financial statements is included in this report.

ACKNOWLEDGEMENT AND THANKS

In April, we farewelled one of our valued staff members, Deidre Mackechnie. Deidre joined DHSV in 2008 as our Chief Learning Officer before taking on the role of Manager Workforce Development in August 2011. During her time at DHSV, Deidre supported a number of workforce initiatives and was extremely passionate about supporting and developing dental assistants.

At the end of June 2012, we also said goodbye to one of our esteemed Board members, Mr Kevin Quigley. We thank Kevin for his dedication and contribution to the Board and the committees on which he served.

Thank you to all of our hard-working staff at RDHM and the 57 communities agencies across Victoria. Our impressive performance in 2011–12 would not have been possible without your dedication, skill and passion for your roles.

We would also like to commend the DHSV Board for their strong governance, our committee members for their expert guidance and the DHSV Executive team for their focussed leadership. We appreciate the ongoing support of the Department of Health and look forward to continuing to work closely with the government and our private and public partners to improve the oral health of Victorians.

Mr Mick Ellis
Chair, Board of Directors

Dr Deborah Cole
Chief Executive Officer

ROLES AND SERVICES

MANNER OF ESTABLISHMENT AND RELEVANT MINISTER

Dental Health Services Victoria (DHSV) was established in 1996 to improve the planning, integration, coordination and management of Victoria's public dental services.

Responsible to the Victorian Minister for Health, DHSV became a metropolitan public health service in July 2000 and today employs 612 staff.

DHSV was established under the *Health Services Act 1988*. The responsible Minister for Health during the reporting period was the Hon. David Davis MLC.

OBJECTIVES, FUNCTIONS, POWERS AND DUTIES

DHSV is the leading public oral health agency in Victoria. We are committed to ensuring that public dental services are sustainable, cost-effective and high quality. We aim to improve the oral health status of all Victorians, particularly those who are most in need. We are committed to educating the community and broader health sector about the links between oral health and general health, promoting the message that good oral health is essential for overall health and wellbeing.

DHSV is responsible for:

- providing dental services through The Royal Dental Hospital of Melbourne
- purchasing dental services from 57 community dental agencies in Victoria
- developing the current workforce and supporting the education and training of future oral health professionals
- fostering, supporting and participating in oral health research
- advising the government on policy, funding and service development
- delivering oral health promotion programs across Victoria.
- providing clinical leadership to the public oral health sector.

NATURE AND RANGE OF SERVICES

DHSV provides dental services through The Royal Dental Hospital of Melbourne (RDHM) in Carlton and purchases clinical and health promotion services on behalf of the State Government from 57 community health agencies throughout Victoria.

The following groups are eligible for public dental services:

- all children aged 0–12 years
- young people aged 13–17 years who are health care or pensioner concession cardholders or dependants of concession card holders
- children and young families up to 18 years of age in residential care provided by the Children Youth and Families division of the Department of Human Services
- youth justice clients in custodial care, up to 18 years of age
- adults, who are health care or pensioner concession cardholders or dependants of concession cardholders
- refugees and asylum seekers.

People who are eligible for public dental services may also have priority access to dental care. People who have priority access do not have 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
- homeless people and people at risk of homelessness
- pregnant women
- refugees and asylum seekers
- registered clients of mental health and disability services, supported by a letter of recommendation from their case manager or staff of special developmental schools.

Emergency, specialist and general dental care is provided (see *Summary of Services*). Specialist dental services are provided but require a referral from a community dental agency.

RDHM is Victoria's leading dental teaching facility. The hospital works in partnership with The University of Melbourne, RMIT University and La Trobe University to educate Victoria's future oral health professionals.

DHSV plays the leading role in the development, implementation and evaluation of targeted oral health promotion programs in Victoria. These programs are designed to reduce the need for dental services and improve the dental and overall health of the community. We are also committed to participating in oral health research to improve the health of all Victorians.

SUMMARY OF SERVICES

EMERGENCY CARE

Emergency dental care is available to health care and pensioner concession cardholders at RDHM and community dental clinics. Emergency care is also available to the general public at RDHM.

GENERAL CARE

General dental care including fillings, dentures and preventative care, is available to current health care and pensioner concession cardholders through RDHM and community dental clinics across Victoria.

SPECIALIST CARE

Patients may be referred to RDHM for specialist dental care including orthodontics, 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 program supports key policy objectives, including prevention of oral disease, delivery of services to those in highest need and building capacity to improve oral health outcomes.

EDUCATION

The teaching clinics at RDHM support The University of Melbourne's education programs for dentists, specialists, oral health therapists and hygienists. The teaching clinics also support RMIT University's education programs for dental assistants and technicians. RDHM provides bridging programs for overseas-trained clinicians seeking registration in Australia and offers scholarships to oral health graduates and overseas-trained clinicians to build workforce capacity. DHSV also works closely with La Trobe University to support its rural oral health teaching program.

PURCHASED SERVICES

DHSV purchases oral health services from 57 community health agencies. Through a population health approach, 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 agency support are provided.

CONTINUOUS IMPROVEMENT

The DHSV Business Improvement team is responsible for implementing, monitoring and reviewing the continuous improvement functions in collaboration with patients, management and staff. The DHSV Infection Control Consultant provides high level advice and guidance to DHSV management, staff and agencies on infection control issues.

INFORMATION COMMUNICATION TECHNOLOGY (ICT)

The DHSV ICT Team is responsible for developing and maintaining patient management system solutions and centralised infrastructure to support the activities at 85 sites across Victoria. The team also supports the broader ICT service needs of RDHM and DHSV corporate functions.

DATA ANALYSIS

The Knowledge and Data team is responsible for providing data analysis and knowledge management services to RDHM and community dental clinics in Victoria.

CLINICAL LEADERSHIP

The Clinical Leadership Council provides advice and guidance on clinical issues to the public dental sector, including identifying and ensuring best clinical practice through development andimplementation of clinical guidelines.

GOVERNANCE

BOARD OF DIRECTORS

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

We recognise the service and contribution of Board Director, Mr Kevin Quigley whose term on the Board concluded on 30 June 2012.

On 1 July 2012, Ms Jennifer Theisinger was appointed for a three-year term.

MR MICK ELLIS (CHAIR)

BEcon, BEd
Chair: Executive Performance and Remuneration Committee
Member: Finance Committee
Appointed to the Board in July 2006 and Chair since July 2009, Mick has extensive experience in the health and human service industry and is currently a partner in Highview Consultants, specialising in strategic management and human resource support.

MS KATHY BELL

BA (Hons), GradCertHealthEcons, MPH, GAICD
Chair: Population Health Committee
Member: Finance Committee, Quality Committee
Appointed to the Board in July 2009, Ms Bell has extensive experience in public health policy and management, including in Aboriginal health and remote health. She is currently CEO of the Heart Foundation (Victoria).

MRS HELENE BENDER OAM

BComm, Dip Travel and Tourism
Member: Community Advisory Committee, Human Research Ethics Committee
Appointed to the Board in July 2011, Helene is Chair of the Barwon Health Foundation, Chair of Geelong Cats Sports Foundation, Deputy Chancellor of Deakin University and Council member of Geelong Grammar School. A registered tax agent, Helene is Director of Allabout Tours and Travel, a worldwide travel agency.

MR CAMERON CLARK

MACS
Member: Audit and Risk Committee, Population Health Committee
Appointed to the Board in July 2011, Cameron runs his own information technology company and has particular interests in IT, business and management. He has recently been involved in health initiatives relating to the personal control of e-health records.

DR PAMELA DALGLIESH

BDS, Cert Dental Therapy
Chair: Quality Committee
Member: Audit and Risk Committee (July 2011 – Feb 2012), Research Governance Committee
Appointed to the Board in July 2011, Pamela has sixteen years experience in corporate governance and an impressive oral health background. She has held leadership roles with the Health Issues Centre, Victorian Women's Dentists Association, the Australian Dental Association Victoria Branch and the Dental Practice Board of Victoria. Pamela has also been appointed as a Fellow of the Academy of Dentistry International and International College of Dentists.

MS KELLIE-ANN JOLLY

Grad Dip App Sci (Oral Health Therapy), MHSc (Health Promotion)

Chair: Community Advisory Committee

Member: Research Governance Committee

Appointed to the Board in July 2004, Kellie-Ann has an oral health background partnered with substantial experience in public health and health promotion at state and community levels. She is the Director of Cardiovascular Health Programs for the Heart Foundation (Victoria). Kellie-Ann is also interim Chair of the Victoria Walks Inc Association.

DR JOHN MILLER AO

BA BCom, PhD, FCPA, FAICD

Chair: Human Research Ethics Committee

Member: Audit and Risk Committee, Quality Committee, Research and Governance Committee

Appointed to the Board in July 2010, John was previously head of the management schools at Monash and Swinburne universities. He was senior partner in two international accounting firms and is an honorary life member of CPA Australia and the Australian Institute of Company Directors. He is a Board Member of City West Water and Lake Mountain and of several private companies and two charitable trusts concerned with disability and the environment. His community service has been recognised with the Order of Australia and the Australian Centenary Medal.

MR TONY MONLEY

MBA (Accounting), Grad Dip Commercial Data Processing. BCom

Chair: Finance Committee

Member: Population Health Committee

Appointed to the Board in July 2010, Tony is a qualified accountant with over 30 years experience in the energy industry, holding various finance and operational roles around Australia and South East Asia. Tony is currently the Finance Compliance and Internal Control Manager for Origin Energy and also serves on the Board of North Melbourne Institute of TAFE and several other not-for-profit boards. He is also a member of the Rotary Club of Templestowe and a Rotary District Governor Nominee.

MR KEVIN QUIGLEY

FCA, FAHSFMA, Exec Public Policy

Chair: Audit and Risk Committee

Member: Community Advisory Committee, Executive Performance Remuneration Committee

Appointed to the Board in July 2009, Kevin is a member of a number of not-for-profit boards and committees. He chairs the Audit Committee at Department of Justice and has recently finished serving as Deputy President of the Library Board of Victoria and the Council of the University of Ballarat. He is President of the Melbourne Athenaeum.

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 2011–12 including a two day strategic planning session. Attendance at Board meetings was as follows:

Director	Eligible	Attended
Mr Mick Ellis, Chair	11	10
Ms Kathy Bell	11	7
Mrs Helene Bender OAM	11	9
Mr Cameron Clark	11	11
Dr Pamela Dalgliesh	11	7
Ms Kellie-Ann Jolly	11	10
Dr John Miller AO	11	9
Mr Tony Monley	11	9
Mr Kevin Quigley	11	10

BOARD COMMITTEES

The following committees provided advice to the Dental Health Services Board of Directors during the 2011–12 financial year:

AUDIT AND RISK COMMITTEE

The role of the Audit and Risk Committee is to ensure that we produce accurate, timely and relevant reports on the financial operations of DHSV. The committee also ensures that sufficient resources are allocated to identifying and managing organisational risk.
Chair: Mr Kevin Quigley
Members: Dr John Miller, Mr Cameron Clark, Dr Pamela Dalgliesh (July 2011 – Feb 2012), Ms Ruth Owens (Independent), Mr Peter Robertson (Independent)

COMMUNITY ADVISORY COMMITTEE

The Community Advisory Committee (CAC) provides advice and leadership on strategies for effective community participation and ensures that consumers and community views are reflected in service delivery, planning and policy development.
Chair: Ms Kellie-Ann Jolly
Members: Mr Kevin Quigley, Mrs Helene Bender, Mr Savas Augoustakis, Ms Sharon King Harris, Ms Christine Ingram, Ms Roxanne Maule, Mr Geoffrey Dye, Mr Sam Caldera

EXECUTIVE PERFORMANCE AND REMUNERATION COMMITTEE

The Executive Performance and Remuneration Committee monitors Executive and senior staff recruitment, remuneration and performance.
Chair: Mr Mick Ellis
Members: Mrs Helene Bender, Mr Kevin Quigley

FINANCE COMMITTEE

The Finance Committee advises the Board on matters relating to financial strategies and performance as well as capital management.
Chair: Mr Tony Monley
Members: Ms Kathy Bell, Mr Mick Ellis

HUMAN RESEARCH ETHICS COMMITTEE

The Human Research Ethics Committee protects the welfare and rights of participants involved in research. The committee reviews research proposals and monitors that way in which research is conducted at DHSV.
Chair: Dr John Miller
Members: Mrs Helene Bender, Dr Menaka Abuzar, Reverend James Brady, Ms Kavitha Chandra-Shekeran, Mr Mark Gussy, Dr Rodrigo Marino, Mr Peter Martin, Ms Paula Foran, Ms Christine Whilshire (appointed June 2012), Ms Sarah Nieuwenhuysen (resigned November 2011)

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.
Chair: Ms Kathy Bell
Members: Mr Cameron Clark, Mr Tony Monley, Ms Leigh Rhode, Dr John Rogers, Ms Rosie Rowe, Prof Marc Tennant, Prof Elizabeth Waters, Ms Helen Watt, Ms Tracey Wilson, Dr Sajeev Koshy

QUALITY COMMITTEE

The Quality Committee ensures that quality monitoring activities are systematically performed at RDHM and that quality standards are maintained.
Chair: Dr Pamela Dalgliesh
Members: Ms Kathy Bell, Dr John Miller, Ms Janet Curry, Mr Savas Augoustakis, Rebekah Kaberry

RESEARCH ADVISORY PANEL

The Research Advisory Panel (superseded by Research Governance Committee in 2012) assesses research and innovation proposals and provides advice to the Board on the conduct, scope and evaluation of research projects and initiatives funded by DHSV.
Chair: Dr John Miller
Members: Ms Kellie-Ann Jolly, Dr Pamela Dalgliesh, Prof Anthony Blinkhorn, Dr Elise Davis, Prof Louise Kloot, Prof Peter Wilson, Prof Marc Tennant, Ms Rebecca Zosel

RESEARCH GOVERNANCE COMMITTEE

The Research Governance Committee (convened in 2012) oversees the conduct of research within DHSV and ensures it is conducted in accordance with the *DHSV Strategic Plan* and research governance framework.
Chair: Dr Clive Wright
Members: Ms Kellie-Ann Jolly, Dr John Miller, Dr Pamela Dalgliesh, Prof Anthony Blinkhorn, Prof Louise Kloot, Prof Marc Tennant, Prof Peter Wilson, Sue Huckson, Rebecca Zosel, Jerril Rechter

COMPENSATION ARRANGEMENTS

The Board reviews the compensation arrangements of the Chief Executive Officer and other senior executives annually via its Executive Performance and Remuneration Committee to ensure compliance with the Government Sector Executive Remuneration Panel guidelines. The remuneration of Board Directors is determined by government policy.

MANAGING RISK

The Board retained the services of Protiviti Independent Risk Consulting in 2011–12 as internal auditors and risk consultants as part of our ongoing commitment to risk management.

CONSULTANCIES

As part of our ongoing commitment to building the public dental workforce, we engaged consultants in the development of programs to support our *Workforce Strategy*.

We supported staff wellbeing through the Employee Assistance Program and our staff satisfaction survey provided valuable feedback on how we can improve the working environment at DHSV. We also engaged consultants to assist us with professional development programs for graduates and their supervisors and to prepare a tender and grant submission for the curriculum development and administration of the federal voluntary dental graduate program. Euro Rscg Australia commenced work on a project to strengthen our employment brand which includes the development of a website and LSC Intelligence helped us place key senior roles in the organisation that will support the delivery of our *Strategic Plan 2012-2015*.

Consultancies costing less than $10,000: 58, at a total cost of $151,245.51.

