Dental Health Services Victoria

Annual Report 2013

dental health
services victoria
oral health for better health

Dental Health Services Victoria

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

DHSV was established in 1996 and is funded by the State Government to provide clinical dental services to eligible Victorians.

We help to provide Victorians with quality oral healthcare through The Royal Dental Hospital of Melbourne (RDHM) and by purchasing dental services for public patients from 57 community health agencies throughout Victoria.

DHSV uses its leadership role to add value to its relationships with the 57 agencies to improve oral health and provide as many oral health services to as many eligible people as possible.

We are also guided by Victorian and national oral health plans, regional oral health plans, evidence-based oral health promotion resources and research publications.

As trusted advisors in public oral health policy and program and guideline development, we continue to contribute to improving oral health in our communities.

Our Vision

Oral health for better health

Our Mission

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

Our Values

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

Cover image:
DHSV works closely with The University of Melbourne and RMIT University to deliver a wide range of public dental services and education initiatives. The cover image represents this partnership and features just some of our talented and diverse dental team. Thanks to Maha, Michael, Vishal and Deanne, who together represent dental hygienists, dental assistants, dentists and researchers and their important role in bettering the oral health of Victorians.

2012–2013 Highlights

341,598

We treated 341,598 people across Victoria – an increase of 3.8% from 2011–12

151,930

We treated 3.4% more children than last year, totalling 151,930

Reduced by 30.9%

We reduced the number of people on the denture waiting list by 30.9%

On target

We were on target with our recall times for children, a priority group

100%

We have met every access target required under the Statement of Priorities

Contents

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 2013.

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

16 August 2013

Key DHSV achievements 2012–2013*

Treated 341,598 patients. That is 12,520 more eligible Victorians accessing public dental care

Treated more patients in our agencies (up 3.7%) and through The Royal Dental Hospital of Melbourne, an increase of 4.5%

Provided care to 140,317 patients who identified as eligible for priority access, an increase of 7%

The number of clients accessing care across Victoria and identifying as Aboriginal or Torres Strait Islander increased by 14.9% with The Royal Dental Hospital of Melbourne recording a 30.9% increase

The number of refugee and asylum seekers treated increased by 66.7%

All government targets for offering care for clients presenting with emergencies were exceeded with 92.4% of the highest priority emergency clients (category 1) being offered care within 24 hours, well above the statewide target of 85%

The number of clients waiting for dentures was reduced by 30.9%

8.6% more people working in the public oral health workforce

* in comparison with 2011–12 data

Glossary of abbreviations

CAC	Community Advisory Committee
CDDS	Chronic Disease Dental Scheme
DH	Department of Health
DHSV	Dental Health Services Victoria
FOI	Freedom of Information Act 1982
HRA	Health Records Act 2001
ICT	Information Communications Technology
NPA	National Partnership Agreement on Treating More Public Dental Patients
RDHM	The Royal Dental Hospital of Melbourne
RMIT	Royal Melbourne Institute of Technology
VDGYP	Voluntary Dental Graduate Year Program

Year in review: Report from Board Chair and Chief Executive Officer

We set out to provide oral healthcare to more eligible people and, in 2012–2013, that was what we achieved.

DHSV, in partnership with RDHM and its 57 agencies across Victoria, treated more patients than ever before.

The reasons were many, but primarily the State Government provided additional funding to provide more services to prepare Victoria for the National Partnership Agreement on Treating More Public Dental Patients (NPA), signed in the last part of the financial year.

Over the past year DHSV treated 341,598 people across Victoria, an increase of 3.8%, and continued to improve access to oral healthcare by providing quality oral health information and programs.

While our emphasis has been on seeing more patients than ever before, we have had a clear focus on improving the consumer experience as well.

2012–2013 has been a year of significant change. In May 2013 the State Government signed the NPA with the Federal Government.

This NPA will provide Victoria with up to $85 million to treat 110,000 eligible patients to March 2015. This was on top of the 332,150 Victorians DHSV had already committed to provide quality care for under the agreed Statement of Priorities.

The NPA also provided DHSV with the opportunity to lead change and, in the second half of the year we directed a major redesign of the teams at RDHM. Through all of this, the patient remained at the core of all that we did.

There have been challenges. While we recognise that DHSV has done some great things, the closing of the Chronic Disease Dental Scheme (CDDS) in December 2012 resulted in an increase in the number of people coming onto our waiting list.

Previously, people with chronic and complex health conditions were eligible to use the CDDS and were treated through the private sector.

Teamwork making a difference

DHSV has a key role in leading and coordinating the provision of public oral health services in Victoria, especially to disadvantaged and vulnerable communities.

We provide oral healthcare through RDHM and 89 dental clinics located in 57 community agencies across Victoria.

DHSV have worked with agencies to develop a dental program manager's guide that documents 'how to' run an agency efficiently. Part of that process involved developing a set of performance indicators and monitoring tools.

We worked closely with all agencies to help improve retention of the oral health workforce, particularly in rural Victoria.

And this year we also introduced what will become an annual Innovations Workshop and hosted the first Public Oral Health Conference in Victoria.

Changing how we do things, but still caring for the community

In the past year we saw more patients at RDHM than ever before. A total of 44,098 patients accessed our general, emergency and specialist oral healthcare services.

While the focus was on providing care to eligible Victorians, at RDHM we also used the impetus from the signing of the NPA to introduce a major restructure to patient services.

As a result, we have improved how we do things at the hospital and plan to further improve patient satisfaction.

DHSV started to work with the new National Safety and Quality Health Service Standards on 1 January 2013 and RDHM will undergo an on-site survey against standards for Governance, Consumer Engagement and Infection Control in December 2013.

Our staff produced tools and resources that have received national recognition. We are in negotiations with the Safety and Quality Commission to build a forum for exchanging best-practice developments, to which DHSV material will be an important contribution.

All high caries-risk children are being recalled within the 12-month target period

We listen to our patients

We listened and responded to what our patients said about our services. They asked for improved signage at the hospital to guide patients and visitors to our services and we are continuing to develop that into 2013–2014.

We have been guided by our Community Advisory Committee (CAC). In the past year CAC members teamed up with DHSV staff at RDHM to find out what patients need.

CAC members and staff visited the hospital's waiting areas to ask patients about Patient Experience Trackers and our other feedback tools.

The survey is a regular community consultation activity which is led by the CAC – a DHSV board subcommittee whose members mostly come from the community and whose aim is to address how best to support patient needs.

Multicultural excellence

In December, RDHM specialist dentist Dr Sajeev Koshy was awarded the Victorian Multicultural Award for Excellence. The award is part of a Victorian Government initiative and recognises the achievements and services of individuals and organisations that have actively supported cultural diversity and made a real impact in promoting harmony in the community.

Members of the DHSV Diversity Team were also awarded with a Certificate of Quality Achievement in November in recognition of the team's work to improve services for Aboriginal communities.

Developing the oral health workforce

Over the past year, through leadership development programs, DHSV has supported the training and development of clinicians and support staff to increase their scope of practice and make them even more valuable within the new models of care.

We have also encouraged the development of the workforce with programs such as myDevelopment. This is a performance and development framework to help individuals reach their full potential by setting goals aligned with the DHSV Strategic Plan.

During 2012–2013 we introduced three new clinical guidelines and, under the leadership of DHSV's Adjunct Professor Hanny Calache, director of Clinical Leadership, Education and Research, we reviewed a further seven clinical guidelines.

Our focus was also on dental graduates and developing opportunities for them in the workforce. In January the Federal Health Minister, the Hon. Tanya Plibersek, visited RDHM to launch the national Voluntary Dental Graduate Year Program (VDGYP) that would see 46 dental graduates placed in public dental facilities across Australia. DHSV supported this program by providing 15 placement opportunities for graduates in mainly rural public clinics across Victoria.

The VDGYP provided graduates with an opportunity to gain experience through a unique system of mentoring and meant more public dental patients could get the care they needed.

In partnership with RMIT, dental assistants are taking part in Certificate IV courses that cover general anaesthesia, dental practice administration, dental radiography, oral health promotion and fluoride application.

Graduates will have advanced skills that are recognised in specialist office and clinical based areas that can be applied to private, public and hospital settings.

Our International Dental Graduates (IDG) program saw a second intake of graduates in 2012–2013. DHSV developed the IDG program for international dental graduates, whose qualifications were not fully recognised within Australia, to enable them to undertake supervised clinical work under Limited Registration in typically hard-to-staff rural areas throughout Victoria.

The program involves an intense four-month clinical training period at RDHM prior to placements and had a 100% success rate for graduates sitting for the Australian Dental Council examinations.

DHSV also continued to work in partnership with The University of Melbourne to offer a graduate certificate program for oral health therapists. This program was developed from a DHSV award-winning research project to extend the scope of practice to provide similar care to people over 25.

Training was also provided for staff to prepare for the opening of the new DHSV Patient Services Centre in July 2013.

Project Connect commenced at RDHM to help improve the patient experience. Project Connect included improving patient access to services by enhancing processes for patient management and establishing a coordinated system by improving technology.

All government targets for offering care for people presenting with emergencies were exceeded

Case study 1: Developing the oral health workforce

Vang Hyunh, a Dental Assistant (DA) at North Richmond Community Health Centre, is learning new skills through the DA up-skilling program. She now holds two separate certificate qualifications making her an invaluable asset to the clinical team.

"Since earning my certificates, the clinicians at my practice have looked at the DA's role in dentistry very differently" said Vang.

Before a dentist examines a patient, Vang interviews them, talks about their oral healthcare and helps them to feel more comfortable. She gets to know the patient and finds any barriers that might hinder the care process.

"They're so grateful for my help. It brings a smile to my face every day," Vang said.

She now spreads her time between her clinical DA duties, oral health promotion sessions and other community commitments.

Case study 2: More eligible people accessing services

Introducing a Saturday morning breakfast and dental clinic for Aboriginal and Torres Strait Islander people and their families has helped improve access to services at Plenty Valley Community Health (PVCH).

With oral healthcare provided by Dr Alex Thomas from the Victorian Aboriginal Health Service, the culturally appropriate program has helped improve access for patients.

The unique project – said to be the only one in Victoria – is a partnership between PVCH, the Victorian Aboriginal Health Service and Dental Health Services Victoria.

Applied research

Our Centre for Oral Health Research continues to focus on improving outcomes for Victorians accessing public dental services through evidence-based research.

The Centre includes the Australian Population Health Improvement Research Strategy – Oral Health (APHIRST-OH) and the Oral Health Practice Research Unit (OHPracRU).

OHPracRU has been involved in assessing the cost effectiveness of a minimal intervention dentistry approach in adolescents attending public dental clinics.

In January, North Richmond Community Health was awarded a William Buckland Foundation Grant to undertake the Hall Technique study in partnership with OHPracRU, The University of Melbourne, Barwon Health, Monash Health and the University of Adelaide.

The Hall Technique is a painless method of treating tooth decay in young children (3–7 years). This approach uses stainless steel caps to seal tooth decay without using needles or drills.

The APHIRST-OH team also embarked on a number of ventures with a focus on communities as a whole and how policy, programs and services have an impact on their oral health. Notably the team was involved in the Tooth Packs project as part of the *Healthy Families, Healthy Smiles* program.

The project studied the effectiveness of distributing toothbrushes, toothpaste and health promotion materials (through the Maternal and Child Health Service) on improving the oral health of young children in disadvantaged communities.

APHIRST-OH also submitted the report on updating the evidence base on oral health promotion strategies to inform the development of the National Oral Health Promotion Plan. The team wrote five peer-reviewed publications and is continuing with a number of applied research and evaluation projects.

Education

Improving the student experience

Developing a committed oral health workforce has required us to be innovative leaders and, in the past year, we have introduced more opportunities to improve student satisfaction.

We introduced the DA Trainee Program to help find new staff for roles at the hospital. Through the program, DHSV has recruited trainee dental assistants who work with dental professionals, help them treat and educate patients, provide administrative support and help maintain dental equipment.

RMIT introduced a new dental hygienist training course at RDHM and DHSV has ensured clinical placement support.

During the year we restructured the role of the clerical team in readiness for the new Patient Services Centre opening on 1 July 2013. This will significantly improve the patient booking system.

DHSV continued to support clinical placements of students at RDHM and at public dental agencies statewide.

DHSV also offers a Continuing Professional Development (CPD) program that is designed for staff wanting to enhance their skills and knowledge. These courses are offered free to all public oral health practitioners.

Innovation

Victoria-first Public Oral Health Conference and Innovations Workshop

In June, DHSV hosted an Innovations Workshop and Victoria's first Public Oral Health Conference. The events were so successful that we have decided to hold them annually.

Our first Innovations Workshop, held on 14 June, was attended by about 100 people representing Victoria's public dental agencies, CEOs, program managers and senior dental staff.

The workshop provided an opportunity to discuss barriers that public dental agencies faced and share innovative ideas and ways to progress. It was developed to support new program managers in their role and assist them to consolidate their knowledge of the community dental program.

It was also an opportunity to launch the Community Dental Program Manager's Guide developed by DHSV in collaboration with agency staff and subject experts.

The Innovations Workshop was an excellent platform for agencies from across the state to share ideas and network with broader colleagues.

The first Public Oral Health Conference, held on 15 June, was attended by more than 300 oral healthcare workers from across Victoria.

It brought together speakers and participants to share ideas about providing better dental access to the eligible population. The conference had a strong public health focus and was well received by participants representing all aspects of the dental team.

Our oral health experts leading the way

Australia's first National Oral Health Plan reaches the end of its 10-year lifespan in 2013. The National Oral Health Plan Monitoring Group was asked to develop a new national plan for the next decade and, as trusted advisors in public oral health policy, several members of the DHSV team were invited to be involved.

These included our Chief Executive Officer Dr Deborah Cole, who leads the discussion on Workforce Development, and Prof. Mike Morgan who leads the debate on improving oral health for the socially disadvantaged.

Jacqueline Watkins, a member of the DHSV Diversity Team, was invited to be a part of the Aboriginal and Torres Strait Islander working group for the National Oral Health Plan.

DHSV Research Fellow and public dental health specialist, Dr Rachel Martin, worked with the Australian National Preventive Health Agency (ANPHA) and the Committee of the National Oral Health Promotion Plan to produce Australia's first National Oral Health Promotion Plan. The committee was chaired by Emeritus Professor Clive Wright.

DHSV also worked closely with the State Government to develop the *Healthy Together Victoria – Action plan for oral health promotion 2013–2017*. We facilitated the steering group and coordinated extensive consultation for the plan which was launched by the Minister for Health, the Hon. David Davis MP, in May.

Dr Anil Raichur, a Senior Project Officer at DHSV, in partnership with the Victorian Department of Health, led the development of the *Improving oral health – local government action guide* and a series of local government oral health profiles to enable local councils across Victoria to play a part in improving oral health in their communities.

Working in partnership to improve the oral health of Victorians

With the funding support of the Victorian Government, DHSV continued to develop health promotion initiatives to improve the oral health of the community.

Through *Healthy Families, Healthy Smiles* – a Victorian Government initiative – we worked with midwives, maternal and child health services and early parenting professionals to increase their capacity to promote oral health. The Hon. Wendy Lovell, Minister for Children and Early Childhood Development officially launched the program in February.

We implemented the Midwifery Initiated Oral Health (MIOH) education program. This online training package equips midwives to include oral health in the first antenatal care appointment, in line with the new National Clinical Practice Guidelines for antenatal care in the first trimester.

This project is a partnership between DHSV, the Centre for Applied Nursing Research, the University of Western Sydney, and South Western Sydney Local Health District/Ingham Institute Applied Medical Research.

We worked in partnership with maternal and child health services to undertake the Tooth Packs pilot study. Tooth Packs, family packs of oral hygiene products, were distributed to families attending 18-month and two-year Key Ages and Stages visits with maternal and child health nurses at Swan Hill, Robinvale, Orbost, Bairnsdale, Dandenong and Brimbank. The study will determine if better access to oral hygiene products increases tooth brushing frequency.

DHSV developed a partnership with Tweddle Child and Family Health Service, Queen Elizabeth Centre and Mercy O'Connell Family Centre to embed oral health promotion into residential programs offered at these centres.

Now in its tenth year, the *Smiles 4 Miles* health promotion initiative reached more than 28,000 children and their families across 484 early childhood education and care services in Victoria.

Smiles 4 Miles works in partnership with 23 local organisations including local government, primary care partnerships and community health services to improve the oral health of Victoria's preschool aged children.

