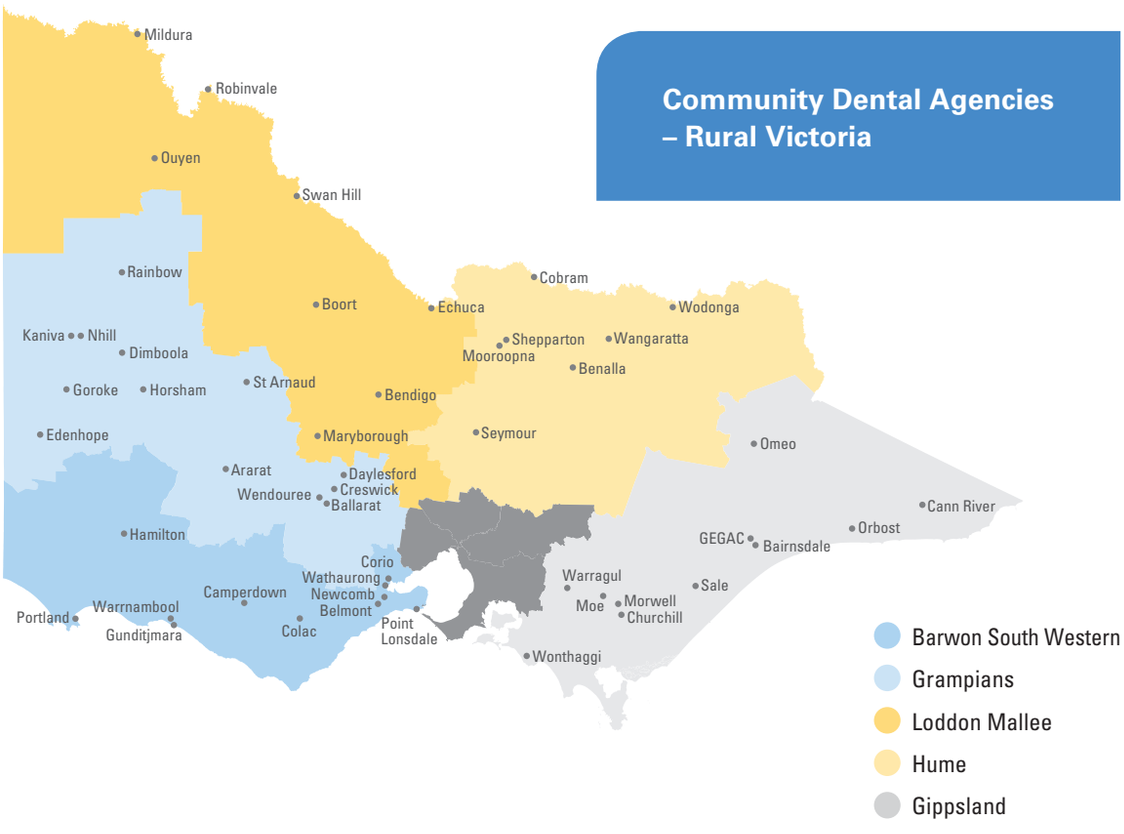
DENTAL HEALTH
SERVICES VICTORIA

ANNUAL REPORT

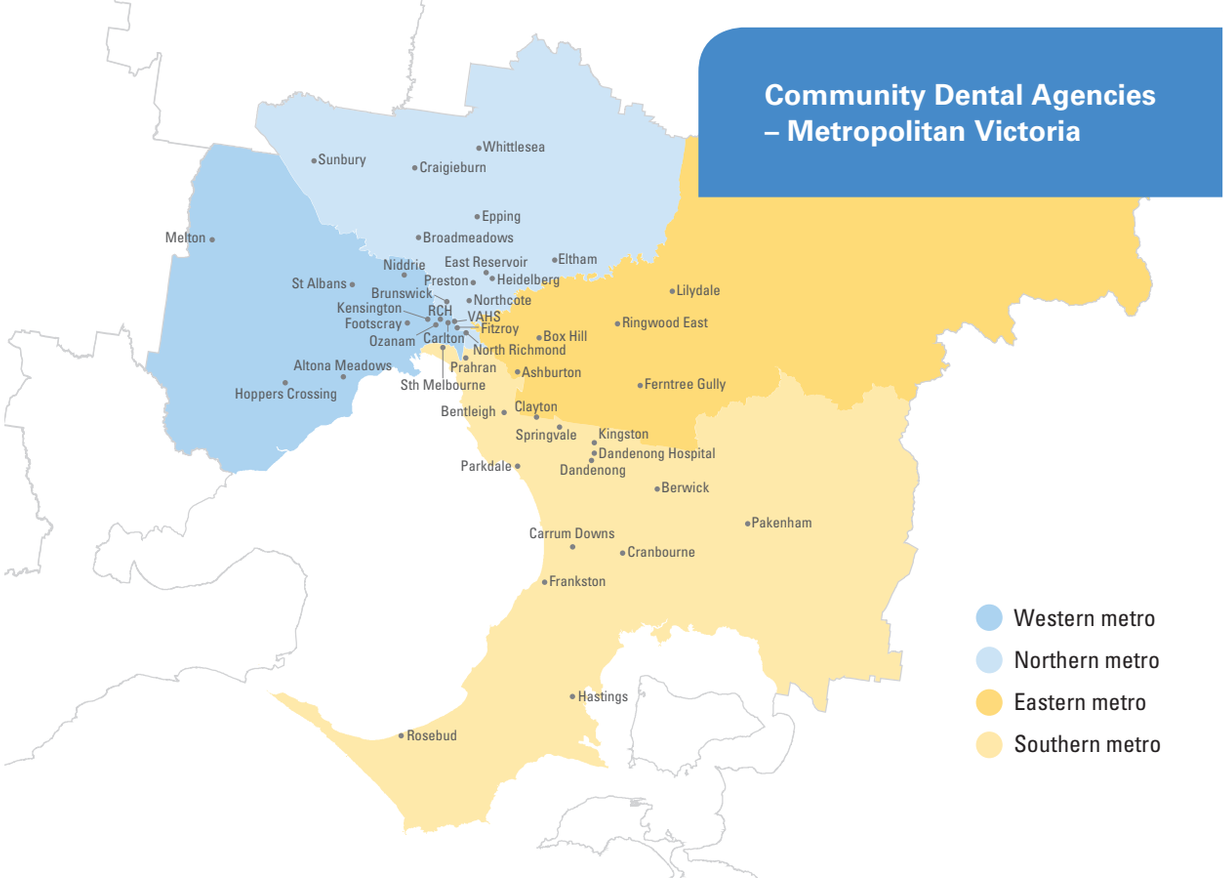
2017–18

dental health
services victoria
oral health for better health

Community Dental Agencies – Rural Victoria



Community Dental Agencies – Metropolitan Victoria



DENTAL HEALTH SERVICES VICTORIA

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

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

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

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

Responsible to the Victorian Minister for Health, DHSV is a public health service which employs 677 staff who work to an agreed Statement of Priorities. As trusted advisors in public oral health policy, program and guideline development, we aim to lead the improvement of oral health across Victoria.

DHSV was established under the Health Services Act 1988. The responsible Minister for Health during the reporting period was The Hon. Jill Hennessy MP. DHSV acknowledges the ongoing support of the Victorian Government.

Our Mission:

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

Our Vision:

Oral health for better health

Our Values:

Respect

Act with respect towards every person or idea we encounter

Accountable

Be accountable to the people we care for and those we work with

Collaboration

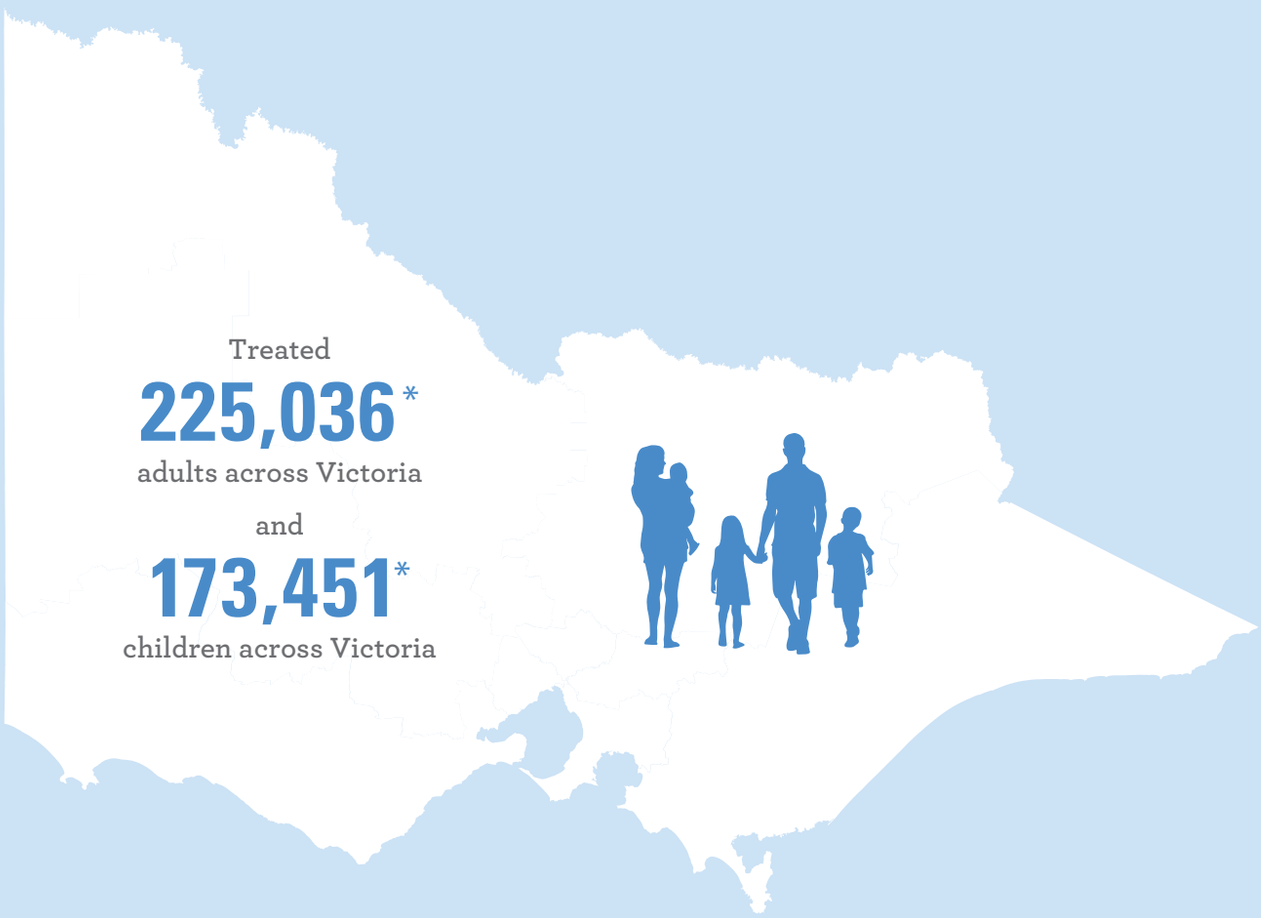
Embrace collaboration with all partners that help us achieve our goals

Transform

Transform ourselves and our organisation to achieve better health outcomes

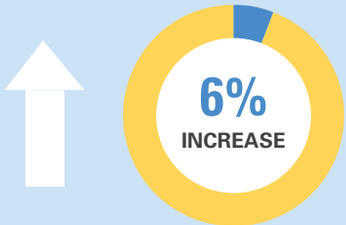
Where the term 'Aboriginal' is used it refers to both Aboriginal and Torres Strait Islander people. Indigenous is retained when it is part of the title of a report, program or quotation.

HIGHLIGHTS



* figures are inclusive of CDBS clients and Travis funding.

149,546
people received emergency care across the state

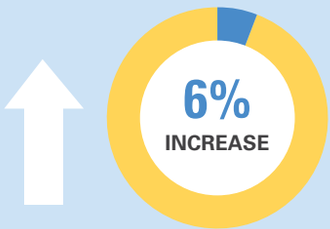


11,561
Aboriginal people were treated statewide

Smiles 4 Miles was able to reach more than

34,500

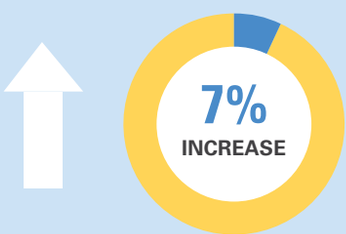
children



Specialist oral healthcare access improved with

19,578

people seen at RDHM



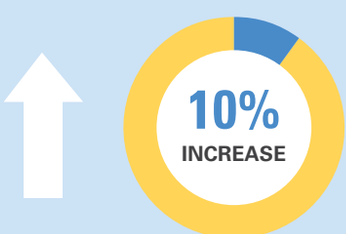
14,900

refugees and people seeking asylum received treatment statewide

More than

500

people attended the Public Oral Health Innovations Conference



RDHM's Oral Surgery department treated

7541

people

36

community dental agencies are participating in teledentistry

CONTENTS

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 2018.