Consultancies costing more than $10,000: 17, at a total cost of $459,634.62 as follows:

Consultant	Details	Total project fees approved	Total fees incurred	Future commitments
Davidson Trahaire Corpsyc	Employee Assistance Program	$ 12,237.50	$ 12,237.50	$ –
Development Beyond Learning Pty	Graduate and supervisor professional development programs	$ 58,369.50	$ 58,369.50	$ –
Euro Rscg Australia Pty Ltd	Career and employment website	$ 10,000.00	$ 10,000.00	$ –
Euro Rscg Australia Pty Ltd	Employee value proposition development project	$ 55,000.00	$ 55,000.00	$ –
GPS Research Pty Ltd	DHSV national survey	$ 22,500.00	$ 22,500.00	$ –
Grant Thornton Australia	Budget allocation model	$ 41,512.53	$ 41,512.53	$ –
Incite Information	Staff satisfaction survey	$ 27,050.00	$ 27,050.00	$ –
i-you	Health Workforce Australia scope of practice review	$ 25,000.00	$ 25,000.00	$ –
Kath Weston	Dental service review	$ 15,000.00	$ 15,000.00	$ –
LSC Intelligence Pty Ltd	Development of talent pools	$ 45,000.00	$ 45,000.00	$ –
Planet Earth Films Pty Ltd	Oral health workforce scope of practice report survey	$ 22,500.00	$ 22,500.00	$ –
PriceWaterhouseCoopers	Financial reporting model	$ 34,731.00	$ 34,731.00	$ –
RadTest Australia	Recalibration testing of x-ray units	$ 16,250.00	$ 16,250.00	$ –
Socom Pty Ltd	Stakeholder relationships diagnostic audit	$ 25,000.00	$ 25,000.00	$ –
SyRis Consulting Pty Ltd	Clinical costing	$ 17,909.09	$ 17,909.09	$ –
The Ideal Consultancy Pty	Tender review of voluntary intern dental program	$ 18,275.00	$ 18,275.00	$ –
Wyndarra Consulting Pty Ltd	Governance and risk management assistance	$ 13,300.00	$ 13,300.00	$ –
TOTAL		459,634.62	459,634.62	–

ATTESTATIONS

ATTESTATION ON DATA INTEGRITY

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

Dr Deborah Cole
Chief Executive Officer
Dental Health Services Victoria

Carlton

16 August 2012

ATTESTATION ON COMPLIANCE WITH AUSTRALIAN/NEW ZEALAND RISK MANAGEMENT STANDARD

I, Mick Ellis, certify that Dental Health Services Victoria has risk management processes in place consistent with the *Australian/New Zealand Risk Management Standard* and an internal control system is in place that enables the executives to understand, manage and satisfactorily control risk exposures. The Audit Committee verifies this assurance and that the risk profile of Dental Health Services Victoria has been critically reviewed within the last 12 months.

Mr Mick Ellis
Chair, Board of Directors
Dental Health Services Victoria

Carlton

16 August 2012

COMPLIANCE

COMPLIANCE WITH BUILDING ACT 1993

DHSV buildings are maintained to meet the provisions of the *Building Act 1993* and the Minister for Finance *Guidelines Building Act 1993–Standards for Publicly–Owned Buildings*, November 1994.

PURCHASING AND TENDERING

DHSV complies with the principles of the *Operating Model of Health Purchasing Victoria* and uses the *Victorian Government Purchasing Board Guidelines* in tendering and managing contracts.

COMPETITIVE NEUTRALITY

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

PROBITY

DHSV has undertaken public tender for contracts as required by the *Victorian Government Public Service* guidelines and has a rigorous supplier evaluation and relationship management process in place.

CODE OF CONDUCT

DHSV has a comprehensive *Code of Conduct*, which is consistent with guidelines issues by the State Services Authority. The *Code of Conduct* is available to all employees and is an integral part of the induction and orientation program. All employees are expected to behave in a manner consistent with the requirements of the *Code of Conduct.*

FREEDOM OF INFORMATION

The Victorian *Freedom of Information (FOI) Act 1982* provides members of the public the right to apply for access to information held by DHSV.

Total no. of requests:	82
Personal requests:	45
Other requests:	37
Access granted in full:	82
Access partially granted:	0
Requests withdrawn or not proceeded with:	0
Application fees collected:	$989.80
Application fees waived:	$1,011.00
Charges collected:	$300.00
Charges waived:	$0.00

There were a further 470 requests received for copies of documents that were provided outside the FOI process. These requests consisted of written authorities to copy documents to facilitate ongoing patient care at another health facility.

OCCUPATIONAL HEALTH AND SAFETY

The DHSV Occupational Health and Safety Coordinator provides advice to managers and staff on risk management, health and safety legislation and ways to provide safe workplaces for DHSV staff.

Consultation on OHS issues is strong through the OHS Representatives Committee and a Building OHS Committee comprising of representatives of building tenants. All DHSV work areas have been assigned designated work groups (DWGs) in accordance with the relevant legislation. Each DWG has a designated OHS representative who provides detailed training on the DWGs responsibilities.

A risk assessment program is in place to manage day to day hazards and risks. The OHS management system meets all accreditation requirements. DHSV strives for continuous improvement through regular OHS evaluations processes.

WorkCover claims continued to be managed in a proactive manner, with early return to work initiatives and strategic claims and injury management. Our indicative premium for 2012–2013 is estimated to be approximately $75,539.51*, a reduction of 49% from the previous premium year (2011–2012).

*Indicative figures only, premium statements are sent by our WorkCover insurer in August/September 2012 confirming the premium amount for the 2012–13 financial year

DISABILITY ACTION PLAN

DHSV continued to implement the *DHSV Disability Action Plan (DAP) 2010–2013*. The *DAP* is approved by the Australian Human Rights Commission and its implementation is monitored regularly by the DHSV Community Advisory Committee (CAC). The *DAP* addresses the four outcome areas identified by the *Victorian Disability Act*:

- reducing barriers to persons with a disability accessing goods, services and facilities
- reducing barriers to persons with a disability obtaining and maintaining employment
- promoting inclusion and participation in the community of persons with a disability
- achieving tangible changes in attitudes and practices which discriminate against persons with a disability.

In 2011–12, 40 clerical and clinical staff members at RDHM participated in courses to improve the way they interact with people with sensory loss. We also produced and distributed an educational DVD called *Filling the Gap* which provides strategies for oral health professionals treating people with disabilities. The DVD aims to dispel the myth that people with an intellectual disability are hard to treat and builds the confidence of oral health professionals so they can effectively treat people with disabilities and work in partnership with disability staff.

COMPLIANCE WITH WHISTLEBLOWER PROTECTION ACT 2001

DHSV complies with the application and operation of the *Whistleblowers Protection Act 2001* and encourages staff members and members of the public to disclose any conduct they believe to be inappropriate or corrupt.

A Protected Disclosure Coordinator (Manager Employee Services) receives the disclosures or requests for information. Alternatively, staff or members of the public may contact the Victoria Ombudsman Office directly. Information relating to the *Whistleblowers Protection Act* is provided to new staff members on commencement. There were no reports of claims under the Act in 2011–12.

STRATEGIC PERFORMANCE

The *Statement of Priorities* is the key accountability agreement between DHSV and the Minister for Health. The tables below report on the performance of DHSV in each area of the *Statement of Priorities*.

PART A: STATEWIDE PRIORITIES FOR 2011–12

Victorian Health Priorities Framework – Priority Areas	DHSV strategies	Deliverables	Outcomes
Developing a system that is responsive to people's needs	▶ Embed oral health initiatives within other health services ▶ Continue to develop and implement universal models for at-risk populations ▶ Implement the Patient Flow project to improve patient satisfaction, clinic efficiency and provide improved clinician support	▶ In partnership with the Department of Health, implement the *Healthy Families, Healthy Smiles* program for children aged 0–3 years	▶ Appointed a team to manage the *Healthy Families, Healthy Smiles* program. ▶ Developed a comprehensive project plan and submitted it to the Department of Health. Over 150 organisations were contacted to contribute to the plan via an online survey, meetings and telephone discussions. ▶ Commenced preparation of a detailed needs assessment for identified groups and began focussing on prioritising activities until June 2015. ▶ Implementation commenced.
		▶ Strengthen partnerships to support the identification and inclusion of oral health programs into wider sector health plans	▶ Supported the development and implementation of regional oral health plans for Barwon Southwest, Grampians, Loddon Mallee, Gippsland and Hume as well as the three metropolitan regions – Southern, North and West, and Eastern. ▶ Developed a national oral health and diabetes online CPD course for diabetes educators in collaboration with the Australian Diabetes Educators Association. ▶ Worked with the Cancer Council on the *Victorian Prevention and Achievement Program* that supports early childhood services and schools. ▶ Worked with the Department of Education and Early Childhood Development on an ongoing prevention program surrounding maternal and child health. ▶ Clinical Leadership Council partnered with the Royal Australian College of General Practitioners to develop an educational resource that will help GPs to better diagnose patients presenting with oral health issues. ▶ Partnered with the Royal Flying Doctor Service Victoria and the Australian Dental Association Victorian Branch to scope a program that will increase access to oral health services in the northern Mallee region. ▶ Completed a draft five-year oral health promotion plan.
		▶ Further evaluate process, impact, outcomes and cost-effectiveness of the *Smiles 4 Miles (S4M)* program to inform further development	▶ Commenced collection of data to evaluate the *S4M* program: – Held focus groups with managers and *S4M* coordinators. – Collected data from preschools and child care centres via a survey. ▶ Analysed baseline data.

		▶ Commence investigation with a view to develop an oral health program for the aged care setting	▶ Appointed a project officer and began development of a feasibility study. ▶ Completed draft feasibility study.
Improving every Victorian's health status and health experience	▶ Embed oral health initiatives within other health services ▶ Lead the emphasis from treatment intervention towards the prevention of oral disease	▶ Undertake a review of the School Dental Service (SDS) integration program to identify opportunities for improvement and leverage off successes	▶ Received ethics approval and conducted 10 focus groups and three interviews with representatives from community dental agencies involved in the SDS integration project. ▶ Completed data analysis, draft report and recommendations.
		▶ Develop the five year oral health promotion strategy in consultation with the Department of Health	▶ Conducted eight oral health promotion forums in Mildura, Morwell, Warrnambool, Ararat, Bendigo, Geelong, Benalla and Melbourne to inform the development of a five-year oral health promotion plan. ▶ Completed a draft five-year oral health promotion plan in consultation with the Department of Health and a broad range of stakeholders and distributed it for community consultation.
		▶ Commence implementation of appropriate and feasible components of the Department of Health *Evidence-based oral health promotion resource* paper into practice	▶ Launched a series of evidence summaries called *Towards Evidence-Based Action*. These summaries provide updates of the available research evidence related to oral health. This included developing an Aboriginal and Torres Strait Islander evidence summary that was forwarded to the Department of Health for review.
Expanding service, workforce and system capacity	▶ Identify and implement new, innovative, best-practice clinical models and low cost, high quality readily accessible provider models.	▶ Develop a statewide workforce planning framework that incorporates the workforce requirements of regional oral health plans and supports the population based model of care.	▶ Developed the *Workforce Strategy* that was approved by the DHSV Board. The strategy focuses on developing management capability, improving employee engagement and clinical training and recruitment. ▶ Conducted workshops with each consortium to discuss the Dental Practitioner Graduate Program, continuing professional development requirements, Rural Incentive Scheme, orientation, best practice sharing and specific region challenges. ▶ Launched the International Graduate Program in February 2012. ▶ Developed recruitment and retention strategies in consultation with community dental agencies.
		▶ Work with the Department of Health to commence planning for the introduction of workforce election commitments	▶ Provided submissions to the Department of Health on rural dental practitioners relocation support and a dental employment program. ▶ Commenced design of the expanded graduate program.

Victorian Health Priorities Framework – Priority Areas	DHSV strategies	Deliverables	Outcomes
Increasing the system's financial sustainability and productivity	▶ Identify and implement new, innovative, best-practice clinical models and low cost, high quality, readily accessible provider models	▶ Develop a population based model of care	▶ Commenced work on a project to develop new models of care for public dentistry in Victoria, with an initial focus on developing a model of care for emergency services at The Royal Dental Hospital of Melbourne (RDHM). – Appointed a project team. – Completed scoping phase, project schedule and communications strategy. – Established governance structure including a project control group and working group. – Met with a broad range of stakeholders and consumer representatives. – Began comprehensive review of the patient journey through the emergency service at RDHM. – Defined Emergency Service aim and endorsed concepts supporting Principles of Care. – Completed discussion paper and distributed it to stakeholders for feedback. – Completed analysis of RDHM patient journey through Emergency Services.
		▶ Undertake a clinical costing process as part of the post implementation review of the new funding model	▶ Clinical Leadership Council provided feedback on performance indicators relating to clinical services. ▶ Agreed outcomes to be incorporated into agency scorecards and form part of *2012–2013 Purchasing Agreements*.

Implementing continuous improvements and innovation	▶ Lead the emphasis from treatment intervention towards the prevention of oral disease ▶ Continue to develop and implement universal models for at-risk populations ▶ Identify and implement new, innovative, best-practice clinical models and low cost, high quality, readily accessible provider models ▶ Build capacity to undertake population health studies and gather information on at-risk population groups	▶ Minimal Intervention Dentistry (MID) with the support of the Clinical Leadership Council: – Establish guidelines, including recall intervals, for implementing MID based on current evidence – Pilot clinical implementation of MID principles in community dental clinics	▶ Developed draft clinical guidelines and submitted them for endorsement and implementation. ▶ Held a two day MID workshop in March that aimed to: – Consider a uniform approach to clinical management of dental caries in community dental programs. – Consider barriers when implementing MID and discuss ways to overcome them. – Consider the role of key stakeholders in the implementation of MID. ▶ Reviewed MID clinical trial proposal and developed protocols that were submitted to the University of Melbourne Ethics Committee. ▶ Collected and began analysis of data from MID pilot study.
		▶ Implement the DHSV *Research Governance Framework*	▶ Held a meeting with the Research Governance Committee on 28 March 2012.
		▶ Investigate the potential tools for identifying risk based populations using an indicator of oral health need	▶ Collected data set and preliminary analysis. ▶ Introduced new geographic information systems to map and display data and generate new data sets.
Increasing accountability and transparency	▶ Monitor and evaluate to successfully transition to the new funding model	▶ Ensure data accuracy and integrity provides adequate and appropriate information for effective policy decisions	▶ Automated a large number of activity reports as part of a wider plan to improve the efficiency of reporting service activity. ▶ Developed new score cards for reporting key result areas to DHSV Executive team and Board.
Utilising e-health and communication technology	▶ Develop a reporting mechanism and process that allows for good monitoring and management of oral health service provision	▶ Participate in a post-implementation review of the funding model and Titanium upgrades to ensure the system is effective and user friendly	▶ DHSV representatives participated in Department of Health committees including the steering committee, Board and working groups that are reviewing the implementation of the new funding model. ▶ The Ti14 Product Planning Group met and proposed a number of system enhancements.