The ongoing success of *Smiles 4 Miles* was recognised with the 2012 VicHealth Health Promotion Award for Building Health Through Education.

DHSV worked in partnership with the Cancer Council Victoria and the Centre for Intervention and Prevention Science to ensure that oral health was included in the Healthy Together Victoria Achievement Program for early childhood services, primary schools, secondary schools and workplaces.

Funded by the Department of Human Services, we formed partnerships with organisations providing day service programs for people with a disability. These organisations developed innovative ways to promote the oral health of those who accessed their day service. Well over 550 day service clients and staff were directly involved.

Supported by the Aboriginal Health Branch of the Department of Health, we consulted with Aboriginal and Torres Strait Islander families attending RDHM to improve our understanding of the their experiences and identify areas for improvement.

In August, Victorian Minister for Health, The Hon. David Davis MP launched a mobile dental program to help some of Victoria's most isolated and disadvantaged communities to get much needed dental care. The Mobile Dental Care Program, developed by the Royal Flying Doctor Service Victoria, DHSV and the Australian Dental Association Victorian Branch, began in the Northern Mallee region, an area with a high rate of preventable hospital admissions caused by dental problems, and is helping to reduce the health disparities that exist between rural populations and those in metropolitan areas.

In September, DHSV announced popular children's entertainers Hi-5 as the recipients of our Smile of the Year award. They were selected because they present positive role models for young children and promote healthy lifestyles.

Our commitment to the environment

DHSV is committed to the principle of sound environmental practices which protect and enhance the environment for future generations.

We have implemented sustainable practices in DHSV activities through the Environmental Management System and the Sustainability and Environmental Management Plan, including setting up an environmental focus group to work towards meeting the organisation's environmental objectives.

DHSV is working towards creating a partnership with service providers to deliver unique waste and cleaning services in line with our environmental strategies.

We also continue to work with the Department of Health and Sustainability Victoria to report our monthly energy and water usage.

The focus on Our Patients and Our People allows us to share Our Stories

Behind our organisation are people dedicated to improving the oral health of Victorians and during the year we decided to share more of their stories.

A new online series, Our Stories, highlights the stories of patients and people at DHSV who work tirelessly to provide care.

DHSV is grateful to all those who generously shared their stories. You can read them at www.dhsv.org.au/our-stories/

Sharing more of us online

We had the highest number of visitors to our public website and intranet page in May after seeing a steady increase in unique visitors over the 12-month reporting period.

Recognising leaders in oral health

Three dedicated dental professionals were honoured with DHSV Public Oral Healthcare Awards in 2012 for their care and commitment to public dental services.

The awards, given annually to dental professionals who go above and beyond to care for Victorians, went to Niki Hantzis, Assoc Prof. Julie Satur and Dr Warren Shnider.

Niki Hantzis is a Dental Program Manager at Inner East Community Health Service. Niki has provided dental services to children and adolescents through the School Dental Service and Inner East Community Health Service for over 30 years. As a highly skilled dental therapist, Niki has led, mentored and encouraged others in the profession. She has also been a volunteer helping to treat Kosovar and East Timorese refugees.

Assoc Prof. Julie Satur is a Senior Lecturer and Coordinator of the Bachelor of Oral Health Therapy Melbourne Dental School at The University of Melbourne. She graduated as a dental therapist and spent the early part of her career working for the Victorian School Dental Service. Julie then moved to a project manager role and began designing, implementing and evaluating oral health promotion for preschool children. She has been involved in curriculum development and teaching in dental therapy and dental hygiene for the Bachelor of Oral Health since 1993, ensuring high quality graduates enter the dental workforce.

Dr Warren Shnider is a Special Needs Dentist at The Royal Dental Hospital of Melbourne. His clinical interests include gerodontics, domiciliary dentistry, general anaesthesia and developmental disability. Working in the DHSV domiciliary van, Warren handles some of the hospital's most complex and challenging cases treating special needs patients, aged care residents and prison inmates. He has a passion for making a difference and prioritises patient safety, satisfaction and optimal clinical outcomes. He treats all patients with compassion and care. As Clinical Academic Lead in Special Needs Dentistry at La Trobe University's School of Rural Health, Warren is actively improving the number of new students entering the industry.

We will move from 'good' to 'great'

In its *Victorian Public Health and Wellbeing Plan 2011–2015*, the Victorian Government highlighted the need for oral health to be a priority.

In May, the National Partnership Agreement on Treating More Public Dental Patients (NPA) was signed and gave DHSV an unparalleled opportunity to provide more quality oral health services to more eligible Victorians.

This NPA provides Victoria up to $85 million to treat 110,000 eligible patients, on top of the 332,150 Victorians DHSV had already committed to providing for under the agreed Statement of Priorities.

We still have some challenges though. Tooth decay is amongst Australia's most common health problems and poor oral health has a severe impact on the most vulnerable Victorians, including the elderly and the infirm.

DHSV recognises these challenges as opportunities to find innovative ways to provide solutions.

Our draft *Strategic Plan 2013–2016* and *Annual Action Plan* have been developed by the DHSV Board of Directors. They outline our vision, values and commitment to providing quality oral healthcare by working in partnership with our public and private partners, patients and communities across Victoria.

The strategic plan has been developed in line with the *Victorian Health Priorities Framework 2012–2022*, the *Healthy Together Victoria: Action Plan for oral health promotion 2013–2017* and the *Victorian Public Health and Wellbeing Plan 2011–2015*.

We were also guided by Victorian and national oral health plans, regional oral health plans, evidence-based oral health promotion resources and research publications.

Supporting the strategic plan were a number of plans that focussed on all areas of DHSV business including community participation, cultural responsiveness, disability, Aboriginal oral health, strategic information communication technology (ICT) work, capital management, building workforce capacity and research and innovation.

We have gathered evidence and worked with staff and stakeholders every step of the way. This helped us to develop four focus areas:

Excellence in service delivery –
To contribute to improving oral health, DHSV and our service delivery partners will ensure that the highest quality services are provided.

Use a population health approach to improve oral health –
With other community organisations, DHSV will work to ensure that the settings that the community work, live and play within promote good oral health.

Be leaders in oral health –
As trusted advisors in public oral health policy, program and guideline development, DHSV will continue to contribute to improving oral health in our communities.

Organisational excellence –
DHSV will continuously improve the way we do business, targeting resources at improving oral health and moving from 'good to great' services.

Financial performance

DHSV achieved an operating deficit of $2.497 million, meeting budget expectations. The net entity result was a deficit of $6.819 million. A detailed set of financial statements is included in this report.

Acknowledgement and thanks

At the end of June 2013 we said goodbye to our esteemed Board member Kellie-Ann Jolly. Kellie-Ann was appointed to the Board in 2004 and was a valued contributor with her background in oral health and experience in public health and health promotion.

We thank Kellie-Ann for her dedication and contribution to the Board and the committees on which she served.

In December we were saddened by the loss of our Population Health Committee member Helen Watt. Helen, from the East Grampians Health Service, had been a member of the committee since November 2009 and was very much valued and respected. Helen also contributed to many other DHSV projects and her knowledge and insight will be greatly missed.

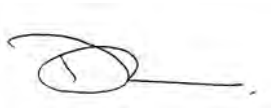
Our outstanding performance in 2012–2013 was a team effort so we thank all of those involved, in particular our hard-working staff at RDHM and the 57 community agencies across Victoria. They embraced each other's innovative ideas and welcomed the goals we developed. Our success would not have been possible without their dedication, skill and passion.

We would also like to commend the DHSV Board for its strong governance, our committee members for their expert guidance and the DHSV Executive Team for its steady leadership.

The Board and staff of DHSV appreciate the support and encouragement of the Hon. David Davis MP, Minister for Health.

We appreciate the ongoing support of the Department of Health and look forward to continuing to work closely with the government and our private and public partners to improve the oral health of all Victorians.

Most of all, we would like to thank the people we provide care for and express our appreciation for the feedback they give to us to continually improve the experience for those that follow.



Mr Mick Ellis
Chair, Board of Directors

Dr Deborah Cole
Chief Executive Officer

The number of people identifying as Aboriginal or Torres Strait Islander accessing oral healthcare increased by 14.9% in 2012–13

Roles and services

Manner of establishment and relevant Minister

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 is a public health service and today employs 661 staff. DHSV was established under the Health Services Act 1988. The responsible Minister for Health during the reporting period was the Hon. David Davis MP.

Objectives, functions, powers and duties

DHSV is the leading public oral health agency in Victoria. We are committed to ensuring that public dental services are sustainable, cost-effective and high quality. We aim to improve the oral health status of all Victorians, particularly those who are most in need.

We are committed to educating the community and broader health sector about the links between oral health and general health, promoting the message that good oral health is essential for overall health and wellbeing.

DHSV is responsible for:

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

Nature and range of services

DHSV provides dental services through RDHM in Carlton and purchases clinical services on behalf of the State Government from 57 community health agencies throughout Victoria.

The following groups are eligible for public dental services:

- all children aged 0–12 years
- young people aged 13–17 years who are health care or pensioner concession cardholders or dependants of concession card holders
- children and young families up to 18 years of age in out-of-home care provided by the Children Youth and Families division of the Department of Human Services
- youth justice clients in custodial care, up to 18 years of age
- adults who are healthcare or pensioner concession cardholders or dependants of concession cardholders
- refugees and asylum seekers
- all Aboriginal and Torres Strait Islander people who are treated at The Royal Dental Hospital of Melbourne

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

The following groups have priority access:

- Aboriginal and Torres Strait Islander peoples
- children and young people
- homeless people and people at risk of homelessness
- pregnant women
- refugees and asylum seekers
- registered clients of mental health and disability services, supported by a letter of recommendation from their case manager or staff of special developmental schools.

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

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

DHSV plays the leading role in the development, implementation and evaluation of targeted oral health promotion programs in Victoria.

These programs are designed to reduce the need for dental services and improve the dental and overall health of the community.

We are also committed to participating in oral health research to improve the health of all Victorians.

Summary of services

Emergency care

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

General care

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

Specialist care

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

Oral health promotion

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

Education

The teaching clinics at RDHM support The University of Melbourne's education programs for dentists, specialists, oral health therapists and hygienists. The teaching clinics also support RMIT University's education programs for dental assistants and technicians.

In addition, RDHM provides bridging programs for overseas-trained clinicians seeking registration. DHSV also works closely with LaTrobe University to support its rural oral health teaching program.

Purchased services

DHSV purchases oral health services from 57 community agencies. Through a population health approach, DHSV ensures there is a fair and equitable distribution of public money used in the most effective and efficient way to improve public oral health. DHSV has developed policies and procedures to ensure that defined levels of agency support are provided.

Service improvement

Business Improvement is responsible for standards compliance and monitoring and reviewing the continuous improvement functions, in collaboration with patients, management and staff.

Diversity and Community Liaison is responsible for consumer engagement, including our vibrant Aboriginal community development area.

Infection Control advises on infection control policy across RDHM and DHSV agencies, including leading the audit program for quality assurance.

Information communication technology (ICT)

The DHSV ICT Team is responsible for developing and maintaining patient management system solutions and centralised infrastructure to support the activities at 89 sites across Victoria. The team also supports the broader ICT service needs of RDHM and DHSV corporate functions.

Management reporting and analysis

The Business Intelligence team is responsible for providing management reporting and analysis services to DHSV and the community dental clinics in Victoria.

Clinical Leadership

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

Governance

Board of Directors

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

We recognise the service and contribution of Board Director, Ms Kellie-Ann Jolly whose term concluded on 30 June 2013.

Mr Mick Ellis (Chair)

BEcon, BEd
Chair: Executive Performance and Remuneration Committee
Member: Finance Committee

Appointed to the Board in July 2006 and Chair since July 2009, Mick has extensive experience in the health and human service industry and is currently a partner in Highview Consultants, specialising in strategic management and human resource support.

Ms Kathy Bell

BA (Hons), GradCertHealthEcons, MPH, GAICD
Chair: Population Health Committee
Member: Finance Committee

Appointed to the Board in July 2009, Kathy has extensive experience in public health policy and management, including Aboriginal health and remote health. She is currently CEO of the Australian Primary Health Care Nurses Association.

Mrs Helene Bender OAM

BCom, Dip Travel & Tourism
Member: Executive Performance and Remuneration Committee
Member: Human Research Ethics Committee

Appointed to the Board in July 2011, Helene is Chair of the Barwon Health Foundation, Chair of Geelong Cats Sports Foundation, Deputy Chancellor of Deakin University and Council member Geelong Grammar School. Helene is a registered tax agent and also Director of the Geelong Cemeteries Trust.

Mr Cameron Clark

MACS
Chair: Human Research Ethics Committee
Member: Audit and Risk Committee

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

Dr Pamela Dalgliesh

BDS, Cert Dental Therapy
Chair: Quality Committee
Member: Audit and Risk Committee

Appointed to the Board in July, 2011, Pamela has 16 years experience in corporate governance and an impressive oral health background. She has held leadership roles with the Health Issues Centre, Victorian Women's Dentists Association, the Australian Dental Association (Victorian Branch), Dental Practice Board of Victoria and the Registration and Notification Committee of Dental Board of Australia. Pamela has also been appointed as a Fellow of the Academy of Dentistry International and International College of Dentists.

Ms Kellie-Ann Jolly

Grad Dip App Sci (Oral Health Therapy), MHSc (Health Promotion)
Chair: Community Advisory Committee
Member: Research Governance Committee

A director since July 2004, Kellie-Ann 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 (Victoria). Kellie-Ann is also the Chair of Victoria Walks Inc Association and a Board Director of Cabrini Institute Council.

Dr John Miller AO

BA BCom, PhD, FCPA, FAICD
Chair: Audit and Risk Committee
Member: Quality Committee

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

Mr Tony Monley

MBA (Accounting), Grad Dip Commercial Data Processing, BCom
Chair: Finance Committee
Member: Executive Performance and Remuneration Committee

Appointed to the Board in July 2010, Tony is a qualified accountant with over 30 years experience in the energy industry, holding various finance and operational roles in Australia and South East Asia. Tony is the Finance Compliance and Internal Control Manager for Origin Energy and serves on the Board of North Melbourne Institute of TAFE. He is also a member of the Rotary Club of Templestowe and a Rotary District Governor Nominee.

Ms Jennifer Theisinger PSM

BA, RN, Grad Dip Geront, Grad Dip Applied Science
Member: Population Health Committee, Community Advisory Committee

Appointed to the Board in July 2012, Jennifer has a background in nursing with substantial experience in the areas of health policy development as well as the development, management and monitoring of health services. In 2001, Jennifer was awarded the Public Service Medal for outstanding public service and innovation in the field of palliative care administration.

Board meetings

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

In addition to the Annual General Meeting, the Board met 11 times during 2012–13 including a two day strategic planning session. Attendance at Board meetings was as follows:

Director	Eligible	Attended
Mr Mick Ellis, Chair	11	11
Ms Kathy Bell	11	11
Mrs Helene Bender OAM	11	10
Mr Cameron Clark	11	10
Dr Pamela Dalgliesh	11	10
Ms Kellie-Ann Jolly	11	9
Dr John Miller AO	11	9
Mr Tony Monley	11	8
Ms Jennifer Theisinger	11	11

Board committees

The following committees provided advice to the Dental Health Services Victoria Board of Directors during the 2012–13 financial year:

Audit and Risk Committee

The role of the Audit and Risk Committee is to ensure that DHSV produces accurate, timely and relevant reports on the financial operations of the organisation. The Committee also ensures that sufficient resources are allocated to identifying and managing organisational risk.

Chair: Dr John Miller
Members: Mr Cameron Clark, Dr Pamela Dalgliesh, Mr Kevin Quigley (Independent), Mr Peter Robertson (Independent)

Community Advisory Committee

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

Chair: Ms Kellie-Ann Jolly
Members: Ms Jennifer Theisinger, Ms Sandra Anderson, Mr Sam Caldera, Mr Geoffrey Dye, Ms Sharon King Harris, Ms Christine Ingram, Ms Roxanne Maule

Executive Performance and Remuneration Committee

The Executive Performance and Remuneration Committee monitors Executive and senior staff recruitment, remuneration and performance.

Chair: Mr Mick Ellis
Members: Mrs Helene Bender, Mr Tony Monley

Finance Committee

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

Chair: Mr Tony Monley
Members: Ms Kathy Bell, Mr Mick Ellis, Dr Deborah Cole

Human Research Ethics Committee

The Human Research Ethics Committee protects the welfare and rights of participants involved in research. The committee reviews research proposals and monitors that way in which research is conducted at DHSV.

