

Oral Health for Better Health

2009 Annual Report



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.

Vision

Oral health for better health

Mission

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

Core values

Respect – we treat everyone in an open and courteous manner

Integrity – we behave in a fair and honest manner and can be trusted

Teamwork – we work as a team and in partnership with our patients and the community

Excellence – we set best practice standards in all that we do

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Report of Operations

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 2009.



Brian Stagoll

Board Director

Dental Health Services Victoria

Carlton

31 August 2009

Year in review: Report from Board Chair and Chief Executive

The 2008-09 year at DHSV has been characterised by increased targeting of our programs and services to those people most likely to need public dental care, and by meaningful engagement with those communities that will most benefit from improved oral health awareness.

At the same time, nearly 5,000 more Victorians received public dental care in 2008-09 than in the previous year.

Preventing disease through community engagement

DHSV staff initiated and participated in a wide range of projects and events during the year designed to raise oral health awareness among at-risk population groups. Significant initiatives included:

- Participation in the Victorian Government's Pension-level Supported Residential Services (SRS) Project, delivering oral health care kits and education sessions to SRS around Victoria.
- Collaboration with Disability Accommodation Services (DAS) and Plenty Valley Community Health (PVCH) to improve oral health for people with intellectual disabilities living in group homes.
- Consolidating relationships with Aboriginal health workers and consumers with a ceremony to formally acknowledge the Wurundjeri people, the traditional owners of the land upon which The Royal Dental Hospital of Melbourne stands.
- Signing of the Victorian Community Accord, a public statement of support by DHSV for Victoria's multicultural community.
- Participation in the 'Where the Heart is' community festival for homeless people in Melbourne.

Ensuring quality in public dental care

DHSV is committed to ensuring that Victoria's public dental care is of the highest quality. This commitment is reflected in our clinical service performance indicators. In 2008-09 DHSV and The Royal Dental Hospital of Melbourne exceeded the targets set in the Statement of Priorities Agreement on the quality of clinical work carried out by dental staff.

As Victoria's centre for specialist and complex dental referrals, The Royal Dental Hospital of Melbourne provided quality specialist care to 14,804 patients in need of services such as orthodontic and endodontic treatment, oral surgery, and periodontics, and to patients with complex needs or multiple conditions.

For the second consecutive year, the ratio of emergency patients to general care patients improved (46 to 54). An increasing number of people are being treated before their condition becomes urgent.

Improving access to those who need it most

A total of 325,857 patients were treated across all community dental clinics and The Royal Dental Hospital of Melbourne in 2008-09 – 4,937 more people than last year (a 1.5% increase). Of these individuals, 212,561 were adults and 113,296 were children.

The integration of the School Dental Service into community health agencies was completed at the beginning of 2008-09, with services for children of all ages now available to families through their local community health agency. As a result, more than 84% of patients now receive treatment in community dental clinics, up from 71% last year.

As anticipated, the availability of dental services for all age groups through local health centres is resulting in more targeted delivery of oral health care to high-risk families. In 2008-09, 77.4% of the school children who received treatment statewide were the dependants of concession card holders, up from 73.7% last year and 70.6% the year before.

Following a sustained focus in 2008-09 on reducing specialist waiting times at The Royal Dental Hospital of Melbourne, the average wait for patients requiring specialist treatment was 8.2 months in June 2009, down from 10.2 months at the beginning of the financial year. Despite an increase in the number of people waiting for general and denture care, 95% of our priority denture clients (50% of denture clients are classified as priority) were treated within three months.

More than 80% of our emergency patients were treated within 24 hours – meeting the agreed statewide target for the delivery of emergency care.

DHSV aims to improve the availability of oral health care to those most in need. To this end, we have developed innovative models of care and health promotion, including traveling dental teams, services for clients with special needs, the successful *Smiles 4 Miles* program for pre-school children, and professional development courses to enable increased scope of practice for oral health therapists.

Advocacy and research

DHSV continued to invest in its capacity to lead improvements in oral health in Victoria. During the year we appointed Professor Mike Morgan, Colgate Chair of Population Oral Health at The University of Melbourne, to the position of Principal Oral Health Advisor. In his role at DHSV, Professor Morgan provides clinical advice to the Board and Chief Executive, and is an energetic public advocate for oral health as an essential determinant of general health.

We encouraged greater collaboration between the university research sector and people working in public oral health by awarding five funding grants for research projects which are investigating areas of priority interest for DHSV. We were also successful in receiving our own first Australian Research Council Linkage Grant in partnership with The University of Melbourne School of Population Health for an investigation into the links between health and drinking water in rural Victoria. A second round of research grants is to be awarded by DHSV in late 2009.

DHSV will ensure that the knowledge gained from these studies is used to contribute to a growing evidence base for the Victorian public oral health sector to inform program and service system development.

Capital development

The DHSV ICT Project was completed in July 2008 – the culmination of four years' work – giving all sites, including community dental clinics, mobile vans and relocatables, chair-side access to the centralised *Titanium* patient management system, and vastly improving efficiencies in electronic record-keeping and in accessing patient information.

We responded to growing clinical and teaching demands on the physical structure of The Royal Dental Hospital of Melbourne with the co-location of DHSV corporate staff. This project brought together all corporate functions in January 2009 – including a number that had previously been located off-site.

4,937 more people than last year were treated across all community dental clinics.

Financial performance

DHSV achieved an underlying operating surplus of \$1.242 million for the year (including interest earnings reserved for research and innovation).

- Net result before capital and specific items was \$2.4 million.
- Revenue for services received in 2009 but which will be spent in 2010 was \$2.3 million.
- Net entity result, after specific and extraordinary adjustments, returned a surplus of \$0.014 million.
- Revaluation of property, plant and equipment resulted in an increase of \$31 million in assets.

A framework for strategic development

Strategic directions were set in a number of areas of activity that are crucial to DHSV's mission of optimising oral health for the Victorian community. During the year the DHSV Board approved the following:

- Research and Innovation Strategy 2008–2013
- Statewide Oral Health Workforce Strategy 2008–2010
- Statewide Oral Health Promotion Strategy 2008–2012
- A Business Improvement Program for The Royal Dental Hospital of Melbourne to drive service and operational improvements.

The implementation of these strategies over the next few years will play a vital role in developing Victoria's oral healthcare capacity.

Anticipating and addressing future demand

In the year ahead, DHSV will continue to refine the strategic delivery of public oral health resources to patients and communities at greatest risk of oral disease.

- Through demand monitoring, we will assess population need and undertake long-term service development to assist community dental clinics to prepare for and manage anticipated demand.

- By investigating alternative delivery models, we will seek to improve access to care for particularly hard-to-reach groups.
- By building on productive relationships with community health agencies and research institutions, we will work to build the capacity of the public oral health workforce to respond to identified priority demands.

DHSV will also undertake new initiatives aimed at reducing the need for clinical intervention through greater disease prevention.

- A review of children's risk categories and recall periods is expected to improve early caries detection in children.
- A trial of self-care programs will seek to contain the clinical needs of high-risk patients on wait lists.
- Greater participation in general health promotion will help improve community and health profession understanding of the role of oral health in general health.

Acknowledgement and thanks

In February, DHSV joined other community services in responding to the Victorian bushfire tragedy when our staff assisted the Victorian Institute of Forensic Medicine with disaster victim identification.

In June, DHSV farewelled Ms Natalie Savin who completed a nine-year term on the Board, three of these as Chair. A dedicated supporter of DHSV and public oral health, Natalie provided sound guidance with compassion and insight that was valued by the DHSV Board and management team.

We also take this opportunity to acknowledge the work of our staff and the staff of community health agencies in providing public dental care so that all Victorians can enjoy better oral health.



Mick Ellis
Chair, Board of Directors



Felix Pintado
Chief Executive

Role 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 health service in July 2000 and today employs around 560 staff.

DHSV was established under the *Health Services Act 1988*. The responsible Minister for Health during the reporting period was the Hon Daniel Andrews MP.

Objectives, functions, powers and duties

As the lead public oral health agency in Victoria, DHSV is committed to ensuring that public oral health services are sustainable, efficient, effective and of a sufficiently high quality to improve the oral health status of Victorians, particularly those who are vulnerable and most in need.

DHSV has a statewide leadership role in:

- educating, recruiting and retaining the oral health workforce
- setting the agenda for oral health promotion
- ensuring the quality of oral health services, including clinical leadership
- advocating, through partnerships, for oral health
- supporting and encouraging innovation and research in oral health.

DHSV has lead responsibility for:

- purchasing community dental services
- planning the best distribution of purchased services
- providing general and specialist services through The Royal Dental Hospital of Melbourne.

Nature and range of services

DHSV provides clinical dental services through The Royal Dental Hospital of Melbourne in Carlton, and purchases clinical and health promotion services on behalf of the State Government from 58 community health agencies throughout Victoria.

Clinical services are available to all Victorians who hold a pension concession or healthcare card and their dependants. Treatment for concession cardholders under the age of 18 is fully publicly funded, while treatment for those over 18 is subsidised.

Priority access to dental services is available to children up to the age of 12, eligible youth up to the age of 17, Aboriginal and Torres Strait Islander people, newly arrived refugees and asylum seekers and pregnant women who need general care.

Both specialist and general dental care is provided (see Summary of Services), with referrals for particular specialist services made from community health agencies to the hospital.

The Royal Dental Hospital of Melbourne is Victoria's leading dental teaching facility, working in partnership with the Melbourne Dental School of The University of Melbourne and the School of Health Sciences of RMIT University, to train Victoria's future dental and oral health professionals.

In addition to delivering clinical services, DHSV plays the leading role in Victoria in the development, implementation and evaluation of targeted oral health promotion programs designed to reduce the need for dental services and improve oral and overall health in the community.

Improving coordination of Victoria's public oral health services

Summary of services

Emergency care

Emergency dental care is available to health care and pensioner concession cardholders at The Royal Dental Hospital of Melbourne (RDHM) and community dental clinics. Emergency care is also available to the general public at RDHM on weekends and after hours on weekdays.

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. DHSV's 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

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

Purchased services

DHSV purchases oral health services from 58 community health agencies. Through a population health approach, DHSV ensures there is a fair and equitable distribution of public money utilised 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 Continuous Improvement Team supports statewide planning, implementing, monitoring and reviewing of the continuous improvement functions arising from the Oral Health Quality Framework in collaboration with management and staff. The Continuous Improvement Team also provides high level advice and guidance to DHSV management and staff on infection control issues.

Information communication technology

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

Governance

Board of Directors

The functions of the Board of a public health service are prescribed by the *Health Services (Governance and Accountability) Act 2004*. The Governor in Council, on the Minister for Health's recommendation, appoints the DHSV Board of Directors. The requisite members reflect a mix of qualifications, skills and experience, particularly in the areas of dental health, community welfare, finance and business.

On 1 July 2008, two new Board Directors, Ms Anne Lyon and Ms Helen O'Kane, were appointed for three-year terms.

We recognise the service and contribution of Directors, Ms Natalie Savin and Ms Ruth Owens, whose terms on the Board concluded on 30 June 2009, as well as Professor Mike Morgan who resigned from the Board during the year.



Ms Natalie Savin, Chair

BA MPolicy & Law

Chair: Executive Performance and Remuneration Committee; Member: Audit Committee; Member: Finance Committee; Member: Research Advisory Panel

Appointed to the Board in July 2000 and Chair since July 2006, Ms Savin has had many years' experience in human services management within local and State government, and in the community sector. She is currently the Chief Executive Officer of Arthritis Victoria.

Term concluded 30 June 2009



Mr Mick Ellis

BEcon, BEd.

Member: Executive Performance and Remuneration Committee; Member: Human Research Ethics Committee

A director since July 2006, Mr Ellis 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.

Appointed Board Chair effective 1 July 2009



Ms Kellie-Ann Jolly

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

Chair: Community Advisory Committee; Member: Population Health Committee

A director since July 2004, Ms Jolly has an oral health background partnered with substantial experience in public health and health promotion portfolios at State and community levels. She is the Director, Cardiovascular Health Programs for the Heart Foundation (Vic). Ms Jolly is also on the Committee of Management for Victoria Walks Inc Association.



Dr Errol Katz

MBBS (Hons), LLB (Hons), MPP (Harvard)

Chair: Population Health Committee; Member: Executive Performance and Remuneration Committee; Member: Quality Committee

A director since July 2004, Dr Katz is currently Director, New and Emerging Business at Visy Industries. He has a strong background in strategic business planning, and has previously worked at the Boston Consulting Group and in the public hospital system. He has degrees in medicine and law, and a degree in public policy from Harvard University where he was a Menzies Scholar.



Ms Anne Lyon

BEd, Diploma of Nursing Education (Midwifery), MA Public Policy and Management (Monash)

Member: Human Research Ethics Committee; Member: Population Health Committee; Member: Quality Committee

Appointed to the Board in July 2008, Ms Lyon has extensive experience across a number of sectors including aged care, disability and community health. She held the position of Chief Executive Officer of Knox Community Health Service until September 2008. Ms Lyon is currently a Board Member of Women's Legal Service Victoria.