PART B : PERFORMANCE PRIORITIES

FINANCIAL PERFORMANCE

Key performance indicator		2011–12 target	2011–12 actual
Operating result	Annual operating result ($m)	–1.295	–1.276
	Interest and SPF ($m)	1.295	0.964
	Carry forward funds ($m)	–	–
	F1 ($m)	–	–0.312
Cash management	Creditors	<60 days	44 days
	Debtors	<60 days	49 days

ACCESS PERFORMANCE

Emergency care		2011–12 target	2011–12 actual
Percentage of dental emergency triage category 1 clients treated within 24 hours	Agencies	85%	89.9%
	RDHM	85%	92.3%
	Statewide	85%	90.4%
Percentage of dental emergency triage category 2 clients treated within 7 days	Agencies	80%	87.4%
	RDHM	80%	85.3%
	Statewide	80%	87.3%
Percentage of dental emergency triage category 3 clients treated within 14 days	Agencies	75%	89.2%
	RDHM	75%	85.3%
	Statewide	75%	89.1%

General and denture care		2011–12 target	2011–12 actual
Average recall interval for high caries risk eligible clients aged 0–17 years (months)	Agencies		
	RDHM		
	Statewide	12	10.7
Average recall interval for low caries risk eligible clients aged 0–17 years (months)	Agencies		
	RDHM		
	Statewide	24	19.2
Waiting time for prosthodontics, endodontics, and orthodontics specialist services patients (months)	Agencies		
	RDHM	15	4.7
	Statewide		

Waiting time for other dental specialist services patients (months)	Agencies		
	RDHM	9	4.2
	Statewide		
Waiting time for general dental care (months)*	Agencies		
	RDHM		
	Statewide	23	16
Waiting time for denture care (months)*	Agencies		
	RDHM		
	Statewide	22	18.9
Waiting time for priority denture care (months)*	Agencies		
	RDHM		
	Statewide	3	2.7

SERVICE PERFORMANCE

Activity		2011–12 target	2011–12 actual
Total number of individuals treated*	Agencies	283,272	286,894
	RDHM	48,878	42,184
	Statewide	332,150	329,078

Quality and safety		2011–12 target	2011–12 actual
Number of hospital initiated postponements per 100 scheduled appointments	Agencies		
	RDHM	3	3.3
	Statewide		
Health service accreditation	Agencies	Fully accredited	56 agencies fully accredited, 1 agency currently working towards accreditation
	RDHM	Fully accredited	Fully accredited
	Statewide		
Ratio of emergency to general courses of dental care	Agencies	40:60	43:57
	RDHM		
	Statewide		

* With the introduction of the new Dental Health Program Dataset, new counting rules apply in 2011–2012

PART C: ACTIVITY AND FUNDING

Funded activities	Activity 2011–12
Service system resourcing and development	▶ Continuous provision and enhancement of the administrative function required to meet the strategic priorities set out in the *Strategic Plan 2010–2013.*
Annual provisions/minor works	▶ 71 submissions were approved for minor works to maintain Victoria's public oral health infrastructure [as per 'Principle Three: Technology to Benefit People', *Improving Victoria's Oral Health* (2007)]. 45 submissions were not supported and 18 submissions were supported in principle pending further information.
Oral health promotion	▶ *The Smiles 4 Miles* program reached 25,000 children in kindergartens, long day centres and coordinating sites, including primary care partnerships, local councils and health services. ▶ Led the development of a draft five-year oral health promotion plan. ▶ Worked in consultation with other health organisations on the *Healthy Mothers, Healthy Babies* project. ▶ Undertook a pilot program involving the provision of oral hygiene products to high risk families in Swan Hill, East Gippsland, Dandenong and Brimbank. ▶ Provided information and training to maternal and child health nurses in four local government areas.
RDHM dental care*	▶ The Royal Dental Hospital of Melbourne treated a total of 42,184 patients in 2011–12.
Workforce, resourcing and development	▶ Supported two programs – the *Oral Health Therapy Undergraduate Scholarship Program* and the *International Graduate Program*. ▶ Provided RDHM *Dental Internship Program* and trainee program for dental assistants. ▶ Provided statewide Continuing Professional Development program for oral health professionals. ▶ Supported professional development of DHSV and RDHM staff (e.g. attendance at seminars and conferences, postgraduate study). ▶ Provided work experience program for secondary and tertiary students. ▶ Awarded three Public Oral Healthcare Awards to acknowledge individuals commitment to the public oral health sector. Each recipient received $5,000 for attendance at a conference/ seminar of their choice.
Community dental care*	▶ Community dental clinics treated a total of 286,894 patients across Victoria in 2011–12.
Dental services purchasing	▶ Provided mentoring for graduate clinicians working in community dental agencies. ▶ Assisted with relocation of clinicians to rural and regional clinics.
Clinical leadership and governance	▶ Advocated for a Minimal Intervention Dentistry approach to clinical caries management in the public sector. ▶ Developed and updated clinical guidelines under the guidance of the Clinical Leadership Council.

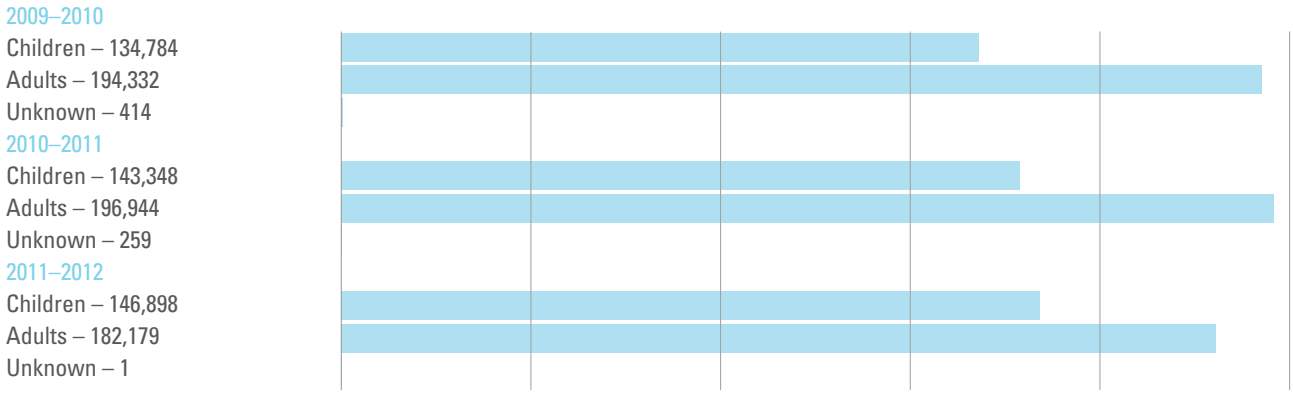
* With the introduction of the new Dental Health Program Dataset, new counting rules apply in 2011–2012

Capital planning and development	▶ Supported the establishment of a new four-chair dental clinic at Swan Hill. ▶ Expanded the dental clinic in North Richmond with the addition of four new chairs. ▶ Relocated two-chair clinic from Wodonga to Seymour ▶ Upgraded water filtration systems at applicable agencies to filter local water supply and provide suitable water quality for sterilisation processes.
Regional services system support	▶ Implemented new funding and accountability arrangements for public dental clinics in Victoria. ▶ Supported the development and implementation of regional oral health plans for Barwon Southwest, Grampians, Loddon Mallee, Gippsland and Hume as well as the three metropolitan regions – Southern, North and West, and Eastern. ▶ Provided additional funding to Grampians, Gippsland and Hume to assist in their second year of implementing their regional oral health plans.
Data management and IT	▶ Developed a strategic roadmap for our patient information management system, Titanium. ▶ Upgraded our backup system, CommVault from version 7 to version 9. ▶ Purchased and implemented a new network monitoring tool, Orion. ▶ Purchased new core switch for networks at Carlton and the Hewlett Packard (HP) Data Centre. ▶ Separated the RMIT University network to resolve connectivity issues and provide better network integrity. ▶ Introduced high definition video streaming media for RMIT students. ▶ Migrated to chassis server environment for the HP Data Centre. ▶ Virtualisation of the Citrix Titanium Production environment located at the HP Data Centre adding another level of redundancy to the environment. ▶ Further virtualisation of infrastructure environments resulting in power saving at the HP Data Centre. ▶ Created a new Virtual XenApp environment for community dental agency sites. ▶ Relocated the Citrix Titanium test environment to the HP Data Centre, environment was then virtualised to be a true 100% replication of the production environment. ▶ Decommissioned the SQL physical clusters. ▶ Implemented new IP ranges for the network located at the HP Data Centre. ▶ Redesigned and optimised the XenApp Titanium launch scripts.
Acute health services	▶ Provided patient services, including patient transport. ▶ 20 Code Blues were reported. These were low level MET calls (e.g. faint, dizzy, cut fingers, chest pain, allergic reactions, etc.) There were no resuscitations. Two of these patients were transported offsite to another facility and the remaining 18 patients/visitors were treated at RDHM.

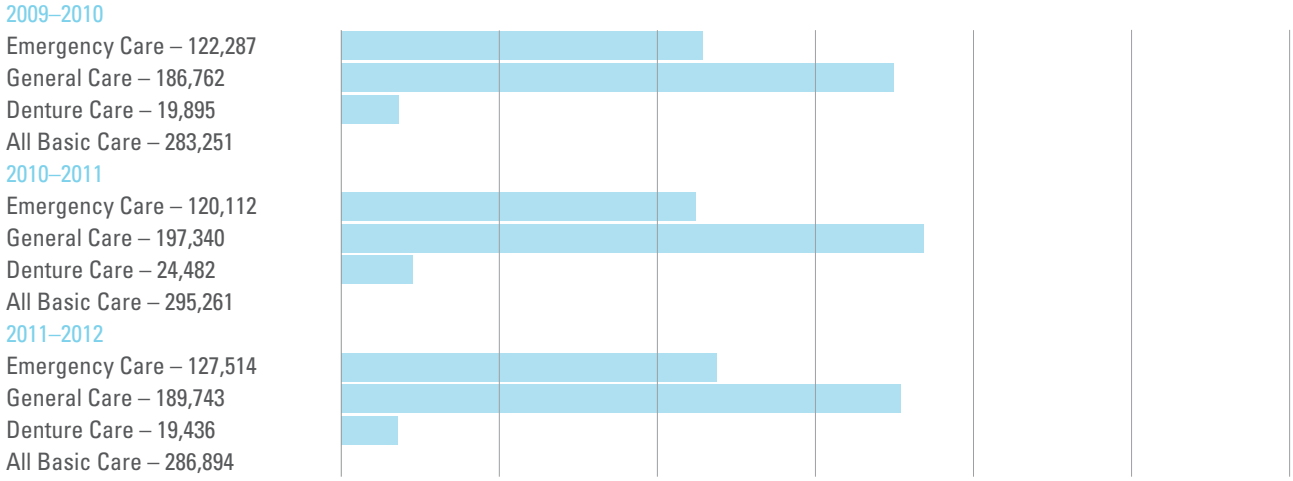
STATISTICS AT A GLANCE

On 1 July 2011, new funding and accountability arrangements were implemented for public dental clinics in Victoria. The new arrangements simplified public dental funding and improved the quality and consistency of data used for planning and decision-making. These new arrangements have changed the way we measure our data for 2011/12.

1. TOTAL INDIVIDUALS TREATED STATEWIDE*

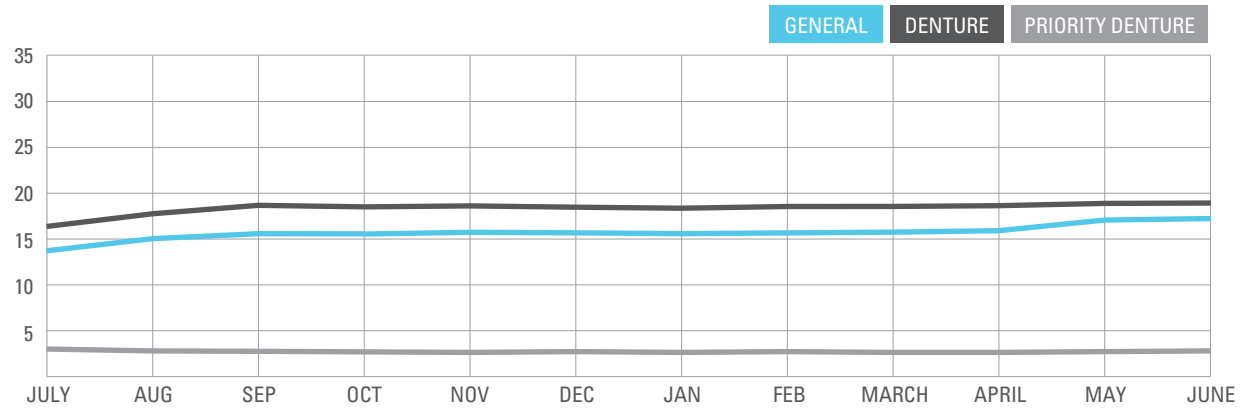


2. INDIVIDUALS TREATED IN COMMUNITY HEALTH AGENCIES*

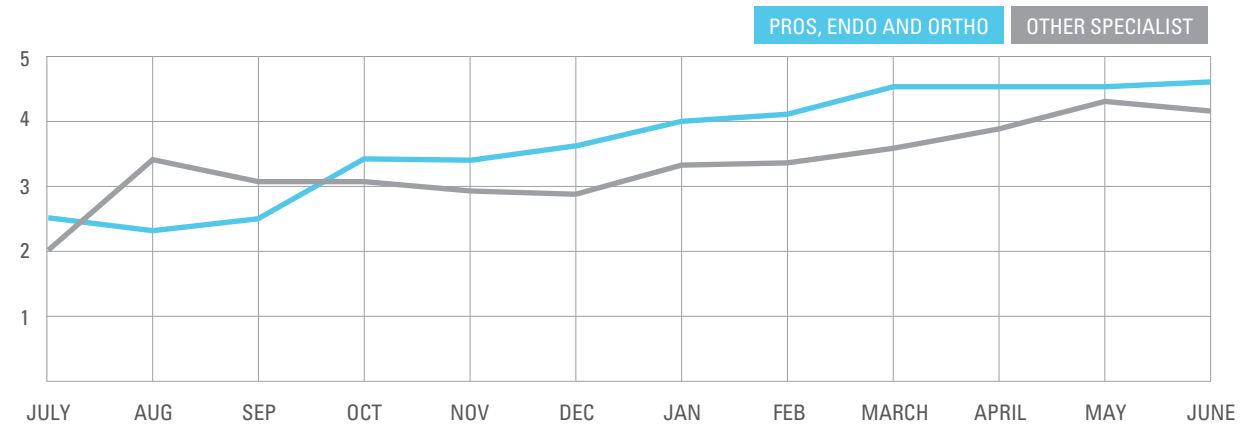


* With the introduction of the new Dental Health Program Dataset, new counting rules apply in 2011–2012

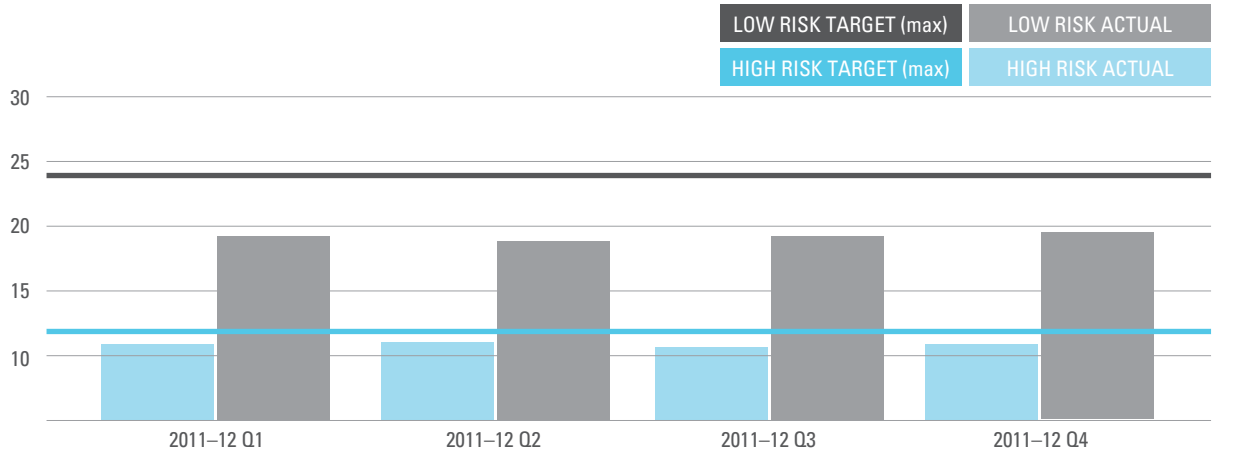
3. STATEWIDE WAITING LIST 2011–12
GENERAL AND DENTURE PATIENTS (MONTHS WAITED)*



4. STATEWIDE WAITING LIST 2011–12
SPECIALIST PATIENTS (MONTHS WAITED)*



5. STATEWIDE RECALL INTERVALS
FOR HIGH RISK AND LOW RISK CHILDREN



* With the introduction of the new Dental Health Program Dataset, new counting rules apply in 2011–2012

MANAGEMENT AND ORGANISATIONAL STRUCTURE

EXECUTIVE TEAM

DR DEBORAH COLE
CHIEF EXECUTIVE OFFICER

BDS, GradDipHealthAdmin, MBA, GradCertLead&CathCulture, FAICD, FAIM

Appointed in February 2011, Deborah has substantial experience in managing major public healthcare organisations. She has held CEO positions at Calvary Health Care and Yarra City Council as well as senior executive positions at Mercy Health and St Vincent's Health. Deborah was Director of The Royal Dental Hospital of Melbourne from 1995–1999 and previously held senior positions at the South Australian Dental Service.