Chair: Mr Cameron Clark
Members: Mrs Helene Bender, Dr Menaka Abuzar, Ms Kavitha Chandra-Shekeran, Mr Mark Gussy, Dr Rodrigo Marino, Mr Peter Martin, Ms Paula Foran, Ms Christine Whilshire, Rev Jim Brady

Population Health Committee

The role of the Population Health Committee is to provide advice and recommendations to the Board on health issues affecting the population served by DHSV.

Chair: Ms Kathy Bell
Members: Ms Jennifer Theisinger, Dr John Rogers, Prof Marc Tennant, Prof Elizabeth Waters, (the late) Ms Helen Watt, Ms Tracey Wilson, Dr Sajeev Koshy, Ms Julie Ogden

Quality Committee

The Quality Committee ensures that quality monitoring activities are systematically performed at RDHM and that quality standards are maintained.

Chair: Dr Pamela Dalgliesh
Members: Dr John Miller, Ms Margaret Keane, Ms Rebekah Kaberry, Ms Janet Curry

Applied Research Governance Committee

The Applied Research Governance Committee oversees the conduct of research within DHSV and ensures it is conducted in accordance with the DHSV Strategic Plan and research governance framework.

Chair: Dr Clive Wright
Members: Ms Kellie-Ann Jolly, Mr Cameron Clark (Board Sponsor), Prof Anthony Blinkhorn, Prof Louise Kloot, Prof Marc Tennant, Prof Peter Wilson, Ms Sue Huckson, Mr Jerril Rechter

Compensation arrangements

The Board reviews the compensation arrangements of the Chief Executive Officer and other senior executives via its Executive Performance and Remuneration Committee. DHSV complies with the Government Sector Executive Remuneration Panel policies.

The remuneration of Board Directors is determined in accordance with government policy.

Managing risk

The Board retained the services of Protiviti Independent Risk Consulting in 2012–13 as internal auditors and risk consultants as part of our ongoing commitment to risk management.

Consultancies

In May 2013 the State Government signed a National Partnership Agreement (NPA) with the Federal Government on Treating More Public Dental Patients.

This NPA will provide Victoria with up to $85 million to treat an extra110,000 eligible patients. To prepare for this project management consultant Scott Sutherland assisted with scheduling required to support the NPA and provide assistance with key project documentation timeframes and scope.

Wyndarra Consulting Pty Ltd is a subject matter expert in the field of risk management. DHSV used its services to assist with the ongoing development of our risk matrix and update business continuity planning.

Global Brand Management Pty Ltd provided us with advice and education to improve how we best deliver services to our agencies.

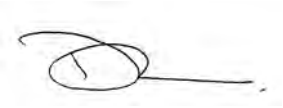
Consultancies costing less than $10,000:
14, at a total cost of $54,041.23.
Consultancies costing more than $10,000:
3, at a total of $58,247.94.

Consultant	Details	Total project fees approved	Total fees incurred	Future commitments
Wyndarra Consulting Pty Ltd	DRP project	$12,025.00	$12,025.00	$ –
Scott Sutherland Pty Ltd	NPA project	$36,222.94	$36,222.94	$ –
Global Brand Management Pty Ltd	Marketing Consultancy	$10,000.00	$10,000.00	$ –
TOTAL		$58,247.94	$58,247.94	$ –

Attestations

Attestation on data integrity

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

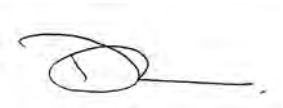


Dr Deborah Cole
Chief Executive Officer
Dental Health Services Victoria

Carlton, 16 August 2013

Attestation for compliance with the Australian/New Zealand Risk Management Standard

I, Deborah Cole, certify that Dental Health Services Victoria has risk management processes in place consistent with the AS/NZS ISO 31000:2009 and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures. The Board of Dental Health Services Victoria verifies this assurance and that the risk profile of Dental Health Services Victoria has been critically reviewed within the last 12 months.

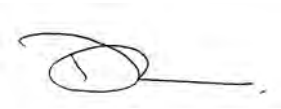


Dr Deborah Cole
Chief Executive Officer
Dental Health Services Victoria

Carlton, 16 August 2013

Attestation for compliance with the Ministerial Standing Direction 4.5.5.1 – Insurance

I, Deborah Cole, certify that Dental Health Services Victoria has complied with Ministerial Direction 4.5.5.1 – Insurance, except for the finalisation of a register of insurance and indemnities.



Dr Deborah Cole
Chief Executive Officer
Dental Health Services Victoria

Carlton, 16 August 2013

Compliance

Buildings management

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

Purchasing and tendering

DHSV procurement policies follow the procurement polices of the Victorian Government Purchasing Board. DHSV complies with the Principle Purchasing Policy of Health Purchasing Victoria.

Competitive neutrality

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

Probity

DHSV has undertaken public tenders for contracts in accordance with Victorian Government Purchasing Board policies and has a rigorous supplier evaluation and relationship management process in place.

Code of Conduct

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

Freedom of Information

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

Total no. of requests:	93
Personal requests:	68
Other requests:	25
Access granted in full:	93
Access partially granted:	0
Requests withdrawn or not proceeded with:	0
Application fees collected:	$691.20
Application fees waived:	$1,643.10
Charges collected:	$170.00
Charges waived:	$0.00

There were a further 404 requests received for copies of documents that were provided outside the FOI process. These requests consisted of written authorities to copy documents to facilitate ongoing patient care at another health facility.

Occupational health and safety

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

Consultation on OHS issues is provided through the OHS Representatives Committee and a Building OHS Committee comprising of representatives of building tenants.

All DHSV work areas have been assigned designated work groups (DWGs) in accordance with the relevant legislation. Each DWG has a designated OHS representative who is provided detailed training in OHS legislation, hazard identification and consultation methods.

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

WorkCover claims continued to be managed in a proactive manner, with early return to work initiatives and strategic claims and injury management. Our indicative premium for 2013–2014 is estimated to be approximately 105,849.40*

* Indicative figures only, premium statements are sent by our WorkCover insurer in August/September 2013 confirming the premium amount for the 2013–14 financial year.

Disability action plan

The DHSV Disability Action Plan 2010–2013 (DAP) was successfully completed in June 2013, and a new Disability Action Plan was developed to start from July 2013. The new Disability Action Plan (DAP) has been integrated into the Diversity and Community Participation Plan 2013–2015.

The *Diversity and Community Participation Plan 2013–2015* integrates into a single plan the contents of the former disability action, cultural responsiveness, Aboriginal oral health and the community participation plans.

Objectives and actions for these plans have been aligned to the new National Safety and Quality in Health Care Standards and to the DHSV Strategic Plan to attain a whole-of-organisation approach.

Highlights of the recently completed DAP include a significant reduction in waiting times for patients of the Special Needs Unit and frontline staff at RDHM attending training sessions on working with people with sensory loss.

DHSV also celebrates annually the International Day of People with a Disability with short videos and personal presentations from members of staff celebrating the achievements of people with disabilities.

Compliance with the Whistleblower Protection Act 2001

The Whistleblowers Protection Act 2001 was repealed on 10 February 2013. During the period 1 July 2012 to 10 February 2013 no protected disclosures were made to DHSV.

Statement of priorities

Strategic performance:

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

Part A: Strategic priorities for 2012–2013

Victorian Health Priorities Framework – Priority Areas	Action	Deliverable	Outcome
Developing a system that is responsive to people's needs	• Work with the Community Advisory Committee and Clinical Leadership Council to improve the patient experience at RDHM • Implement the Patient Flow project to improve the patient experience	• Increase the patient experience score to 85% using Patient Experience Trackers	• Introduced Patient Experience Trackers (PET) September 2012 • Community Advisory committees tested the PETs in waiting rooms at RDHM • Trained staff and commenced data collection • Tracking at 79% overall patient satisfaction as at 30 June • Introduction of patient liaison officers and patient services officers to commence from 1 July 2013 to assist with customer service and improve patient satisfaction. Customer service training has been provided
		• Reduce the Failed to Attend (FTA) rate at RDHM by 10%	• New processes for appointment confirmation and patient follow up at RDHM have been implemented to reduce the rate of FTA Performance against targets is routinely monitored. FTA rates are still variable • New organisation structure in place to support overall improvements to patient flow, including a contact centre to proactively manage patients on the waiting list

Victorian Health Priorities Framework – Priority Areas	Action	Deliverable	Outcome
Improving every Victorian's health status and health experience	• Work with other health professionals and partners to provide supportive settings for good oral health and referral pathways for dental care when needed • Implement the *Healthy Families Healthy Smiles* and *Smiles 4 Miles* programs	• Integrate oral health into the Victorian Prevention and Health Promotion Achievement Program (VPHPAP) that is being implemented under the National Partnership Agreement on Preventive Health and the Prevention Community Model	• Developed oral health content for VPHPAP for early childhood education services and primary schools including policy templates and rationale for benchmarks
		• Deliver the 2012–13 targets and milestones agreed by the Department of Health by *Healthy Families, Healthy Smiles* and *Smiles 4 Miles* programs	• Delivered a trial of the e-learning training package for midwives and people completing training • Partnerships developed with three Early Parenting Centres • Tooth brushes and toothpaste delivered to more than 815 families across Victoria
Expanding service, workforce and system capacity	• Identify and implement opportunities to address workforce gaps by optimising workforce capability and capacity as well as innovative workforce options using a different workforce mix	• Implement the new emergency services model of care at RDHM	• Implemented a number of improvements to Emergency Service and General Practice clinics, including: – Developed discussion paper on new model of care – Number of physical improvements introduced to work areas – Major organisational restructure commenced 1 July 2013 – New Clinical Lead appointed to lead implementation of new Model of Care – 17 dental assistants have commenced Cert IV in Radiology and Health Promotion
	• Implement the Minimal Intervention Dentistry pilot program including increasing the use of dental assistants undertaking health promotion and prevention activities	• Implement the Minimal Intervention Dentistry pilot at up to 6 public dental agency sites	• Received Human Research Ethics Approvals from the University of Melbourne and DHSV • Appointed clinical examiners – resolved process for dental assistant Cert IV in health promotion to apply fluoride varnish as part of the intervention • Six public agencies involved in pilot program – information sessions have been provided
	• Implement the rural dental practitioners' relocation support and dental employment programs	• Select and appoint 10 OHT graduates throughout public dental agencies in Victoria in 2013	• 10 dental practitioner graduates trained and commenced transitioning into the workforce throughout public dental agencies in Victoria in 2013 • 23 practitioners (15 in 2012–13) have relocated to rural locations under this scheme to the Gippsland region, Shepparton, Warrnambool, Sunraysia, Wangaratta, Albury Wodonga, Barwon, Echuca and Horsham

Victorian Health Priorities Framework – Priority Areas	Action	Deliverable	Outcome
Increasing the system's financial sustainability and productivity	• Provide service development support to public dental agencies to identify opportunities for better value for service delivery options	• Improve agency and RDHM service performance and in particular the number of individuals seen with the budget provided	• Implemented the following initiatives to increase performance: – Increased agency and RDHM FTE – Implemented and extended after-hours clinics where possible – Closely monitored performance levels and outliers – Administrative improvements • Successfully exceeded performance targets for 2012–13 and treated 12,520 more patients across Victoria in 2012–13 compared with 2011–12 • No high risk children overdue for care as at 30 June 2013 • Developed dental program managers handbook to assist managers in their management of dental programs
	• Reduce administrative overheads for DHSV	• Reduction of administrative costs per individual treated	• Completed desktop review of all agencies identifying seven agencies with the highest revenue per individual treated • Successfully worked with these agencies to improve efficiency. For 2012–13, these agencies treated 5,684 more individuals and had 16,786 more visits than the same period in 2011–12
	• Work with Department of Health to implement any Commonwealth NPA oral health funding plans	• Deliver agreed plans for additional NPA funded dental services through agencies and RDHM	• Established NPA project team, project plan and developed a model for service delivery • Held NPA information and process seminars with agency CEOs and program managers • Developed and communicated new Dental Weighted Activity Units (DWAU) targets for agencies • Exceeded baseline target of 305,006 DWAUs by 908, achieving 305,914 DWAUs for the 2012–13 financial year
Implementing continuous improvements and innovation	• Develop and implement improvement strategies that better support patient flow and the quality and safety of hospital services	• Develop a set of clinical guidelines that support the model of care • Improved laboratory services at RDHM in terms of quality, quantity and cost	• 10 clinical guidelines currently being developed or reviewed to support model of care, in particular MID guidelines • Completed dental laboratory review, with outcomes including: – Recruitment of dental technician with implant expertise and additional denture technician – Reduction of external laboratory outsourcing – Increased FTE output and reduction of use in private providers has provided upgrade in quality and decrease in laboratory costs
	• Provide leadership for the implementation of the National Safety and Quality Health Service Standards in the public dental sector	• Provide workshops and resources to support public dental agencies that are undertaking national accreditation	• Completed: Workshops held for agencies – interpreting new national standards on appropriate quality standards • Ongoing support provided to all agencies undertaking national accreditation • With DHSV support, three agencies have undergone accreditation under the new national standards and been awarded full accreditation status

Victorian Health Priorities Framework – Priority Areas	Action	Deliverable	Outcome
Increasing accountability and transparency	• Work with the Department of Health to deliver data reporting on performance targets according to the Dental Health Program Data set • Implement agency reporting systems that support excellent management and agency performance	• Complete a Titanium upgrade in March 2013 to facilitate reporting of data through the HICAR environment	• Titanium upgrade completed successfully
		• Develop and implement new reporting to enable agencies to manage performance by March 2013	• Completed and distributed new agency scorecard with key measures allowing for better assessment of performance and monitoring
Improving utilization of e-health and communications technology	• Develop implement and evaluate strategies that use e-health as an enabler of better patient care	• Commence introduction of digital radiography at RDHM in preparation for further progress towards electronic patient records • Introduce Patient Experience Trackers at RDHM by September 2012	• RDHM has commenced scoping for radiography project including the appointment of Project Manager, Digital Health Records Strategy • Completed: Patient Experience Trackers in use and data collection being carried out

Part B: Performance priorities

Financial Performance

Key performance indicator			
Surplus (Deficit)	Target $'000	YTD Actual $'000	YTD Variance $'000
Operating Result	($3,231)	($3,140)	$91
F1 – Surplus/Deficit	($2,547)	($2,497)	$50
Cash management			
Creditors		42	<60 days
Debtors		30	<60 days

Access Performance

Emergency care	2012–13 Agencies target (%)	Q4 Actual (%)	2012–13 RDHM target (%)	Q4 Actual (%)	2012–13 State-wide target (%)	Q4 Actual (%)
Percentage of Dental Emergency Triage Category 1 clients treated within 24 hours	85	91.9%	85	94.0%	85	92.4%
Percentage of Dental Emergency Triage Category 2 clients treated within 7 days	80	87.8%	80	83.5%	80	87.5%
Percentage of Dental Emergency Triage Category 3 treated within 14 days	75	89.1%	75	85.5%	75	89.0%

General and denture care	2012–13 Agencies target	2012–13 RDHM target	Q4 Actual	2012–13 State-wide target	Q4 Actual
Average recall interval for high caries risk eligible clients aged 0–17 years (months)	–	–	–	12	10.3
Average recall interval for low caries risk eligible clients aged 0–17 years (months)	–	–	–	24	18.2
Waiting time for prosthodontics, endodontics, and orthodontics specialist services patients (months)	–	15	8.9	–	–
Waiting time for other dental specialist services patients (months)	–	9	4.9	–	–
Waiting time for general care (months)	–	–	–	23	17.9
Waiting time for denture care (months)	–	–	–	22	18.8
Waiting time for priority denture care (months)	–	–	–	3	2.6

Activity	2012–13 Agencies Q4 target		2012–13 RDHM Q4 target		2012–13 State-wide Q4 target	
Total number of individuals treated	283,272		48,878		332,150	
	Q4 Target	Q4 Actual	Q4 Target	Q4 Actual	Q4 Target	Q4 Actual
	289,650	297,500	42,500	44,098	332,150	341,598