Professor Mike Morgan

BDS (Otago), MDS Sc Grad Dip Epidemiol, PhD (Melb)

Member: Population Health Committee; Member: Quality Committee

Appointed to the Board in July 2007, Professor Morgan is the Colgate Chair of Population Oral Health at the Melbourne Dental School, University of Melbourne. He has a keen interest in the provision of public dental services in Victoria and is an academic with research interests in population health and epidemiology. Professor Morgan also provides dental care through Whitehorse Community Health Services and is currently a member of the Dental Practice Board of Victoria.

Resigned 19 October 2008



Ms Ruth Owens

BBus MBA FCPA FAICD

Chair: Audit Committee; Chair: Finance Committee; Member: Quality Committee

A director since July 2006, Ms Owens has a financial and management background and has worked in the legal, financial and health sectors. She is currently on the Board of a number of not-for-profit organisations in the health sector including Dianella Community Health Centre.

Term concluded 30 June 2009



Dr Brian Stagoll

MB BS FRANZCP

Chair: Quality Committee; Chair: Human Research Ethics Committee; Chair: Research Advisory Panel; Member: Community Advisory Committee

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



Ms Helen O'Kane

BA (University of Melbourne), BEco (La Trobe)

Member: Audit Committee; Member: Finance Committee

Appointed to the Board in July 2008, Ms O'Kane is the Practice Manager of Melbourne legal firm Barbour Arnold and Cousins. She has extensive executive management experience in both the public and private sectors. Between 2000 and 2007 she chaired LCM Health Care Ltd, a national not-for-profit health care service.

Board directors reflect a mix of qualifications, skills and experience, particularly in the areas of dental health, community welfare, finance and business.

Board meetings

There were 11 Board meetings held between 1 July 2008 and 30 June 2009. Attendance was as follows:

Director	Eligible	Attended
Ms Natalie Savin, Chair	11	11
Mr Mick Ellis	11	10
Ms Kellie-Ann Jolly	11	8
Dr Errol Katz	11	9
Ms Anne Lyon	11	10
Professor Mike Morgan	3	1
Ms Helen O'Kane	11	9
Ms Ruth Owens	11	8
Dr Brian Stagoll	11	9

Board committees

The following committees provided advice to the DHSV Board of Directors during the 2008-09 financial year:

Audit Committee

Chair: Ms Ruth Owen

Members: Ms Natalie Savin, Ms Helen O'Kane, Mr Peter Robertson

Community Advisory Committee

Chair: Ms Kellie-Ann Jolly

Members: Dr Brian Stagoll, Mr Savas Augoustakis, Ms Janet Curry, Mr Grant Holland, Ms Christine Ingram, Mr Greg Loughnan, Mr Peter Martin, Mr Frank McNeil (Resigned June 2009)

Executive Performance and Remuneration Committee

Chair: Ms Natalie Savin

Members: Mr Mick Ellis, Dr Errol Katz,

Finance Committee

Chair: Ms Ruth Owen

Members: Ms Natalie Savin, Ms Helen O'Kane,
Mr Felix Pintado

Human Research Ethics Committee

Chair: Dr Brian Stagoll

Members: Mr Mick Ellis, Ms Anne Lyon, Dr Menaka Abuzar,
Reverend James Brady, Ms Kavitha Chandra-Shekeran,
Dr John Harcourt, Dr Rodrigo Marino, Mr Peter Martin,
Ms Sarah Nieuwenhuysen, Ms Paula Touzeau

Population Health Committee

Chair: Dr Errol Katz

Members: Ms Kellie-Ann Jolly, Ms Anne Lyon, Professor
Mike Morgan, Ms Claire Amies, Ms Catherine James,
Ms Vicki Mason, Ms Leigh Rhode, Dr Marc Tennant,
Professor Elizabeth Waters

Quality Committee

Chair: Dr Brian Stagoll

Members: Dr Errol Katz, Ms Anne Lyon, Professor Mike
Morgan, Ms Ruth Owens, Mr Savas Augoustakis,
Ms Jean Joseph

Research Advisory Panel

Chair: Dr Brian Stagoll

Members: Ms Natalie Savin, Professor Anthony Blinkhorn,
Professor Sally Green, Professor David Hill, Professor Louise
Kloot, Ms Marie Misso, Professor Peter Wilson

Compensation arrangements

The Board reviews the compensation arrangements of the Chief Executive 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 2008-09 as internal auditors and facilitators of the DHSV Risk Management process. Protiviti consultants facilitated an evaluation of the organisation's risks in September 2008 as part of DHSV's ongoing commitment to risk management.

Consultancies

Consultancies costing more than \$100,000: Nil.

Consultancies costing less than \$100,000: 60, at a cost of \$665,257.

Attestation on Compliance with Australian/New Zealand Risk Management Standard

I, Felix Pintado, 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.



Felix Pintado

Chief Executive

Dental Health Services Victoria

Carlton

31 August 2009

Attestation on Data Accuracy

I, Felix Pintado, certify that Dental Health Services Victoria has put in place appropriate internal controls and processes to ensure that the Department of Health is provided with data that reflects actual performance. Dental Health Services Victoria has critically reviewed these controls and processes during the year.



Felix Pintado

Chief Executive

Dental Health Services Victoria

Carlton

31 August 2009

Compliance

Compliance with the *Building Act 1993*

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

Purchasing and tendering

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

Competitive neutrality

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 issued 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

Total no. of requests:	148
Personal requests:	129
Other requests:	19
Access granted in full:	141
Requests withdrawn/not proceeded with:	7
Application fees collected:	\$295
Application fees waived:	\$3,064
Charges collected:	\$828
Charges waived:	\$8,169

There were a further 201 requests received for copies of documents that were provided outside the Freedom of Information process. These requests consisted of written authorities to copy documents to facilitate ongoing patient care at another health facility.

Occupational health and safety

A continued drive in pro-active and strategic WorkCover claims management resulted in a WorkCover premium reduction of 31.23% with the actual premium reducing from \$276,921.13 in 2008/09 to \$190,530.62 for the 2009/10 financial year. A further emphasis on timely return to work management, and a focus on reducing individual claim costs, has contributed to the premium reduction.

Disability Action Plan

Although DHSV has not yet been prescribed under section 38 of the *Disability Act 2006* to have a Disability Action Plan (DAP), DHSV lodged its first two-year DAP with the Human Rights and Equal Opportunity Commission in October 2007. This plan expired in June 2009, and development of a new two-year plan has commenced. The new plan will continue to implement the recommendations of an independent access audit and is being developed in consultation with DHSV's Diversity Committee.

Compliance with the *Whistleblowers 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 disclosures or requests for information. Alternatively, staff or members of the public may contact the Victorian Ombudsman Office direct. Information relating to the *Whistleblowers Protection Act* is provided to new staff members on commencement. There were no reports or claims under the Act in 2008-09.

Performance against Statement of Priorities

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

Financial performance

Operating result

	2008-09 Actual (\$M)
Annual operating result	\$1.2m

Cash management/liquidity

	2008-09 Actual
Creditors	41 days
Debtors	46 days
Net movement in cash balance (\$m)	\$2.3M fav

Service performance

	2008-09 Actual
Ratio of emergency to general dental care	46.1:53.9
Proportion of denture re-makes within 12 months	2.0%
Percentage of re-treatment within 6 months following completed endodontic treatment	0.6%
Percentage of extraction within 12 months following completed endodontic treatment	1.6%

95% of priority denture clients were treated within three months

Access performance

	2008-09 Actual
Category 1 clients treated within 24 hours	80.4%
Priority denture clients receiving treatment within 3 months	95.4%
Statewide average waiting time for non-urgent general dental care	19.7 months
Statewide average waiting time for non-urgent denture care	19.0 months
Percentage of agencies with average waiting time for general dental care of less than 3 years	93.4%
Percentage of agencies with average waiting time for denture care of less than 3 years	93.4%
Proportion of pre-school aged children receiving care who are dependants of eligible adults	65.0%
Percentage of primary school children re-called in 24 months	19.5%
Percentage of high-risk school children re-called in 12 months	34.9%
Proportion of school children receiving care who are dependants of eligible adults	77.4%
Percentage of high-risk eligible young people attending 12-month re-call	51.3%

Strategic advances were achieved in priority areas

Strategic performance

Strategic Priority	Deliverables	Due Date	Achievement
1. Educating, recruiting and retaining the workforce	a) Finalise and implement Oral Health Workforce Strategy, in particular:	Oct 2008	Oral Health Workforce Strategy endorsed by Board Oct 2008.
	• Establish improved process for clinical placements	Jan 2009	• Established a Workforce Advisory Committee with cross-sector representation.
	• Explore implementation of dental therapist bridging program to enable extended scope of practice	Jun 2009	• Appointed a Clinical Placement Coordinator to facilitate clinical training placements. • Implemented Certificate IV in Oral Health Promotion for dental assistants in cooperation with RMIT University. • Developed an Educational Bridging Program (pilot) to enable dental therapists to practice with an expanded scope of practice. • Submitted Bridging Program (pilot) to the Dental Practice Board of Victoria for approval.
2. Oral health promotion	b) Finalise 2008-2012 Oral Health Promotion Strategy	Oct 2008	Oral Health Promotion Strategy endorsed by Board Oct 2008.
	• Implement 2008-09 Oral Health Promotion Workplan	Jun 2009	• Contracted six new sites to the <i>Smiles 4 Miles</i> program.
	• Develop 2009-10 to 2011-12 Oral Health Promotion Workplan	Apr 2009	• Received Victorian Health Service Management Innovation Council grant to develop peer education model for oral health literacy. • Completed oral health education sessions in all 52 Supported Residential Services (SRS) across Victoria. • Developed new resources including: • DVD for SRS residents and carers; • Web-based training package for disability accommodation support workers. • Identified health promotion priorities for the next three-year workplan.

Strategic performance

Strategic Priority	Deliverables	Due Date	Achievement
3. Quality assurance	c) Finalise and implement Oral Health Quality Framework	Oct 2008	Oral Health Quality Framework launched in Sep 2008.
	d) Develop alignment with Evaluation and Quality Improvement Program of the Australian Council on Healthcare Standards (ACHS)	Jun 2009	The framework aligns with the relevant ACHS and Quality Improvement and Community Services Accreditation (QICSA) accreditation criteria.
4. Oral health service provision	e) Develop and implement targeted plan for waiting time management in community dental clinics and The Royal Dental Hospital of Melbourne	Dec 2008	Developed and implemented an action plan to address waiting times. Substantial gains have been made in the recruitment of oral health clinicians in dental clinics over the last 12 months.
	f) Contribute to the implementation of the oral health service planning framework including: <ul style="list-style-type: none"> Develop three regional oral health plans Plan, develop and deliver public oral health infrastructure projects 	Jun 2009 Ongoing	<ul style="list-style-type: none"> DHSV participated in and supported local planning networks established to develop regional oral health plans. The Gippsland Oral Health Plan has been completed with a number of others underway (there were some delays due to bushfires in some regions). Provision of fixed infrastructure to Warrnambool, Ballarat, Hamilton, and a mobile dental clinic to Horsham.
	g) Finalise integration of School Dental Service with community-based service	Jun 2009	Completed May 2009.
	h) Lead ongoing oral health service development, in particular identify areas of need for children and target services accordingly	Ongoing	There has been significant focus on development of oral health needs profiles and the relative priorities for regional populations, including children, to inform service planning and program development addressing local needs.
	i) Establish service coordination between RDHM and other community-based agencies	Mar 2009	A business improvement review identified several systemic changes required to improve service coordination within RDHM, and between RDHM and other community-based agencies. The implementation of service improvements will be delivered in 2009-10.

Delivering a statewide oral health promotion plan

Statewide function performance

Performance measure	2008-09 Target	Achievement
Implementation of oral health promotion	Commence Nov 2008	Achieved (See Strategic performance, priority 2).
Implementation of the oral health workforce recruitment and retention strategy	Commence Nov 2008	Achieved (See Strategic performance, priority 1).
Implementation of the plan for the reduction of waiting times for general and denture care at agencies with the longest waiting times	Commence Jan 2008	Achieved (See Strategic performance, priority 4 (e)).

Funded activity performance

	2008-09 Individuals treated
Community Dental Care	196,340
The Royal Dental Hospital of Melbourne Dental Care	49,534
School Dental Care	79,983

Block funded activity performance

Activity	Measure description 2008-09
Workforce, Resourcing and Development	Developed and commenced implementation of the Oral Health Workforce Strategy (see Strategic Priority 1)
Oral Health Promotion	Developed and commenced implementation of the Oral Health Promotion Strategy (see Strategic Priority 2)
Service System Development and Resourcing	Continuous provision and enhancement of the administration and information technology functions required to meet the strategic priorities set out in <i>Improving Victoria's Oral Health</i> (July 2007).
Acute Health Services – Number of completed post-acute episodes	50 patients
Disability Services	Developed and implemented a plan to improve services for special needs patients.