Dr Zoe Wainer
Chair, Board of Directors
Dental Health Services Victoria Carlton VIC
9 August 2018

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

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

FROM THE CEO AND BOARD CHAIR

We are proud to present the Dental Health Services Victoria (DHSV) Annual Report for 2017–18. Over the last year we have focused on improving access to dental services and empowering people to take better care of their oral health at home. In partnership with community dental clinics across the state, we treated 386,373 Victorians supporting them to lead healthier and happier lives.

Looking back, our biggest achievement for 2017–18 would be developing a new approach to oral healthcare. Like the rest of the world, we are facing a number of challenges. Our population is ageing, we have growing rates of chronic disease, technology is more expensive and consumers expect more from us.

We have spent the last year laying the groundwork for a huge transformation in the way we design and deliver care. Our move towards value-based healthcare will benefit oral health professionals, our industry and most importantly – our consumers.

Value-based healthcare is about improving the health outcomes that matter to people while ensuring the dental team is working to their full scope of practice. Instead of making assumptions about how our new models of care should look, we consulted with our staff, partners and consumers including refugees, Aboriginal and Torres Strait Islander Australians, people without homes and those in care homes. We also consulted with clinical staff to analyse what is and isn't working with the current system and how we can create a more person-centred and efficient future state.

Through all this consultation, research and planning we now have a clear picture of where we need to be. We are ready to press 'go' on our transformation and are extremely excited about the possibilities.

Prevention and early intervention is vital in ensuring ongoing oral health of Victorians. Our health promotion team continued to partner with the health, education, early childhood and community sectors to support families to eat well, drink well and clean well. We also continued our successful partnership with Zoos Victoria. By sponsoring the hippos at Werribee Open Range Zoo we have found an engaging and fun way to promote our oral health messages and set children up for a lifetime of healthy habits.

Technology is an important part of the puzzle in improving Victoria's oral health. In 2017–18, we further embraced technology and improved service integration by rolling out teledentistry across the state. Patients living in rural and remote areas can now receive specialist treatment close to home, as community dentists perform examinations using intra-oral cameras while receiving live advice from a specialist at the Royal Dental Hospital of Melbourne (RDHM). So far, 176 patients have received specialist treatment through the teledentistry program, saving these patients significant time travelling and ensuring the right care at the right time. This is just one example of the outstanding models of care emerging through collaboration between community dental clinics and the Royal Dental Hospital of Melbourne.

We want everyone who works under the DHSV umbrella to feel safe, respected and valued at all times. Over the last year we continued to make headway in implementing our Respectful Workplace Framework which included the introduction of wellbeing contact officers for our staff and a focus on embracing diversity and eradicating inappropriate behaviour. We are proud to have pioneered ground-breaking policies in this space over recent years including a policy that supports any employee who is experiencing domestic violence through safety plans, leave entitlements, counselling and other confidential assistance.

We continued to create a more welcoming and culturally appropriate environment for Aboriginal patients by launching Wominjeka – an online course for our staff that raises awareness of Aboriginal culture, with a focus on respect, diversity and inclusiveness. We also expanded outreach programs that increase access to care for Indigenous communities.

It would be impossible to list all our achievements on one page so please take the time to read through this report. We are immensely grateful to every person who has helped us improve oral health outcomes over the past year. To our consumers, our Board, our staff, other public dental clinics and all our valued partners – thank you.

Dr Deborah Cole
Chief Executive Officer (CEO)

Dr Zoe Wainer
Board Chair


Oral Health for Better Health
Princes

YEAR IN REVIEW: REPORT OF OPERATIONS

VALUE-BASED HEALTHCARE

DHSV is transitioning to a model of care that embeds the principles of value-based healthcare (VBHC) by driving both better health outcomes and experiences for consumers.

VBHC is in line with DHSV's 2016–21 Strategic Plan which prioritises improving health outcomes and the consumer experience by:

- partnering with consumers to design an experience that delights
- co-designing care with the full range of stakeholders including consumers and employees to ensure improved health outcomes including consumer safety.

VBHC comprises a framework of nine mutually dependent, interrelated components with the consumer in the centre. The nine interrelated components are:

1. consumer engagement and co-design
2. value stream mapping
3. practice design: The DHSV Way
4. workforce, scope, skills, capability building
5. measure outcomes and costs
6. funding models
7. data collection and evaluation systems
8. agency and specialist linkages
9. ICT platforms.