Quality and safety	2012–13 Agencies target	Q4 Actual	2012–13 RDHM target	Q4 Actual
Number of hospital initiated postponements per 100 scheduled appointments	–	–	3	3.1
Health service accreditation	Fully accredited	Fully accredited	Fully accredited	Fully accredited
Ratio of emergency to general courses of dental care	40:60	45:55	–	–

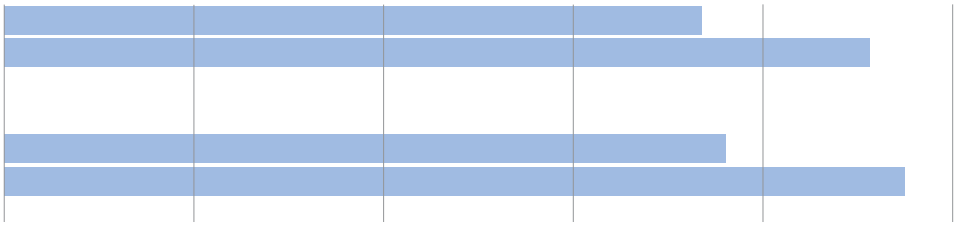
Part C: Activity and funding

Funded activities	Activity 2012–13
Service system resourcing and development	• Continuous improvement of the administrative functions required to meet the strategic priorities set out in the draft *Strategic Plan 2013–2016* • Major organisational restructure at RDHM to improve the patient experience and efficiencies – to commence 1 July 2013
Annual provisions/minor works	• Facilitated a dental chair replacement program (50 Chairs) throughout the state • Upgraded five agency plant rooms with a further five scheduled for upgrade
Oral health promotion	• *Smiles 4 Miles* continues with 25,812 children having access to the program through 461 early childhood centres and kindergartens • *Healthy Families Healthy Smiles* implemented as planned • Extensively consulted and developed documentation for the *Healthy Together Victoria – Action Plan for oral health promotion 2013–17* launched by Minister for Health 27 May 13
RDHM dental care	• The Royal Dental Hospital of Melbourne treated a total of 44,098 patients in 2012–13
Workforce, resourcing and development	• 10 dental practitioner graduates trained and commenced transitioning into the workforce throughout public dental agencies in Victoria in 2013 • Ensured appropriate selection of 15 dentists for the Voluntary Dental Graduate Year Program • 15 practitioners have been relocated to rural locations under the rural dental practitioners relocation support program • International Graduate Program has had four participants successfully pass their Australian Dental Council exams and have been placed in rural communities, another five have commenced the program
Community dental care	• Community dental clinics treated a total of 297,500 patients across Victoria
Dental services purchasing	• Successfully worked with seven agencies to improve efficiency – these seven agencies treated 5,684 more individuals and had 16,786 more visits than the same period in 2011–12 • Developed a dental program managers handbook to assist with management of agencies
Clinical leadership and governance	• Implementation of the Minimal Intervention Dentistry clinical trial at six public dental agencies • 10 clinical guidelines have been reviewed and developed to support model of care • Completed dental laboratory review has provided upgrade in quality and decrease in laboratory costs
Capital Planning and Development	• Supported the establishment of a four-chair clinic in Craigieburn • Supported the development of a two-chair relocatable clinic in Seymour
Regional Service System Support	• Ongoing support provided to all agencies undertaking national accreditation • Support for Regional Oral Health committees
Data Management and IT	• Completed a Titanium upgrade in April 2013 to facilitate reporting of data through the HICAR environment • Completed new agency scorecard with key measures allowing for better assessment of performance and monitoring

Statistics at a glance

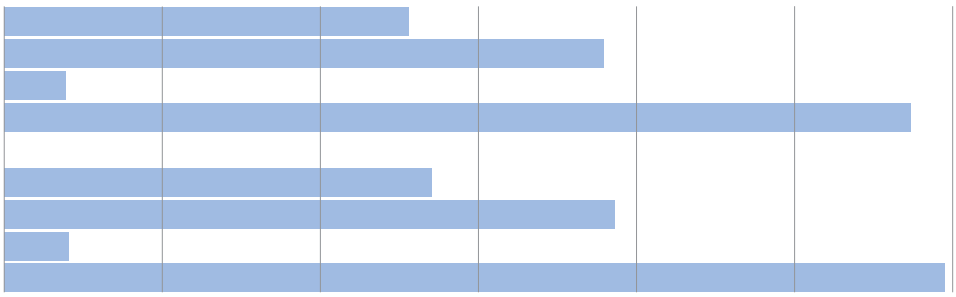
Total individuals treated statewide

2011–2012
Children – 146,898
Adults – 182,179
Unknown – 1
2012–2013
Children – 151,852
Adults – 189,668
Unknown – 78

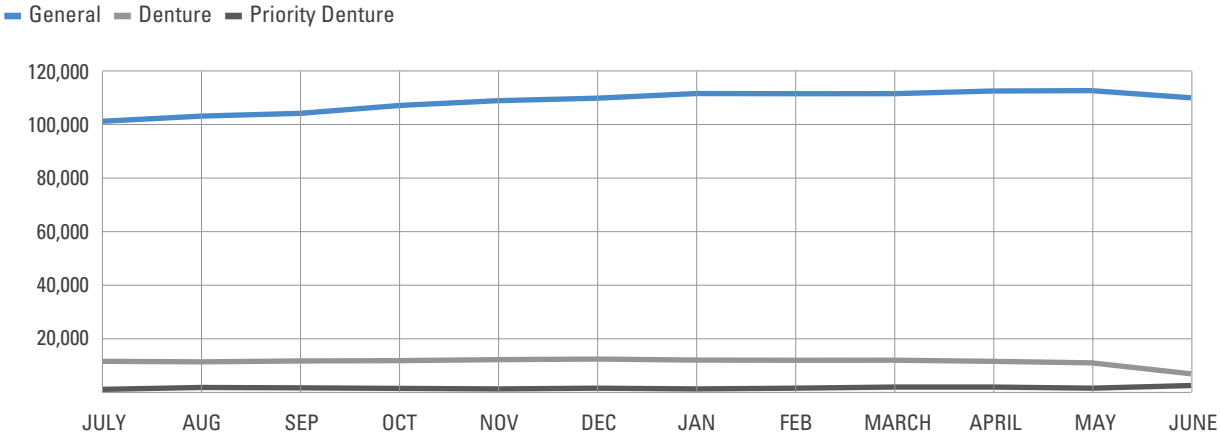


Individuals treated in Community Health Agencies

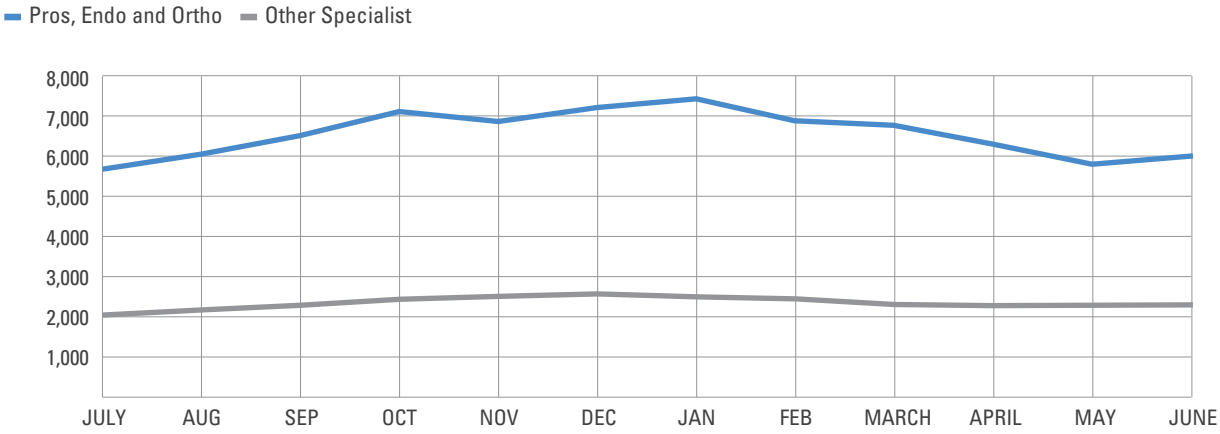
2011–2012
Emergency Care – 127,514
General Care – 189,743
Denture Care – 19,436
All Basic Care – 286,894
2012–2013
Emergency Care – 135,486
General Care – 193,341
Denture Care – 20,541
All Basic Care – 297,500



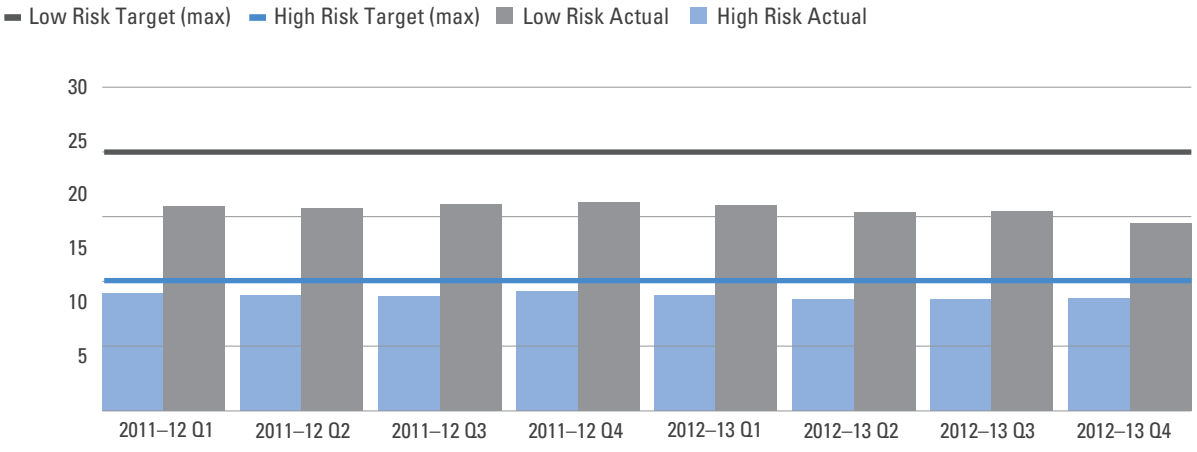
Statewide waiting list 2012–2013, general and denture patients



Statewide waiting lists 2012–2013, specialist patients



Statewide recall intervals for high risk and low risk children



Management and organisation structure

Executive team

Dr Deborah Cole
Chief Executive Officer
BDS, GradDipHealthAdmin, MBA, GradCertLead&CathCulture, FAICD, FAIM, FIPAA

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

Mr Tim Hogan
Chief Financial Officer
BBus, FCPA, FCIS

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

Ms Nicky McCormick
Executive Director Workforce
BA Psychology, Post Grad Dip, Human Resources

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

Mr Mark Sullivan
Chief Operating Officer
GDHA, Cert Purchasing/Planning, AFACHSE

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

Dr Paula Bacchia
Executive Director, Oral Health Leadership
BDSc (Melb) Grad Dip Health Services Management (Latrobe) Grad Cert Public Health (LaTrobe)

Paula has a strong background in public oral health, having worked most of her career in the public dental sector where she managed large dental facilities while working as a general dentist. She is also the Professional Officer with AHPRA and an examiner for the Australian Dental Council. Paula has completed a Graduate Certificate in Public Health and is completing a Masters in Health Administration at LaTrobe University.

Dr David Butler
Oral Health Leadership Executive
BDS; GradDip Clinical Dentistry (Conscious Sedation and Pain Control) 1992 Hons. Award

David developed an interest in public sector dentistry after working in regional NSW. There he was involved in the team management of the medically compromised patient. David also ran his own private practice while working as a Senior Clinical Final Year Tutor for the Faculty of Dentistry at University of Sydney. He has held several senior clinical, management and Dental Board positions within Oral Health Services Tasmania.

Organisational Chart

Deborah Cole
Chief Executive Officer

Oral Health Advisor

Manager Media and Communications

Tim Hogan
Chief Financial Officer

Chief Accountant

Manager Information Communication Technology

Manager Supply and Contracts

Manager Technical Services

Manager Business Intelligence

Manager Audit, Risk and Compliance

Mark Sullivan
Chief Operating Officer

Group Manager RDHM

Manager Service Improvement

Manager Primary Care

Manager Business Support

Manager Oral Health Agencies – Western

Manager Oral Health Agencies – Eastern

Manager Dental Assistants

Manager Specialist Care

System Administrator

Nicky McCormick
Executive Director
Workforce

Clinical Training Unit Manager

Manager HR Operations

Talent and Program Development Manager

Manager Organisational Development

Graduate Recruitment and Development Manager

Senior HR Business Partner

Paula Bacchia
Executive Director
Oral Health Leadership

Director Clinical Leadership, Education & Research

Director Population Oral Health Research

Manager Health Promotion

Workforce statistics

DHSV staff numbers as at 30 June 2013

Number of individuals			
	Women	Men	Total
Full-time	188	76	264
Part-time	234	90	324
Casual	49	24	73
Total	471	190	661

Labour category	June Current Month FTE*		June YTD FTE*	
	2012	2013	2012	2013
Nursing – *Registered nurses*	19.07	17.48	19.13	17.52
Administration and clerical – *Admin, clerical, management*	176.04	187.91	163.86	176.26
Medical support – *CSSD techs/radiologists*	25.48	24.86	25.97	24.97
Hotel and Allied Services – *Other (e.g. storemen, drivers, orderlies)*	9.88	12.02	10.95	11.44
Medical officers – *Anaesthetists*	4.32	4.13	4.77	4.39
Ancillary staff (Allied Health) – *Speech therapists*	0.28	0.28	0.21	0.26
Specialist dentists	12.39	13.39	12.58	12.76
Dentists	40.14	46.35	40.12	41.73
Dental therapists	2.53	3.30	2.86	2.73
Dental hygienists	0.37	0.37	0.24	0.33
Dental assistants	105.88	111.51	100.43	104.30
Dental technicians	15.16	21.98	14.24	18.40
Total	411.54	443.58	395.36	415.09

*FTE – Full time equivalent

Workforce programs

DHSV has developed a recruitment toolkit for community agencies to improve the attraction and selection of staff to the public oral health sector.

DHSV is also providing recruitment support across the state, with a focus on closing vacancies in regional and rural areas. Over the past twelve months DHSV has actively assisted in closing 18 critical clinical roles within Victoria.

The Department of Health has supported a number of DHSV workforce programs during the past year to support the attraction and retention of workforce to rural locations.

The Dental Practitioners Graduate Program

The graduate program started in January 2013 with 10 graduates across Victoria. All graduates have mentors and dedicated senior clinicians trained as part of the program. A formal mid-year evaluation showed positive feedback.

The graduates have undertaken a structured orientation and continuing professional development program that has supported both clinical and non-clinical development.

Voluntary Dental Graduate Program

In February the Federal Health Minister, Honourable Tanya Plibersek, launched the national Voluntary Dental Graduate Year Program which will see 46 dental graduates placed in public dental facilities across Australia. The program will provide services to patients in rural and remote areas and help new graduates to gain invaluable hands on experience in the public dental sector. By 2016 an extra 100 dental graduates per year will be treating patients across the state.

The Rural Incentive Scheme

Some 23 practitioners have relocated to rural locations under this scheme in areas including to the Gippsland region, Shepparton, Warrnambool, Sunraysia, Wangaratta, Aubury Wodonga, Barwon, Echuca and Horsham. This scheme continues to support the transition of the workforce to rural and regional locations.

The International Graduate Program

DHSV has run for the second year its International Graduate Program supporting overseas practitioners completing the ADC examination to become registered practitioners in Australia. The practitioners spend four months at The Royal Dental Hospital of Melbourne and then are relocated to rural areas that are typically hard to staff.

The program had a 100% success rate with all clinicians successfully completing the ADC exams and being offered permanent placements at the end of the year-long program.

Patient Connect is helping improve patient access to services by enhancing processes for patient management and establishing a coordinated system by improving technology.

To support this change the organisation was restructured into practice units based on the care to be provided to patients and position responsibilities were changed for the clerical workforce to allow for a more patient-focussed approach.

Training and development opportunities have been targeted to support this change and the continual development of our workforce.

Statement of availability of other information

In compliance with the requirements of the Standing Directions of the Minister for Finance, details in respect of the items listed below have been retained by Dental Health Services Victoria and are available to the relevant Ministers, Members of Parliament and the public on request (subject to the freedom of information requirements, if applicable):

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

Financial overview

The DHSV operating result for the financial year was a deficit of $2.5 million. The net entity result was a deficit of $6.8 million.