Block funded activity performance (continued)**Measure description****Activity****2008-09**

Annual provisions/minor works

50 submissions 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)).**Revenue indicators****Average Collection Days**

	2009	2008
Private	46	45
Transport Accident Commission	n/a	n/a
Victorian Workcover Authority	n/a	n/a
Other Compensable	n/a	n/a
Psychiatric	n/a	n/a
Residential Aged Care	n/a	n/a

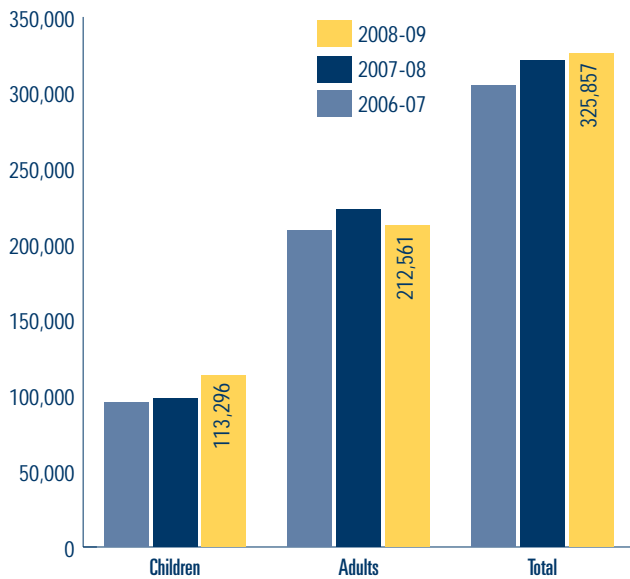
Debtors outstanding as at 30 June 2009

	Under 30 days \$	31-60 days \$	61-90 days \$	Over 90 days \$	Total \$ 30/6/09	Total \$ 30/06/08
Private	133,436	91,302	38,778	96,980	360,496	339,153
TAC	n/a					
VWA	n/a					
Other Compensable	n/a					
Psychiatric	n/a					
Residential Aged Care	n/a					

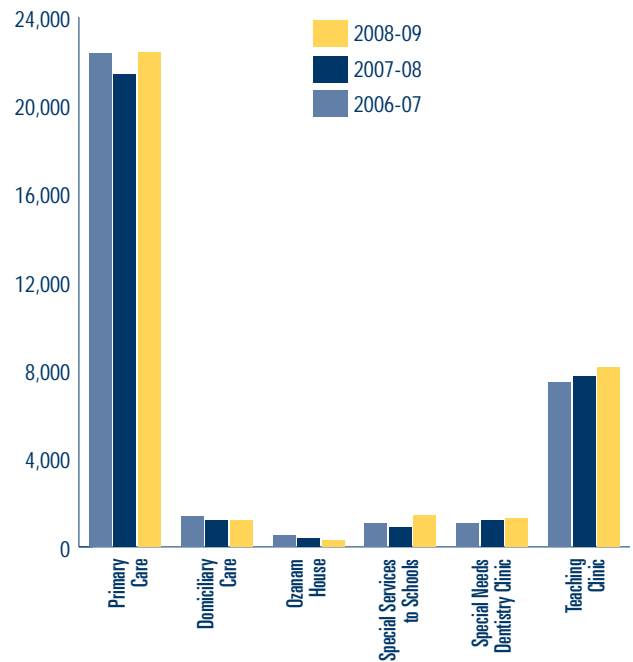
* n/a – not applicable

Statistics at a glance

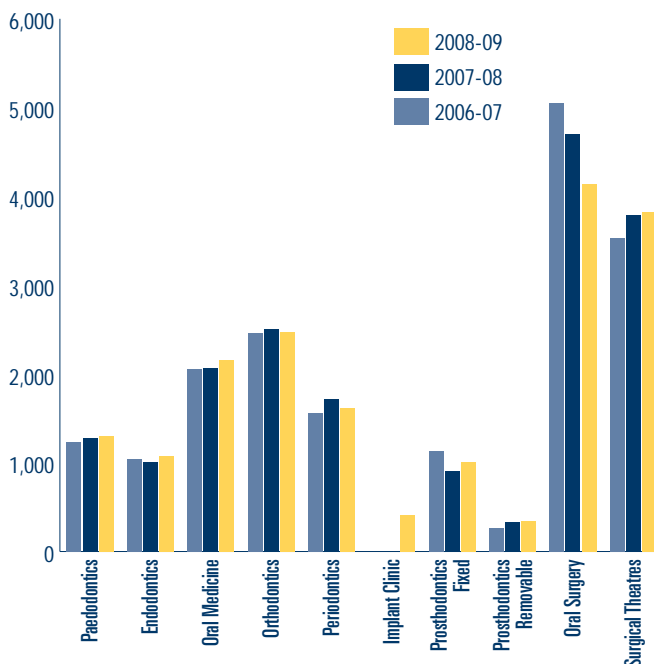
Total individuals treated



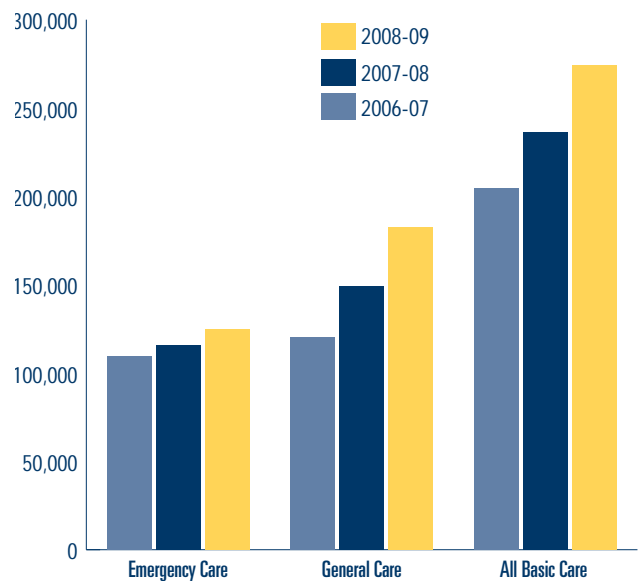
Individuals treated at The Royal Dental Hospital of Melbourne – General Dental Services
Total in 2008–09 = 34,730



Individuals treated at The Royal Dental Hospital of Melbourne – Specialist Dental Services
Total in 2008–09 = 14,804

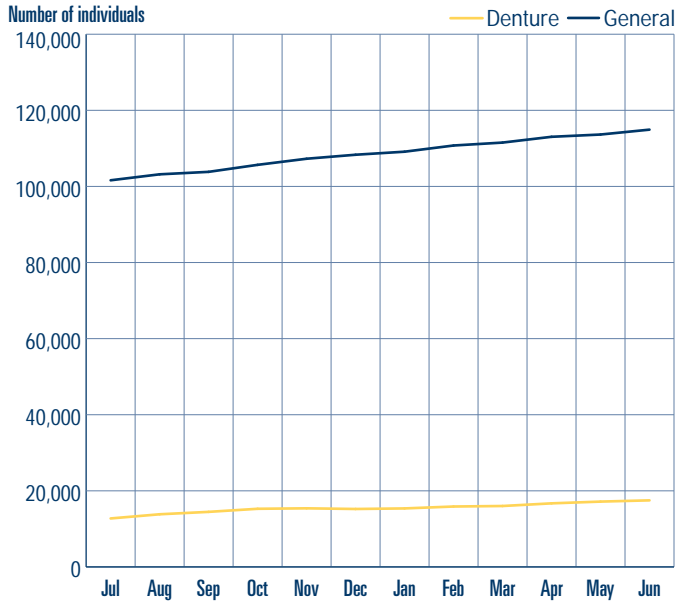


Individuals treated in community dental clinics
Total in 2008–09 = 274,362



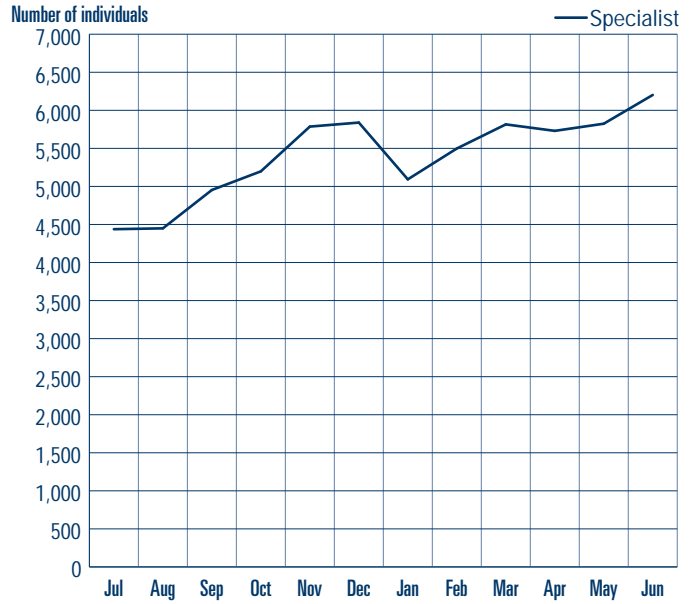
Statewide Waiting List – General and Denture Patients (number waiting)

Number of People Waiting at End of Each Month – 2008–09



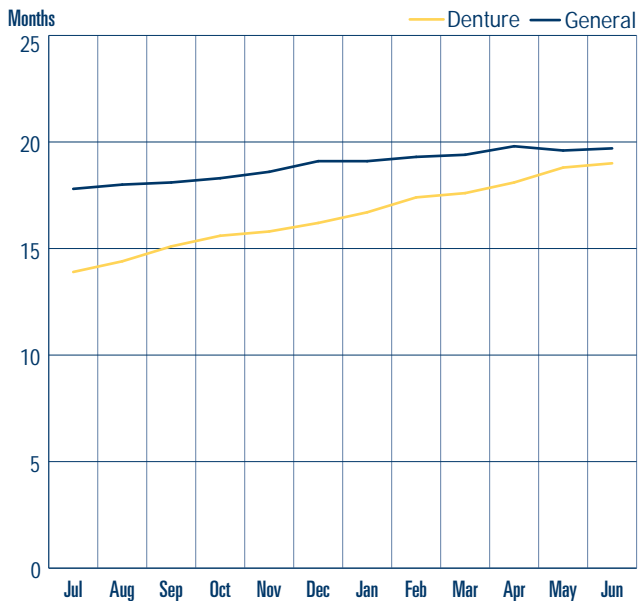
Statewide Waiting List – Specialist Patients (number waiting)

Number of People Waiting at End of Each Month – 2008–09



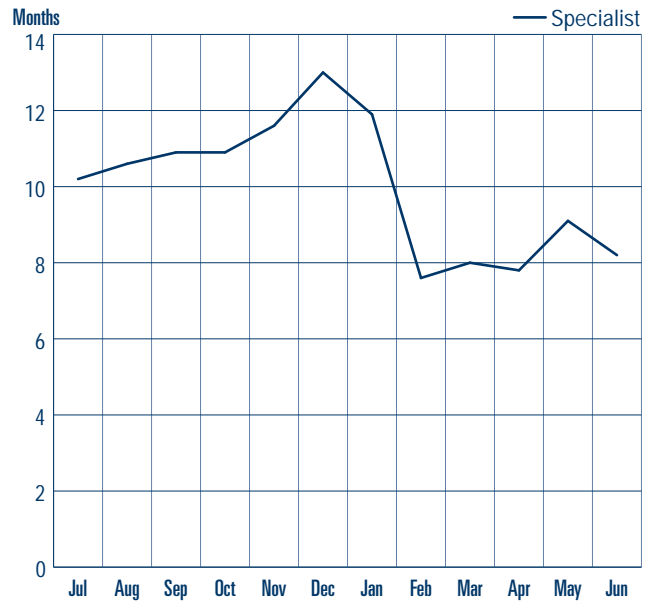
Statewide Waiting List – General and Denture Patients (months waited)

Average Time Waited for Next Person Removed from Waiting List – 2008–09



Statewide Waiting List – Specialist Patients (months waited)

Average Time Waited for Next Person Removed from Waiting List – 2008–09



Management and organisational structure

Executive team



Felix Pintado – Chief Executive

FCHSE, CHE, FAIM, MAICD, MHA, GDHSM, DipEd, BTheol

Felix was appointed Chief Executive in February 2008. He has over 20 years' leadership experience in the health service industry, and has held senior executive positions in specialist and general hospitals in Victoria and New Zealand. Prior to joining DHSV, Felix was Chief Executive of Latrobe Regional Hospital, which was awarded the Premier's Award for Most Outstanding Regional Health Service in 2006. He is a Councillor of the Australian Healthcare and Hospitals Association. He is also Chair of the Board of Health Purchasing Victoria.



Deidre Mackechnie – Chief Learning Officer

RN, ORC, BAppSci, Grad Dip Bus Mgt (HR), MEd

Appointed in June 2008, Deidre has a clinical background with substantial experience in organisational and workforce development, culture and change management, human resources and nursing. In her role, Deidre is responsible for the education and research, and continuous improvement portfolios.