TIM HOGAN
CHIEF FINANCIAL OFFICER

BBus, FCPA, FCIS

Tim has significant financial and operational expertise in the public health sector. Prior to joining DHSV, Tim was Director of Finance at Mercy Health and has also held senior management positions at Western Health and Southern Health. Tim is responsible for developing clear strategies and accountabilities across the portfolios of finance, data and compliance, and information communication technology (ICT).

NICKY MCCORMICK
EXECUTIVE DIRECTOR WORKFORCE

BA Psychology, Post Grad Dip, Human Resources

Nicky has extensive experience in the workforce environment. Before joining DHSV, she was Head of Human Resources (Asia-Pacific) for Novartis Consumer Health. Nicky has also worked in HR across a number of different portfolios, including finance, outsourcing and aviation in the United Kingdom and New Zealand. Nicky is responsible for the human resources, recruitment, organisation development, clinical training and graduate development portfolios.

PROF MIKE MORGAN
EXECUTIVE DIRECTOR ORAL HEALTH LEADERSHIP

BDS, MDSc, Grad Dip Epidemiol, PhD, FICD

Mike teaches at The University of Melbourne where he is Deputy Head of The Melbourne Dental School (MDS) and holds the Colgate Chair of Population Oral Health. He is also program leader of the Oral Health Co-operative Research Centre based at the MDS. Mike is the Chair of the Australian Dental Council Accreditation Committee and has also been appointed to the Board of VicHealth. During 2011–12, Mike was responsible for the clinical leadership, clinical education, research and innovation, and health promotion portfolios at DHSV. In July 2012, Mike accepted the role of Oral Health Advisor at DHSV.

MARK SULLIVAN
CHIEF OPERATING OFFICER

GDHA, Cert Purchasing/Planning, AFACHSE

Mark is responsible for purchasing services and administering funding for statewide public oral health services as well as overseeing the operation of The Royal Dental Hospital of Melbourne. He has particular expertise in project management, continuous improvement and customer service. He has held senior executive positions in regional and specialist hospitals.

BOARD OF DIRECTORS

CHIEF EXECUTIVE

- Executive Assistant Corporate Secretary
- Executive Officer
- Media Communications and Engagement

CHIEF FINANCIAL OFFICER

Chief Information Officer
- Service Desk
- Business Analysis
- Application Support
- IT Infrastructure
- IT contracts, vendor & Assets Management

Manager Financial Planning & Analysis
- Budgeting & Forecasting
- Financial Performance Reporting
- Funding Analysis
- Business Analysis

Chief Accountant
- Accounts Payable
- Accounts Receivable
- Patient Debtors
- Statutory Reporting
- DH Financial Reporting
- Tax

Manager Audit, Risk & Compliance
- Credentialing
- Audit
- Risk Management

Manager Knowledge & Data
- Data Collection
- Performance Reporting
- Data Analysis

CHIEF OPERATING OFFICER

Group Manager Clinical Services
- General / Emergency Care
- Day Surgery – RDHM
- Specialist Care
- Dental Assistants
- Radiology

Group Manager Support Services
- Infection Control
- Dental Laboratory
- Health Information Services
- CSSD
- Clerical Services
- Supply / Purchasing
- Facilities (RDHM)

Manager Operations
- Service Improvement
- Diversity and Community Liaison
- Accreditation

Manager Oral Health Agencies – Eastern

Manager Oral Health Agencies – Western
- Agency Relationships
- Projects and Technical Services
- Agency Support

EXECUTIVE DIRECTOR WORKFORCE

Clinical Training Unit Manager

Talent and Program Development Manager

Manager Organisational Development
- Organisational development

Manager Workforce Planning & Recruitment
- Workforce Planning and Strategy
- Recruitment

Manager Employee Services
- Workplace Relations
- Payroll
- Occupational Health and Safety Workcover

EXECUTIVE DIRECTOR ORAL HEALTH LEADERSHIP

Executive Officer Oral Health Leadership
- Research Strategy and Support
- Human Research Ethics Applications
- Clinical Education Liaison

Director Clinical Leadership, Education & Research
- Clinical Leadership
- Clinical Education
- Clinical Intervention Research

Director Population Oral Health Research
- Upstream Research
- APHIRST – Oral Health

Manager Health Promotion
- Smiles 4 Miles
- Health Promotion projects and resources

WORKFORCE STATISTICS

DHSV STAFF NUMBERS AS AT 30 JUNE 2012

Number of individuals			
	Women	Men	Total
Full-time	167	73	240
Part-time	225	86	311
Casual	38	23	61
Total	430	182	612

Labour category	June Current Month FTE*		June YTD FTE*	
	2011	2012	2011	2012
Nursing Registered nurses	19.05	19.07	18.89	19.13
Administration and clerical Admin, clerical, management	152.75	176.04	145.09	163.86
Medical support CSSD techs/ radiologists	22.15	25.48	23.08	25.97
Hotel and Allied Services Other (e.g. storemen, drivers, orderlies)	12.54	9.88	11.41	10.95
Medical officers Anaesthetists	4.16	4.32	4.36	4.77
Ancillary staff (Allied Health) Speech therapists	0.0	0.28	0.18	0.21
Specialist dentists	12.16	12.39	11.66	12.58
Dentists	39.86	40.14	40.46	40.12
Dental therapists	4.01	2.53	1.79	2.86
Dental hygienists	0.31	0.37	0.18	0.24
Dental assistants	103.24	105.88	99.22	100.43
Dental technicians	15.49	15.16	15.08	14.24
Total	385.72	411.54	371.40	395.36

*FTE – Full time equivalent

Our staffing profile changes each year depending on available funding, organisational priorities and patient demand. FTE profiles remain relatively constant each year, the exception for 2011–2012 is the comparison of administrative and clerical staff.

Administrative and clerical staff include employees engaged in statewide services such as information technology, supply and technical services, community dental agency support, communication, health promotion and research.

In 2011–12 the following initiatives resulted in DHSV engaging additional administrative and clerical staff:

- *Healthy Families, Healthy Smiles* – a program funded by the State Government focussing on the oral health of children aged 0–3 years and pregnant women.
- *The DHSV Research Governance Framework* – a three-year program to accelerate research outcomes being translated into clinical practice.

A number of capital projects and the development of a statewide workforce plan also contributed to an increase in administrative and clerical staff.

APPLICATION OF MERIT AND WORKPLACE EQUITY PRINCIPLES

DHSV aims to attract and retain skilled employees with a commitment to making a contribution to improving oral health in Victoria.

As an organisation, we are committed to creating work environments where all employees are treated with respect, where diversity is appreciated for the value it brings to our service, and where individuals are recognised for their achievements and contributions.

Our policies and practices aim to ensure that decisions on staff selection, promotion and training opportunities are based on the principles of merit and equity.

STATEMENT OF AVAILABILITY OF OTHER INFORMATION

(FRD 22B APPENDIX)

In compliance with the requirements of the Standing Directions of the Minister for Finance, details in respect of the items listed below have been retained by Dental Health Services Victoria 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 interest 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 Dental Health Services Victoria (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.

FINANCIAL OVERVIEW

The DHSV operating result for the financial year was a deficit of $0.3 million. The net entity result was a deficit of $5.9 million.

- Total revenue increased by $2.2 million – a 1.5% increase on the previous year.
- Total expenditure increased by $1.2 million – a 0.8% increase on the previous year.
- Total equity decreased by $5.8 million, consistent with the reported net entity result.

The key operational and financial objectives of DHSV are documented in the *Statement of Priorities 2011–12*.

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

SUMMARY OF FINANCIAL RESULTS

	2012 $'000	2011 $'000	2010 $'000	2009 $'000	2008 $'000
Total revenue	148,771	146,564	134,822	135,640	124,439
Total expenses	154,642	153,464	136,599	135,626	133,505
Net result for the year (including capital and specific items)	(5,871)	(6,900)	(1,777)	14	(9,066)
Retained surplus/ (accumulated deficit)	(15,477)	(9,606)	(2,706)	(929)	(943)
Total assets	104,413	112,673	113,081	112,688	84,487
Total liabilities	21,344	23,839	19,482	17,402	21,597
Net assets	83,069	88,834	93,599	95,286	62,890
Total equity	83,069	88,834	93,599	95,286	62,890

FINANCIAL STATEMENTS

dental health
services victoria
oral health for better health

Dental Health Services Victoria is the State's leading public oral health agency, promoting oral health, purchasing services and providing care to Victorians.

Dental Health Services Victoria

Board member's, accountable officer's and chief finance and accounting officer's declaration

We certify that the attached financial statements for Dental Health Services Victoria have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable *Financial Reporting Directions*, Australian Accounting Standards, Australian Accounting 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 notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2012 and the financial position of Dental Health Services Victoria at 30 June 2012.

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 this day.

Mick Ellis Board Chair	Deborah Cole Chief Executive Officer	Tim Hogan Chief Financial Officer
Carlton 16 August 2012	Carlton 16 August 2012	Carlton 16 August 2012

www.dhsv.org.au
ABN: 55 264 981 997

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INDEPENDENT AUDITOR'S REPORT

To the Board Members of Dental Health Services Victoria

The Financial Report

The accompanying financial report for the year ended 30 June 2012 of Dental Health Services Victoria which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the Board Member's, Accountable Officer's and Chief Finance and Accounting Officer's declaration has been audited.

The Board Members' Responsibility for the Financial Report

The Board Members of Dental Health Services Victoria are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Board Members determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board Members, as well as evaluating the overall presentation of the financial report.

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

Independent Auditor's Report (continued)

Independence

The Auditor-General's independence is established by the *Constitution Act 1975.* The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of Dental Health Services Victoria as at 30 June 2012 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994.*

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of Dental Health Services Victoria for the year ended 30 June 2012 included both in Dental Health Services Victoria's annual report and on the website. The Board Members of Dental Health Services Victoria are responsible for the integrity of Dental Health Services Victoria's website. I have not been engaged to report on the integrity of Dental Health Services Victoria's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

for D D R Pearson
Auditor-General

MELBOURNE
17 August 2012

Auditing in the Public Interest

COMPREHENSIVE OPERATING STATEMENT

FOR THE YEAR ENDED 30 JUNE 2012

	Note	Total 2012 $'000	Total 2011 $'000
Revenue from Operating Activities	2	146,366	143,311
Revenue from Non-operating Activities	2	1,380	1,776
Employee Benefits	3	(33,364)	(29,808)
Non Salary Labour Costs	3	(604)	(499)
Supplies & Consumables	3	(5,157)	(4,787)
Other Expenses from Continuing Operations	3	(108,933)	(110,567)
NET RESULT BEFORE CAPITAL & SPECIFIC ITEMS		(312)	(574)
Capital Purpose Income	2	908	1,017
Specific Income	2d	117	460
Depreciation and Amortisation	4	(4,718)	(4,768)
Specific Expense	3c	(1,755)	(2,873)
Expenditure using Capital Purpose Income	3	(111)	(162)
NET RESULT FOR THE YEAR		(5,871)	(6,900)
Other comprehensive income			
Net fair value gains on Available for Sale Financial Investments		106	67
Net fair value revaluation on Non Financial Assets		–	2,068
COMPREHENSIVE RESULT FOR THE YEAR		(5,765)	(4,765)

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

BALANCE SHEET

AS AT 30 JUNE 2012

	Note	Total 2012 $'000	Total 2011 $'000
Current Assets			
Cash and Cash Equivalents	5	4,207	3,380
Receivables	6	1,981	3,767
Investments and Other Financial Assets	7	15,981	18,000
Inventories	8	975	1,068
Other Current Assets	9	639	388
TOTAL CURRENT ASSETS		23,783	26,603
Non-Current Assets			
Receivables	6	396	197
Investments and Other Financial Assets	7	–	1,875
Property, Plant & Equipment	10	80,027	83,677
Intangible Assets	11	207	321
TOTAL NON-CURRENT ASSETS		80,630	86,070
TOTAL ASSETS		104,413	112,673
Current Liabilities			
Payables	12	12,752	16,298
Provisions	13	6,866	5,950
Other Liabilities	14	862	678
TOTAL CURRENT LIABILITIES		20,480	22,926
Non-Current Liabilities			
Provisions	13	864	913
TOTAL NON-CURRENT LIABILITIES		864	913
TOTAL LIABILITIES		21,344	23,839
NET ASSETS		83,069	88,834
Equity			
Property, Plant & Equipment Revaluation Surplus	15a	43,537	43,537
Financial Asset Available for Sale Revaluation Deficit	15a	(19)	(125)
General Purpose Surplus	15a	512	512
Contributed Capital	15b	54,516	54,516
Accumulated Deficits	15c	(15,477)	(9,606)
TOTAL EQUITY	15d	83,069	88,834
Contingent Assets and Contingent Liabilities	20		
Commitments for Expenditure	19		

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2012

Total	Note	Property, Plant & Equipment Revaluation Surplus $'000	Financial Asset Available for Sale Revaluation Deficit $'000	General Purpose Surplus $'000	Contributions by Owners $'000	Accumulated Deficits $'000	Total $'000
BALANCE AS AT 1 JULY 2010		41,469	(192)	512	54,516	(2,706)	93,599
Net result for the year		–	–	–	–	(6,900)	(6,900)
Other comprehensive income for the year	15a	2,068	67	–	–	–	2,135
BALANCE AT 30 JUNE 2011		43,537	(125)	512	54,516	(9,606)	88,834
Net result for the year		–	–	–	–	(5,871)	(5,871)
Other comprehensive income for the year	15a	–	106	–	–	–	106
BALANCE AT 30 JUNE 2012		43,537	(19)	512	54,516	(15,477)	83,069

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

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2012

	Note	Total 2012 $'000	Total 2011 $'000
Cash Flows from Operating Activities			
Operating Grants from Government		134,081	129,449
Patient Fees Received		2,955	3,245
GST Received from ATO		6,240	10,656
Interest Received		1,509	1,548
Other Receipts		10,393	9,473
Employee Expenses Paid		(32,497)	(29,414)
Non Salary Labour Costs		(616)	(509)
Payments for Supplies & Consumables		(5,145)	(4,777)
Other Payments		(120,164)	(120,643)
Cash Generated from Operations		(3,244)	(972)
Capital Grants from Government		1,011	1,489
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	16	(2,233)	517
Cash Flows from Investing Activities			
Purchase of Non-Financial Assets		(1,049)	(1,611)
Proceeds from Sale of Non-Financial Assets		109	225
Purchase of Investments		–	(1,000)
Proceeds from Sale of Investments		4,000	–
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		3,060	(2,386)
NET INCREASE/(DECREASE) IN CASH HELD		827	(1,869)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		3,380	5,249
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	5	4,207	3,380

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

NOTES TO FINANCIAL STATEMENTS

TABLE OF CONTENTS

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(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 Australian Accounting Standards (AASs) issued by the Australian Accounting Standards Board (AASB).

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 Minister for Finance.

Dental Health Services Victoria (DHSV) is a not-for-profit entity and therefore applies the additional Aus paragraphs applicable to "not-for-profit" Health Services under the AASs.

The annual financial statements were authorised for issue by the Board of Dental Health Services Victoria on 16 August 2012.

(B) 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 set out below have been applied in preparing the financial statements for the year ended 30 June 2012, and the comparative information presented in these financial statements for the year ended 30 June 2011.