- Total revenue increased by $6.6 million – a 4.4% increase on the previous year.
- Total expenditure increased by $7.5 million – a 4.9% increase on the previous year.
- Total equity decreased by $6.8 million, consistent with the reported net entity result.

The key operational and financial objectives of DHSV are documented in the *Statement of Priorities 2012–13*.

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

Summary of financial results

	2013 $'000	2012 $'000	2011 $'000	2010 $'000	2009 $'000
Total Revenue	155,369	148,771	146,564	134,822	135,640
Total Expenses	162,188	154,642	153,464	136,599	135,626
Net Result for the Year (including Capital and Specific Items)	(6,819)	(5,871)	(6,900)	(1,777)	14
Retained Surplus/ (Accumulated Deficits)	(22,296)	(15,477)	(9,606)	(2,706)	(929)
Total Assets	102,532	104,413	112,673	113,081	112,688
Total Liabilities	26,263	21,344	23,839	19,482	17,402
Net Assets	76,269	83,069	88,834	93,599	95,286
Total Equity	76,269	83,069	88,834	93,599	95,286

Financial statements

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

dental health
oral health for better health

Dental Health Services Victoria

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

The attached financial statements for Dental Health Services Victoria have been prepared in accordance with Standing Directions 4.2 of the *Financial Management Act 1994,* applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2013 and the financial position of Dental Health Services Victoria at 30 June 2013.

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

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

Mick Ellis
Board Chair

Carlton
16 August 2013

Deborah Cole
Chief Executive Officer

Carlton
16 August 2013

Tim Hogan
Chief Financial Officer

Carlton
16 August 2013

The Royal Dental Hospital of Melbourne
GPO Box 1273L, Melbourne VIC 3001
720 Swanston Street Carlton 3053
Phone: 03 9341 1000
Fax: 03 9341 1111

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

The Royal Dental Hospital of Melbourne

VAGO
Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000
Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010
Email comments@audit.vic.gov.au
Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Dental Health Services Victoria

The Financial Report

The accompanying financial report for the year ended 30 June 2013 of Dental Health Services Victoria which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the Board Member's, Accountable Officer's and Chief Finance and Accounting Officer's declaration has been audited.

The Board Members' Responsibility for the Financial Report

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board Members, as well as evaluating the overall presentation of the financial report.

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

Independent Auditor's Report (continued)

Independence

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

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Dental Health Services Victoria as at 30 June 2013 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of Dental Health Services Victoria for the year ended 30 June 2013 included both in the Dental Health Services Victoria's annual report and on the website. The Board Members of Dental Health Services Victoria are responsible for the integrity of Dental Health Services Victoria's website. I have not been engaged to report on the integrity of Dental Health Services Victoria's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE
19 August 2013

for John Doyle
Auditor-General

Comprehensive operating statement

For the financial year ended 30 June 2013

	Note	Total 2013 $'000	Total 2012 $'000
Revenue from operating activities	2	151,962	146,366
Revenue from non-operating activities	2	933	1,380
Employee expenses	3	(34,826)	(33,364)
Non salary labour costs	3	(499)	(604)
Supplies and consumables	3	(4,963)	(5,157)
Other expenses	3	(115,101)	(108,933)
Net result before capital and specific items		(2,494)	(312)
Capital purpose income	2	879	908
Specific income	2d	–	117
Reversal of impairment of financial assets	2	1,595	–
Depreciation and amortisation	4	(4,906)	(4,718)
Specific expenses	3c	(1,624)	(1,755)
Expenditure using capital purpose income	3a	(269)	(111)
NET RESULT FOR THE YEAR		(6,819)	(5,871)
Other comprehensive income			
Items that may be reclassified subsequently to net result			
Changes to financial assets available-for-sale revaluation surplus	16	19	106
Total other comprehensive income		19	106
Comprehensive result		(6,800)	(5,765)

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

Balance sheet

As at 30 June 2013

	Note	Total 2013 $'000	Total 2012 $'000
Current assets			
Cash and cash equivalents	5	4,889	4,207
Receivables	6	3,039	1,981
Investments and other financial assets	7	15,000	15,981
Inventories	8	727	975
Other current assets	9	864	639
Total current assets		24,519	23,783
Non-current assets			
Receivables	6	413	396
Property, plant & equipment	10	77,251	80,027
Intangible assets	11	349	207
Total non-current assets		78,013	80,630
TOTAL ASSETS		102,532	104,413
Current liabilities			
Payables	12	16,782	12,752
Provisions	13	7,183	6,866
Other current liabilities	15	1,302	862
Total current liabilities		25,267	20,480
Non-current liabilities			
Provisions	13	996	864
Total non-current liabilities		996	864
TOTAL LIABILITIES		26,263	21,344
NET ASSETS		76,269	83,069
EQUITY			
Property, plant & equipment revaluation surplus	16a	43,537	43,537
Financial asset available for sale revaluation surplus/(deficit)	16a	–	(19)
General purpose surplus	16a	512	512
Contributed capital	16b	54,516	54,516
Accumulated surpluses/(deficits)	16c	(22,296)	(15,477)
TOTAL EQUITY	16	76,269	83,069
Contingent assets and contingent liabilities	20		
Commitments	19		

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

Statement of changes in equity

For the financial year ended 30 June 2013

Total	Note	Property, Plant & Equipment Revaluation Surplus $'000	Financial Asset Available for Sale Revaluation Deficit $'000	General Purpose Surplus $'000	Contributed Capital $'000	Accumulated Deficits $'000	Total $'000
Balance as at 1 July 2011		43,537	(125)	512	54,516	(9,606)	88,834
Net result for the year		–	–	–	–	(5,871)	(5,871)
Other comprehensive income for the year	16a	–	106	–	–	–	106
Balance at 30 June 2012		43,537	(19)	512	54,516	(15,477)	83,069
Net result for the year		–	–	–	–	(6,819)	(6,819)
Other comprehensive income for the year	16a	–	19	–	–	–	19
Balance at 30 June 2013		43,537	–	512	54,516	(22,296)	76,269

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

Cash flow statement

For the financial year ended 30 June 2013

	Note	Total 2013 $'000	Total 2012 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating grants from government		140,607	134,081
Patient fees received		2,419	2,955
GST received from ATO		6,357	6,240
Interest received		1,049	1,509
Other receipts		8,023	10,393
Total receipts		*158,455*	*155,178*
Employee expenses paid		(34,377)	(32,497)
Non salary labour costs		(508)	(616)
Payments for supplies & consumables		(4,954)	(5,145)
Other payments		(119,136)	(120,164)
Total payments		*(158,975)*	*(158,422)*
Cash generated from operations		(520)	(3,244)
Capital grants from government		896	1,011
NET CASH FLOW/(USED) IN OPERATING ACTIVITIES	17	376	(2,233)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for non-financial assets		(2,380)	(1,049)
Proceeds from sale of non-financial assets		91	109
Proceeds from sale of investments		2,595	4,000
NET CASH FLOW FROM INVESTING ACTIVITIES		306	3,060
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD		682	827
Cash and cash equivalents at beginning of financial year		4,207	3,380
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	5	4,889	4,207

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

Notes to the Financial Statements

30 June 2012

Table of Contents

Note

Note 1: Summary of Significant Accounting Policies

These annual financial statements represent the audited general purpose financial statements for Dental Health Services Victoria (DHSV) for the period ending 30 June 2013. The purpose of the report is to provide users with information about DHSVs stewardship of resources entrusted to it.

(a) Statement of Compliance

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

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

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

The annual financial statements were authorised for issue by the Board of DHSV on 16 August 2013.

(b) Basis of Accounting Preparation and Measurement

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2013, and the comparative information presented in these financial statements for the year ended 30 June 2012.

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

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

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

The financial statements are prepared in accordance with the historical cost convention, except for:

- non-current physical assets, which subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent losses. Revaluations are made and are re-assessed with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair values;
- derivative financial instruments, managed investment schemes, certain debt securities, and investment properties after initial recognition, which are measured at fair value with changes reflected in the comprehensive operating statement (fair value through profit and loss); and
- available-for-sale investments which are measured at fair value with movements reflected in equity until the asset is derecognised (i.e. other comprehensive income – items that may be reclassified subsequent to net result).
- the fair value of assets other than land is generally based on their depreciated replacement value.

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

In the application of 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 professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. 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. Judgments and assumptions made by management in the application of AASs that have significant effects on the financial statements and estimates, with a risk of material adjustments in the subsequent reporting period, relate to:

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

(c) Reporting Entity

The financial statements include all the controlled activities of DHSV.

Its principal address is:
The Royal Dental Hospital of Melbourne
720 Swanston Street
CARLTON Victoria 3053

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

Objectives and Funding

DHSVs overall objective is to lead improvement in oral health for all Victorians, particularly vulnerable groups and those most in need.

DHSV is predominantly funded by accrual based grant funding for the provision of outputs.

(d) Scope and Presentation of Financial Statements

Fund Accounting

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

Services Supported By Health Services Agreement and Services Supported By Hospital and Community Initiatives

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

Comprehensive Operating Statement

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

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

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

- specific income/expense, comprises the following items, where material:
  - Non-current asset revaluation increments/ decrements
  - Funding/Purchase of capital items for Agencies
- impairment of financial and non-financial assets, includes all impairment losses (and reversal of previous impairment losses), which have been recognised in accordance with Note 1(h).
- depreciation and amortisation, as described in Note 1(f).
- expenditure using capital purpose income, comprises expenditure which either falls below the asset capitalisation threshold or does not meet asset recognition criteria and therefore does not result in the recognition of an asset in the balance sheet, where funding for that expenditure is from capital purpose income.

Balance Sheet

Assets and liabilities are categorised either as current or non-current (non-current being those assets or liabilities expected to be recovered/settled more than 12 months after reporting period), are disclosed in the notes where relevant.

Statement of Changes in Equity

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

Cash Flow Statement

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

Rounding

All amounts shown in the financial statements are expressed to the nearest $1,000 unless otherwise stated. Minor discrepancies in tables between totals and sum of components are due to rounding.

Comparative Information

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

(e) Income from Transactions

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

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

Government Grants and Other Transfers of Income (Other Than Contributions By Owners)

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

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

Indirect Contributions from the Department of Health

- Insurance is recognised as revenue following advice from the Department of Health.
- Long Service Leave (LSL) – Revenue is recognised upon finalisation of movements in LSL liability in line with the arrangements set out in the Metropolitan Health and Aged Care Services Division Hospital Circular 05/2013.

Patient Fees

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

Private Practice Fees

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

Donations and Other Bequests

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

Interest Revenue

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

Sale of Investments

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

Other Income

Other income includes non-property rental.

(f) Expense Recognition

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

Cost of Goods Sold

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

Employee expenses

Employee expenses include:

- wages and salaries;
- annual leave;
- sick leave;
- long service leave;
- superannuation expenses which are reported differently depending upon whether employees are members of defined benefit or defined contribution plans;
- workcover premium; and
- departure packages.

Defined Contribution Superannuation Plans

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

Defined Benefit Superannuation Plans

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

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

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

	Contributions Paid or Payable for the year	
Fund	2013 $'000	2012 $'000
Defined benefit plans:		
Health Super	86	89
State Superannuation Fund – revised and new	82	108
Defined contribution plans:		
Health Super	2,360	2,252
Other	180	158
Total	2,708	2,607

Depreciation

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets that have finite useful lives are depreciated (i.e. excludes land, assets held for sale, and investment properties). Depreciation begins when the asset is available for use, which is when it is in the location and condition necessary for it to be capable of operating in a manner intended by management.

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

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

	2013	2012
Buildings		
Structure Shell Building Fabric	45 to 60 years	45 to 60 years
Site Engineering Services and Central Plant	20 to 30 years	20 to 30 years
Central Plant		
Fit Out	20 to 30 years	20 to 30 years
Trunk Reticulated Building Systems	20 to 30 years	20 to 30 years
Relocatable Buildings	20 years	20 years
Building Improvements	5 years	5 years
Plant & Equipment	5 to 10 years	5 to 10 years
Medical Equipment	5 to 10 years	5 to 10 years
Computers & Communication	3 years	3 years
Furniture & Fittings	10 years	10 years
Motor Vehicles	5 to 10 years	10 years

Please note: the estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate. As part of the buildings valuation, building values were separated into components and each component assessed for its useful life which is represented above.

Intangible produced assets with finite lives are depreciated as an expense from transactions on a systematic basis over the asset's useful life.

Amortisation

Amortisation is allocated to intangible non-produced 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 consumption of intangible non-produced assets with finite useful lives is classified as amortisation.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each annual reporting period. In addition, an assessment is made at each reporting date to determine whether there are indicators that the intangible asset concerned is impaired. If so, the asset concerned is tested as to whether its carrying value exceeds its recoverable amount.

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

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

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

Intangible assets with finite useful lives are amortised over a 3–5 year period (2012: 3–5 years).

Grants and Other Transfers

Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as: grants, subsidies and personal benefit payments made in cash to individuals.

Other Operating Expenses

Other operating expenses generally represent the day-to-day running costs incurred in normal operations and include:

Supplies and Consumables

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

Bad and Doubtful Debts

Refer to Note 1(h) *Impairment of Financial Assets*.

(g) Other Comprehensive Income

Other comprehensive income measures the change in volume or value of assets or liabilities that do not result from transactions.

Net Gain/(Loss) on Non-Financial Assets

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

Revaluation Gains/(Losses) of Non-Financial Physical Assets

Refer to Note 1(h) *Revaluations of Non-Financial Physical Assets*.

Disposal of non-financial assets

Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal and is determined after deducting from the proceeds the carrying value of the asset at that time.

Net Gain/(Loss) on Financial Instruments

Net gain/(loss) on financial instruments includes:

- Realised and unrealised gains and losses from revaluations of financial instruments at fair value;
- Impairment and reversal of impairment for financial instruments at amortised cost (refer to Note 1(h)); and
- Disposals of financial assets and derecognition of financial liabilities.

Other Gains/(Losses) from Other Comprehensive Income

Other gains/(losses) include:

- The revaluation of the present value of the long service leave liability due to changes in the bond interest rates; and
- Transfer of amounts from the reserves to accumulated surplus or net result due to disposal or derecognition or reclassification.

(h) Assets

Cash and Cash Equivalents

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

For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as liabilities on the balance sheet.

Receivables

Receivables consist of:

- contractual receivables, which includes mainly debtors in relation to goods and services, and accrued investment income; and
- statutory receivables, which includes predominantly amounts owing from the Victorian Government and Goods and Services Tax ("GST") input tax credits recoverable.

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

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

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

Investments and Other Financial Assets

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

Investments are classified in the following categories:

- financial assets at fair value through profit or loss;
- held-to-maturity;
- loans and receivables; and
- available-for-sale financial assets.

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

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

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

Inventories

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

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

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

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

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

Property, Plant and Equipment

All non-current physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a merger / machinery of government are transferred at their carrying amount.

Crown Land is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or constructive restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the asset(s) are not taken into account until it is virtually certain that any restrictions will no longer apply.

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

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

Leasehold Improvements

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

Revaluations of Non-current Physical Assets

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

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

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

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

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

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

Intangible Assets

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

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

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

Prepayments

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

Disposal of Non-Financial Assets

Any gain or loss on the sale of non-financial assets is recognised in the comprehensive operating statement. Refer to note 1(g) – 'comprehensive income'.

Impairment of Non-Financial Assets

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

All other non-financial assets are assessed annually for indications of impairment, except for inventories.

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

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

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

Impairment of Financial Assets

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

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

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

Where the fair value of an investment in an equity instrument at balance date has reduced by 20 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 asset is treated as impaired.

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

Net Gain/(Loss) on Financial Instruments

Net gain/(loss) on financial instruments includes:

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

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.

(i) Liabilities

Payables

Payables consist of:

- contractual payables which consist predominantly of accounts payable representing liabilities for goods and services provided to DHSV prior to the end of the financial year that are unpaid, and arise when DHSV becomes obliged to make future payments in respect of the purchase of those goods and services. The normal credit terms for accounts payable are usually Nett 30 days.
- statutory payables, such as goods and services tax and fringe benefits tax payables.

Provisions

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

The amount recognised as a liability is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using a discount rate that reflects the time value of money and risks specific to the provision.

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

Employee Benefits

This provision arises for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date.