Deborah Sullivan – Chief Finance Officer

BEC, CPA, MBA

Deborah has substantial commercial and operational expertise, developed in senior roles with large service-based organisations in Australia and Europe. Prior to joining DHSV in 2006, she held divisional management and chief financial officer positions. Deborah is responsible for ensuring that her portfolio contributes to the broader oral health strategy, with a focus on operational efficiency and 'value adding' services.



Mark Sullivan – Chief Operating Officer

GDHA, Cert Purchasing/Planning, AFCHSE

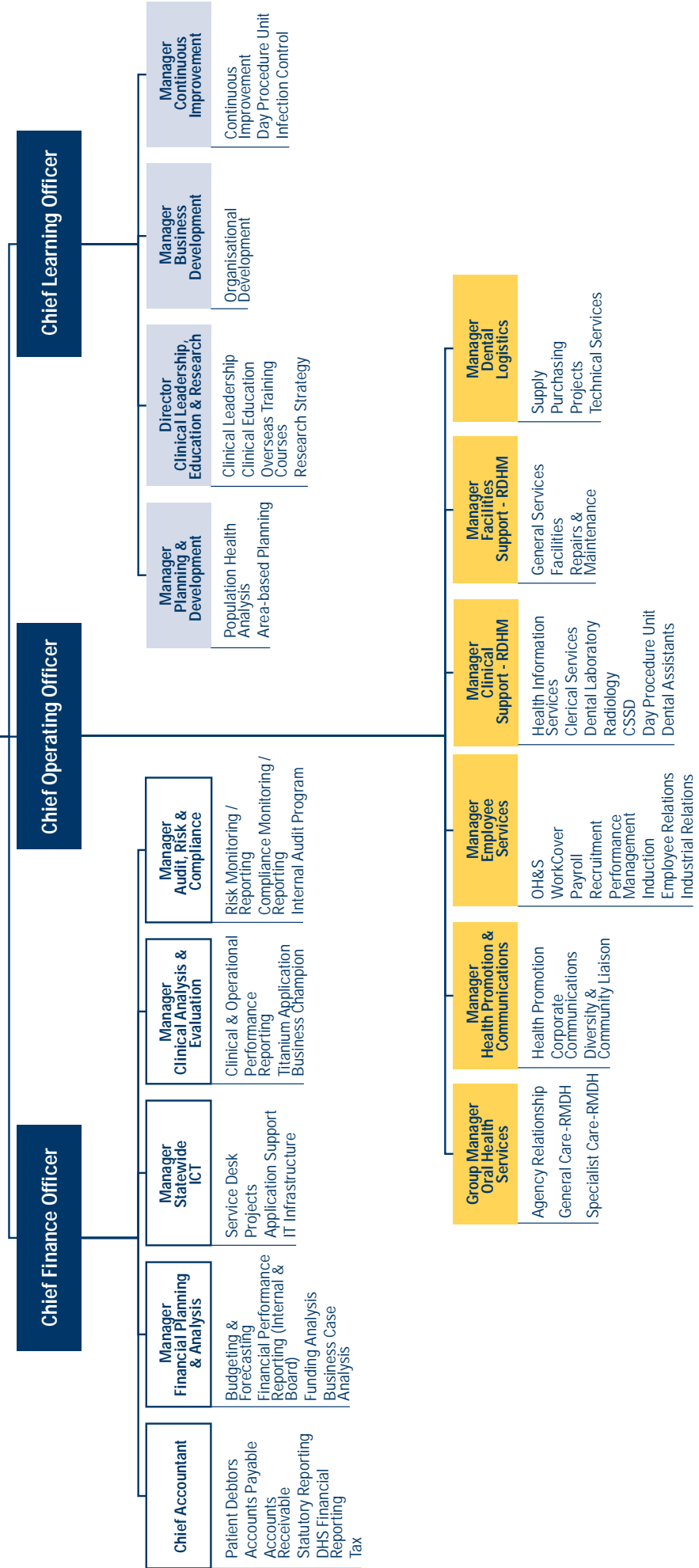
Appointed as Chief Operating Officer in June 2008, Mark is responsible for purchasing services and administering funding for statewide public oral health services as well as overseeing the operation of The Royal Dental Hospital of Melbourne. He has particular expertise in business continuous improvement, customer service, and project and facilities management. He has held senior executive positions in regional and specialist hospitals.

Board of Directors

Chief Executive

Strategic Priorities
Executive Officer

Principal Oral Health Advisor



Workforce statistics

DHSV staff numbers as at 30 June 2009

Number of individuals

	Women	Men	Total
Full-time	153	88	241
Part-time	171	70	241
Casual	42	39	81
Total	366	197	563

Labour category	JUNE Current Month FTE	JUNE YTD FTE
Nursing Registered nurses	21.22	21.18
Administration and clerical Admin, clerical, management	144.73	137.90
Medical support CSSD techs/ radiologists	22.72	23.13
Hostel and allied services Other (eg. technicians, storemen, drivers, orderlies)	12.15	12.31
Medical Anaesthetists	4.25	4.82
Ancillary staff Dental officers, dental specialists, dental therapists, dental assistants, dental technicians, prosthetists	*170.82	203.56
Total	375.89	402.90

* The decrease in the number of ancillary staff reflects the transfer of School Dental Service staff from Dental Health Services Victoria to community health agencies as part of the integration of services.

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.

DHSV's 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 service about the activities of the entity and where they can be obtained.
- d) Details of changes in prices, fees, charges, rates and levies charged by Dental Health Services Victoria.
- e) Details of any major external reviews carried out on the entity.
- f) Details of major research and development activities undertaken by the entity that are not otherwise covered either in the Report of Operations or in a document that contains the financial report 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 the entity 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 the entity, the purposes of each committee and the extent to which the purposes have been achieved.

Financial overview

Dental Health Services Victoria achieved an underlying operating surplus of \$1.242 million for the year. This is after allowing for AASB 1004 timing differences. The net result from Continuing Operations before capital and specific items was a surplus of \$2.45 million.

Total revenues increased \$11.201 million comprising an operating revenue increase of \$7.239 million, an increase of \$4.619 million in capital purpose income, and non-operating and specific income decrease of \$0.657 million. This includes \$6.814 million of revenue comprising grants that have been received and accounted for in accordance with AASB 1004 Contributions which will be expended in the 2009-10 financial year.

Total expenses increased by \$2.121 million including \$1.306 million of services expenditure and \$1.021 million of specific expenditure for which the revenue was received in the preceding financial year in accordance with AASB 1004.

The net result after the specific adjustments noted above was a reported surplus of \$0.014 million (0.01% of total revenue).

Total equity increased \$32.396 million due to the incremental revaluation of property, plant and equipment \$30.980 million, reversal of unrealised losses on available-for-sale investments \$1.402 million, and operating surplus of \$0.014 million.

The integration of the School Dental Service into community health agencies resulted in greater in-house treatments and less reliance on private practitioners during 2009.

Summary of financial results

	2009	2008	2007	2006	2005
	\$000	\$000	\$000	\$000	\$000
Total Expenses	135,626	133,505	122,861	121,735	106,461
Total Revenue	135,640	124,439	122,578	120,330	107,169
Operating Surplus/(deficit)	14	(9,066)	(283)	(1,405)	708
Transfers (to)/from General Reserves	-	(360)	(151)	-	-
Accumulated Surpluses/(Deficits)	(929)	(943)	8,483	8,917	10,322
Total Assets	112,317	84,487	90,224	96,667	95,527
Total Liabilities	17,031	21,597	22,530	20,692	19,690
Net Assets	95,286	62,890	67,694	75,975	75,837
Total Equity	95,286	62,890	67,694	75,975	75,837

Board director's, accountable officer's and chief finance & accounting officer's declaration

We certify that the attached financial report for Dental Health Services Victoria has 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 Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes forming part of the financial report, presents fairly the financial transactions during the year ended 30 June 2009 and financial position of Dental Health Services Victoria at 30 June 2009.

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

We authorise the attached financial report for issue on this day.



Brian Stagoll
Board Director



Felix Pintado
Chief Executive



Deborah Sullivan
Chief Finance Officer

Signed the 31st day of August 2009
At Dental Health Services Victoria, 720 Swanston Street, Carlton

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board, Dental Health Services Victoria

The Financial Report

The accompanying financial report for the year ended 30 June 2009 of Dental Health Services Victoria which comprises the operating statement, balance sheet, statement of changes in equity and cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the board director's, accountable officer's and chief finance & accounting officer's declaration, has been audited.

The Members of the Board's Responsibility for the Financial Report

The Members of the Board of Dental Health Services Victoria are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the *Financial Management Act 1994*. This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

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. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance 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 Members of the Board, 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)

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report published in both the annual report and on the website of Dental Health Services Victoria for the year ended 30 June 2009. The Members of the Board of Dental Health Services Victoria are responsible for the integrity of the website. I have not been engaged to report on the integrity of the website. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the Dental Health Services Victoria website.

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.

Auditor's 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 2009 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
2 September 2009



D D R Pearson
Auditor-General

	Note	Total 2009 \$'000	Total 2008 \$'000
Revenue from Operating Activities	2	128,144	120,905
Revenue from Non-operating Activities	2	1,105	2,062
Employee Benefits	3	(29,290)	(33,830)
Non Salary Labour Costs	3	(1,131)	(1,241)
Supplies & Consumables	3	(4,200)	(4,656)
Other Expenses from Continuing Operations	3	(92,182)	(85,770)
Net Result Before Capital & Specific Items		2,446	(2,530)
Capital Purpose Income	2	5,798	1,179
Specific Income	2d	593	293
Available-for-Sale Revaluation Reserve gain/(loss) recognised	3	(60)	-
Impairment of Non-Financial Assets	3	(117)	(3)
Impairment of Financial Assets	3, 17(b)	(2,730)	(2,270)
Depreciation and Amortisation	4	(3,710)	(3,788)
Specific Expense	3c	(2,078)	(1,390)
Assets Provided Free of Charge	3	-	(542)
Expenditure Using Capital Purpose Income	3	(128)	(15)
NET RESULT FOR THE PERIOD		14	(9,066)

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

DHSV Balance Sheet
As at 30 June 2009

	Note	Total 2009 \$'000	Total 2008 \$'000
Current Assets			
Cash and Cash Equivalents	5	17,149	4,697
Receivables	6	1,872	1,447
Inventories	8	931	896
Other Current Assets	9	2,905	2,796
Total Current Assets		22,857	9,836
Non-Current Assets			
Receivables	6	163	-
Other Financial Assets	7	1,718	17,522
Property, Plant & Equipment	10	86,617	55,639
Intangible Assets	11	962	1,490
Total Non-Current Assets		89,460	74,651
TOTAL ASSETS		112,317	84,487
Current Liabilities			
Payables	12	10,632	13,894
Employee Benefits and Related On-Costs Provisions	13	5,517	5,900
Other Liabilities	14	188	1,080
Total Current Liabilities		16,337	20,874
Non-Current Liabilities			
Employee Benefits and Related On-Costs Provisions	13	694	723
Total Non-Current Liabilities		694	723
TOTAL LIABILITIES		17,031	21,597
NET ASSETS		95,286	62,890
EQUITY			
Property, Plant & Equipment Revaluation Reserve	15a	41,469	10,489
Financial Assets Available-for-Sale Revaluation Reserve	15a	(282)	(1,684)
General Purpose Reserve	15a	512	512
Contributed Capital	15b	54,516	54,516
Accumulated Surpluses/(Deficits)	15c	(929)	(943)
TOTAL EQUITY	15d	95,286	62,890

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

DHSV Statement of Changes in Equity
For the Year Ended 30 June 2009

	Note	Total 2009 \$'000	Total 2008 \$'000
Total equity at beginning of financial year		62,890	67,694
Gain/(loss) on Asset Revaluation	15a	30,980	4,033
Available-for-sale investments:			
Gain/(Loss) taken to equity	15a	(1,388)	(3,406)
Transferred to profit or loss for the period	15a	2,790	2,270
NET INCOME RECOGNISED DIRECTLY IN EQUITY		32,382	2,897
Net result for the year		14	(9,066)
TOTAL RECOGNISED INCOME AND EXPENSE FOR THE YEAR		32,396	(6,169)
Transactions with the State in its capacity as owner	15b	-	1,365
TOTAL EQUITY AT THE END OF THE FINANCIAL YEAR		95,286	62,890

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

DHSV Cash Flow Statement
For the Year Ended 30 June 2009

	Total 2009 \$'000	Total 2008 \$'000
Note		
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Grants from Government	113,679	108,655
Patient Fees	3,001	3,109
Donations & Bequests Received	1	-
GST Received from/(paid to) ATO	9,320	8,147
Recoupment from private practice for use of hospital facilities	-	2
Interest Received	1,079	2,425
Other Receipts	10,517	8,483
Employee Benefits Paid	(29,702)	(34,621)
Non Salary Labour Costs	(1,131)	(1,241)
Payments for Supplies & Consumables	(4,200)	(4,656)
Other Payments	(106,742)	(95,062)
Cash Generated from Operations	(4,178)	(4,759)
Capital Grants from Government	5,247	1,843
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	16	(2,916)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Non-Financial Assets	(3,575)	(1,615)
Proceeds from Sale of Non-Financial Assets	542	381
Purchase of Investments	-	(3,476)
Proceeds from Sale of Investments	14,416	2,000
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	11,383	(2,710)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributed Capital from Government	-	1,365
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	-	1,365
NET INCREASE/(DECREASE) IN CASH HELD	12,452	(4,261)
Cash and Cash Equivalents at Beginning of Period	4,697	8,958
CASH AND CASH EQUIVALENTS AT END OF PERIOD	5	4,697

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

Note 1: Statement of Significant Accounting Policies

(a) Statement of compliance

This financial report is a general purpose financial report which has been prepared on an accrual basis in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards (AASs) and Australian Accounting Interpretations. AASs include Australian equivalents to International Financial Reporting Standards.