The going concern basis was used to prepare the financial statements.

These financial statements are presented in Australian dollars, the functional and presentation currency of DHSV.

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. Under the accrual basis, items are recognised as assets, liabilities, equity, income or expenses when they satisfy the definitions and recognition criteria for those items, that is they are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

The financial statements are prepared in accordance with the historical cost convention, except for the revaluation of certain non-financial assets and financial instruments, as noted. Particularly, exceptions to the historical cost convention include:

- Non-current physical assets, which subsequent to acquisition, are measured at valuation and are re-assessed with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair values;
- Available-for-sale investments which are measured at fair value with movements reflected in equity until the asset is derecognised.
- The fair value of assets other than land is generally based on their depreciated replacement value.

Historical cost is based on the fair values of the consideration given in exchange for assets.

In the application of AAS management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision, and future periods if the revision affects both current and future periods. Judgements made by management in the application of AASs that

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

have significant effects on the financial statements and estimates, with a risk of material adjustments in the subsequent reporting period, relate to:

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 1(h));
- actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 1(i)).

(C) 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 is included in the report of operations, which does not form part of these financial statements.

(D) SCOPE AND PRESENTATION OF FINANCIAL STATEMENTS

FUND ACCOUNTING

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

SERVICES SUPPORTED BY HEALTH SERVICES AGREEMENT AND SERVICES SUPPORTED BY HOSPITAL AND COMMUNITY INITIATIVES

Activities classified as *Services Supported by Health Services Agreement* (HSA) are substantially funded by the Department of Health and are also funded from other sources such as patients, while *Services Supported by Hospital and Community Initiatives* (H&CI) are funded by DHSVs own activities or local initiatives.

COMPREHENSIVE OPERATING STATEMENT

The Comprehensive operating statement includes the subtotal entitled 'Net Result Before Capital & Specific Items' to enhance the understanding of the financial performance of DHSV. This subtotal reports the result excluding items such as capital grants, assets received or provided free of charge, depreciation, expenditure using capital purpose income and items of an unusual nature and amount such as specific income and expenses. The exclusion of these items is made to enhance matching of income and expenses so as to facilitate the comparability and consistency of results between years and Victorian Public Health Services. The 'Net Result Before Capital & Specific Items' is used by the management of DHSV, the Department of Health and the Victorian Government to measure the ongoing performance of Health Services in operating hospital services.

Capital and specific items, which are excluded from this sub-total, comprise:

- Capital purpose income, which comprises all tied grants, donations and bequests received for the purpose of acquiring non-current assets, such as capital works, plant and equipment or intangible assets. It also includes donations of plant and equipment (refer Note 1 (e)). Consequently the recognition of revenue as capital purpose income is based on the intention of the provider of the revenue at the time the revenue is provided.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

- Specific income/expense, comprises the following items, where material:
  - Non-current asset revaluation increments/ decrements
  - Funding/Purchase of capital items for Agencies

- Impairment of financial and non-financial assets, includes all impairment losses (and reversal of previous impairment losses), which have been recognised in accordance with Note 1 (g) and (h)
- Depreciation and amortisation, as described in Note 1 (f)
- Assets provided or received free of charge (refer to Note 1 (e) and (f))
- Expenditure using capital purpose income, comprises expenditure which either falls below the asset capitalisation threshold or does not meet asset recognition criteria and therefore does not result in the recognition of an asset in the balance sheet, where funding for that expenditure is from capital purpose income.

BALANCE SHEET

Assets and liabilities are categorised either as current or non-current.

STATEMENT OF CHANGES IN EQUITY

The statement of changes in equity presents reconciliations of each non-owner and owner equity opening balance at the beginning of the reporting period to the closing balance at the end of the reporting period. It also shows separately changes due to amounts recognised in the comprehensive result and amounts recognised in other comprehensive income related to other non-owner changes in equity.

CASH FLOW STATEMENT

Cash flows are classified according to whether or not they arise from operating activities, investing activities, or financing activities. This classification is consistent with requirements under AASB 107 *Statement of Cash Flows*.

COMPARATIVE INFORMATION

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

(E) INCOME RECOGNITION

Income is recognised in accordance with AASB 118 *Revenue* and is recognised as to the extent that it is probable that the economic benefits will flow to DHSV and the income can be reliably measured. Unearned income at reporting date is reported as income received in advance.

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

GOVERNMENT GRANTS AND OTHER TRANSFERS OF INCOME (OTHER THAN CONTRIBUTIONS BY OWNERS)

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

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

INDIRECT CONTRIBUTIONS FROM THE DEPARTMENT OF HEALTH

- Insurance is recognised as revenue following advice from the Department of Health.
- Long Service Leave (LSL) – Revenue is recognised upon finalisation of movements in LSL liability in line with the arrangements set out in the Metropolitan Health and Aged Care Services Division Hospital Circular 14/2009.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

PATIENT FEES

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

PRIVATE PRACTICE FEES

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

DONATIONS AND OTHER BEQUESTS

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

INTEREST REVENUE

Interest revenue is recognised on a time proportionate basis that takes in account the effective yield of the financial asset.

SALE OF INVESTMENTS

The gain/loss on the sale of investments is recognised when the investment is realised.

RESOURCES RECEIVED FREE OF CHARGE OR FOR NOMINAL CONSIDERATION

Resources received free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them, irrespective of whether restrictions or conditions are imposed over the use of the contributions, unless received from another Health Service or agency as a consequence of a restructuring of administrative arrangements. In the latter case, such transfer will be recognised at carrying value. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

(F) EXPENSE RECOGNITION

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

COST OF GOODS SOLD

Costs of goods sold are recognised when the sale of an item occurs by transferring the cost or value of the item/s from inventories.

EMPLOYEE EXPENSES

Employee expenses include:

- Wages and salaries;
- Annual leave;
- Sick leave;
- Long service leave;
- Superannuation expenses which are reported differently depending upon whether employees are members of defined benefit or defined contribution plans;
- WorkCover premium; and
- Departure packages.

DEFINED CONTRIBUTION 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.

DEFINED BENEFIT PLANS

The amount charged to the comprehensive operating statement in respect of defined benefit superannuation plans represents the contributions made by DHSV to the superannuation plans in respect of the services of current DHSV staff during the reporting period.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Superannuation contributions are made to the plans based on the relevant rules of each plan, and are based upon actuarial advice.

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

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

	Contributions Paid or Payable for the year	
Fund	2012 $'000	2011 $'000
Defined benefit plans:		
Health Super	89	92
State Superannuation Fund – revised and new	108	111
Defined contribution plans:		
Health Super	2,252	2,004
Other	158	169
TOTAL	2,607	2,376

DEPRECIATION

Assets with a cost in excess of $1,000 are capitalised and depreciation has been provided on depreciable assets so as to allocate their cost or valuation over their estimated useful lives. Depreciation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and depreciation method for all assets are reviewed at least annually, and adjustments made where appropriate. This depreciation charge is not funded by the Department of Health.

Depreciation is provided on property, plant and equipment, including freehold buildings, but excluding land and investment properties. Depreciation begins when the asset is available for use, which is when it is in the location and condition necessary for it to be capable of operating in a manner intended by management. The following table indicates the expected useful lives of non current assets on which the depreciation charges are based.

	2012	2011
Buildings		
– Structure Shell Building Fabric	45 to 60 years	45 to 60 years
– Site Engineering Services and Central Plant	20 to 30 years	20 to 30 years
Central Plant		
– Fit Out	20 to 30 years	20 to 30 years
– Trunk Reticulated Building Systems	30 to 40 years	30 to 40 years
Plant & Equipment	5 to 10 years	5 to 10 years
Medical Equipment	5 to 10 years	5 to 10 years
Computers & Communication	3 years	3 years
Furniture & Fittings	10 years	10 years
Motor Vehicles	10 years	10 years

As part of the Buildings valuation, building values were componentised and each component assessed for its useful life which is represented above.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

AMORTISATION

Amortisation is allocated to intangible assets with finite useful lives on a systematic (typically straight-line) basis over the asset's useful life. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each annual reporting period. In addition, an assessment is made at each reporting date to determine whether there are indicators that the intangible asset concerned is impaired. If so, the asset concerned is tested as to whether its carrying value exceeds its recoverable amount.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually or whenever there is an indication that the asset may be impaired. The useful lives of intangible assets that are not being amortised are reviewed each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. In addition, DHSV tests all intangible assets with indefinite useful lives for impairment by comparing the recoverable amount for each asset with its carrying amount:

- Annually; and
- whenever there is an indication that the intangible asset may be impaired.

Any excess of the carrying amount over the recoverable amount is recognised as an impairment loss.

Intangible assets with finite useful lives are amortised over a 3–5 year period (2011: 3–5 years).

RESOURCES PROVIDED FREE OF CHARGE OR FOR NOMINAL CONSIDERATION

Resources provided free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them, irrespective of whether restrictions or conditions are imposed over the use of the contributions, unless received from another Health Service or agency as a consequence of a restructuring of administrative arrangements. In the latter case, such transfer will be recognised at carrying value. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

(G) FINANCIAL ASSETS

CASH AND CASH EQUIVALENTS

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

RECEIVABLES

Receivables consist of:

- Contractual receivables, which includes mainly debtors in relation to goods and services, and accrued investment income.
- Statutory receivables, which includes predominantly amounts owing from the Victorian Government and GST input tax credits recoverable; and

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Receivables that are contractual are classified as financial instruments. Statutory receivables are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less any accumulated impairment.

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition. Collectability of debts is reviewed on an ongoing basis, and debts which are known to be uncollectible are written off. A provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified.

INVESTMENTS AND OTHER FINANCIAL ASSETS

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

Investments are classified in the following categories:

- Financial assets at fair value through profit or loss;
- Loans and receivables; and
- Available-for-sale financial assets.

DHSV classifies its other financial assets between current and non-current assets based on the purpose for which the assets were acquired. Management determines the classification of its other financial assets at initial recognition.

DHSV assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

All financial assets, except those measured at fair value through profit or loss are subject to annual review for impairment.

AVAILABLE-FOR-SALE FINANCIAL ASSETS

Other financial assets held by DHSV are classified as being available-for-sale and are measured at fair value. Gains and losses arising from changes in fair value are recognised directly in equity until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in net result for the period. Fair value is determined in the manner described in Note 17.

IMPAIRMENT OF FINANCIAL ASSETS

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

Receivables are assessed for bad and doubtful debts on a regular basis. Bad debts considered as written off and allowances for doubtful receivables are expensed.

The amount of the allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Where the fair value of an investment in an equity instrument at balance date has reduced by 20 percent or more than its cost price or where its fair value has been less than its cost price for a period of 12 or more months, the financial asset is treated as impaired.

In order to determine an appropriate fair value as at 30 June 2012 for its portfolio of financial assets, DHSV relied on the valuation provided by the issuer as at 30 June 2012. DHSV determined that the valuation was reasonable given the circumstances applicable to the investment.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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

NET GAIN/(LOSS) ON FINANCIAL INSTRUMENTS

Net gain/(loss) on financial instruments includes:

- realised and unrealised gains and losses from revaluations of financial instruments that are designated at fair value through profit or loss or held-for-trading;
- impairment and reversal of impairment for financial instruments at amortised cost; and
- disposals of financial assets.

REVALUATIONS OF FINANCIAL INSTRUMENTS AT FAIR VALUE

The revaluation gain/(loss) on financial instruments at fair value excludes dividends or interest earned on financial assets.

(H) NON-FINANCIAL ASSETS

INVENTORIES

Inventories include goods and other property held either for sale, consumption or for distribution at no or nominal cost in the ordinary course of business operations.

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

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.

Cost for all other inventory is measured on the basis of weighted average cost. Inventories acquired for no cost or nominal considerations are measured at current replacement cost at the date of acquisition.

PROPERTY, PLANT AND EQUIPMENT

All non-current physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition.

Crown Land is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or constructive 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 asset(s) are not taken into account until it is virtually certain that any restrictions will no longer apply.

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

Plant, Equipment and Vehicles are recognised initially at cost and subsequently measured at fair value less accumulated depreciation and impairment. Depreciated historical cost is generally a reasonable proxy for fair value because of the short lives of the assets concerned.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

REVALUATIONS OF NON-CURRENT PHYSICAL ASSETS

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

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

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

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

Revaluation surplus is not transferred to accumulated funds on derecognition of the relevant asset.

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

INTANGIBLE ASSETS

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

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

OTHER NON-FINANCIAL ASSETS

Prepayments

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

Disposal of Non -Financial Assets

Any gain or loss on the sale of non-financial assets is recognised in the comprehensive operating statement at the date that control of the asset is passed to the buyer and is determined after deducting from the proceeds the carrying value of the asset at that time.

Impairment of Non-Financial Assets

Apart from intangible assets with indefinite useful lives, all other non-financial assets are assessed annually for indications of impairment, except for inventories.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written-off as an expense except to the extent that the write-down can be debited to an asset revaluation surplus amount applicable to that same class of asset.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

If there is an indication that there has been a change in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. This reversal of the impairment loss occurs only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

It is deemed that, in the event of the loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

(I) LIABILITIES

PAYABLES

Payables consist of:

- contractual payables which consist predominantly of accounts payable representing liabilities for goods and services provided to DHSV prior to the end of the financial year that are unpaid, and arise when DHSV becomes obliged to make future payments in respect of the purchase of those goods and services.

  The normal credit terms are usually Nett 30 days.

- statutory payables, such as goods and services tax and fringe benefits tax payables.

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. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using a discount rate that reflects the time value of money and risks specific to the provision.

When some or all of the economic benefits required to settle a provision are expected to be received from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

EMPLOYEE BENEFITS

Wages and Salaries, Annual Leave and Accrued Days Off

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accrued days off which are expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee's services up to the reporting date, and are classified as current liabilities and measured at their nominal values.

Those liabilities that are not expected to be settled within 12 months are recognised in the provision for employee benefits as current liabilities, but are measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Long Service Leave

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

Current Liability – unconditional LSL (representing 10 or more years of continuous service) 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.

The components of this current LSL liability are measured at:

- present value – component that DHSV does not expect to settle within 12 months; and
- nominal value – component that DHSV expects to settle within 12 months.

Non-Current Liability – conditional LSL (representing less than 10 years of continuous service is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. Conditional LSL is required to be measured at present value.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates of Commonwealth Government guaranteed securities in Australia.

TERMINATION BENEFITS

Termination benefits are payable when employment is terminated before the normal retirement date or when an employee accepts voluntary redundancy in exchange for these benefits.

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

ON-COSTS

Employee benefit on-costs, such as workers compensation and superannuation are recognised together with provisions for employee benefits.

SUPERANNUATION LIABILITIES

DHSV does not recognise any unfunded defined benefit liability in respect of the superannuation plans 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 administers and discloses the State's defined benefit liabilities in its financial statements.

(J) LEASES

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership.

Leases of property, plant and equipment are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

FINANCE LEASES

Entity as lessor

DHSV does not hold any finance lease arrangements with other parties.

Entity as lessee

DHSV does not hold any finance lease arrangements with other parties.

Operating Leases

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

Operating lease payments, including any contingent rentals, are recognised as an expense in the comprehensive operating statement on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.

(K) EQUITY

CONTRIBUTED CAPITAL

Consistent with Australian Accounting Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* and FRD 119 *Contributions by Owners*, appropriations for additions to the net asset base have been designated as contributed capital. Other transfers that are in the nature of contributions or distributions that have been designated as contributed capital are also treated as contributed capital.

PROPERTY, PLANT & EQUIPMENT REVALUATION SURPLUS

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

FINANCIAL ASSET AVAILABLE-FOR-SALE REVALUATION SURPLUS

The available-for-sale revaluation surplus arises on the revaluation of available-for-sale financial assets. Where a revalued financial asset is sold that portion of the surplus which relates to that financial asset is effectively realised, and is recognised in the comprehensive operating statement. Where a revalued financial asset is impaired that portion of the surplus which relates to that financial asset is recognised in the comprehensive operating statement.