As DHSV transitions to delivering healthcare using a value-based healthcare approach, we will move towards a person-centred system organised around what consumers value.

Consumer and community engagement is central to the VBHC approach so the project commenced with a series of *Voice of Consumer* consultations to understand the lived experiences of consumers accessing oral health services, and to ensure the service is valued by consumers. Participants in these sessions included vulnerable communities that make up DHSV's priority populations. Consultation forums were also undertaken with other stakeholders including clinicians, community dental agency staff and senior management.

Key activities for the VBHC project have included:

- Mapping consumer journeys for emergency and general care (from inquiry to discharge) including costings using a time-based allocation model.
- Redesigning how services are delivered by focusing on prevention and early intervention including how our staff can work to their full scope of practice.
- Working with the International Consortium for Health Outcomes Measurement (ICHOM) to develop a set of oral health outcome indicators and examining how we collect data to help drive improved health outcomes.
- Undertaking research to examine funding models that support the principles of VBHC.
- Developing waiting list protocols that will empower consumers in improving their health outcomes.
- Reviewing IT systems to ensure they support and drive the move towards VBHC.

As DHSV transitions to delivering healthcare using a VBHC approach, we will move towards a person-centred system organised around what consumers value.

DHSV VALUE-BASED HEALTHCARE MODEL HAS 9 CORE ELEMENTS

With consumer engagement and co-design at its centre.

FOSTERING A RESPECTFUL WORKPLACE

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

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

During 2017–18 we continued the implementation of our respectful workplace action plan through a range of key activities, including:

- **Wellbeing Contact Officer Network and myResolution Toolkit**

Identified as a strategic action flowing from analysis of staff feedback through the annual People Matter survey, the Wellbeing Contact Officer Network initiative supports staff with a workplace concern. Contact officers are staff who have volunteered and received training to undertake the role which includes providing information about available options and support services.

The myResolution toolkit is designed to assist staff who have a workplace concern by guiding them through the process of the Staff Complaints Resolution procedure.

- **New Employee Onboarding**

Commencing in September 2017, new employees engage in half-day Respectful Workplace sessions as part of the onboarding process. Held quarterly, the orientation sessions introduce the respectful workplace approach and the rights and responsibilities of employees under this framework.

- **Respectful Workplace Learning Day**

The second DHSV Respectful Workplace Learning Day was held in December 2017 and was attended by all staff, as well as members of the Board and the Community Advisory Committee.

The day's theme, A Culture of Caring and Kindness, embraced the importance of, and strategies for, creating a workplace where all feel respected, valued, safe, and supported, and where consumers feel welcome, heard, understood and cared for in the best possible way.

Diversity Inclusion

DHSV launched the Diversity Inclusion Enabling Plan, which has a particular focus on understanding, embracing and engaging with the 'diversity within diversity'. The plan, aligned with our strategic goals, is grounded in our respectful workplace principles and behaviours, and consumer and community engagement model. It is an evolving document that defines the actions we will take to drive cultural and disability diversity inclusion.

Consumer and Community Engagement

During 2017–18, DHSV progressed implementation of the action plan for consumer and community engagement, with activities including:

- the development of a behavioural framework for community engagement aligned with The DHSV Way core values of respect, accountability, collaboration and transformation
- a series of *Voice of the Consumer* workshops featuring representatives from priority populations
- adoption of a co-design framework
- implementation of a Consumer Register as a strategy to build our Consumer Representative Network.

IMPROVING ACCESS

Aboriginal and Torres Strait Islander Peoples

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

DHSV increased Aboriginal representation in our clinical workforce with our award winning Aboriginal Dental Assisting Traineeship Program. DHVS's Aboriginal dental assistants work closely with dental professionals to deliver oral healthcare and education to their fellow community members.

DHSV continues to support two of our Aboriginal staff who are studying their Bachelor of Dentistry degrees at La Trobe University. They were the first-ever Aboriginal students to be accepted into this course. Two Aboriginal dental assistants employed at RDHM completed the RMIT University certificate IV training in Oral Health Promotion.

We also created a Student Placement Program and in partnership with the Australian College of Health Centre Service, we provided a placement to an Aboriginal post-graduate student undertaking a Masters of Public Health.