Wages and Salaries, Annual Leave and Accrued Days Off

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

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

Long Service Leave

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

Current Liability – Unconditional LSL
(representing 10 or more years of continuous service) is disclosed in the notes to the financial statements as a current liability even where DHSV does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:
- present value – component that DHSV does not expect to settle within 12 months; and
- nominal value – component that DHSV expects to settle within 12 months.

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

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

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

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

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

Superannuation Liabilities
DHSV does not recognise any unfunded defined benefit liability in respect of the superannuation plans because DHSV has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due.

(j) Leases

A lease is a right to use an asset for an agreed period of time in exchange for payment. Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership.

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

Finance Leases

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

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

Operating Leases

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

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

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

Entity as Lessee

Operating lease payments, including any contingent rentals, are recognised as an expense in the comprehensive operating statement on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset is not recognised in the balance sheet.

(k) Equity

Contributed Capital

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

Transfers of net assets arising from administrative restructurings are treated as contributions by owners. Transfers of net liabilities arising from administrative restructures are to go through the comprehensive operating statement.

Property, Plant & Equipment Revaluation Surplus

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

Financial Asset Available-for-Sale Revaluation Surplus

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

General Purpose Surplus

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

(l) Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note (refer to note 19) at their nominal value and are inclusive of the GST payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the balance sheet.

(m) 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, the GST payable is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

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

Commitments for expenditure are presented on a gross basis.

(n) AASs issued that are not yet effective

Certain new Australian accounting standards have been published that are not mandatory for the 30 June 2013 reporting period. DTF assesses the impact of all these new standards and advises the Health Service of their applicability and early adoption where applicable.

As at 30 June 2013, the following standards and interpretations had been issued by the AASB but were not yet effective. They become effective for the first financial statements for the reporting periods commencing after the stated operative dates as detailed in the table below. DHSV has not and does not intend to adopt these standards early.

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on DHSVs financial statements
AASB 9 *Financial instruments*	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 *Financial Instruments: Recognition and Measurement* (AASB 139 *Financial Instruments: Recognition and Measurement* (AASB 139 *Financial Instruments: Recognition and Measurement*).	1 Jan 2015	Subject to AASB's further modifications to AASB 9, together with the anticipated changes resulting from the staged projects on impairments and hedge accounting, details of impacts will be assessed.
AASB 13 *Fair Value Measurement*	This Standard outlines the requirements for measuring the fair value of assets and liabilities and replaces the existing fair value definition and guidance in other Australian accounting standards. AASB 13 includes a 'fair value hierarchy' which ranks the valuation technique inputs into three levels using unadjusted quoted prices in active markets for identical assets or liabilities; other observable inputs; and unobservable inputs.	1 Jan 2013	Disclosure for fair value measurements using unobservable inputs are relatively detailed compared to disclosure for fair value measurements using observable inputs. Consequently, the Standard may increase the disclosures required assets measured using depreciated replacement cost.
AASB 119 *Employee Benefits*	In this revised Standard for defined benefit superannuation plans, there is a change to the methodology in the calculation of superannuation expenses, in particular there is now a change in the split between superannuation interest expense (classified as transactions) and actuarial gains and losses (classified as 'Other economic flows – other movements in equity') reported on the comprehensive operating statement.	1 Jan 2013	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. While the total superannuation expense is unchanged, the revised methodology is expected to have a negative impact on the net result from transactions for a few Victorian public sector entities that report superannuation defined benefit plans.

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on DHSVs financial statements
AASB 1053 *Application of Tiers of Australian Accounting Standards*	This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.	1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) for certain public sector entities, and has not decided if RDRs will be implemented in the Victorian public sector.
AASB 1055 *Budgetary Reporting*	AASB 1055 extends the scope of budgetary reporting that is currently applicable for the whole of government and general government sector (GGS) to NFP entities within the GGS, provided that these entities present separate budget to the parliament.	1 Jan 2014	[If separate budget is presented to the parliament]: • The entity will be required to restate in the financial statements the budgetary information in accordance with the presentation format prescribed in Australian Accounting Standards and explain the significant variances from the original budget. [If separate budget is not presented to the parliament]: • This Standard is not applicable as no budget disclosure is required.

In addition to the new standards above, the AASB has issued a list of amending standards that are not effective for the 2012–13 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting. The two AASB Interpretations in the list below are also not effective for the 2012–13 reporting period and considered to have insignificant impacts on public sector reporting.

- AASB 2009–11
  Amendments to Australian Accounting Standards arising from AASB 9.
- AASB 2010–2
  Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.
- AASB 2010–7
  Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).
- AASB 2010–10
  Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters.
- AASB 2011–2
  Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements.
- AASB 2011–4
  Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements.
- AASB 2011–6
  Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements.
- AASB 2011–7
  Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards.
- AASB 2011–8
  Amendments to Australian Accounting Standards arising from AASB 13.
- AASB 2011–10
  Amendments to Australian Accounting Standards arising from AASB 119 (September 2011).
- AASB 2011–11
  Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements.
- AASB 2011–12
  Amendments to Australian Accounting Standards arising from Interpretation 20.
- 2012–1
  Amendments to Australian Accounting Standards – Fair Value Measurement – Reduced Disclosure Requirements.
- 2012–2
  Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities.
- 2012–3
  Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities.
- 2012–5
  Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle.
- 2012–7
  Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.
- 2012–9
  Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039.
- 2012–10
  Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments.
- 2012–11
  Amendments to Australian Accounting Standards – Reduced Disclosure Requirements and Other Amendments.
- 2013–1
  Amendments to AASB 1049 – *Relocation of Budgetary Reporting Requirements*.
- 2013–2
  Amendments to AASB 1038 – Regulatory Capital.
- 2013–3
  Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets.
- AASB Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*.
- AASB Interpretation 21 *Levies*.

(o) Category Groups

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

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

Note 2: Revenue

	HSA 2013 $'000	HSA 2012 $'000	H&CI 2013 $'000	H&CI 2012 $'000	Total 2013 $'000	Total 2012 $'000
Revenue from Operating Activities						
Government Grants						
– Department of Health	141,116	133,755	–	–	141,116	133,755
– Department of Human Services	78	76	–	–	78	76
– State Government Other						
Grant – Smart SMEs Market Validation Program	100	–	–	–	100	–
Total Government Grants	141,294	133,831	–	–	141,294	133,831
Indirect Contributions by Department of Health						
– Insurance	211	221	–	–	211	221
– Long Service Leave	17	199	–	–	17	199
Total Indirect Contributions by Department of Health	228	420	–	–	228	420
Patient Fees						
– Patient Fees (refer note 2b)	2,292	2,700	–	–	2,292	2,700
Total Patient Fees	2,292	2,700	–	–	2,292	2,700
Commercial Activities & Specific Purpose Funds						
– Technical Support	–	–	4,176	4,573	4,176	4,573
– Overseas Dentists Training Program	–	–	1,498	1,021	1,498	1,021
– Research and Innovation	–	–	9	–	9	–
– Executive CPD	–	–	–	228	–	228
– Car Park	–	–	1	1	1	1
– Property Income	–	–	192	183	192	183
Total Commercial Activities & Specific Purpose Funds	–	–	5,876	6,006	5,876	6,006
Other Revenue from Operating Activities	2,272	3,409	–	–	2,272	3,409
Total Revenue from Operating Activities	146,086	140,360	5,876	6,006	151,962	146,366

Note 2: Revenue (continued)

	HSA 2013 $'000	HSA 2012 $'000	H&CI 2013 $'000	H&CI 2012 $'000	Total 2013 $'000	Total 2012 $'000
Revenue from Non-Operating Activities						
Interest	933	1,380	–	–	933	1,380
Total Revenue from Non-Operating Activities	933	1,380	–	–	933	1,380
Capital Purpose Income						
State Government Capital Grants						
– Other	896	894	–	–	896	894
Net Gain/(Loss) on Disposal of Non-Financial Assets (refer note 2c)	–	–	(17)	14	(17)	14
Total Capital Purpose Income	896	894	(17)	14	879	908
Specific Income (refer note 2d)	–	117	–	–	–	117
Reversal of Impairment Loss on Financial Asset	1,595	–	–	–	1,595	–
Total Revenue (refer to note 2a)	149,510	142,751	5,859	6,020	155,369	148,771

Indirect contributions by Department of Health:

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

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

Note 2a: Analysis of revenue by source

	Total (Other) 2013 $'000	Total (Other) 2012 $'000
Revenue from Services Supported by Health Services Agreement		
Government Grants	141,294	133,831
Indirect contributions by Department of Health	228	420
Patient Fees (refer note 2b)	2,292	2,700
Other Revenue from Operating Activities	2,272	3,409
Interest	933	1,380
Capital Purpose Income (refer note 2)	896	894
Reversal of Impairment Loss on Financial Asset	1,595	–
Specific Income (refer note 2d)	–	117
Total Revenue from Services Supported by Health Services Agreement	149,510	142,751
Revenue from Services Supported by Hospital and Community Initiatives		
Commercial Activities & Specific Purpose Funds	5,876	6,006
Capital Purpose Income (refer note 2c)	(17)	14
Total Revenue from Services Supported by Hospital and Community Initiatives	5,859	6,020
Total Revenue	155,369	148,771

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

Note 2b: Patient fees raised

	Total 2013 $'000	Total 2012 $'000
Patient Fees		
Dental Outpatients	2,292	2,700
Total Patient Fees	2,292	2,700

Note 2c: Net gain/(loss) on disposal of non-financial assets

	Total 2013 $'000	Total 2012 $'000
Proceeds from Disposals of Non-Current Assets		
Motor Vehicles	91	109
Total Proceeds from Disposal of Non-Current Assets	91	109
Less: Written Down Value of Non-Current Assets Sold		
Motor Vehicles	108	95
Total Written Down Value of Non-Current Assets Sold	108	95
Net gain/(loss) on Disposal of Non-Financial Assets	(17)	14

Note 2d: Specific income

	Total 2013 $'000	Total 2012 $'000
Specific Income		
Funding Received from Department of Health to Purchase Dental		
Equipment on Behalf of External Dental Agencies	–	117
TOTAL	–	117

Note 3: Expenses

	HSA 2013 $'000	HSA 2012 $'000	H&CI 2013 $'000	H&CI 2012 $'000	Total 2013 $'000	Total 2012 $'000
Employee Expenses						
Salaries & Wages	29,958	28,228	941	919	30,899	29,147
WorkCover Premium	276	352	5	5	281	357
Departure Packages	93	269	–	–	93	269
Long Service Leave	840	956	5	28	845	984
Superannuation	2,635	2,546	73	61	2,708	2,607
Total Employee Expenses	33,802	32,351	1,024	1,013	34,826	33,364
Non Salary Labour Costs						
Fees for Visiting Medical Officers	7	7	–	–	7	7
Agency Costs – Nursing	3	17	–	–	3	17
Agency Costs – Other	400	525	89	55	489	580
Total Non Salary Labour Costs	410	549	89	55	499	604
Supplies and Consumables						
Drug Supplies	525	561	–	–	525	561
Medical & Surgical Supplies	4,192	4,495	246	101	4,438	4,596
Total Supplies and Consumables	4,717	5,056	246	101	4,963	5,157

Note 3: Expenses (continued)

	HSA 2013 $'000	HSA 2012 $'000	H&CI 2013 $'000	H&CI 2012 $'000	Total 2013 $'000	Total 2012 $'000
Other Expenses						
Domestic Services & Supplies	1,295	1,261	–	1	1,295	1,262
Fuel, Light, Power and Water	540	385	–	–	540	385
Insurance costs funded by Department of Health	211	221	–	–	211	221
Motor Vehicle Expenses	169	179	–	–	169	179
Repairs & Maintenance	692	525	2	4	694	529
Maintenance Contracts	392	338	–	–	392	338
Patient Transport	13	14	–	–	13	14
Bad & Doubtful Debts	170	354	–	–	170	354
Lease Expenses	89	80	10	10	99	90
Other Administrative Expenses	4,634	6,091	3,744	4,283	8,378	10,374
Transfer Payments:						
– Output Funding for Dental Services (DoH Agencies)	102,860	95,063	–	–	102,860	95,063
– Victorian Denture Scheme (Private Practitioners)	–	–	–	–	–	–
– Victorian General Dental Scheme (Private Practitioners)	–	–	–	–	–	–
– Victorian Emergency Dental Scheme (Private Practitioners)	123	–	–	–	123	–
– School Dental Services (Private Practitioners)	–	1	–	–	–	1
Audit Fees						
– VAGO – Audit of Financial Statements	22	26	–	–	22	26
– Other	135	97	–	–	135	97
Total Other Expenses	111,345	104,635	3,756	4,298	115,101	108,933
Expenditure using Capital Purpose Income						
Other Expenses	269	111	–	–	269	111
Total Expenditure using Capital Purpose Income	269	111	–	–	269	111
Impairment of Assets						
Depreciation and Amortisation	–	–	4,906	4,718	4,906	4,718
Specific Expense (refer note 3c)	–	–	1,624	1,755	1,624	1,755
Total Impairment of Assets	–	–	6,530	6,473	6,530	6,473
Total Expenses	150,543	142,702	11,645	11,940	162,188	154,642

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

Note 3a: Analysis of expenses by source

	Total(Other) 2013 $'000	Total(Other) 2012 $'000
Services Supported by Health Services Agreement		
Employee Expenses	33,802	32,351
Non Salary Labour Costs	410	549
Supplies & Consumables	4,717	5,056
Other Expenses from Continuing Operations	111,345	104,635
Total Expenses from Services Supported by Health Services Agreement	150,274	142,591
Services Supported by Hospital and Community Initiatives		
Employee Expenses	1,024	1,013
Non Salary Labour Costs	89	55
Supplies & Consumables	246	101
Other Expenses from Continuing Operations	3,756	4,298
Total Expenses from Services Supported by Hospital and Community Initiatives	5,115	5,467
Expenditures using Capital Purpose Income		
Other Expenses	269	111
Total Expenditure using Capital Purpose Income	269	111
Depreciation and Amortisation (refer note 4)	4,906	4,718
Specific Expenses (refer note 3c)	1,624	1,755
Total Expenses from Services Supported by Health Service Agreement and by Hospital and Community Initiatives	6,530	6,473
Total Expenses	162,188	154,642

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

	Total 2013 $'000	Total 2012 $'000
Technical Support	3,632	3,873
Overseas Dentists Training Program	902	865
Research and Innovation	580	568
Executive CPD	–	161
Total	5,114	5,467

Note 3c: Specific Expenses

	Total 2013 $'000	Total 2012 $'000
Specific Expenses		
Amounts Paid for the Purchase of Dental Equipment on Behalf of External		
Dental Agencies	1,624	1,755
Total Specific Expenses	1,624	1,755

Note 4: Depreciation and Amortisation

	Total 2013 $'000	Total 2012 $'000
Depreciation		
Buildings	3,234	3,231
Plant & Equipment	14	14
Medical Equipment	601	611
Computers and Communication	393	375
Furniture and Fittings	12	11
Motor Vehicles	477	331
Total Depreciation	4,731	4,573
Amortisation		
Intangible Assets	175	145
Total Depreciation & Amortisation	4,906	4,718

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.

	Total 2013 $'000	Total 2012 $'000
Cash on hand	6	5
Cash at bank	4,883	3,202
Short-term deposit*	–	1,000
TOTAL	4,889	4,207
Represented by:		
Cash for Health Service Operations (as per Cash Flow Statement)	4,889	4,207

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

Note 6: Receivables

	Total 2013 $'000	Total 2012 $'000
CURRENT		
Contractual		
– Inter-Hospital Debtors	182	178
– Debtors *	1,055	575
– Patient Fees	219	346
– Accrued Investment Income	109	225
– Accrued Revenue – Cost Recovery	301	170
– Less Provision for Doubtful Debts		
– Trade Debtors	(8)	(8)
– Patient Fees	(60)	(123)
	1,798	1,363
Statutory		
– GST Receivable	604	618
– Accrued Revenue – Commonwealth and National Partnership Agreement	637	–
	1,241	618
TOTAL CURRENT RECEIVABLES	3,039	1,981
NON CURRENT		
Statutory		
– Long Service Leave – Department of Health	413	396
TOTAL NON CURRENT RECEIVABLES	413	396
TOTAL RECEIVABLES	3,452	2,377

* This includes receivable from the Department of Health and Ageing (Commonwealth) of $316k.