GENERAL PURPOSE SURPLUS

A specific purpose internal surplus was established for research and innovation to support strategic research projects, seed grants, innovation awards, and postgraduate scholarships.

(L) GOODS AND SERVICES TAX

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it 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 taxation authority 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 taxation authority, are presented as an operating cash flow.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(M) ROUNDING

All amounts shown in the financial statements are expressed to the nearest $1,000 unless otherwise stated.

Minor discrepancies in tables between totals and sum of components are due to rounding.

(N) AASs ISSUED THAT ARE NOT YET EFFECTIVE

Certain new Australian accounting standards and interpretations have been published that are not mandatory for the 30 June 2012 reporting period.

The Health Service has reviewed these new accounting standards and interpretations which are not mandatory for the financial year ended 30 June 2012 and has not and does not intend to adopt these standards earlier. The following list records Australian accounting standards and interpretations that may have some relevance to future disclosure for the Health Service.

STANDARD/ INTERPRETATION	SUMMARY	APPLICABLE FOR ANNUAL REPORTING PERIODS BEGINNING ON	IMPACT ON DHSV's FINANCIAL STATEMENTS
AASB 9 *Financial instruments*	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 *Financial Instruments: Recognition and Measurement* (AASB 139 *Financial Instruments: Recognition and Measurement).*	1 Jan 2013	Detail of impact is still being assessed.
AASB 13 *Fair Value Measurement*	This Standard outlines the requirements for measuring the fair value of assets and liabilities and replaces the existing fair value definition and guidance in other AASs. AASB 13 includes a 'fair value hierarchy' which ranks the valuation technique inputs into three levels using unadjusted quoted prices in active markets for identical assets or liabilities; other observable inputs; and unobservable inputs.	1 Jan 2013	Disclosure for fair value measurements using unobservable inputs are relatively onerous compared to disclosure for fair value measurements using observable inputs. Consequently, the Standard may increase the disclosures for public sector entities that have assets measured using depreciated replacement cost.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

STANDARD/ INTERPRETATION	SUMMARY	APPLICABLE FOR ANNUAL REPORTING PERIODS BEGINNING ON	IMPACT ON DHSV's FINANCIAL STATEMENTS
AASB 119 *Employee Benefits*	In this revised Standard for defined benefit superannuation plans, there is a change to the methodology in the calculation of superannuation expenses, in particular there is now a change in the split between superannuation interest expense (classified as transactions) and actuarial gains and losses (classified as 'Other economic flows – other movements in equity') reported on the comprehensive operating statement.	1 Jan 2013	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. While the total superannuation expense is unchanged, the revised methodology is expected to have a negative impact on the net result from transactions of the general government sector and for those few Victorian public sector entities that report superannuation defined benefit plans.
AASB 1053 *Application of Tiers of Australian Accounting Standards*	This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.	1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) for certain public sector entities and has not decided if RDRs will be implemented in the Victorian public sector.
AASB 2009–11 *Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12]*	This Standard gives effect to consequential changes arising from the issuance of AASB 9.	1 Jan 2013	No significant impact is expected from these consequential amendments on entity reporting.
AASB 2010–2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*	This Standard makes amendments to many Australian Accounting Standards, including Interpretations, to introduce reduced disclosure requirements to the pronouncements for application by certain types of entities.	1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) for certain public sector entities and has not decided if RDRs will be implemented in the Victorian public sector.
AASB 2010–7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]*	These consequential amendments are in relation to the introduction of AASB 9.	1 Jan 2013	No significant impact is expected from these consequential amendments on entity reporting.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

STANDARD/ INTERPRETATION	SUMMARY	APPLICABLE FOR ANNUAL REPORTING PERIODS BEGINNING ON	IMPACT ON DHSV's FINANCIAL STATEMENTS
AASB 2011–4 *Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]*	This Standard amends AASB 124 *Related Party Disclosures* by removing the disclosure requirements in AASB 124 in relation to individual key management personnel (KMP).	1 July 2013	No significant impact is expected from these consequential amendments on entity reporting.
AASB 2011–8 *Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009–11, 2010–7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]*	This amending Standard makes consequential changes to a range of Standards and Interpretations arising from the issuance of AASB 13. In particular, this Standard replaces the existing definition and guidance of fair value measurements in other Australian Accounting Standards and Interpretations.	1 Jan 2013	Disclosures for fair value measurements using unobservable inputs is potentially onerous, and may increase disclosures for assets measured using depreciated replacement cost.
AASB 2011–9 *Amendments to Australian Accounting Standards Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]*	The main change resulting from this Standard is a requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustment). These amendments do not remove the option to present profit or loss and other comprehensive income in two statements, nor change the option to present items of OCI either before tax or net of tax.	1 July 2012	This amending Standard could change the current presentation of 'Other economic flows– other movements in equity' that will be grouped on the basis of whether they are potentially reclassifiable to profit or loss subsequently. No other significant impact will be expected.
AASB 2011–10 *Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 & AASB 2011–8 and Interpretation 14]*	This Standard makes consequential changes to a range of other Australian Accounting Standards and Interpretation arising from the issuance of AASB 119 *Employee Benefits*.	1 Jan 2013	No significant impact is expected from these consequential amendments on entity reporting.

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

STANDARD/ INTERPRETATION	SUMMARY	APPLICABLE FOR ANNUAL REPORTING PERIODS BEGINNING ON	IMPACT ON DHSV's FINANCIAL STATEMENTS
AASB 2011–11 *Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements*	This Standard makes amendments to AASB 119 *Employee Benefits* (September 2011), to incorporate reduced disclosure requirements into the Standard for entities applying Tier 2 requirements in preparing general purpose financial statements.	1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) and has not decided if RDRs will be implemented in the Victorian public sector.
2012–1 *Amendments to Australian Accounting Standards – Fair Value Measurement – Reduced Disclosure Requirements [AASB 3, AASB 7, AASB 13, AASB 140 & AASB 141]*	This amending Standard prescribes the reduced disclosure requirements in a number of Australian Accounting Standards as a consequence of the issuance of AASB 13 *Fair Value Measurement*.	1 July 2013	As the Victorian whole of government and the general government (GG) sector are subject to Tier 1 reporting requirements (refer to AASB 1053 *Application of Tiers of Australian Accounting Standards*), the reduced disclosure requirements included in AASB 2012–1 will not affect the financial reporting for Victorian whole of government and GG sector.

(O) CATEGORY GROUPS

DHSV has used the following category groups for reporting purposes for the current and previous financial years.

Other Services excluded from Australian Health Care Agreement (AHCA) (Other) comprises revenue/ expenditure for Dental Health services including general and specialist dental care, school dental services and clinical education. Health and Community Initiatives also falls in this category group.

2: REVENUE

	HSA 2012 $'000	HSA 2011 $'000	H&CI 2012 $'000	H&CI 2011 $'000	Total 2012 $'000	Total 2011 $'000
Revenue from Operating Activities						
Government Grants						
Department of Health	133,755	129,376	–	–	133,755	129,376
Department of Human Services	76	73	–	–	76	73
Total Government Grants	133,831	129,449	–	–	133,831	129,449
Indirect Contributions by Department of Health						
Insurance	221	660	–	–	221	660
Long Service Leave	199	59	–	–	199	59
Total Indirect Contributions by Department of Health	420	719	–	–	420	719
Patient Fees						
Patient Fees (refer note 2b)	2,700	3,361	–	–	2,700	3,361
Total Patient Fees	2,700	3,361	–	–	2,700	3,361
Business Units & Specific Purpose Funds						
Technical Support	–	–	4,573	4,722	4,573	4,722
Overseas Dentists Training Program	–	–	1,021	856	1,021	856
Executive CPD	–	–	228	111	228	111
Car Park	–	–	1	1	1	1
Property Income	–	–	183	173	183	173
Total Business Units & Specific Purpose Funds	–	–	6,006	5,863	6,006	5,863
Other Revenue from Operating Activities	3,409	3,919	–	–	3,409	3,919
SUB-TOTAL REVENUE FROM OPERATING ACTIVITIES	140,360	137,448	6,006	5,863	146,366	143,311

2: REVENUE (CONT.)

	HSA 2012 $'000	HSA 2011 $'000	H&CI 2012 $'000	H&CI 2011 $'000	Total 2012 $'000	Total 2011 $'000
Revenue from Non-Operating Activities						
Interest	1,380	1,776	–	–	1,380	1,776
Sub-Total Revenue from Non-Operating Activities	1,380	1,776	–	–	1,380	1,776
Revenue from Capital Purpose Income						
State Government Capital Grants						
Other	894	1,029	–	–	894	1,029
Net Gain/(Loss) on Disposal of Non-Financial Assets (refer note 2c)	–	–	14	(12)	14	(12)
Sub-Total Revenue from Capital Purpose Income	894	1,029	14	(12)	908	1,017
Specific Income (refer note 2d)	117	460	–	–	117	460
TOTAL REVENUE (REFER TO NOTE 2A)	142,751	140,713	6,020	5,851	148,771	146,564

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

This note relates to revenues above the net result line only, and does not reconcile to comprehensive income.

2A: ANALYSIS OF REVENUE BY SOURCE

	Total (Other) 2012 $'000	Total (Other) 2011 $'000
Revenue From Services Supported By Health Services Agreement		
Government Grants	133,831	129,449
Indirect contributions by Department of Health	420	719
Patient Fees (refer note 2b)	2,700	3,361
Other Revenue from Operating Activities	3,409	3,919
Interest	1,380	1,776
Capital Purpose Income (refer note 2)	894	1,029
Specific Income (refer note 2d)	117	460
Sub-Total Revenue from Services Supported by Health Services Agreement	142,751	140,713
Revenue from Services Supported by Hospital and Community Initiatives		
Business Units & Specific Purpose Funds	6,006	5,863
Capital Purpose Income (refer note 2)	14	(12)
Sub-Total Revenue from Services Supported by Hospital and Community Initiatives	6,020	5,851
TOTAL REVENUE	148,771	146,564

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

2B: PATIENT FEES

	Total 2012 $'000	Total 2011 $'000
Patient Fees Raised		
Recurrent:		
Other (Dental Outpatients)	2,700	3,361
TOTAL RECURRENT	2,700	3,361

2C: NET GAIN/(LOSS) ON DISPOSAL OF NON-FINANCIAL ASSETS

	Total 2012 $'000	Total 2011 $'000
Proceeds from Disposals of Non-Current Assets		
Motor Vehicles	109	223
Computer & Communication	–	2
Total Proceeds from Disposal of Non-Current Assets	109	225
Less: Written Down Value of Non-Current Assets Sold		
Motor Vehicles	95	237
Total Written Down Value of Non-Current Assets Sold	95	237
Net gains/(losses) on Disposal of Non-Current Assets	14	(12)

2D: SPECIFIC INCOME

	Total 2012 $'000	Total 2011 $'000
Specific Income		
Funding Received from Department of Health to Purchase Dental Equipment on Behalf of External Dental Agencies	117	460
TOTAL	117	460

3: EXPENSES

	HSA 2012 $'000	HSA 2011 $'000	Non HSA 2012 $'000	Non HSA 2011 $'000	Total 2012 $'000	Total 2011 $'000
Employee Benefits						
Salaries & Wages	28,228	25,528	919	651	29,147	26,179
WorkCover Premium	352	388	5	7	357	395
Departure Packages	269	93	–	–	269	93
Long Service Leave	956	754	28	11	984	765
Superannuation	2,546	2,334	61	42	2,607	2,376
Total Employee Benefits	32,351	29,097	1,013	711	33,364	29,808
Non Salary Labour Costs						
Fees for Visiting Medical Officers	7	28	–	–	7	28
Agency Costs – Nursing	17	30	–	–	17	30
Agency Costs – Other	525	402	55	39	580	441
Total Non Salary Labour Costs	549	460	55	39	604	499
Supplies and Consumables						
Drug Supplies	561	551	–	–	561	551
Medical & Surgical Supplies	4,495	4,144	101	92	4,596	4,236
Total Supplies and Consumables	5,056	4,695	101	92	5,157	4,787
Other Expenses from Continuing Operations						
Domestic Services & Supplies	1,261	1,209	1	–	1,262	1,209
Fuel, Light, Power and Water	385	457	–	–	385	457
Insurance costs funded by Department of Health	221	660	–	–	221	660
Motor Vehicle Expenses	179	197	–	–	179	197
Repairs & Maintenance	525	353	4	5	529	358
Maintenance Contracts	338	242	–	–	338	242
Patient Transport	14	12	–	–	14	12
Bad & Doubtful Debts	354	224	–	–	354	224
Lease Expenses	80	123	10	11	90	134
Other Administrative Expenses	6,091	7,695	4,283	4,281	10,374	11,976

3: EXPENSES (CONT.)

	HSA 2012 $'000	HSA 2011 $'000	Non HSA 2012 $'000	Non HSA 2011 $'000	Total 2012 $'000	Total 2011 $'000
Other Expenses from Continuing Operations (cont.)						
Transfer Payments:						
– Output Funding for Dental Services (DH Agencies)	95,063	77,093	–	–	95,063	77,093
– Victorian Denture Scheme (Private Practitioners)	–	9,282	–	–	–	9,282
– Victorian General Dental Scheme (Private Practitioners)	–	3,019	–	–	–	3,019
– Victorian Emergency Dental Scheme (Private Practitioners)	–	5,564	–	–	–	5,564
– School Dental Services (Private Practitioners)	1	11	–	–	1	11
Audit Fees						
– VAGO – Audit of Financial Statements	26	24	–	–	26	24
– Other	97	105	–	–	97	105
Total Other Expenses from Continuing Operations	104,635	106,270	4,298	4,297	108,933	110,567
Expenditure using Capital Purpose Income						
Other Expenses	111	162	–	–	111	162
Total Expenditure using Capital Purpose Income	111	162	–	–	111	162
Depreciation and Amortisation	–	–	4,718	4,768	4,718	4,768
Specific Expense (refer note 3c)	–	–	1,755	2,873	1,755	2,873
Total	–	–	6,473	7,641	6,473	7,641
Total Expenses	142,702	140,684	11,940	12,780	154,642	153,464

This note relates to expenses above the net result line only, and does not reconcile to comprehensive income.

3A: ANALYSIS OF EXPENSES BY SOURCE

	Total(Other) 2012 $'000	Total(Other) 2011 $'000
Services Supported by Health Services Agreement		
Employee Benefits	32,351	29,097
Non Salary Labour Costs	549	460
Supplies & Consumables	5,056	4,695
Other Expenses from Continuing Operations	104,635	106,270
Sub-Total Expenses from Services Supported by Health Services Agreement	142,591	140,522
Services Supported by Hospital and Community Initiatives		
Employee Benefits	1,013	711
Non Salary Labour Costs	55	39
Supplies & Consumables	101	92
Other Expenses from Continuing Operations	4,298	4,297
Sub-Total Expenses from Services Supported by Hospital and Community Initiatives	5,467	5,139
Expenditures using Capital Purpose Income		
Other Expenses	111	162
Sub-Total Expenditure using Capital Purpose Income	111	162
Depreciation and Amortisation (refer note 4)	4,718	4,768
Specific Expenses (refer note 3c)	1,755	2,873
Sub-Total Expenses from Services Supported by Health Service Agreement and by Hospital and Community Initiatives	6,473	7,641
Total Expenses	154,642	153,464

3B: ANALYSIS OF EXPENSES BY INTERNAL AND RESTRICTED SPECIFIC PURPOSE FUNDS FOR SERVICES SUPPORTED BY HOSPITAL AND COMMUNITY INITIATIVES

	Total 2012 $'000	Total 2011 $'000
Technical Support	3,873	4,107
Overseas Dentists Training Program	865	676
Research and Innovation	568	245
Executive CPD	161	111
TOTAL	5,467	5,139

3C: SPECIFIC EXPENSE

	Total 2012 $'000	Total 2011 $'000
Specific Expense		
Amounts Paid for the Purchase of Dental Equipment on Behalf of External Dental Agencies	1,755	2,873
TOTAL	1,755	2,873

4: DEPRECIATION AND AMORTISATION

	Total 2012 $'000	Total 2011 $'000
Depreciation		
Buildings	3,231	3,195
Plant & Equipment	14	14
Medical Equipment	804	620
Computers and Communication	186	433
Furniture and Fittings	7	7
Motor Vehicles	331	345
Total Depreciation	4,573	4,614
Amortisation		
Intangible Assets	145	154
Total Depreciation & Amortisation	4,718	4,768

5: CASH AND CASH EQUIVALENTS

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

	Total 2012 $'000	Total 2011 $'000
Cash on Hand	5	5
Cash at Bank	3,202	3,375
Short-Term Deposit*	1,000	–
TOTAL	4,207	3,380
Represented by:		
Cash for Health Service Operations (as per Cash Flow Statement)	4,207	3,380

*Include term deposits with original maturity period of 3 months or less.