As part of our Respectful Workplace and The DHSV Way, we launched Wominjeka, which means 'welcome' in Wurrung language. Wominjeka is an online learning module that raises awareness of Aboriginal culture, with a focus on respect, diversity and inclusiveness. We celebrated Aboriginal days of significance and our employees participated in creating the Reconciliation Banner, painting their handprints to signify unification.

To support the delivery of oral health services to the Aboriginal community in Gippsland, there was a significant Victorian Government funding increase to the Gippsland and East Gippsland Aboriginal Cooperative.

As part of the Indigenous Advancement Strategy DHSV activities include:

- Advocating for policy change as part of the VAGO recommendations, to provide priority access to public health services for all Aboriginal people.
- Renewing the Memorandum of Understanding (MOU) with the Victorian Aboriginal Community Controlled Health Organisation (VACCHO) in December 2017, as a commitment to continue to work together to achieve and sustain better oral health outcomes for Aboriginal people in Victoria.
- Working with the Bendigo and District Aboriginal Co-operative to support the implementation of a fluoride varnish program.

RDHM clinical staff have run two clinics at The Gathering Place in Werribee to allow Aboriginal consumers to receive oral healthcare and advice in a familiar environment. A clinical team of dentists, oral health therapists and oral health educators have seen over 80 people at The Gathering Place in the last year. This whole of family approach focuses on and emphasises health promotion and prevention.

Teledentistry

DHSV is committed to improving the oral health of people in rural and regional areas who cannot access services close to home. The Teledentistry Initiative is an example of a person-centred model of care focused on eliminating barriers and improving health outcomes through increased access to specialist services.

People across the state now have much greater access to specialist care, with a total of 36 participating community dental agencies engaged in the teledentistry rollout. Of this number, 23 are rural agencies and 13 are in the metropolitan area.

Of the 36 agencies, 26 have attended RDHM and completed training. The remaining agencies are expected to complete their training by the end of 2018.

Training involved half a day at RDHM and included:

- time observing in the oral mucosa clinic
- use of intra-oral and digital cameras
- use of web portal to refer consumers.

A Safer Workplace – Speaking up for Safety

DHSV engaged Dr Annalene Weston, a dentist from the Cognitive Institute, to deliver a workshop to all staff to underline the message that safety is everyone's responsibility. Eight one-hour workshops were delivered over two days. The aim of the workshop was to increase the ease and motivation for clinical staff to raise consumer safety concerns with colleagues through graded assertiveness communication skills training.

Dr Weston outlined a structured escalating conversation which could be used in the clinical setting if there were concerns about consumer safety. Called the 'Safety CODE', clinicians were encouraged to use a checklist of: Check; provide Options; respectfully Demand; and if required, Elevate any safety issue.

The key messages were that many errors could be prevented if someone had spoken up at the right time and the behaviour you walk past is the behaviour you accept.

WORKING IN PARTNERSHIP

DHSV continues to work with a range of organisations that are committed to making a difference in their communities to help spread the message about the importance of good oral health.

Refugee and Asylum Seeker Toolkit

DHSV worked in partnership with the Victorian Refugee Health Network (VRHN) on an initiative to improve the oral health of refugee and asylum seekers. Many in this priority group have experienced injury to their mouth and teeth and have been deprived of oral health necessities while living in or fleeing conflict. Upon arrival in Australia, language barriers and a lack of familiarity with the local health system can prevent refugees and asylum seekers from seeking treatment. DHSV and VRHN developed a toolkit to assist clinicians in identifying refugees and people seeking asylum's level of oral health risk and their ongoing need for priority access.

The initiative, which was successfully trialled in two community sites, helps to observe and assess consumers for clinical and social risks that have an impact on their oral health. It also guides professionals on how to provide follow-up care through recall appointments and education for those with a high risk of tooth decay.

The toolkit aims to put oral health front of mind for people settling in a new country, where other matters often tend to take priority. In 2017–18, 14,900 refugees and asylum seekers received treatment statewide.

The toolkit won the Government and Civic Leadership Award at Victoria's Multicultural Awards for Excellence, an award recognising government bodies for innovations meeting the needs of their culturally, linguistically and religiously diverse communities.

Zoos Victoria

Our partnership with Zoos Victoria has provided a great opportunity to engage families in the importance of better oral health practices. Oral health therapists from IPC Health's dental clinic offered free onsite screenings for children at the February family fun day. More than 140 children had their mouths checked at the event.