The entity is a not-for-profit entity and therefore applies the additional Aus paragraphs applicable to "not-for-profit" entities under the AASs.

(b) Basis of preparation

The financial report is prepared in accordance with the historical cost convention, except for the revaluation of certain non-current assets and financial instruments, as noted. Cost is based on the fair values of the consideration given in exchange for assets.

In the application of AASs 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.

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 report for the year ended 30 June 2009, and the comparative information presented in these financial statements for the year ended 30 June 2008.

(c) Reporting Entity

The financial report includes all the controlled activities of Dental Health Services Victoria (DHSV).

(d) Rounding Of Amounts

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

(e) 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 3 months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

(f) Receivables

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

Note 1: Statement of Significant Accounting Policies (continued)

(g) Inventories

Inventories include goods and other property held either for sale 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 are measured at the lower of cost and net realisable value.

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 the tasks it was originally acquired to do, but no longer matches the existing technologies. Functional obsolescence occurs when an item no longer functions the way it did when it was first acquired.

Cost for all 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.

(h) Other Financial Assets

Other financial assets are recognised and derecognised on trade date where purchase or sale of 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.

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

Available-for-sale financial assets

Other financial assets held by DHSV are classified as being available-for-sale and are stated 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 profit or loss for the period. Fair value is determined in the manner described in Note 17.

(i) Intangible Assets

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

Intangible assets are 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.

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

Note 1: Statement of Significant Accounting Policies (continued)

asset concerned is impaired. If so, the assets concerned are tested as to whether their carrying value exceeds their 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 the asset. In addition, DHSV tests all intangible assets with indefinite useful lives for impairment by comparing its recoverable amount 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 (2008 3 - 5 years).

(j) Property, Plant and Equipment

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 assets 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.

Plant, Equipment and Vehicles are recognised initially at cost and subsequently measured at fair value less accumulated depreciation.

(k) Revaluations of Non-current Physical Assets

Non-current physical assets measured at fair value are revalued in accordance with FRD 103D. This revaluation process normally occurs 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. 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 reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in net result, the increment is recognised immediately as revenue 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 reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

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 reserves are not transferred to accumulated funds on derecognition of the relevant asset.

In accordance with FRD 103D, Dental Health Services Victoria's non-current physical assets were subjected to a detailed valuation in the current financial year.

Note 1: Statement of Significant Accounting Policies (continued)

(l) Depreciation and Amortisation

Assets with a cost in excess of \$1,000 (2007-8 and 2008-9) are capitalised and depreciation has been provided on depreciable assets so as to allocate their cost or valuation over their estimated useful lives using the straight-line method. Estimates of the remaining useful lives and depreciation method for all assets are reviewed at least annually. This depreciation charge is not funded by the Department of Human Services.

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

	2009	2008
Buildings	10 to 40 years	10 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	1 to 3 years	1 to 3 years
Furniture & Fittings	1 to 5 years	1 to 5 years
Motor Vehicles	1 to 7 years	1 to 7 years
Intangible Assets	3 to 5 years	3 to 5 years

(m) Net Gain / (Loss) on Non-Financial Assets

Net gain/(loss) on non-financial assets includes realised and unrealised gains and losses from revaluations, impairments and disposals of all physical assets and intangible assets.

Disposal of Non-Financial Assets

Any gain or loss on the sale of non-financial assets is recognised 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

Intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment (i.e. as to whether their carrying value exceeds their recoverable amount, and so require write-downs) and whenever there is an indication that the asset may be impaired. All other 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 reserve amount applicable to that class of asset.

It is deemed that, in the event of the loss 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.

Note 1: Statement of Significant Accounting Policies (continued)

(n) 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, which is reported as part of income from transactions.

Impairment of Financial Assets

Bad and doubtful debts are assessed on a regular basis. Those bad debts considered as written off are classified as an expense.

Financial Assets have been assessed for impairment in accordance with Australian Accounting Standards. Where a financial asset's fair value at balance date has reduced by 20 per cent 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 instrument is treated as impaired.

In order to determine an appropriate fair value as at 30 June 2009 for its portfolio of financial assets, Dental Health Services Victoria obtained a valuation based on the best available advice using an estimated fair value through a reputable financial institution. This value was compared against valuation methodologies provided by the issuer as at 30 June 2009. These methodologies were critiqued and considered to be consistent with the standard market valuation techniques. Prices obtained from both sources were compared and were generally consistent with the full portfolio. The above valuation process was used to quantify the level of impairment on the portfolio of financial assets as at year end.

(o) Payables

These amounts consist predominantly of liabilities for goods and services.

Payables are initially recognised at fair value, then subsequently carried at amortised cost and represent 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 these goods and services.

The normal credit terms are usually Net 30 days.

(p) Resources Provided Free of Charge

Resources provided free of charge 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 entity or agency as a consequence of a restructuring or administrative arrangements. In the latter case, such transfer will be recognised at fair value.

(q) Functional and Presentation Currency

The presentation currency of DHSV is the Australian Dollar, which has also been identified as the functional currency of DHSV.

(r) Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Note 1: Statement of Significant Accounting Policies (continued)

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 operating cash flow.

(s) 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 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, classified as current liabilities and measured at nominal values.

Those liabilities that Dental Health Services Victoria does not expect to settle within 12 months are recognised in the provision for employee benefits as current liabilities, 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.

Long Service Leave

Current Liability - unconditional LSL (representing 10 or more years of continuous service) is disclosed 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.

Superannuation

Defined contribution plans

Contributions to defined contribution superannuation plans are expenses when incurred.

Defined benefit plans

The amount charged to the Operating Statement in respect of defined benefit superannuation plans represents the contributions made by DHSV to the superannuation plan in respect of the services of current DHSV staff. Superannuation contributions are made to the plans based on the relevant rules of each plan.

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

Note 1: Statement of Significant Accounting Policies (continued)

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

Fund	Contributions Paid or Payable for the year	
	2009 \$'000	2008 \$'000
Defined benefit plans:		
Health Super	98	119
State Superannuation Fund - revised and new	192	302
Defined contribution plans:		
Health Super	1,872	2,169
VicSuper	4	12
Other	136	167
Total	2,302	2,769

DHSV does not recognise any 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 report.

Termination Benefits

Liabilities for termination benefits are recognised when a detailed plan for the termination has been developed and a valid expectation has been raised 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 (workers compensation, superannuation, annual leave and LSL accrued while on LSL taken in service) are recognised separately from the provision for employee benefits.

(t) Leases

All leases entered into by DHSV are operating leases.

Operating lease payments, including any contingent rentals, are recognised as an expense in the operating statement on a straight line basis over the lease term.

(u) Income Recognition

Income is recognised in accordance with AASB 118 *Revenue* and is recognised as to the extent it is earned. Unearned income at reporting date is reported as income received in advance.

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

Government Grants

Grants are recognised as income when DHSV gains control of the underlying assets in accordance with AASB 1004 Contributions. For reciprocal grants, DHSV is deemed to have assumed control when the performance has occurred under the grant. For non-reciprocal grants, DHSV is deemed to have assumed control when the grant is received or receivable. Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant.

Note 1: Statement of Significant Accounting Policies (continued)

Indirect Contributions

- Insurance is recognised as revenue following advice from the Department of Human Services.
- Long Service Leave (LSL) - Revenue is recognised upon finalisation of movements in LSL liability in line with the arrangements set out in the Acute Health Division Hospital Circular 34/2008.

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 reserve, such as specific restricted purpose reserve.

Interest Revenue

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

(v) Fund Accounting

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

(w) Services Supported By Health Services Agreement and Services Supported By Hospital And Community Initiatives

Activities classified as Services Supported by Health Services Agreement (HSA) are substantially funded by the Department of Human Services and are also funded from other sources such as patients, while Services Supported by Hospital and Community Initiatives (Non HSA) are funded by DHSV's own activities or local initiatives and/or the Commonwealth.

(x) Change in Accounting Policies

In accordance with Victorian Government Financial Reporting Direction 103D 'Non-Current Physical Assets', Dental Health Services Victoria measures plant and equipment, and medical equipment assets at fair value from 1 July 2008. Previously these assets were measured at cost. This change in accounting policy is required to ensure that Victoria's Whole of Government financial report, to which DHSV is consolidated into, complies with the requirements of AASB1049 *Whole of Government and General Government Sector Financial Reporting*. As this change is the initial application of a policy to revalue assets in accordance with AASB116 *Property, Plant and Equipment* the change is treated as a revaluation in the current year.

(y) Comparative Information

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

(z) Property, Plant & Equipment Revaluation Reserve

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

(aa) Financial Assets Available-for-Sale Revaluation Reserve

The available-for-sale revaluation reserve 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 that financial asset, and is effectively realised, is recognised in the operating statement. Where a revalued

Note 1: Statement of Significant Accounting Policies (continued)

financial asset is impaired that portion of the reserve which relates to that financial asset is recognised in the operating statement.

(ab) General Reserves

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

(ac) Specific Restricted Purpose Reserve

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

(ad) 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.

(ae) Net Result Before Capital & Specific Items

The subtotal entitled 'Net result Before Capital & Specific Items' is included in the Operating Statement 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, and items of unusual nature and amount such as specific revenues and expenses. The exclusion of these items are made to enhance matching of income and expenses so as to facilitate 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 Human Services and the Victorian Government to measure the ongoing result 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 donation of plant and equipment (refer note 1 (p)). 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.
- Specific income/expense, comprise the following items, where material:
 - Write-down of inventories;
 - Non-current asset revaluation increments/decrements;
 - Reversals of provisions; and
 - Funding/Purchase of capital items for Agencies
- Impairment of non-current assets, includes all impairment losses (and reversal of previous impairment losses), related to non-current assets only which have been recognised in accordance with note 1 (m) and (n).
- Depreciation and amortisation, as described in note 1 (j) and (l)
- Assets provided free of charge, as described in note 1 (p)
- Expenditure using capital purpose income, which comprises expenditure which either falls below the asset capitalisation threshold (note 1 (i), (j) and (l)) or doesn't meet 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.

Note 1: Statement of Significant Accounting Policies (continued)

(af) Category Groups

DHSV has used the following category group 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 fall in this category group.

(ag) New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2009 reporting period. As at 30 June 2009, the following standards and interpretations had been issued but were not mandatory for financial year ending 30 June 2009. DHSV has not and does not intend to adopt these standards early as their impact to the annual statements would not be material.

Standard/ Interpretation	Summary	Applicable for reporting periods beginning on or ending on	Impact on DHSV's Annual Statements
AASB 8 Operating Segments	Supersedes AASB 114 Segment Reporting	Beginning 1 January 2009	Not applicable
AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 and AASB 1038]	An accompanying amending standard, also introduced consequential amendments in other Standards.	Beginning 1 January 2009	Impact expected to be not significant.
AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]	An accompanying amending standard, also introduced consequential amendments into other Standards.	Beginning 1 January 2009	All Australian government jurisdictions are currently still actively pursuing an exemption for government from capitalising borrowing costs.
AASB 2008-3 Amendments to AAS arising from AASB 3 & AASB 127 [AASB 1, 2, 4, 5, 7, 101, 107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 and Interpretations 9 & 107]	This Standard gives effect to consequential changes arising from revised AASB 3 and amended AASB 127. The Prefaces to those Standards summarise the main requirements of those Standards.	Beginning 1 January 2009	Impact expected to be insignificant.
AASB 2008-5 Amendments to AASs arising from the Annual Improvements Project [AASBs 5, 7, 101, 102, 107, 108, 110, 116, 118, 119, 120, 123, 127, 128, 129, 131, 132, 134, 136, 138, 140 141, 1023 & 1308]	A suite of amendments to existing standards following issuance of IASB Standard Improvements to IFRS in May 2008. Some amendments result in accounting changes for presentation, recognition and measurement purposes.	Beginning 1 January 2009	Impact is being evaluated.