6: RECEIVABLES

	Total 2012 $'000	Total 2011 $'000
CURRENT		
Contractual		
Inter-Hospital Debtors	178	160
Trade Debtors	575	1,157
Patient Fees	346	659
Accrued Investment Income	225	354
Accrued Revenue – Cost Recovery	170	592
Less Provision for Doubtful Debts		
– Trade Debtors	(8)	(38)
– Patient Fees	(123)	(183)
	1,363	2,701
Statutory		
GST Receivable	618	1,066
	618	1,066
TOTAL CURRENT RECEIVABLES	1,981	3,767
NON CURRENT		
Statutory		
Long Service Leave – Department of Health	396	197
TOTAL NON-CURRENT RECEIVABLES	396	197
TOTAL RECEIVABLES	2,377	3,964
(a) Movement in the Allowance for doubtful debts		
Balance at beginning of year	221	195
Amounts written off during the year	(444)	(198)
Increase in allowance recognised in net result	354	224
Balance at end of year	131	221
(b) Ageing analysis of receivables		
Please refer to note 17(b) for the ageing analysis of contractual receivables		
(c) Nature and extent of risk arising from receivables		
Please refer to note 17(b) for the nature and extent of credit risk arising from contractual receivables		

7: INVESTMENTS AND OTHER FINANCIAL ASSETS

	Operating Fund	
	Total 2012 $'000	Total 2011 $'000
CURRENT		
Term Deposit		
– Australian Dollar Term Deposits*	14,000	18,000
Debt Securities		
– Asset Management Fund (ANZ Asprit II)	1,981	–
TOTAL CURRENT	15,981	18,000
NON CURRENT		
Debt Securities		
– Asset Management Fund (ANZ Asprit II)	–	1,875
TOTAL NON CURRENT	–	1,875
TOTAL	15,981	19,875
Represented by:		
Health Service Investments	15,981	19,875

(a) Ageing analysis of other financial assets

Please refer to note 17(b) for the ageing analysis of other financial assets

(b) Nature and extent of risk arising from other financial assets

Please refer to note 17 (b) for the nature and extent of credit risk arising from other financial assets

*Include term deposits with original maturity period of more than 3 months but less than 1 year.

DHSV historically held a $5M investment in a CDO. In the financial year 2007/08 and 2008/09, the accounts reflected the impaired state of the investment of $2.27M and $2.73M, respectively. In effect, writing down the value of the investment held to nil.

As at June 2012, the arranger of the initial investment (Bank of America) valued the CDO at $0.2M. This has been noted as the indicative value of the outstanding coupons. Noting the level of default occurring on the CDO and the lack of a clear secondary market, the value of the CDO in the annual accounts remains as nil. In Nov 2011, the principal value was reduced to $3.1M from $5.0M due to defaults.

8: INVENTORIES

	Total 2012 $'000	Total 2011 $'000
CURRENT		
Medical and Surgical Lines		
At Cost	437	439
Total Medical and Surgical Lines	437	439
Engineering Stores		
At Cost	538	629
Total Engineering Stores	538	629
TOTAL INVENTORIES	975	1,068

9: OTHER ASSETS

	Total 2012 $'000	Total 2011 $'000
CURRENT		
Prepayments	178	49
Minor Works in Progress	461	339
TOTAL	639	388

10: PROPERTY, PLANT & EQUIPMENT

	Total 2012 $'000	Total 2011 $'000
Land		
Land at Fair Value	17,733	17,733
Total Land	17,733	17,733
Buildings		
Buildings at Fair Value	66,415	66,353
Less Accumulated Depreciation	9,566	6,335
Total Buildings	56,849	60,018
Plant and Equipment		
Plant and Equipment at Fair Value	95	95
Less Accumulated Depreciation	41	27
Total Plant and Equipment	54	68
Medical Equipment		
Medical Equipment at Fair value	3,931	3,333
Less Accumulated Depreciation	1,840	1,037
Total Medical Equipment	2,091	2,296
Computers and Communication		
Computers and Communication at Fair value	2,557	2,322
Less Accumulated Depreciation	1,662	1,476
Total Computers and Communications	895	846
Furniture and Fittings		
Furniture and Fittings at Fair Value	77	72
Less Accumulated Depreciation	37	30
Total Furniture & Fittings	40	42
Motor Vehicles		
Motor Vehicles at Fair Value	3,289	3,306
Less Accumulated Depreciation	924	632
Total Motor Vehicles	2,365	2,674
TOTAL	80,027	83,677

10: PROPERTY, PLANT & EQUIPMENT (CONT.)

Reconciliations of the carrying amounts of each class of asset at the beginning and end of the previous and current financial year are set out below.

	Land $'000	Buildings $'000	Plant & Equipment $'000	Medical Equipment $'000	Computers & Comm-unications $'000	Furniture & Fittings $'000	Motor Vehicles $'000	Total $'000
Balance at 1 July 2010	15,665	63,166	81	2,582	583	30	3,021	85,128
Additions	–	47	1	334	696	19	235	1,332
Disposals	–	–	–	–	–	–	(237)	(237)
Revaluation increments	2,068	–	–	–	–	–	–	2,068
Depreciation and Amortisation (note 4)	–	(3,195)	(14)	(620)	(433)	(7)	(345)	(4,614)
Balance at 1 July 2011	17,733	60,018	68	2,296	846	42	2,674	83,677
Additions	–	62	–	599	235	5	117	1,018
Disposals	–	–	–	–	–	–	(95)	(95)
Depreciation and Amortisation (note 4)	–	(3,231)	(14)	(804)	(186)	(7)	(331)	(4,573)
Balance at 30 June 2012	17,733	56,849	54	2,091	895	40	2,365	80,027

Land and buildings carried at valuation

An independent valuation of DHSVs property, plant and equipment was performed by the Valuer-General Victoria (VGV) on 30 June 2009 to determine the fair value of the land and buildings. 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.

On 30 June 2011, a management revaluation was conducted for land as the compounded increase in the VGV indexation factors for Victoria was more than 10%. As a result, land value increased by $2,068k.

11: INTANGIBLE ASSETS

	Total 2012 $'000	Total 2011 $'000
Software	2,706	2,675
Less Accumulated Amortisation	2,499	2,354
Total Written Down Value	207	321

Reconciliation of the carrying amounts of intangible assets at the beginning and end of the previous and current financial year:

	Total $'000
Balance at 1 July 2010	196
Additions	279
Amortisation (note 4)	(154)
Balance at 1 July 2011	321
Additions	31
Amortisation (note 4)	(145)
Balance at 30 June 2012	207

12: PAYABLES

	Total 2012 $'000	Total 2011 $'000
CURRENT		
Contractual		
Trade Creditors	9,747	11,315
Accrued Expenses	2,768	4,903
Salary Packaging	237	80
TOTAL CURRENT	12,752	16,298

(a) Maturity analysis of payables
Please refer to Note 17(c) for the ageing analysis of contractual payables

(b) Nature and extent of risk arising from payables
Please refer to Note 17(c) for the nature and extent of risks arising from contractual payables

13: PROVISIONS

	Total 2012 $'000	Total 2011 $'000
Current Provisions		
Employee Benefits		
– Unconditional and expected to be settled within 12 months	3,266	2,009
– Unconditional and expected to be settled after 12 months	3,026	3,401
	6,292	5,410
Provisions related to Employee Benefit On-Costs		
– Unconditional and expected to be settled within 12 months	205	219
– Unconditional and expected to be settled after 12 months	369	321
	574	540
Total Current Provisions	6,866	5,950
Non-Current Provisions		
Employee Benefits	785	829
Provisions related to Employee Benefit On-Costs	79	84
Total Non-Current Provisions	864	913
Total Provisions	7,730	6,863
(a) Employee Benefits and Related On-Costs		
Current Employee Benefits and related on-costs		
Unconditional LSL Entitlements	3,765	3,274
Annual Leave Entitlements	1,731	1,659
Accrued Wages and Salaries	1,249	911
Accrued Days Off	122	107
Non-Current Employee Benefits and related on-costs		
Conditional Long Service Leave Entitlements	863	912
Total Employee Benefits and Related On-Costs	7,730	6,863
(b) Movements in provisions		
Movement in Long Service Leave:		
Balance at start of year	4,186	3,985
Provision made during the year		
– Revaluations	241	(18)
– Expense recognising employee service	743	783
Settlement made during the year	(542)	(564)
Balance at end of year	4,628	4,186

14: OTHER LIABILITIES

	Total 2012 $'000	Total 2011 $'000
CURRENT		
Income in Advance	862	678
TOTAL	862	678

15: RESERVES

	Total 2012 $'000	Total 2011 $'000
(a) Reserves		
Property, Plant & Equipment Revaluation Surplus[1]		
Balance at the beginning of the reporting period	43,537	41,469
Revaluation Increment/(Decrements)		
– Land	–	2,068
Balance at the end of reporting period*	43,537	43,537
*Represented by:		
– Land	17,563	17,563
– Buildings	25,574	25,574
– Medical Equipment	331	331
– Motor Vehicles	69	69
Total	43,537	43,537
General Purpose Surplus		
Balance at the beginning of the reporting period	512	512
Balance at the end of the reporting period	512	512
Financial Assets Available-for-Sale Revaluation Deficit[2]		
Balance at the beginning of the reporting period	(125)	(192)
Valuation gain recognised	106	67
Balance at the end of the reporting period	(19)	(125)
Total Reserves	44,030	43,924

(1) The property, plant & equipment asset revaluation surplus arises on the revaluation of property, plant & equipment.

(2) The financial assets available-for-sale revaluation deficit arises on the revaluation of available-for-sale financial assets. Where a revalued financial asset is sold, that portion of the reserve which relates to the financial asset, and effectively realised, is recognised in the net result. Where a revalued financial asset is impaired that portion of the reserve which relates to that financial asset is recognised in net result.

(b) Contributed Capital		
Balance at the beginning of the reporting period	54,516	54,516
Balance at the end of the reporting period	54,516	54,516
(c) Accumulated Deficits		
Balance at the beginning of the reporting period	(9,606)	(2,706)
Net Result for the Year	(5,871)	(6,900)
Balance at the end of the reporting period	(15,477)	(9,606)
(d) Total Equity at end of financial year	83,069	88,834

16: RECONCILIATION OF NET RESULT FOR THE YEAR TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Total 2012 $'000	Total 2011 $'000
Net Result for the Year	(5,871)	(6,900)
Depreciation & Amortisation	4,718	4,768
Provision for Doubtful Receivables	354	224
Change in Inventories	93	(331)
Net (Gain)/Loss from Sale of Plant and Equipment	(14)	12
Change in Operating Assets & Liabilities		
– (Increase)/Decrease in Receivables	1,233	(1,767)
– (Increase)/Decrease in Other Assets	(251)	154
– Increase/(Decrease) in Payables	(3,546)	3,949
– Increase in Employee Benefits	867	394
– Increase in Other Liabilities	184	14
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	(2,233)	517

17: FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

DHSVs principal financial instruments comprise of:

- Cash Assets
- Term Deposits
- Receivables (excluding statutory receivables)
- Investments in Asset Managed Fund
- Payables (excluding statutory payables)

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

The main purpose in holding financial instruments is to prudentially manage DHSV financial risks within the government policy parameters.

CATEGORISATION OF FINANCIAL INSTRUMENTS

	Carrying Amount 2012 $'000	Carrying Amount 2011 $'000
Financial Assets		
Cash and cash equivalents	4,207	3,380
Other financial assets		
– Term deposits	14,000	18,000
Loans and Receivables	1,494	2,922
Available for sale		
– Debt securities (ANZ Asprit II)	1,981	1,875
– Debt securities (CBA Helix Cap AA Oasis CDO)	3,127	5,000
Total Financial Assets	24,809	31,177
Financial Liabilities		
At amortised cost	12,752	16,298
Total Financial Liabilities	12,752	16,298

17: FINANCIAL INSTRUMENTS (CONT.)

NET HOLDING GAIN/(LOSS) ON FINANCIAL INSTRUMENTS BY CATEGORY

	Net holding gain/(loss) 2012 $'000	Net holding gain/(loss) 2011 $'000
Financial Assets		
Cash and deposits	1,380	1,776
Receivables	(354)	(224)
Available for sale	106	67
Total Financial Assets	1,132	1,619
Financial Liabilities		
At amortised cost	–	–
Total Financial Liabilities	–	–

17: FINANCIAL INSTRUMENTS (CONT.)

(b) Credit Risk

Credit risk arises from the contractual financial assets of DHSV, which comprise cash and deposits, non-statutory receivables and available for sale contractual financial assets. DHSV's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to DHSV. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with DHSV's contractual financial assets is minimal because the main debtor is the Victorian Government.

In addition, DHSV does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest rates, except for cash assets, which are mainly cash at bank. DHSV's policy is to only deal with banks with high credit ratings.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that DHSV will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, and debts which are more than 60 days overdue.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents DHSV's maximum exposure to credit risk.

17: FINANCIAL INSTRUMENTS (CONT.)

CREDIT QUALITY OF CONTRACTUAL FINANCIAL ASSETS THAT ARE NEITHER PAST DUE NOR IMPAIRED

2012	Financial Institutions (AAA or AA credit rating) $'000	Government agencies $'000	Other $'000	Total $'000
Financial Assets				
Cash and Cash Equivalents	4,207	–	–	4,207
Receivables				
– Trade debtors	–	420	325	745
– Other receivables	225	170	223	618
Other financial assets				
– Term Deposits	14,000	–	–	14,000
– Debt securities (ANZ Asprit II)	1,981	–	–	1,981
Total Financial Assets	20,413	590	548	21,551
2011				
Financial Assets				
Cash and Cash Equivalents	3,380	–	–	3,380
Receivables				
– Trade debtors	–	1,242	37	1,279
– Other receivables	354	592	476	1,422
Other financial assets				
– Term Deposits	18,000	–	–	18,000
– Debt securities (ANZ Asprit II)	1,875	–	–	1,875
Total Financial Assets	23,609	1,834	513	25,956

Ageing analysis of financial assets exclude types of statutory financial assets (i.e. GST input tax credit).

17: FINANCIAL INSTRUMENTS (CONT.)