Preventative programs and reinforcing the 'eat well, drink well, clean well' message helps families to avoid poor oral health becoming a significant issue later in life. The alignment of the partnership between DHSV and Werribee Open Range Zoo to the hippo enclosure highlights the importance of cleaning your teeth and dental visits, as the hippos require their teeth to be cleaned every day like humans do.

Local Government

With funding from the Victorian Government, DHSV works with a range of health and other professional groups to increase their capacity to promote oral health within their own environments. These partnerships help create a team of community oral health champions across a wide range of disciplines.

To assist local government areas (LGAs) with their 2017–21 municipal public health planning, DHSV and the Department of Health and Human Services (DHHS) updated the 79 comprehensive oral health profiles specific to each LGA.

The profiles identified key indicators for oral health including:

- oral health status of children and adults potentially preventable dental hospitalisation rates
- self-reported oral health and last dental visit
- modifiable health risk behaviours that have an impact on oral health including rates of smoking, risk of alcohol-related harm, fruit and vegetable consumption and soft drink consumption.

The previous profiles that were developed during the 2013–17 municipal public health planning cycle resulted in the majority of LGAs including oral health as one of their priority actions in their municipal public health plans.

Smiles 4 Miles

Smiles 4 Miles is a DHSV initiative which works in partnership with organisations to improve the oral health behaviours of pre-school aged children, their families and staff. Smiles 4 Miles promotes three key messages: 'drink well, eat well and clean well'.

In 2017–18, Smiles 4 Miles worked in partnership with a number of stakeholders to implement the program effectively across Victoria, including 31 local community organisations, the Achievement Program, Healthy Eating Advisory Service, Cancer Council Victoria, Nutrition Australia, VACCHO and the early childhood care and education sector.

Through the work of these community organisations, Smiles 4 Miles was able to reach over 34,500 children and their families across 560 early childhood services. The program covered the areas at greatest risk of poor oral health in 55 LGAs across Victoria.

Oral health training in 2017–18 has been provided to 545 professionals including:

- 48 Smiles 4 Miles Coordinators attending the annual forum and through one-on-one training
- 29 students studying Certificate III in Early Childhood Education and Care received oral health training through our partnership with Holmesglen Institute
- 468 early childhood educators participated in oral health training.

Healthy Families, Healthy Smiles

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

During 2017–18 more than 500 professionals from a range of disciplines participated in professional development activities including:

- 40 midwives completed the Midwifery Initiated Oral Health Education Program to build knowledge and confidence to deliver oral health advice, assessment and referral. A further 40 antenatal professionals participated in other professional development forums offered through the program.
- 221 maternal and child health nurses (MCHN) across 13 LGAs participated in training and 42 maternal and child health (MCH) students at RMIT University.
- 97 early childhood professionals, including 72 early childhood educators participating in the Healthy Little Smiles education program, along with 13 supported playgroup facilitators trained to deliver oral health education using a pictorial flipchart.
- 57 staff working with Aboriginal families.
- A webinar delivered in partnership with the Dietitians Association of Australia reached 21 dietitians.

New resources were also developed to support professionals to promote oral health through their services, including:

- The Tooth Tips fact sheet series was translated into 10 community languages with support from Department of Education and Training Victoria.
- We consulted with professionals and families to adapt the Baby Teeth Count Too! flipchart for use in supported playgroups for children with a disability.
- *Little Koori Smiles*, a new resource for Aboriginal Supported Playgroups was piloted in partnership with VACCHO and the Victorian Aboriginal Child Care Agency (VACCA). The program expansion is planned.

Smokefree Smiles

Based on a simple three-step framework of 'ask, advise and help', the Smokefree Smiles program provides training and support for oral health professionals to offer brief interventions, as well as initiate referrals to Quitline.

DHSV has co-designed a program with oral health professionals to assist short conversations with their consumers about smoking cessation. Working in partnership with Quit Victoria, The Australian Dental Association Victorian Branch, and funded by DHHS, Smokefree Smiles recognises that a significant number of oral health professionals are not having discussions with their consumers regarding their smoking and gives them the resources to do so.

Disability

DHSV finalised and user tested the 'Supporting Every Smile' website which aims to strengthen the focus on promoting good oral health in disability services. The website suggests ways that service providers can incorporate oral health promoting actions into their support models and offers information and strategies to help support workers promote and support healthy environments and behaviours every day.