(a) Movement in the Allowance for doubtful debts

	Total 2013 $'000	Total 2012 $'000
Balance at beginning of year	131	221
Amounts written off during the year	(233)	(444)
Increase in allowance recognised in net result	170	354
Balance at end of year	68	131

(b) Ageing analysis of receivables

Please refer to note 18(b) for the ageing analysis of contractual receivables

(c) Nature and extent of risk arising from receivables

Please refer to note 18(b) for the nature and extent of credit risk arising from contractual receivables

Note 7: Investments and Other Financial Assets

	Operating Fund	
	Total 2013 $'000	Total 2012 $'000
CURRENT		
Term Deposit		
– Australian Dollar Term Deposits > 3 months*	15,000	14,000
Debt Securities		
– Asset Management Fund (ANZ Asprit II)	–	1,981
Total Current	15,000	15,981
NON CURRENT	–	–
TOTAL INVESTMENTS AND OTHER FINANCIAL ASSETS	15,000	15,981
Represented by:		
Health Service Investments	15,000	15,981
(a) Ageing analysis of other financial assets		
Please refer to note 18(b) for the ageing analysis of other financial assets.		
(b) Nature and extent of risk arising from other financial assets		
Please refer to note 18(b) for the nature and extent of credit risk arising from other financial assets.		

* Term deposits under 'investments and other financial assets' class include only term deposits with maturity greater than 90 days.

DHSV historically held a $5.0M investment in a CDO. In the financial year 2007–08 and 2008–09, the accounts reflected the impaired state of the investment of $2.27M and $2.73M, respectively. In effect, writing down the value of the investment held to nil.

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

DHSV has sold ANZ Asprit II and CDO in April 2013 for a gain of $1.595M.

Note 8: Inventories

	Total 2013 $'000	Total 2012 $'000
Medical and Surgical Lines		
At Cost	447	437
Total Medical and Surgical Lines	447	437
Engineering Stores		
At Cost	280	538
Total Engineering Stores	280	538
TOTAL INVENTORIES	727	975

Note 9: Other Current Assets

	Total 2013 $'000	Total 2012 $'000
CURRENT		
Prepayments	281	178
Minor Works in Progress	583	461
TOTAL	864	639

Note 10: Property, plant & equipment

	Total 2013 $'000	Total 2012 $'000
Land		
Land at Fair Value	17,733	17,733
Total Land	17,733	17,733
Buildings		
Buildings at Fair Value	67,119	66,415
Less Acc'd Depreciation	12,799	9,566
Total Buildings	54,320	56,849
Plant and Equipment		
Plant and Equipment at Fair Value	95	95
Less Acc'd Depreciation	54	41
Total Plant and Equipment	41	54
Medical Equipment		
Medical Equipment at Fair value	4,388	3,931
Less Acc'd Depreciation	2,202	1,594
Total Medical Equipment	2,186	2,337
Computers and Communication		
Computers and Communication at Fair value	2,979	2,557
Less Acc'd Depreciation	1,969	1,901
Total Computers and Communications	1,010	656
Furniture and Fittings		
Furniture and Fittings at Fair Value	91	77
Less Acc'd Depreciation	52	44
Total Furniture & Fittings	39	33
Motor Vehicles		
Motor Vehicles at Fair Value	3,263	3,289
Less Acc'd Depreciation	1,341	924
Total Motor Vehicles	1,922	2,365
TOTAL	77,251	80,027

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 $'000	Buildings $'000	Plant & Equipment $'000	Medical Equipment $'000	Computers & Communications $'000	Furniture & Fittings $'000	Motor Vehicles $'000	Total $'000
Balance at 1 July 2011	17,733	60,018	68	2,349	796	39	2,674	83,677
Additions	–	62	–	599	235	5	117	1,018
Disposals	–	–	–	–	–	–	(95)	(95)
Revaluation increments	–	–	–	–	–	–	–	–
Depreciation and Amortisation (note 4)	–	(3,231)	(14)	(611)	(375)	(11)	(331)	(4,573)
Balance at 1 July 2012	17,733	56,849	54	2,337	656	33	2,365	80,027
Additions	–	705	1	450	747	18	142	2,063
Disposals	–	–	–	–	–	–	(108)	(108)
Impairment losses (recognised) / reversed in net result	–	–	–	–	–	–	–	–
Revaluation increments	–	–	–	–	–	–	–	–
Assets Provided Free – of Charge	–	–	–	–	–	–	–	–
Transfer to Victorian Government	–	–	–	–	–	–	–	–
Depreciation and Amortisation (note 4)	–	(3,234)	(14)	(601)	(393)	(12)	(477)	(4,731)
Balance at 30 June 2013	17,733	54,320	41	2,186	1,010	39	1,922	77,251

Land and buildings carried at valuation

An independent valuation of DHSVs property, plant and equipment was performed by the Valuer-General Victoria (VGV) on 30 June 2009 to determine the fair value of the land and buildings. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation was based on independent assessments.

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

No management revaluation is required in 2013.

Note 11: Intangible assets

	Total 2013 $'000	Total 2012 $'000
Software Licences	3,023	2,706
Less Acc'd Amortisation	2,674	2,499
Total Intangible Assets	349	207

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

	Total $'000
Balance at 1 July 2011	321
Additions	31
Amortisation (note 4)	(145)
Balance at 1 July 2012	207
Additions	317
Amortisation (note 4)	(175)
Balance at 30 June 2013	349

Note 12: Payables

	Total 2013 $'000	Total 2012 $'000
CURRENT		
Contractual		
Trade Creditors*	9,966	9,747
Accrued Expenses	6,584	2,768
Salary Packaging	232	237
TOTAL CURRENT	16,782	12,752
(a) Maturity analysis of payables		
Please refer to Note 18(c) for the ageing analysis of contractual payables		
(b) Nature and extent of risk arising from payables		
Please refer to Note 18(c) for the nature and extent of risks arising from contractual payables		

* The average credit period is 30 days.

Note 13: Provisions

	Total 2013 $'000	Total 2012 $'000
Current Provisions		
Employee Benefits [i]		
– Unconditional and expected to be settled within 12 months [ii]	3,074	3,266
– Unconditional and expected to be settled after 12 months [iii]	3,457	3,026
	6,531	6,292
Provisions related to Employee Benefit On-Costs		
– Unconditional and expected to be settled within 12 months [ii]	229	205
– Unconditional and expected to be settled after 12 months [iii]	423	369
	652	574
Total Current Provisions	7,183	6,866
Non-Current Provisions		
Employee Benefits [i]	901	785
Provisions related to Employee Benefit On-Costs	95	79
Total Non-Current Provisions	996	864
Total Provisions	8,179	7,730
(a) Employee Benefits and Related On-Costs		
Current Employee Benefits and related on-costs		
– Unconditional LSL Entitlements	4,055	3,765
– Annual Leave Entitlements	2,086	1,731
– Accrued Wages and Salaries	860	1,249
– Accrued Days Off	182	122
Non-Current Employee Benefits and related on-costs		
– Conditional Long Service Leave Entitlements [iii]	996	863
Total Employee Benefits and Related On-Costs	8,179	7,730
(b) Movements in provisions		
Movement in Long Service Leave:		
Balance at start of year	4,628	4,186
Provision made during the year		
– Revaluations	(8)	241
– Expense recognising employee service	853	743
Settlement made during the year	(422)	(542)
Balance at end of year	5,051	4,628

Notes:

(i) Provisions for employee benefits consist of amounts for annual leave and long service leave accrued by employees, not including on-costs.

(ii) The amounts disclosed are nominal amounts.

(iii) The amounts disclosed are discounted to present values.

Note 14: Superannuation

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

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

However superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of the Health Service. The name, details and amounts expense in relation to the major employee superannuation funds and contributions made by the Health Service are as follows:

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	Total 2013 $'000	Total 2012 $'000	Total 2013 $'000	Total 2012 $'000
Defined benefit plans (i):				
Emergency Services & State Super	82	108	–	–
Other	83	86	3	3
Defined contribution plans:				
First State Super	2,261	2,166	99	86
Other	171	150	9	8
Total	2,597	2,510	111	97

Note 15: Other Current Liabilities

	Total 2013 $'000	Total 2012 $'000
CURRENT		
Income in Advance	1,302	862
Total Other Liabilities	1,302	862

Note 16: Equity

	Total 2013 $'000	Total 2012 $'000
(a) Surpluses		
Property, Plant & Equipment Revaluation Surplus [1]		
Balance at the beginning of the reporting period	43,537	43,537
Revaluation Increment/(Decrements)		
– Land	–	–
Balance at the end of reporting period*	43,537	43,537
* Represented by:		
– Land	17,563	17,563
– Buildings	25,574	25,574
– Medical Equipment	331	331
– Motor Vehicles	69	69
Total	43,537	43,537
Financial Assets Available-for-Sale Revaluation Deficit [2]		
Balance at the beginning of the reporting period	(19)	(125)
Valuation gain recognised	19	106
Balance at the end of the reporting period	–	(19)
General Purpose Surplus		
Balance at the beginning of the reporting period	512	512
Balance at the end of the reporting period	512	512
Total Reserves	44,049	44,030

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

(b) Contributed Capital		
Balance at the beginning of the reporting period	54,516	54,516
Balance at the end of the reporting period	54,516	54,516
(c) Accumulated Surpluses/ (Deficits)		
Balance at the beginning of the reporting period	(15,477)	(9,606)
Net Result for the Year	(6,819)	(5,871)
Balance at the end of the reporting period	(22,296)	(15,477)
Total Equity at end of financial year	76,269	83,069

Note 17: Reconciliation of Net Result for the Year to Net Cash Inflow/(Outflow) from Operating Activities

	Total 2013 $'000	Total 2012 $'000
Net Result for the Year	(6,819)	(5,871)
Non-Cash Movements:		
Depreciation & Amortisation	4,906	4,718
Provision for Doubtful Receivables	170	354
Change in Inventories	248	93
Reversal of Impairment of Financial Asset	(1,595)	–
Movements Included in Investing and Financing Activities:		
Net (Gain)/Loss from Sale of Plant and Equipment	17	(14)
Movements in Assets and Liabilities:		
Change in Operating Assets & Liabilities		
– (Increase)/Decrease in Receivables	(1,245)	1,233
– (Increase)/Decrease in Other Assets	(225)	(251)
– Increase/(Decrease) in Payables	4,030	(3,546)
– Increase in Employee Benefits	449	867
– Increase in Other Liabilities	440	184
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	376	(2,233)

Note 18: Financial Instruments

(a) Financial Risk Management Objectives and Policies

DHSVs principal financial instruments comprise of:

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

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

DHSVs main financial risks include credit risk, liquidity risk and interest rate risk. DHSV manages these financial risks in accordance with its financial risk management policy.

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

Categorisation of Financial Instruments

	Carrying Amount 2013 $'000	Carrying Amount 2012 $'000
Financial Assets		
Cash and cash equivalents	4,889	4,207
Other financial assets		
– Term deposits	15,000	14,000
Loans and Receivables	1,866	1,494
Available for sale		
– Debt securities (ANZ Asprit II)	–	1,981
– Debt securities (CBA Helix Cap AA Oasis CDO)	–	3,127
Total Financial Assets [(i)]	21,755	24,809
Financial Liabilities		
At amortised cost	16,782	12,752
Total Financial Liabilities [(ii)]	16,782	12,752

[(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 payable)

Note 18: Financial Instruments (continued)

Net Holding Gain/(Loss) on Financial Instruments by Category

	Net holding gain/(loss) 2013 $'000	Net holding gain/(loss) 2012 $'000
Financial Assets		
Cash and deposits	933	1,380
Receivables	(170)	(354)
Available for sale	19	106
Total Financial Assets	782	1,132
Financial Liabilities		
At amortised cost	–	–
Total Financial Liabilities	–	–

(b) Credit Risk

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

Credit risk associated with DHSVs contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than the Government, it is DHSVs policy to only deal with entities with high credit ratings of a minimum Triple-B rating and to obtain sufficient collateral or credit enhancements, where appropriate.

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

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

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents DHSVs maximum exposure to credit risk without taking account of the value of any collateral obtained.

Note 18: Financial Instruments (continued)

(b) Credit Risk (continued)

Credit quality of contractual financial assets that are neither past due nor impaired

	Financial Institutions (AAA or AA credit rating) $'000	Government agencies $'000	Other $'000	Total $'000
2013				
Financial Assets				
Cash and Cash Equivalents	4,889	–	–	4,889
Receivables				
– Trade Debtors	–	720	509	1,229
– Other Receivables [(i)]	109	301	159	569
Other Financial Assets				
– Term Deposits	15,000	–	–	15,000
– Debt Securities (ANZ Asprit II)	–	–	–	–
Total Financial Assets	19,998	1,021	668	21,687
2012				
Financial Assets				
Cash and Cash Equivalents	4,207	–	–	4,207
Receivables				
– Trade Debtors	–	420	325	745
– Other Receivables	225	170	223	618
Other Financial Assets				
– Term Deposits	14,000	–	–	14,000
– Debt securities (ANZ Asprit II)	1,981	–	–	1,981
Total Financial Assets	20,413	590	548	21,551

(i) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable).

Note 18: Financial Instruments (continued)

(b) Credit Risk (continued)

Ageing analysis of Financial Assets as at 30 June

	Carrying Amount $'000	Not Past Due and Not Impaired $'000	Past Due But Not Impaired			Impaired Financial Assets $'000
			Less than 1 Month $'000	1 – 3 Months $'000	3 months 1 Year $'000	
2013						
Financial Assets						
Cash and Cash Equivalents	4,889	4,889	–	–	–	–
Receivables [(i)]						
– Trade Debtors	1,237	1,014	185	26	4	8
– Other Receivables	629	409	39	64	57	60
Other Financial Assets						
– Term Deposits	15,000	15,000	–	–	–	–
– Debt Securities (ANZ Asprit II)	–	–	–	–	–	–
– Debt Securities (CBA Helix Cap AA Oasis CDO)	–	–	–	–	–	–
Total Financial Assets	21,755	21,312	224	90	61	68
2012						
Financial Assets						
Cash and Cash Equivalents	4,207	4,207	–	–	–	–
Receivables [(i)]						
– Trade Debtors	753	174	425	143	3	8
– Other Receivables	741	462	53	53	50	123
Other Financial Assets						
– Term Deposits	14,000	14,000	–	–	–	–
– Debt Securities (ANZ Asprit II)	1,981	1,981	–	–	–	–
– Debt Securities (CBA Helix Cap AA Oasis CDO)	3,127	–	–	–	–	3,127
Total Financial Assets	24,809	20,824	478	196	53	3,258

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

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

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

Note 18: Financial Instruments (continued)

(c) Liquidity Risk

Liquidity risk is the risk that DHSV would be unable to meet its financial obligations as and when they fall due. DHSV operates under the Government's fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

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

DHSVs objective is to meet its financial obligations when they fall due. To achieve this objective, DHSV invests in short term investments with maturity dates of less than one (1) year. Each month, at least $2.0M of short term investment matures. Cash flows are prepared in order to meet financial obligations.

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

Maturity Analysis of Financial Liabilities as at 30 June

			Maturity Dates				
	Carrying Amount $'000	Contractual Cash Flows $'000	Less than 1 Month $'000	1 – 3 Months $'000	3 months – 1 Year $'000	1 – 5 Years $'000	Over 5 Years $'000
2013							
Financial Liabilities							
Payables	16,782	16,782	16,782	–	–	–	–
Total Financial Liabilities	16,782	16,782	16,782	–	–	–	–
2012							
Financial Liabilities							
Payables	12,752	12,752	12,752	–	–	–	–
Total Financial Liabilities	12,752	12,752	12,752	–	–	–	–

(d) Market Risk

DHSVs exposures to market risk are primarily through interest rate risk with only insignificant exposures to foreign currency and other price risks. Objectives, 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

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

Other Price Risk

DHSV does not have any exposure to other price risks.