(b) Credit Risk (continued)

AGEING ANALYSIS OF FINANCIAL ASSETS AS AT 30 JUNE

2012	Carrying Amount $'000	Not Past Due and Not Impaired $'000	Past Due But Not Impaired				Impaired Financial Assets $'000
			Less than 1 Month $'000	1–3 Months $'000	3 months 1 Year $'000	1–5 Years $'000	
Financial Assets							
Cash and Cash Equivalents	4,207	4,207	–	–	–	–	–
Receivables							
Trade debtors	753	174	425	143	3	–	8
Other receivables	741	462	53	53	50	–	123
Other financial assets							
Term Deposits	14,000	14,000	–	–	–	–	–
Debt securities (ANZ Asprit II)	1,981	1,981	–	–	–	–	–
Debt securities (CBA Helix Cap AA Oasis CDO)	3,127	–	–	–	–	–	3,127
Total Financial Assets	24,809	20,824	478	196	53	–	3,258
2011							
Financial Assets							
Cash and Cash Equivalents	3,380	3,380	–	–	–	–	–
Receivables							
Trade debtors	1,317	501	575	166	37	–	38
Other receivables	1,605	1,160	108	96	58	–	183
Other financial assets							
Term Deposits	18,000	18,000	–	–	–	–	–
Debt securities (ANZ Asprit II)	1,875	1,875	–	–	–	–	–
Debt securities (CBA Helix Cap AA Oasis CDO)	5,000	–	–	–	–	–	5,000
Total Financial Assets	31,177	24,916	683	262	95	–	5,221

There are no material financial assets which are individually determined to be impaired. Currently, DHSV does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. The ageing analysis table above discloses the ageing only of contractual financial assets that are past due but not impaired.

17: FINANCIAL INSTRUMENTS (CONT.)

(c) Liquidity Risk

Liquidity risk is the risk that DHSV would be unable to meet its financial obligations as and when they fall due.

DHSVs maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet. DHSV manages its liquidity risk as follows:

DHSVs objective is to meet its financial obligations when they fall due. To achieve this objective, DHSV invests in short term investments with maturity dates of less than one (1) year. Each month, at least $2M of short term investment matures. Cash flows are prepared in order to meet financial obligations.

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

MATURITY ANALYSIS OF FINANCIAL LIABILITIES AS AT 30 JUNE

			Maturity Dates			
2012	Carrying Amount $'000	Contractual Cash Flows $'000	Less than 1 Month $'000	1–3 Months $'000	3 months – 1 Year $'000	1–5 Years $'000
Financial Liabilities						
Payables	12,752	12,752	12,752	–	–	–
Total Financial Liabilities	12,752	12,752	12,752	–	–	–
2011						
Financial Liabilities						
Payables	16,298	16,298	16,298	–	–	–
Total Financial Liabilities	16,298	16,298	16,298	–	–	–

(d) Market Risk

DHSVs exposures to market risk are primarily through interest rate risk with only insignificant exposures to foreign currency and other price risks. Objectives, polices and processes used to manage each of these risks are disclosed in the paragraph below.

Currency Risk
DHSV is exposed to insignificant foreign currency risk through its payables relating to purchases of supplies and consumables from overseas. This is because of a limited amount of purchases denominated in foreign currencies and a short timeframe between commitment and settlement.

Interest Rate Risk
DHSVs financial liabilities are non interest bearing as they are made up of purchases of supplies and consumables.

Other Price Risk
DHSV does not have any exposure to other price risks.

17: FINANCIAL INSTRUMENTS (CONT.)

(d) Market Risk (continued)

INTEREST RATE EXPOSURE OF FINANCIAL ASSETS AND LIABILITIES AS AT 30 JUNE

2012	Weighted Average Effective Interest Rates (%)	Carrying Amount $'000	Fixed Interest Rate $'000	Variable Interest Rate $'000	Non Interest Bearing $'000
Financial Assets					
Cash and Cash Equivalents	4.85	4,207	–	4,202	5
Receivables					
– Trade debtors	–	753	–	–	753
– Other receivables	–	741	–	–	741
Other financial assets					
– Term Deposits	5.99	14,000	–	14,000	–
– Debt securities (ANZ Asprit II)	–	1,981	–	–	1,981
– Debt securities (CBA Helix Cap AA Oasis CDO)	6.41	3,127	–	3,127	–
		24,809	–	21,329	3,480
Financial Liabilities					
Payables	–	12,752	–	–	12,752
		12,752	–	–	12,752
2011					
Cash and Cash Equivalents	5.16	3,380	–	3,375	5
Receivables					
– Trade debtors	–	1,317	–	–	1,317
– Other receivables	–	1,605	–	–	1,605
Other financial assets					
– Term Deposits	6.13	18,000	–	18,000	–
– Debt securities (ANZ Asprit II)	–	1,875	–	–	1,875
– Debt securities (CBA Helix Cap AA Oasis CDO)	6.56	5,000	–	5,000	–
		31,177	–	26,375	4,802
Financial Liabilities					
Payables	–	16,298	–	–	16,298
		16,298	–	–	16,298

17: FINANCIAL INSTRUMENTS (CONT.)

(d) Market Risk (continued)

Sensitivity Disclosure Analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the following movements are 'reasonably possible' over the next 12 months (Base rates are sourced from the Reserve Bank of Australia)

- A shift of +1% and –1% in marked interest rates (AUD) from year-end rates of 6%;
- A parallel shift of +1% and –1% in inflation rate from year end rates of 2%

The following table discloses the impact on net operating result and equity for each category of financial instrument held by DHSV at year end as presented to key management personnel, if changes in the relevant risk occur.

17: FINANCIAL INSTRUMENTS (CONT.)

	Carrying Amount	Interest Rate Risk				Other Price Risk			
		–1%		+1%		–1%		+1%	
2012	$'000	Profit $'000	Equity $'000	Profit $'000	Equity $'000	Profit $'000	Equity $'000	Profit $'000	Equity $'000
Financial Assets									
Cash and Cash Equivalents	4,207	(42)	(42)	42	42	–	–	–	–
Receivables									
– Trade debtors	753	–	–	–	–	–	–	–	–
– Other receivables	741	–	–	–	–	–	–	–	–
Other Financial Assets									
– Term Deposits	14,000	(140)	(140)	140	140				
– Debt securities (ANZ Asprit II)	1,981	–	–	–	–	–	–	–	–
– Debt securities (CBA Helix Cap AA Oasis CDO)	3,127	(31)	(31)	31	31				
Financial Liabilities									
Payables	12,752	–	–	–	–	–	–	–	–
		(213)	(213)	213	213	–	–	–	–
2011									
Financial Assets									
Cash and Cash Equivalents	3,380	(34)	(34)	34	34	–	–	–	–
Receivables									
– Trade debtors	1,317	–	–	–	–	–	–	–	–
– Other receivables	1,605	–	–	–	–	–	–	–	–
Other Financial Assets									
– Term Deposits	18,000	(180)	(180)	180	180				
– Debt securities (ANZ Asprit II)	1,875	–	–	–	–	–	–	–	–
– Debt securities (CBA Helix Cap AA Oasis CDO)	5,000	(50)	(50)	50	50				
Financial Liabilities									
Payables	16,298	–	–	–	–	–	–	–	–
		(264)	(264)	264	264	–	–	–	–

17: FINANCIAL INSTRUMENTS (CONT.)

(e) Fair Value

The fair values and net fair values of financial instrument assets and liabilities are determined as follows:

- Level 1 – the fair value of financial instrument with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;
- Level 2 – the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 – the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

DHSV considers that the carrying amount of financial instrument assets and liabilities recorded in the financial statements to be a fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

The following table shows that the fair values of most of the contractual financial assets and liabilities are the same as the carrying amounts.

COMPARISON BETWEEN CARRYING AMOUNT AND FAIR VALUE

	Carrying Amount 2012 $'000	Fair Value 2012 $'000	Carrying Amount 2011 $'000	Fair Value 2011 $'000
Financial Assets				
Cash and Cash Equivalents	4,207	4,207	3,380	3,380
Receivables				
– Trade debtors	753	745	1,317	1,279
– Other receivables	741	618	1,605	1,422
Other Financial Assets				
– Term Deposits	14,000	14,000	18,000	18,000
– Debt securities (ANZ Asprit II)	1,981	1,981	1,875	1,875
– Debt securities (CBA Helix Cap AA Oasis CDO)	3,127	–	5,000	–
Total Financial Assets	24,809	21,551	31,177	25,956
Financial Liabilities				
Payables	12,752	12,752	16,298	16,298
Total Financial Liabilities	12,752	12,752	16,298	16,298

17: FINANCIAL INSTRUMENTS (CONT.)

(e) Fair Value (continued)

FINANCIAL ASSETS MEASURED AT FAIR VALUE

2012	Carrying Amount as at 30 June $'000	Fair value measurement at end of reporting period using		
		Level 1* $'000	Level 2* $'000	Level 3 $'000
Available for sale financial assets				
– Debt securities (ANZ Asprit II)	1,981	–	1,981	–
– Debt securities (CBA Helix Cap AA Oasis CDO)	3,127	–	–	–
Total Financial Assets	5,108	–	1,981	–
2011				
Available for sale financial assets				
– Debt securities (ANZ Asprit II)	1,875	–	1,875	–
– Debt securities (CBA Helix Cap AA Oasis CDO)	5,000	–	–	–
Total Financial Assets	6,875	–	1,875	–

*There is no significant transfer between level 1 and level 2

18A: RESPONSIBLE PERSONS DISCLOSURES

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

	Period	
Responsible Ministers:		
The Honourable David Davis, MLC, Minister for Health and Ageing	01–July–2011	30–June–2012
Governing Boards		
Mr Michael Ellis (Chair)	01–July–2011	30–June–2012
Ms Kellie Ann Jolly	01–July–2011	30–June–2012
Dr John Miller	01–July–2011	30–June–2012
Mr Kevin Quigley	01–July–2011	30–June–2012
Ms Kathryn Bell	01–July–2011	30–June–2012
Mr Anthony Monley	01–July–2011	30–June–2012
Mr Cameron Clark	01–July–2011	30–June–2012
Mrs Helene Bender	01–July–2011	30–June–2012
Dr Pamela Dagliesh	01–July–2011	30–June–2012
Accountable Officers		
Dr Deborah Cole	01–July–2011	30–June–2012
Remuneration of Responsible Persons		
The number of Responsible Persons are shown in their relevant income bands;		
	2012 No.	2011 No.
Income Band		
$20,000–$29,999	8	8
$50,000–$59,999	1	2
$110,000–$119,999	–	1
$190,000–$199,999	–	1
$280,000–$289,999	1	–
Total Numbers	10	12
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	$569,709	$638,438

Amounts relating to Responsible Ministers are reported in the financial statements of the Department of Premier and Cabinet.

Other Transactions of Responsible Persons and their related Parties.

There were no other transactions with Responsible Persons and their Related Parties.

18B: EXECUTIVE OFFICER DISCLOSURES

Executive Officers' Remuneration

The numbers of executive officers, and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands. The base remuneration of executive officers is shown in the third and fourth columns.

Base remuneration is exclusive of bonus payments, long-service leave payments, redundancy payments and retirement benefits. The total annualised employee equivalent provides a measure of full time equivalent executive officers over the reporting period.

	Total Remuneration		Base Remuneration	
	2012 No.	2011 No.	2012 No.	2011 No.
Income Band				
$100,000–$109,999	1	–	1	–
$150,000–$159,999	1	–	1	–
$160,000–$169,999	–	–	–	1
$170,000–$179,999	–	1	–	1
$180,000–$189,999	–	1	–	–
$210,000–$219,999	1	–	2	–
$220,000–$229,999	1	–	–	–
Total number of executives	4	2	4	2
Total annualised employee equivalent (AEE)*	3.4	2.0	3.4	2.0
Total Remuneration	$719,060	$594,656	$711,918	$572,044

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

19: COMMITMENTS FOR EXPENDITURE

	Total 2012 $'000	Total 2011 $'000
Other expenditure commitments		
Payable:		
– Cleaning Services	187	926
– Computer Services	119	151
– Pharmacy Services	45	132
Total other expenditure commitments	351	1,209
Not later than one year	323	901
Later than 1 year and not later than 5 years	28	308
TOTAL	351	1,209
Lease commitments		
Commitments in relation to leases contracted for at the reporting date:		
Operating Leases	89	168
Total lease commitments	89	168
Operating Leases		
Commitments in relation to leases contracted for at the reporting date:		
Non-cancellable		
Not later than one year	80	79
Later than 1 year and not later than 5 years	9	89
TOTAL LEASE COMMITMENTS	89	168
Total Commitments (inclusive of GST)	440	1,377
less GST recoverable from the Australian Tax Office	(40)	(125)
Total Commitments (exclusive of GST)	400	1,252

20: CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There are no contingent assets and contingent liabilities at 30 June 2012 (2011 – Nil).

21: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There were no events occurring after reporting date which require additional information to be disclosed.

COMMUNITY HEALTH AGENCIES

DHSV-purchased services by region, community health agency and dental clinic.

AGENCY	CLINIC
BARWON REGION	
Barwon Health	Belmont
	Corio
	Newcomb
	Wathaurong Aboriginal Co-operative
Bellarine Community Health Ltd	Point Lonsdale
Colac Area Health	Colac
Western District Health Service	Hamilton
Portland District Health	Portland
South West Healthcare	Warrnambool
GRAMPIANS REGION	
Ballarat Health Services	Ballarat
	Wendouree
	Sebastopol mobile van
East Grampians Health Service	Ararat
East Wimmera Health Service	St Arnaud
Edenhope and District Memorial Hospital	Edenhope
Hepburn Health Service	Creswick
	Daylesford
West Wimmera Health Service	Nhill
Wimmera Health Care Group	Horsham
	Dimboola
LODDON MALLEE REGION	
Boort District Health	Boort
Bendigo Health Care Group	Bendigo
Echuca Regional Health	Echuca
Mallee Track Health and Community Service	Ouyen
Maryborough District Health Service	Maryborough
Sunraysia Community Health Services Ltd	Mildura
Swan Hill District Health	Swan Hill

HUME REGION	
Northeast Health Wangaratta	Wangaratta
	Benalla
Goulburn Valley Health	Shepparton
Rumbalara Aboriginal Co-operative Ltd	Mooroopna
Seymour District Memorial Hospital	Seymour
Albury Wodonga Health	Wodonga
GIPPSLAND REGION	
Bairnsdale Regional Health Service	Bairnsdale
Bass Coast Regional Health	Wonthaggi
Central Gippsland Health Service	Sale
Omeo District Health	Omeo
Orbost Regional Health	Orbost
Latrobe Community Health Service	Churchill
	Moe
	Morwell
	Warragul
Gippsland and East Gippsland Aboriginal Co-operative Ltd	Bairnsdale
WESTERN METRO REGION	
Doutta Galla Community Health Service	Kensington
	Niddrie
ISIS Primary Care Ltd	Brimbank
	Wyndham
	Hobsons Bay
Djerriwarrh Health Services	Melton
Western Region Health Centre Ltd	Geelong Rd Footscray
	Paisley St Footscray
The Royal Children's Hospital	Parkville
NORTHERN METRO REGION	
Banyule Community Health	West Heidelberg
Darebin Community Health Service	East Preston
	Northcote
	PANCH Health Service
Dianella Community Health Inc	Broadmeadows

NORTHERN METRO REGION (CONT.)	
Nillumbik Community Health Service Ltd	Eltham
Merri Community Health Services Ltd	Brunswick
North Richmond Community Health Ltd	Nth Richmond
	Fitzroy
	Robinvale Aboriginal Co-operative
Plenty Valley Community Health Inc	Whittlesea
	Epping
Sunbury Community Health Centre Inc	Sunbury
Victorian Aboriginal Health Service Co-operative Ltd	Fitzroy
Eastern Metro Region	
Inner East Community Health Service	Ashburton
Knox Community Health Service Ltd	Ferntree Gully
EACH Ltd	Ringwood East
	Outer East mobile van
MonashLink Community Health Service Ltd	Clayton
Ranges Community Health Services	Lilydale
Whitehorse Community Health Service Ltd	Box Hill
SOUTHERN METRO REGION	
Bentleigh Bayside Community Health Service Inc	Bentleigh East
Central Bayside Community Health Services Ltd	Parkdale
Inner South Community Health Service Ltd	Prahran
	South Melbourne
Peninsula Health	Frankston
	Hastings
	Rosebud
Southern Health	Berwick
	Cranbourne
	Thomas St, Dandenong
	David St, Dandenong
	Springvale
	Kingston
	Pakenham

DISCLOSURE INDEX

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

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