Note 1: Statement of Significant Accounting Policies (continued)

Standard/ Interpretation	Summary	Applicable for reporting periods beginning on or ending on	Impact on DHSV's Annual Statements
AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements project [AASB 1 & AASB 5]	The amendments require all the assets and liabilities of a for-sale subsidiary's to be classified as held for sale and clarify the disclosures required when the subsidiary is part of a disposal group that meets definition of a discontinued operation.	Beginning 1 January 2009	Impact expected to be insignificant.
AASB 2008-7 Amendments to AAS Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate [AASB 1, AASB 118, AASB 121, AASB 127 & AASB 136]	Changes mainly relate to treatment of dividends from subsidiaries or controlled entities.	Beginning 1 January 2009	Impact expected to be insignificant.
AASB 2008-8 Amendments to Australian Accounting Standards - Eligible Hedged Items [AASB 139]	The amendments to AASB 139 clarify how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation as a hedged item, should be applied in particular situations.	Beginning 1 January 2009	Impact is being evaluated.
AASB 2008-9 Amendments to AASB 1049 for Consistency with AASB 101.	Amendments to AASB 1049 for consistency with AASB 101 (September 2007) version.	Beginning 1 January 2009	Impact expected to be insignificant.
AASB 2009-1 Amendments to Australian Accounting Standards - Borrowing Costs of Not-for-Profit Public Sector Entities [AASB 1, AASB 111 & AASB 123]	Amendments to Australian Accounting Standards to allow borrowing costs of Not-for-Profit Public Sector Entities to be expensed.	Beginning 1 January 2009	Impact expected to be insignificant.
AASB 2009-2 Amendments to Australian Accounting Standards - Improving Disclosures about Financial Instruments [AASB 4, AASB 7, AASB 1023 & AASB 1038]	Amendments to AASB 7 to enhance disclosures about fair value measurements and liquidity risk. Editorial amendments to AASB 4, AASB 1023 and AASB 1038 resulting from the amendments to AASB 7.	Beginning 1 January 2009	Impact expected to be insignificant.

Note 2: Revenue

	HSA 2009 \$'000	HSA 2008 \$'000	Non HSA 2009 \$'000	Non HSA 2008 \$'000	Total 2009 \$'000	Total 2008 \$'000
Revenue from Operating Activities						
Government Grants						
- Department of Human Services	113,271	108,655	-	-	113,271	108,655
Total Government Grants	113,271	108,655	-	-	113,271	108,655
Indirect Contributions by Department of Human Services						
- Insurance	454	457	-	-	454	457
- Long Service Leave	405	95	-	-	405	95
Total Indirect Contributions by Department of Human Services	859	552	-	-	859	552
Patient Fees						
Patient Fees (refer note 2b)	2,966	3,107	-	-	2,966	3,107
Total Patient Fees	2,966	3,107	-	-	2,966	3,107
Business Units & Specific Purpose Funds						
- Technical Support	-	-	4,673	2,713	4,673	2,713
- Overseas Dentists Training Programme	-	-	1,024	1,266	1,024	1,266
- Car Park	-	-	1	2	1	2
- Property Income	-	-	114	76	114	76
Total Business Units & Specific Purpose Funds	-	-	5,812	4,057	5,812	4,057
Donations and Bequests	1	-	-	-	1	-
Recoupment from Private Practice for Use of DHSV Facilities	-	2	-	-	-	2
Other Revenue from Operating Activities	5,235	4,532	-	-	5,235	4,532
Sub-Total Revenue from Operating Activities	122,332	116,848	5,812	4,057	128,144	120,905

Note 2: Revenue (continued)

	HSA	HSA	Non HSA	Non HSA	Total	Total
	2009	2008	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from Non-Operating Activities						
Interest	1,105	2,062	-	-	1,105	2,062
Sub-Total Revenue from Non-Operating Activities	1,105	2,062	-	-	1,105	2,062
Revenue from Capital Purpose Income						
State Government Capital Grants						
- Targeted Capital Works and Equipment	-	-	-	-	-	-
- Other	5,489	1,170	-	-	5,489	1,170
Net Gain/(Loss) on Disposal of Non-Financial Assets (refer note 2c)	-	-	264	(45)	264	(45)
Donations and Bequests	-	-	-	-	-	-
Other Capital Purpose Income	45	54	-	-	45	54
Sub-Total Revenue from Capital Purpose Income	5,534	1,224	264	(45)	5,798	1,179
Specific Income (refer note 2d)	593	293	-	-	593	293
Total Revenue (refer to note 2a)	129,564	120,427	6,076	4,012	135,640	124,439

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

Note 2a: Analysis of Revenue by Source

	Total (Other) 2009 \$'000	Total (Other) 2008 \$'000
Revenue from Services Supported by Health Services Agreement		
Government Grants	113,271	108,655
Indirect contributions by Department of Human Services	859	552
Patient Fees (refer note 2b)	2,966	3,107
Donations & Bequests (non capital)	1	-
Recoupment from Private Practice for Use of DHSV facilities	-	2
Other Revenue from Operating Activities	5,235	4,532
Interest	1,105	2,062
Capital Purpose Income (refer note 2)	5,534	1,224
Specific Income (refer note 2d)	593	293
Sub-Total Revenue from Services Supported by Health Services Agreement	129,564	120,427
Revenue from Services Supported by Hospital and Community Initiatives		
Business Units & Specific Purpose Funds	5,812	4,057
Capital Purpose Income (refer note 2)	264	(45)
Sub-Total Revenue from Services Supported by Hospital and Community Initiatives	6,076	4,012
Total Revenue	135,640	124,439

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

Note 2b: Patient Fees

	Total 2009 \$'000	Total 2008 \$'000
Patient Fees Raised		
Recurrent:		
Other	2,966	3,107
Total Recurrent	2,966	3,107

Note 2c: Net Gain/(Loss) on Disposal of Non-Financial Assets

	Total 2009 \$'000	Total 2008 \$'000
Proceeds from Disposals of Non-Current Assets		
Motor Vehicles	425	381
Medical Equipment	113	-
Office Equipment	1	-
Computer & Communication	3	-
Total Proceeds from Disposal of Non-Current Assets	542	381
Less: Written Down Value of Non-Current Assets Sold		
Motor Vehicles	250	426
Medical Equipment	28	-
Office Equipment	-	-
Computer & Communication	-	-
Total Written Down Value of Non-Current Assets Sold	278	426
Net gains/(losses) on Disposal of Non-Current Assets	264	(45)

Note 2d: Specific Income

	Total 2009 \$'000	Total 2008 \$'000
Specific Income		
Funding Received from Department of Human Services to Purchase Dental Equipment on Behalf of External Dental Agencies	293	293
Reversal of WorkCover provisions from prior year	300	-
TOTAL	593	293

Note 3: Expenses

	HSA 2009 \$'000	HSA 2008 \$'000	Non HSA 2009 \$'000	Non HSA 2008 \$'000	Total 2009 \$'000	Total 2008 \$'000
Employee Benefits						
Salaries & Wages	24,946	29,551	519	487	25,465	30,038
WorkCover Premium	512	494	3	7	515	501
Departure Packages	162	371	-	-	162	371
Long Service Leave	826	146	20	5	846	151
Superannuation	2,266	2,736	36	33	2,302	2,769
Total Employee Benefits	28,712	33,298	578	532	29,290	33,830
Non Salary Labour Costs						
Fees for Visiting Medical Officers	79	133	-	-	79	133
Agency Costs - Nursing	84	102	-	-	84	102
Agency Costs - Other	956	995	12	11	968	1,006
Total Non Salary Labour Costs	1,119	1,230	12	11	1,131	1,241
Supplies and Consumables						
Drug Supplies	506	505	-	-	506	505
Medical & Surgical Supplies	3,597	4,069	97	82	3,694	4,151
Total Supplies and Consumables	4,103	4,574	97	82	4,200	4,656
Other Expenses from Continuing Operations						
Domestic Services & Supplies	1,097	1,079	-	-	1,097	1,079
Fuel, Light, Power and Water	374	375	-	-	374	375
Insurance costs funded by DHS	454	457	-	-	454	457
Motor Vehicle Expenses	305	291	-	-	305	291
Repairs & Maintenance	342	961	39	1	381	962
Maintenance Contracts	275	315	-	2	275	317
Patient Transport	7	18	-	-	7	18
Bad & Doubtful Debts	210	158	-	-	210	158
Lease Expenses	282	339	9	1	291	340
Other Administrative Expenses	5,641	7,671	3,675	2,300	9,316	9,971

Note 3: Expenses (continued)

	HSA 2009 \$'000	HSA 2008 \$'000	Non HSA 2009 \$'000	Non HSA 2008 \$'000	Total 2009 \$'000	Total 2008 \$'000
Transfer Payments:						
- Output Funding for Dental Services (DHS Agencies)	64,409	44,210	-	-	64,409	44,210
- Victorian Denture Scheme (Private Practitioners)	7,959	11,854	-	-	7,959	11,854
- Victorian General Dental Scheme (Private Practitioners)	2,201	5,454	-	-	2,201	5,454
- Victorian Emergency Dental Scheme (Private Practitioners)	4,536	4,831	-	-	4,536	4,831
- School Dental Services (Private Practitioners)	231	5,341	-	-	231	5,341
Audit Fees						
- VAGO - Audit of Financial Statements	21	17	-	-	21	17
- Other	115	95	-	-	115	95
Total Other Expenses from Continuing Operations	88,459	83,466	3,723	2,304	92,182	85,770
Expenditure using Capital Purpose Income						
Other Expenses	128	15	-	-	128	15
Total Expenditure using Capital Purpose Income	128	15	-	-	128	15
Impairment of Non-Financial Assets	-	-	117	3	117	3
Impairment of Financial Assets						
- Available-for-Sale Financial Assets	-	-	2,730	2,270	2,730	2,270
Available-for-Sale Revaluation Reserve loss recognised	-	-	60	-	60	-
Depreciation and Amortisation	-	-	3,710	3,788	3,710	3,788
Specific Expense (refer note 3c)	-	-	2,078	1,390	2,078	1,390
Assets Provided Free of Charge	-	-	-	542	-	542
Total	-	-	8,695	7,993	8,695	7,993
Total Expenses	122,521	122,583	13,105	10,922	135,626	133,505

Note 3a: Analysis of Expenses by Source

	Total (Other) 2009 \$'000	Total (Other) 2008 \$'000
Services Supported by Health Services Agreement		
Employee Benefits	28,712	33,298
Non Salary Labour Costs	1,119	1,230
Supplies & Consumables	4,103	4,574
Other Expenses from Continuing Operations	88,459	83,466
Sub-Total Expenses from Services Supported by Health Services Agreement	122,393	122,568
Services Supported by Hospital and Community Initiatives		
Employee Benefits	578	532
Non Salary Labour Costs	12	11
Supplies & Consumables	97	82
Other Expenses from Continuing Operations	3,723	2,304
Impairment of Non-Financial Assets (refer note 3)	117	3
Impairment of Financial Assets (refer note 3)	2,730	2,270
Available-for-Sale Revaluation Reserve loss recognised	60	-
Depreciation and Amortisation (refer note 4)	3,710	3,788
Specific Expenses (refer note 3)	2,078	1,390
Assets Provided Free-of Charge	-	542
Sub-Total Expenses from Services Supported by Hospital and Community Initiatives	13,105	10,922
Services Supported by Capital Sources		
Other Expenses	128	15
Sub-Total Expenses from Services Supported by Capital Resources	128	15
Total Expenses	135,626	133,505

Note 3b: Analysis of Expenses by Internal and Restricted Specific Purpose Funds for Services Supported by Hospital and Community Initiatives

	Total 2009 \$'000	Total 2008 \$'000
Technical Support	3,726	2,248
Overseas Dentists Training Program	684	681
TOTAL	4,410	2,929

Note 3c: Specific Expense

	Total 2009 \$'000	Total 2008 \$'000
Specific Expense		
Amounts Paid for the Purchase of Dental Equipment on Behalf of External Dental Agencies	2,078	1,390
TOTAL	2,078	1,390

Note 4: Depreciation and Amortisation

	Total 2009 \$'000	Total 2008 \$'000
Depreciation		
Buildings	1,299	1,257
Plant & Equipment	17	17
Medical Equipment	588	713
Computers and Communication	750	770
Furniture and Fittings	25	105
Motor Vehicles	243	263
Total Depreciation	2,922	3,125
Amortisation		
Intangible Assets	788	663
Total Depreciation & Amortisation	3,710	3,788

Note 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 2009 \$'000	Total 2008 \$'000
Cash on Hand	5	8
Cash at Bank	795	1,702
Short-Term Deposit	16,349	2,987
TOTAL	17,149	4,697
Represented by:		
Cash for Health Service Operations (as per Cash Flow Statement)	17,149	4,697

Note 6: Receivables

	Total 2009 \$'000	Total 2008 \$'000
CURRENT		
Contractual		
Inter-Hospital Debtors	180	203
Trade Debtors	1,091	896
Patient Fees	147	182
Accrued Investment Income	87	61
Accrued Revenue - Cost Recovery	247	201
Less Allowance for Doubtful Debts		
Trade Debtors	(33)	(33)
Patient Fees	(135)	(130)
	1,584	1,380
Statutory		
GST Receivable	288	67
	288	67
TOTAL CURRENT RECEIVABLES	1,872	1,447
NON CURRENT		
Statutory		
Long Service Leave - DHS	163	-
TOTAL NON-CURRENT RECEIVABLES	163	-
TOTAL RECEIVABLES	2,035	1,447

(a) Movement in the Allowance for doubtful debts

	Total 2009 \$'000	Total 2008 \$'000
Balance at beginning of year	163	170
Amounts written off during the year	(205)	(103)
Amounts recovered during the year	-	(62)
Increase/(decrease) in allowance recognised in profit or loss	210	158
Balance at end of year	168	163

(b) Ageing analysis of receivables

Please refer to note 17(b) for the ageing analysis of 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 receivables

Note 7: Other Financial Assets

	Operating Fund	
	Total	Total
	2009	2008
	\$'000	\$'000
NON CURRENT		
<i>Debt Securities</i>		
Structured Notes	-	10,682
Collateralised Debt Obligation (CDO)	-	2,730
Asset Management Fund	1,718	1,680
Floating Rate Notes (FRN)	-	2,430
Total Non Current	1,718	17,522
TOTAL	1,718	17,522
Represented by:		
Health Service Investments	1,718	17,522

(b) Ageing analysis of other financial assets

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

(c) 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

In the context of an independent review of its investment strategy and processes in November 2008, DHSV confirmed a conservative investment strategy and developed new parameters in its revised Investment Policy and Cash Reserves Policy.