Note 18: Financial Instruments (continued)

(d) Market Risk (continued)

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

	Weighted Average Effective Interest Rate (%)	Carrying Amount $'000	Interest Rate Exposure		
			Fixed Interest Rate $'000	Variable Interest Rate $'000	Non Interest Bearing $'000
2013					
Financial Assets					
Cash and Cash Equivalents	3.61	4,889	–	4,883	6
Receivables [i]					
– Trade Debtors	–	1,237	–	–	1,237
– Other Receivables	–	629	–	–	629
Other financial assets					
– Term Deposits	4.88	15,000	–	15,000	–
– Debt Securities (ANZ Asprit II)	–	–	–	–	–
– Debt Securities (CBA Helix Cap AA Oasis CDO)	–	–	–	–	–
		21,755	–	19,883	1,872
Financial Liabilities					
Payables	–	16,782	–	–	16,782
		16,782	–	–	16,782
2012					
Cash and Cash Equivalents	4.85	4,207	–	4,202	5
Receivables					
– Trade Debtors	–	753	–	–	753
– Other Receivables	–	741	–	–	741
Other financial assets					
– Term Deposits	5.99	14,000	–	14,000	–
– Debt Securities (ANZ Asprit II)	–	1,981	–	–	1,981
– Debt Securities (CBA Helix Cap AA Oasis CDO)	6.41	3,127	–	3,127	–
		24,809	–	21,329	3,480
Financial Liabilities					
Payables	–	12,752	–	–	12,752
		12,752	–	–	12,752

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

Note 18: 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 shift of +1% and –1% in marked interest rates (AUD) from year-end rates of 4%;
- 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.

		Interest Rate Risk				Other Price Risk			
	Carrying Amount	-1%		+1%		-1%		+1%	
		Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2013									
Financial Assets									
Cash and Cash Equivalents [(i)]	4,889	(49)	(49)	49	49	–	–	–	–
Receivables [(ii)]									
– Trade Debtors	1,237	–	–	–	–	–	–	–	–
– Other Receivables	629	–	–	–	–	–	–	–	–
Other Financial Assets									
– Term Deposits	15,000	(150)	(150)	150	150				
– Debt Securities (ANZ Asprit II)	–	–	–	–	–	–	–	–	–
– Debt Securities (CBA Helix Cap AA Oasis CDO)	–	–	–	–	–	–	–	–	–
Financial Liabilities									
Payables	16,782	–	–	–	–	–	–	–	–
		(199)	(199)	199	199	–	–	–	–
2012									
Financial Assets									
Cash and Cash Equivalents [(i)]	4,207	(42)	(42)	42	42	–	–	–	–
Receivables [(ii)]									
– Trade Debtors	753	–	–	–	–	–	–	–	–
– Other Receivables	741	–	–	–	–	–	–	–	–
Other Financial Assets									
– Term Deposits	14,000	(140)	(140)	140	140				
– Debt Securities (ANZ Asprit II)	1,981	–	–	–	–	–	–	–	–
– Debt Securities (CBA Helix Cap AA Oasis CDO)	3,127	(31)	(31)	31	31	–	–	–	–
Financial Liabilities									
Payables	12,752	–	–	–	–	–	–	–	–
		(213)	(213)	213	213	–	–	–	–

[(i)] eg. Sensitivity of cash and cash equivalents to a +1% movement in interest rates: [$15M*0.07]–[$15M*0.06] = $150k. Similar for a –1% movement in interest rate, impact = $(150k).

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

Note 18: Financial Instruments (continued)

(e) Fair Value

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

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

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

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

Comparison Between Carrying Amount and Fair Value

	Carrying Amount 2013 $'000	Fair Value 2013 $'000	Carrying Amount 2012 $'000	Fair Value 2012 $'000
Financial Assets				
Cash and Cash Equivalents	4,889	4,889	4,207	4,207
Receivables [(i)]				
– Trade Debtors	1,237	1,229	753	745
– Other Receivables	629	569	741	618
Other Financial Assets				
– Term Deposits	15,000	15,000	14,000	14,000
– Debt Securities (ANZ Asprit II)	–	–	1,981	1,981
– Debt Securities (CBA Helix Cap AA Oasis CDO)	–	–	3,127	–
Total Financial Assets	21,755	21,687	24,809	21,551
Financial Liabilities				
Payables	16,782	16,782	12,752	12,752
Total Financial Liabilities	16,782	16,782	12,752	12,752

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

Note 18: Financial Instruments (continued)

(e) Fair Value (continued)

Financial Assets Measured at Fair Value

	Carrying Amount as at 30 June $'000	Fair value measurement at end of reporting period using		
		Level 1* $'000	Level 2* $'000	Level 3 $'000
2013				
Financial Assets at Fair Value Through Profit & Loss				
Debt Securities (ANZ Asprit II)	–	–	–	–
Debt Securities (CBA Helix Cap AA Oasis CDO)	–	–	–	–
Total Financial Assets	–	–	–	–
2012				
Financial Assets at Fair Value Through Profit & Loss				
Debt Securities (ANZ Asprit II)	1,981	–	1,981	–
Debt Securities (CBA Helix Cap AA Oasis CDO)	3,127	–	–	–
Total Financial Assets	5,108	–	1,981	–

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

Note 19: Commitments for Expenditure

Commitments Other Than Public Private Partnerships

	Total 2013 $'000	Total 2012 $'000
Other Expenditure Commitments		
Payable:		
Cleaning Services	–	187
Computer Services	310	119
Pharmacy Services	–	45
Security Services	476	–
Total Other Expenditure Commitments	786	351
Not later than one year	535	323
Later than 1 year and not later than 5 years	251	28
TOTAL	786	351
Lease Commitments		
Commitments in relation to leases contracted for at the reporting date:		
Operating Leases	9	89
Total Lease commitments	9	89
Operating Leases		
Commitments in relation to leases contracted for at the reporting date:		
Non-cancellable		
Not later than one year	8	80
Later than 1 year and not later than 5 years	1	9
Total Operating Lease Commitments	9	89
Total Commitments (Inclusive of GST) Other Than Public Private Partnerships	795	440

All amounts shown in the commitments note are nominal amounts inclusive of GST.

Note 20: Contingent Assets and Contingent Liabilities

There are no contingent assets and no contingent liabilities at 30 June 2013 (2012 – Nil).

Note 21a: Responsible Persons Disclosures

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

	Period	
Responsible Ministers:		
The Honourable David Davis, MLC, Minister for Health and Ageing	01–July–2012	30–June–2013
Governing Boards		
Mr Michael Ellis (Chair)	01–July–2012	30–June–2013
Ms Kellie Ann Jolly	01–July–2012	30–June–2013
Dr John Miller	01–July–2012	30–June–2013
Ms Kathryn Bell	01–July–2012	30–June–2013
Mr Anthony Monley	01–July–2012	30–June–2013
Mr Cameron Clark	01–July–2012	30–June–2013
Mrs Helene Bender	01–July–2012	30–June–2013
Dr Pamela Dagliesh	01–July–2012	30–June–2013
Ms Jennifer Theisinger	01–July–2012	30–June–2013
Accountable Officers		
Dr Deborah Cole	01–July–2012	30–June–2013
Remuneration of Responsible Persons		
The number of Responsible Persons are shown in their relevant income bands;		
	2013 No.	2012 No.
Income Band		
$20,000 – $29,999	6	8
$30,000 – $39,999	2	–
$50,000 – $59,999	1	1
$280,000 – $289,999	–	1
$330,000 – $339,999	1	–
Total Numbers	10	10
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	$618,579	$569,709
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 21b: Executive Officer Disclosures

Executive Officers' Remuneration

The numbers of executive officers, and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands. The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long-service leave payments, redundancy payments and retirement benefits. The total annualised employee equivalent provides a measure of full time equivalent executive officers over the reporting period.

	Total Remuneration		Base Remuneration	
	2013 No.	2012 No.	2013 No.	2012 No.
Income Band				
$100,000 – $109,999	–	1	–	1
$150,000 – $159,999	–	1	–	1
$160,000 – $169,999	–	–	–	–
$170,000 – $179,999	–	–	–	–
$180,000 – $189,999	1	–	1	–
$220,000 – $229,999	1	1	1	2
$230,000 – $239,999	1	1	1	–
Total number of executives	3	4	3	4
Total annualised employee equivalent (AEE) [(i)]	3.0	3.4	3.0	3.4
Total Remuneration	$652,002	$719,060	$644,164	$711,918

[(i)] Annualised employee equivalent is based on paid working hours of 38 ordinary hours per week over the 52 weeks for a reporting period.

Note 22: Events Occurring after the Balance Sheet Date

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

Note 23: Remuneration of Auditors

($ thousand)	2013	2012
Victorian Auditor-General's Office		
Audit or review of financial statement	22	26

Note 24: Glossary of Terms and Style Conventions

Actuarial gains or losses on superannuation defined benefit plans

Actuarial gains or losses reflect movements in the superannuation liability resulting from differences between the assumptions used to calculate the superannuation expense and actual experience.

Amortisation

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

Associates

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

Comprehensive result

The net result of all items of income and expense recognised for the period. It is the aggregate of operating result and other non-owner movements in equity.

Commitments

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

Current grants

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

Depreciation

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

Effective interest method

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

Employee benefits expenses

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

Ex gratia payments

Ex gratia payment is the gratuitous payment of money where no legal obligation exists.

Financial asset

A financial asset is any asset that is:
(a) cash;
(b) an equity instrument of another entity;
(c) a contractual or statutory right:
- to receive cash or another financial asset from another entity; or
- to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or

(d) a contract that will or may be settled in the entity's own equity instruments and is:
- a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
- a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial instrument

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

Financial liability

A financial liability that is:

(a) A contractual obligation:

- (i) to deliver cash or another financial asset to another entity; or
- (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or

(b) A contract that will or may be settled in the entity's own equity instruments and is:

- (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
- (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Financial statements

Depending on the context of the sentence where the term 'financial statements' is used, it may include only the main financial statements (i.e. comprehensive operating statement, balance sheet, cash flow statements, and statement of changes in equity); or it may also be used to replace the old term 'financial report' under the revised AASB 101 (September 2007), which means it may include the main financial statements and the notes.

Grants and other transfers

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

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

General government sector

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

Intangible produced assets

Refer to produced assets in this glossary.

Intangible non-produced assets

Refer to non-produced assets in this glossary.

Interest expense

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

Interest income

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

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

Joint ventures
Joint ventures are contractual arrangements between the Department and one or more other parties to undertake an economic activity that is subject to joint control. Joint control only exists when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

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

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

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

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

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

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

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

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

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

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

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

Receivables

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

Sales of goods and services

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

Supplies and services

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

Taxation income

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

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

Transactions

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

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

Style conventions

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

The notation used in the tables is as follows:
.. zero, or rounded to zero
(xxx.x) negative numbers
200x year period
200x–0x year period

Community Health Agencies

Region	Agency	Clinic
Barwon South Western	Barwon Health	Belmont
		Corio
		Newcomb
		Wathaurong Aboriginal Cooperative
	Bellarine Community Health	Point Lonsdale
	Colac Area Health	Colac
	Portland District Health	Portland
	South West Healthcare	Warnambool
		Timboon
		Gunditjmara
	Western District Health Service	Hamilton
Barwon South Western Total	6	
Grampians	Ballarat Health Service	Ballarat
		Wendouree
		Sebastopol
	East Grampians Health Service	Ararat
	East Wimmera Health Service	St Arnaud
	Edenhope & District Memorial Hospital	Edenhope
	Hepburn Health Service	Creswick
		Daylesford
	West Wimmera Health Service	Nhill
	Wimmera Health Care Group	Dimboola
		Horsham
Grampians Total	7	

Region	Agency	Clinic
Loddon Mallee	Bendigo Health Care Group	Bendigo
	Boort District Health	Boort
	Echuca Regional Health	Echuca
	Mallee Track Health & Community Service	Ouyen
	Maryborough District Health Service	Maryborough
	Sunraysia Community Health Services	Mildura
	Swan Hill District Health	Swan Hill
Loddon Mallee Total	7	
Hume Mallee	Seymour District Memorial Hospital	Seymour
	Goulburn Valley Health	Shepparton
		Cobram
	Northeast Health Wangaratta	Wangaratta
		Benalla
	Rumbalara Aboriginal Cooperative	Mooroopna
	Albury Wodonga Health	Wodonga
Hume Total	5	
Gippsland	Bairnsdale Regional Health Service	Bairnsdale
	Bass Coast Regional Health	Wonthaggi
	Central Gippsland Health Service	Sale
	Latrobe Community Health Service	Warragul
		Churchill
		Moe
		Morwell
	Orbost Regional Health	Orbost
	Omeo District Health	Omeo
Gippsland Total	6	

Region	Agency	Clinic
North & West Metropolitan	Banyule Community Health	West Heidelberg
	Darebin Community Health	East Reservoir
		Northcote
		PANCH – Preston
	Dianella Community Health	Broadmeadows
		Craigieburn
	Djerriwarrh Health Service	Melton
	Doutta Galla Community Health Service	Kensington
		Niddrie
	ISIS Primary Care	Brimbank
		Wyndham
		Hobsons Bay
	Merri Community Health Service	Brunswick
	Nillumbik Community Health Service	Eltham
	North Richmond Community Health	North Richmond
		Fitzroy
		Murray Valley Aboriginal Cooperative – Robinvale
	Plenty Valley Community Health	Epping
		Whittlesea
	Sunbury Community Health Centre	Sunbury
	Western Region Health Centre	Footscray – Geelong Rd
		Footscray – Paisley St
North & West Metropolitan Total	12	
Eastern Metropolitan	EACH	Ringwood
	Inner East Community Health Service	Ashburton
	Knox Community Health Service	Ferntree Gully
	MonashLink Community Health Service	Clayton
	Inspiro Community Health Service	Lilydale
	Whitehorse Community Health Service	Box Hill
Eastern Metropolitan Total	6	

Region	Agency	Clinic
Southern Metropolitan	Bentleigh Bayside Community Health	Bentleigh East
	Central Bayside Community Health Services	Parkdale
	Inner South Community Health Service	Prahran
		South Melbourne
	Peninsula Health	Rosebud
		Frankston
		Hastings
	Southern Health	Berwick
		Cranbourne
		Dandenong
		Kingston
		Springvale
		Pakenham
		Dandenong Hospital
Southern Metropolitan Total	5	

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 Department's compliance with statutory disclosure requirements.

Legislation	Requirement	Page Reference
Ministerial Directions		
Report of Operations		
Charter and purpose		
FRD 22C	Manner of establishment and the relevant Ministers	17
FRD 22C	Objectives, functions, powers and duties	17
FRD 22C	Nature and range of services provided	18
Management and structure		
FRD 22C	Organisational structure	36
Financial and other information		
FRD 10	Disclosure index	105
FRD 11	Disclosure of exgratia payments	N/A
FRD 15B	Executive officer disclosures	96
FRD 21B	Responsible person and executive officer disclosures	95
FRD 22C	Application and operation of *Freedom of Information Act 1982*	26
FRD 22C	Application and operation of *Whistleblowers Protection Act 2001*	27
FRD 22C	Compliance with building and maintenance provisions of *Building Act 1993*	26
FRD 22C	Details of consultancies over $10,000	23
FRD 22C	Details of consultancies under $10,000	23
FRD 22C	Major changes or factors affecting performance	41
FRD 22C	Occupational health and safety	27
FRD 22C	Operational and budgetary objectives and performance against objectives	31
FRD 22C	Significant changes in financial position during the year	41

Legislation	Requirement	Page Reference
FRD 22C	Statement of availability of other information	40
FRD 22C	Statement on National Competition Policy	26
FRD 22C	Subsequent events	96
FRD 22C	Summary of the financial results for the year	41
FRD 22C	Workforce Data Disclosures including a statement on the application of employment and conduct principles	38
FRD 25A	Victorian Industry Participation Policy disclosures	N/A
SD 4.2(j)	Sign-off requirements	4
SD 3.4.13	Attestation on data integrity	24
SD 4.5.5.1	Attestation on data insurance	25
SD 4.5.5	Attestation on Compliance with Australian/New Zealand Risk Management Standard	24
Financial Statements		
Financial statements required under Part 7 of the FMA		
SD 4.2(a)	Statement of changes in equity	48
SD 4.2(b)	Comprehensive operating statement	46
SD 4.2(b)	Balance sheet	47
SD 4.2(b)	Cash flow statement	49
Other requirements under Standing Directions 4.2		
SD 4.2(a)	Compliance with Australian accounting standards and other authoritative pronouncements	51
SD 4.2(c)	Accountable officer's declaration	43
SD 4.2(c)	Compliance with Ministerial Directions	51
SD 4.2(d)	Rounding of amounts	53
Legislation		
Freedom of Information Act 1982		26
Whistleblowers Protection Act 2001		27
Victorian Industry Participation Policy Act 2003		N/A
Building Act 1993		26
Financial Management Act 1994		51

dental health
services victoria
oral health for better health

www.dhsv.org.au
www.twitter.com/VicDental
www.facebook.com/DentalHealthVic