Note 8: Inventories

	Total 2009 \$'000	Total 2008 \$'000
CURRENT		
Medical and Surgical Lines		
At Cost	713	638
Loss of Service Potential	-	-
Total Medical and Surgical Lines	713	638
Engineering Stores		
At Cost	222	273
Loss of Service Potential	(4)	(15)
Total Engineering Stores	218	258
TOTAL INVENTORIES	931	896

Note 9: Other Assets

	Total 2009 \$'000	Total 2008 \$'000
CURRENT		
Prepayments	73	62
Minor Works in Progress	2,832	2,734
TOTAL	2,905	2,796

Note 10: Property, Plant & Equipment

	Total 2009 \$'000	Total 2008 \$'000
Land		
Land at fair value	15,665	7,674
Total Land	15,665	7,674
Buildings		
Buildings at fair value	64,879	43,005
Less Accumulated Depreciation	40	304
Total Buildings	64,839	42,701
Plant and Equipment		
Plant and Equipment at fair value	95	179
Less Accumulated Depreciation	-	36
Total Plant and Equipment	95	143
Medical Equipment		
Medical Equipment at fair value	2,218	11,773
Less Accumulated Depreciation	16	9,425
Total Medical Equipment	2,202	2,348
Computers and Communication		
Computers and Communication at fair value	1,382	5,814
Less Accumulated Depreciation	345	5,018
Total Computers and Communications	1,037	796
Furniture and Fittings		
Furniture and Fittings at fair value	54	1,129
Less Accumulated Depreciation	3	1,084
Total Furniture & Fittings	51	45
Motor Vehicles		
Motor Vehicles at fair value	2,787	2,978
Less Accumulated Depreciation	59	1,046
Total Motor Vehicles	2,728	1,932
TOTAL	86,617	55,639

Land and buildings were revalued as at 30 June 2009 by the Valuer-General Victoria. Other property, plant & equipment were revalued by management as at 30 June 2009.

Note 10: Property, Plant & Equipment (continued)

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	Buildings	Equipment	Plant & Equipment	Medical Equipment	Computers & Commcnctns	Furniture & Fittings	Motor Vehicles	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 July 2007	6,626	40,611	160	3,309	1,249	176	2,387	54,518	
Additions	-	400	-	204	339	7	234	1,184	
Disposals	-	-	-	-	-	-	(426)	(426)	
Impairment losses (recognised)/reversed in net result	-	(3)	-	-	-	-	-	(3)	
Revaluation increments/(decrements)	1,048	2,985	-	-	-	-	-	4,033	
Assets Provided Free-of Charge	-	(35)	-	(452)	(22)	(33)	-	(542)	
Transfer to Victorian Government	-	-	-	-	-	-	-	-	
Depreciation (note 4)	-	(1,257)	(17)	(713)	(770)	(105)	(263)	(3,125)	
Balance at 1 July 2008	7,674	42,701	143	2,348	796	45	1,932	55,639	
Additions	-	863	-	205	991	36	1,220	3,315	
Disposals	-	-	-	(28)	-	-	(250)	(278)	
Impairment losses (recognised)/reversed in net result	-	(15)	(31)	(66)	-	(5)	-	(117)	
Revaluation increments/(decrements)	7,991	22,589	-	331	-	-	69	30,980	
Assets Provided Free-of Charge	-	-	-	-	-	-	-	-	
Transfer to Victorian Government	-	-	-	-	-	-	-	-	
Depreciation (note 4)	-	(1,299)	(17)	(588)	(750)	(25)	(243)	(2,922)	
Balance at 30 June 2009	15,665	64,839	95	2,202	1,037	51	2,728	86,617	

An independent valuation of DHSV's property, plant and equipment was performed by the Valuer-General Victoria 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.

Other property, plant and equipment were revalued by management to determine their fair value.

The effective date of the valuation is 30 June 2009.

Note 11: Intangible Assets

	Total 2009 \$'000	Total 2008 \$'000
Software	2,396	2,575
Less Accumulated Amortisation	1,434	1,085
Total Written Down Value	962	1,490

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 2007	1,722
Additions	431
Amortisation (note 4)	(663)
Balance at 1 July 2008	1,490
Additions	260
Amortisation (note 4)	(788)
Balance at 30 June 2009	962

Note 12: Payables

	Total 2009 \$'000	Total 2008 \$'000
CURRENT		
Contractual		
Trade Creditors	7,993	9,811
Accrued Expenses	2,462	3,938
Salary Packaging	68	82
	10,523	13,831
Statutory		
GST Payable	109	63
	109	63
TOTAL CURRENT	10,632	13,894

(a) Maturity analysis of payables

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

Note 13: Employee Benefits and Related On-Costs Provisions

	Total 2009 \$'000	Total 2008 \$'000
Current Provisions		
Employee Benefits		
- unconditional and expected to be settled within 12 months	1,987	2,341
- unconditional and expected to be settled after 12 months	3,013	3,040
	5,000	5,381
Provisions related to employee benefit on-costs		
- Unconditional and expected to be settled within 12 months (nominal)	222	217
- Unconditional and expected to be settled after 12 months (present value)	295	302
	517	519
Total Current Provisions	5,517	5,900
Non-Current Provisions		
Employee Benefits	629	658
Provisions related to employee benefit on-costs	65	65
Total Non-Current Provisions	694	723

Note 13a Employee Benefits

	Total	Total
	2009	2008
	\$'000	\$'000
Current Employee Benefits		
Unconditional LSL entitlements	2,661	2,915
Annual leave entitlements	1,357	1,519
Accrued Wages and Salaries	863	858
Accrued Days Off	119	89
Non-Current Employee Benefits		
Conditional long service leave entitlements (present value)	629	658
Total Employee Benefits	5,629	6,039
On-Costs		
Current On-Costs	517	519
Non-Current On-Costs	65	65
Total On-Costs	582	584
Total Employee Benefits and Related On-Costs	6,211	6,623
Movement in Long Service Leave:		
Balance at start of year	3,998	4,606
Provision made during the year		
- Revaluations	193	-
- Expense recognising employee service	653	151
Settlement made during the year	(1,130)	(759)
Balance at end of year	3,714	3,998

Note 14: Other Liabilities

	Total	Total
	2009	2008
	\$'000	\$'000
CURRENT		
Specific Purpose Income in Advance	188	1,080
TOTAL	188	1,080

Note 15: Equity

	Total 2009 \$'000	Total 2008 \$'000
(a) Reserves		
Property, Plant & Equipment Revaluation Reserve⁽¹⁾		
Balance at the beginning of the reporting period	10,489	6,456
Revaluation Increment/(Decrements)		
- Land	7,991	1,048
- Medical Equipment	331	-
- Motor Vehicles	69	-
- Buildings	22,589	2,985
Balance at the end of reporting period*	41,469	10,489
*Represented by:		
- Buildings	25,574	2,985
- Medical Equipment	331	-
- Motor Vehicles	69	-
- Land	15,495	7,504
Total	41,469	10,489
General Purpose Reserve		
Balance at the beginning of the reporting period	512	152
Transfer to and from Accumulated Surplus	-	360
Balance at the end of the reporting period	512	512
Financial Assets Available-for-Sale Revaluation Reserve⁽²⁾		
Balance at the beginning of the reporting period	(1,684)	(548)
Valuation gain/(loss) recognised	(1,388)	(3,406)
Cumulative (gain)/loss transferred to Operating Statement on sale of financial assets	60	-
Cumulative (gain)/loss transferred to Operating Statement on impairment of financial assets	2,730	2,270
Balance at the end of the reporting period	(282)	(1,684)
Total Reserves	41,699	9,317

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

(2) The financial assets available-for-sale revaluation reserve 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 profit and loss. Where a revalued financial asset is impaired that portion of the reserve which relates to that financial asset is recognised in profit and loss.

Note 15: Equity (continued)

	Total 2009 \$'000	Total 2008 \$'000
(b) Contributed Capital		
Balance at the beginning of the reporting period	54,516	53,151
Capital contribution received from Victorian Government	-	1,365
Balance at the end of the reporting period	54,516	54,516
(c) Accumulated Surpluses/(Deficits)		
Balance at the beginning of the reporting period	(943)	8,483
Net Result for the year	14	(9,066)
Transfer to and from General Purpose Reserve	-	(360)
Balance at the end of the reporting period	(929)	(943)
(d) Total Equity at end of financial year	95,286	62,890

Note 16: Reconciliation of Net Result for the Year to Net Cash Inflow/(Outflow) from Operating Activities

	Total 2009 \$'000	Total 2008 \$'000
Net Result for the Period	14	(9,066)
Depreciation & Amortisation	3,710	3,788
Impairment of Non-Current Assets	117	3
Impairment of Financial Assets	2,790	2,270
Assets Provided Free of Charge	-	542
Provision for Bad and Doubtful Debts	210	158
Net (Gain)/Loss from Sale of Plant and Equipment	(264)	45
Change in Operating Assets & Liabilities		
Increase/(Decrease) in Payables	(3,262)	455
Increase/(Decrease) in Income in Advance	(892)	(597)
Increase/(Decrease) in Employee Benefits	(412)	(791)
(Increase)/Decrease in Non Current Receivables	(163)	-
(Increase)/Decrease in Other Current Assets	(109)	(1,331)
(Increase)/Decrease in Current Receivables	(635)	1,752
(Increase)/Decrease in Inventory	(35)	(144)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	1,069	(2,916)

Note 17: Financial Instruments

(a) Financial Risk Management Objectives and Policies

DHSV's principal financial instruments comprise of:

- Cash Assets
- Term Deposits
- Receivables (excluding statutory receivables)
- Investment in Managed Investment Schemes

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, basis of measurement and the basis on which income and expenses are recognised, with respect to each 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

Details of each category in accordance with AASB 139 are disclosed below:

	Carrying Amount 2009 \$'000	Carrying Amount 2008 \$'000
Financial Assets		
Cash and cash equivalents	17,149	4,697
Receivables	1,584	1,380
Available for sale	1,718	17,522
Total Financial Assets⁽ⁱ⁾	20,451	23,599
Financial Liabilities		
At amortised cost	10,711	14,911
Total Financial Liabilities⁽ⁱⁱ⁾	10,711	14,911

(i) The total amount of financial assets disclosed here excludes statutory receivables (i.e. GST input tax credit recoverable)

(ii) The total amount of financial liabilities disclosed here excludes statutory payables (i.e. Taxes payables)

Note 17: Financial Instruments (continued)

Net holding gain/(loss) on financial instruments by category

	Carrying Amount 2009 \$'000	Carrying Amount 2008 \$'000
Financial Assets		
Cash and cash equivalents ⁽ⁱ⁾	704	709
Receivables ⁽ⁱ⁾	-	-
Available for sale ⁽ⁱ⁾	(2,450)	(916)
Total Financial Assets	(1,746)	(207)
Financial Liabilities		
At amortised cost ⁽ⁱⁱ⁾	-	-
Total Financial Liabilities	-	-

- (i) For cash and cash equivalents, receivables and available-for-sale financial assets, the net gain or loss is calculated by taking the interest revenue minus any impairment recognised in the net result;
- (ii) For financial liabilities measured at amortised cost, the net gain or loss is calculated by taking the interest expense.

Note 17: Financial Instruments (continued)

(b) Credit Risk

DHSV has a minimal credit risk exposure. The \$5.0M CDO is now fully impaired. Impairment in 2008/2009 is \$2.73M and \$2.27M in 2007/2008. The remaining available-for-sale investment is capital protected.

DHSV's exposure to credit risk by ageing periods is set out in the following table. For interest rates applicable to each class of asset refer to individual notes to the financial statements.

Ageing analysis of financial assets as at 30 June

2009	Weighted Average Effective Interest Rates (%)	Consolid'd Carrying Amount \$'000	Fixed Interest Rate \$'000		Variable Interest Rate \$'000		Non Bearing Interest \$'000	Not Past Due and Not Impaired \$'000	Past Due But Not Impaired				Impaired Financial Assets \$'000	
			Interest Rate \$'000	Interest Rate \$'000	Less than 1 Month \$'000	1 - 3 Months \$'000			3 months 1 Year \$'000	1 - 5 Years \$'000	Over 5 Years \$'000			
Financial Assets														
Cash and Cash Equivalents	4.30	17,149	-	17,144	-	5	17,149	-	-	-	-	-	-	-
Receivables														
- Trade debtors	-	1,103	-	-	-	1,103	498	173	328	104	-	-	-	-
- Other receivables	-	481	-	-	-	481	267	100	68	46	-	-	-	-
Other financial assets														
- Debt securities	-	1,718	-	-	-	1,718	1,718	-	-	-	-	-	-	-
- Collateralised Debt Obligation (CDO)	6.80	-	-	-	-	-	-	-	-	-	-	-	-	2,730
Total Financial Assets	5.10	20,451	-	17,144	-	3,307	19,632	273	396	150	-	-	-	2,730
2008														
Financial Assets														
Cash and Cash Equivalents	6.58	4,697	-	4,689	-	8	4,697	-	-	-	-	-	-	-
Receivables														
- Trade debtors	-	936	-	-	-	936	141	463	-	332	-	-	-	-
- Other receivables	-	444	-	-	-	444	173	271	-	-	-	-	-	-
Other financial assets														
- Debt securities	5.50	14,792	-	14,792	-	-	14,792	-	-	-	-	-	-	-
- Collateralised Debt Obligation (CDO)	8.65	2,730	-	2,730	-	-	2,730	-	-	-	-	-	-	2,270
Total Financial Assets	6.99	23,599	-	22,211	-	1,388	22,533	734	-	332	-	-	-	2,270

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

Note 17: Financial Instruments (continued)

(c) Liquidity Risk

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

Maturity analysis of financial liabilities as at 30 June

	Carrying Amount \$'000	Contractual Cash Flows \$'000	Maturity Dates				
			Less than 1 Month \$'000	1 - 3 Months \$'000	3 months - 1 Year \$'000	1 - 5 Years \$'000	Over 5 Years \$'000
2009							
Financial Liabilities							
Payables	10,523	10,523	10,523	-	-	-	-
Other Liabilities	188	188	188	-	-	-	-
Total Financial Liabilities	10,711	10,711	10,711	-	-	-	-
2008							
Financial Liabilities							
Payables	13,831	13,831	13,831	-	-	-	-
Other Liabilities	1,080	1,080	1,080	-	-	-	-
Total Financial Liabilities	14,911	14,911	14,911	-	-	-	-

Ageing analysis of financial liabilities exclude the types of statutory financial liabilities (i.e. GST payable)

(d) Market Risk

DHSV's exposures to market risk are primarily through interest rate risk with only insignificant exposure to foreign currency and other price risks. Objectives, policies 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

DHSV's 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.

Note 17: Financial Instruments (continued)

(d) Market Risk (continued)

Interest Rate Exposure of Financial Assets and Liabilities as at 30 June

	Weighted Average Effective Interest Rates (%)	Carrying Amount \$'000	Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non Interest Bearing \$'000
2009					
Financial Assets					
Cash and Cash Equivalents ⁽ⁱ⁾	4.30	17,149	-	17,144	5
Receivables					
- Trade debtors	-	1,103	-	-	1,103
- Other receivables	-	481	-	-	481
Other financial assets					
- Debt securities	-	1,718	-	-	1,718
- Collateralised Debt Obligation (CDO)	6.80	-	-	-	-
		20,451	-	17,144	3,307
Financial Liabilities					
Payables	-	10,523	-	-	10,523
Other Financial Liabilities					
- Income in advance	-	188	-	-	188
		10,711	-	-	10,711
2008					
Cash and Cash Equivalents ⁽ⁱ⁾	6.58	4,697	-	4,689	8
Receivables					
- Trade debtors	-	936	-	-	936
- Other receivables	-	444	-	-	444
Other financial assets					
- Debt securities	7.11	17,522	-	17,522	-
		23,599	-	22,211	1,388
Financial Liabilities					
Payables	-	13,831	-	-	13,831
Other Financial Liabilities					
- Income in advance	-	1,080	-	-	1,080
		14,911	-	-	14,911

(i) The carrying amount exclude types of statutory financial assets and liabilities (i.e. GST input tax credit and GST payable)

Note 17: Financial Instruments (continued)

(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, DHSV believes the following movements are 'reasonably possible' over the next 12 months (Base rates are sourced from the Reserve Bank of Australia)

- A parallel shift of +1% and -1% in market 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.

	Carrying Amount \$'000	Interest Rate Risk				Other Price Risk			
		-1% Profit \$'000	+1% Equity \$'000	-1% Profit \$'000	+1% Equity \$'000	-1% Profit \$'000	+1% Equity \$'000	-1% Profit \$'000	+1% Equity \$'000
2009									
Financial Assets									
Cash and Cash Equivalents ⁽ⁱ⁾	17,149	(171)	(171)	171	171	-	-	-	-
Receivables									
- Trade debtors	1,103	-	-	-	-	-	-	-	-
- Other receivables	481	-	-	-	-	-	-	-	-
Other Financial Assets									
- Debt securities	1,718	-	-	-	-	-	-	-	-
Financial Liabilities									
Payables	10,523	-	-	-	-	-	-	-	-
Other Financial Liabilities									
- Income in Advance	188	-	-	-	-	-	-	-	-
		(171)	(171)	171	171	-	-	-	-
2008									
Financial Assets									
Cash and Cash Equivalents	4,697	(47)	(47)	47	47	-	-	-	-
Receivables									
- Trade debtors	936	-	-	-	-	-	-	-	-
- Other receivables	444	-	-	-	-	-	-	-	-
Other Financial Assets									
- Debt securities	17,522	(75)	(75)	75	75	-	-	-	-
Financial Liabilities									
Payables	13,831	-	-	-	-	-	-	-	-
Other Financial Liabilities									
- Income in Advance	1,080	-	-	-	-	-	-	-	-
		(122)	(122)	122	122	-	-	-	-

(i) eg. Sensitivity of cash and cash equivalents to a +1% movement in interest rates: $[\$17,149k \times 0.07] - [\$17,149k \times 0.06] = \$171k$.
Similar for -1% movement in interest rate, impact = $\$(171k)$

The carrying amount exclude types of statutory financial assets and liabilities (i.e. GST input tax credit and GST payable)

Note 18: Commitments for Expenditure

	Total 2009 \$'000	Total 2008 \$'000
Lease Commitments		
Commitments in relation to leases contracted for at the reporting date:		
Operating leases	-	275
Total Lease Commitments	-	275
Operating Leases		
Rental		
<i>Non-Cancellable</i>		
Not later than one year	-	271
Later than one year but not later than 5 years	-	4
Later than 5 years	-	-
Total	-	275
Total Commitments for expenditure (inclusive of GST)	-	275
less GST recoverable from the Australian Tax Office	-	(25)
Total commitments for expenditure (exclusive of GST)	-	250

The contingent rentals are determined by applicable rental payments for the period covered by the agreement. Rental agreements are entered from 1 to 3 years with an option to renew for a further 1 to 3 years. The rental expenses recognised for 2009 was \$291,000.

Note 19a: 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 Daniel Andrews, MLA Minister for Health	01-July-2008	30-June-2009
Governing Boards		
Ms. Natalie Savin (Chair)	01-July-2008	30-June-2009
Dr. Brian Stagoll	01-July-2008	30-June-2009
Ms. Kellie Ann Jolly	01-July-2008	30-June-2009
Dr. Errol Katz	01-July-2008	30-June-2009
Mr. Michael Ellis	01-July-2008	30-June-2009
Ms. Ruth Owens	01-July-2008	30-June-2009
Ms. Helen O'Kane	01-July-2008	30-June-2009
Ms. Anne Lyon	01-July-2008	30-June-2009
Prof. Michael Morgan	01-July-2008	19-October-2008
Accountable Officers		
Mr. Felix Pintado	01-July-2008	30-June-2009

Remuneration of Responsible Persons

The number of Responsible Persons are shown in their relevant income bands;

	2009 No.	2008 No.
Income Band		
\$0 - \$9,999	1	-
\$10,000 - \$19,999	7	8
\$30,000 - \$39,999	1	1
\$100,000 - \$109,999	-	1
\$240,000 - \$249,999	-	1
\$260,000 - \$269,999	1	-
Total Numbers	10	11
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	\$439,371	\$434,446

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.

Note 19b: Executive Officer Disclosures

Executive Officers' Remuneration

The numbers of executive officers other than the Ministers and Accountable 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.

Total remuneration included bonus, long-service leave, and redundancy payments.

	Total Remuneration		Base Remuneration	
	2009	2008	2009	2008
	No.	No.	No.	No.
\$100,000 - \$109,999	-	-	-	1
\$110,000 - \$119,999	-	-	-	1
\$120,000 - \$129,999	-	1	-	2
\$130,000 - \$139,999	-	1	-	-
\$140,000 - \$149,999	-	-	-	1
\$150,000 - \$159,999	1	2	1	-
\$160,000 - \$169,999	1	-	1	-
\$170,000 - \$179,999	-	1	-	-
\$180,000 - \$189,999	1	-	1	-
\$200,000 - \$209,999	-	1	-	-
Total	3	6	3	5
Total Remuneration	\$505,266	\$950,326	\$497,415	\$712,016

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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Community health agencies

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

Metropolitan

Western

Djerriwarrh Health Service (Melton)
Doutta Galla Community Health Service Inc (Kensington)
Doutta Galla Community Health Service Inc (Niddrie)
ISIS Primary Care Inc (Brimbank)
ISIS Primary Care Inc (Wyndham)
The Royal Children's Hospital (Parkville)
Western Region Health Centre Ltd (Footscray)

Northern

Banyule Community Health Service (Heidelberg West)
Darebin Community Health Service (East Preston)
Darebin Community Health Service (Northcote)
Darebin Community Health Service (PANCH)
Dianella Community Health (Broadmeadows)
Merri Community Health Services Ltd (Brunswick)
Nillumbik Community Health Service Inc (Eltham)
North Richmond Community Health Centre Ltd
North Richmond Community Health Centre Ltd (North Yarra)
Plenty Valley Community Health Inc (Epping)
Sunbury Community Health Centre Inc
Victorian Aboriginal Health Service Cooperative Ltd (Fitzroy)
Victorian Foundation for Survivors of Torture (Brunswick)

Eastern

EACH Ltd (Ringwood East)
Inner East Community Health Service (Richmond)
Inner East Community Health Service (Ashburton)
Knox Community Health Inc (Ferntree Gully)
MonashLink Community Health Service (Clayton)
Ranges Community Health Service Inc (Lilydale)
Whitehorse Community Health Service Ltd (Box Hill)

Southern

Bentleigh/Bayside Community Health Service Inc
(Bentleigh East)
Central Bayside Community Health Services (Parkdale)
Inner South Community Health Service (Prahran)
Inner South Community Health Service Ltd (South Melbourne)
Peninsula Health (Rosebud)
Peninsula Health (Frankston)
Southern Health (Berwick)
Southern Health (Cranbourne)
Southern Health (Dandenong)
Southern Health (Springvale)
Southern Health (Kingston)

Rural and regional

Barwon

Barwon Health (Belmont)
Barwon Health (Corio)
Barwon Health (Newcomb)
Barwon Health (Wathaurong Aboriginal Chair)
Bellarine Community Health Inc (Point Lonsdale)
Colac Area Health
Western District Health Service (Hamilton)
Portland District Health
South West Healthcare (Warrnambool)

Grampians

Ballarat Health Services
East Grampians Health Service (Ararat)
East Wimmera Health Service (St Arnaud)
Edenhope & District Memorial Hospital
Hepburn Health Service (Daylesford)
Hepburn Health Service (Creswick)
West Wimmera Health Service (Nhill)
Wimmera Health Care Group (Dimboola)
Wimmera Health Care Group (Horsham)

Loddon

Bendigo Health Care Group
Boort District Health
Echuca Regional Health
Mallee Track Health & Community Service (Ouyen)
Maryborough District Health Service
Sunraysia Community Health Services Ltd (Mildura)
Swan Hill District Health

Hume

Central Hume Dental Service (Benalla)
Central Hume Dental Service (Wangaratta)
Goulburn Valley Health (Shepparton)
Rumbalara Aboriginal Cooperative Ltd (Mooroopna)
Seymour District Memorial Hospital
Wodonga Regional Health Service

Gippsland

Bairnsdale Regional Health Service
Bass Coast Regional Health (Wonthaggi)
Central Gippsland Health Service (Sale)
Gippsland & East Gippsland Aboriginal Cooperative (Bairnsdale)
Latrobe Community Health Service (Churchill)
Latrobe Community Health Service (Moe)
Omeo District Health
Orbost Regional Health

Dental Health Services Victoria

The Royal Dental Hospital of Melbourne

720 Swanston Street, Carlton
Phone: (03) 9341 1000

To locate your closest community dental clinic call **1300 360 054**.

We acknowledge the traditional owners of Australia and we welcome Aboriginal and Torres Strait Islander people to our services.

An online version of this publication is available at www.dhsv.org.au



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