The website also includes consumer-tested Easy Read oral health information and visual communication tools which can be shared with service users and their families. The package was developed in partnership with disability sector partners, support workers and oral health professionals and is available at **EverySmile.dhsv.org.au**

Alliance for a Cavity Free Future

On behalf of the Alliance for a Cavity Free Future, DHSV distributes, twice yearly, tooth-packs to children and families from disadvantaged communities, including the Department of Education and Early Childhood Development Supported Playgroups, Koori Maternity Services and Early Parenting sites. The tooth-packs include toothbrushes and toothpaste and are accompanied by DHSV oral health promoting resources, such as tip cards, how-to guides and translated brochures.

The Royal Flying Doctor Service Victoria

DHSV expanded the partnership with The Royal Flying Doctor Service Victoria with funding provided by the Victorian Government for the purchase and delivery of a second mobile dental van that offers screening, oral health education and treatment to eligible Victorians in rural parts of the state.

Victorian Action Plan to Prevent Oral Disease 2018–22

The Victorian Oral Health Advisory Group (also the Population Health Committee) has partnered with DHHS to develop a new four-year action plan for the prevention of oral disease with a 2030 vision of Good Oral Health for all Victorians. On behalf of the Department, DHSV conducted extensive consultations in 2017–18 to co-design the plan which is currently being finalised.

Facilitated consultation sessions were held during committee meetings including DHSV's Consumer Advisory Committee, the Healthy Families, Healthy Smiles reference group and public dental forums including Ballarat, Moe, Cobram and Melbourne. Two roundtable consultations were held at Frankston and Bendigo with key representatives from local government, community health services, local organisations and consumers invited to attend. The Parliamentary Secretary for Health, The Hon. Gabrielle Williams MP, attended the Frankston round table consultation.

EXCELLENCE IN LEADERSHIP

Oral Health Advisory Council

The Oral Health Advisory Council (OHAC) is DHSV's peak clinical body. Reporting through Executive to the Board, OHAC leads the improvement in the oral health of our community through clinical leadership and engagement with the clinical workforce and the community.

OHAC is responsible for clinical governance and quality improvements across DHSV activities impacting on quality clinical care for public oral health services in Victoria. Credentialing and scope of clinical practice and clinical leadership in practice committees report to OHAC. OHAC achieved positive outcomes in a number of key areas, including:

- DHSV accreditation with respect to clinical governance
- reviewing and updating of Quality Clinical Indicators and Clinical Scorecards
- development and review of policies and procedures such as Supervision policy and Radiography standard operating procedures
- competency standards for Advanced Radiological Interpretation.

Clinical Leadership in Practice (CLiP)

The Clinical Leadership in Practice (CLiP) committee, chaired by the Principal Oral Health Advisor, has been busy over the past 12 months reviewing, updating and developing a range of clinical guidelines including dental management of pregnant women, caries management, consumers on bisphosphonates medication, and management of trauma.

Clinical Guidelines are developed by the CLiP committee based on a review of clinical evidence. Staff are now able to claim up to 15 Continuing Professional Development points by reviewing the updated guidelines.

Some of these updated guidelines (including the bisphosphonate Guideline) have been requested by the Editorial Director of Therapeutic Guidelines Limited as a reference for the next version of the *Oral and Dental guidelines*, due for publication in 2019.

Health Pathways

DHSV has collaborated with the Victorian PHN Alliance to develop a statewide suite of dental health pathways for general practitioners through HealthPathways Melbourne. A large number of pages were updated, in addition to a new paediatric suite that is currently in development.

Improving the Consumer Experience – Silver Diamine Fluoride

DHSV has conducted a Victorian-first study investigating the use of silver diamine fluoride (SDF) to fight tooth decay and reduce dental hospitalisations in Victorian children. Silver diamine fluoride is used to control cavities. The liquid can be applied to a cavity to stop tooth decay and in some cases replaces the need for a filling or a crown.

The study included more than 400 children aged between two and 10 at IPC Health and Dianella Health who have dental cavities and are unable to cope with treatment in the dental clinic. Many of these children are from vulnerable communities and referred to RDHM for surgery under general anaesthetic.

The trial involves a ground-breaking protocol involving the application of SDF, a liquid cavity cleanser and desensitizer, twice yearly to arrest decay. It will be accompanied with oral health education, encouraging children to brush with fluoride toothpaste twice a day and to eat a healthy diet.

Preliminary results indicate adoption of the SDF protocol has resulted in a significant reduction in the rate of preventable dental hospitalisations in children. Most parents opted against referral for dental hospitalisation, preferring to be managed locally. Parent-reported quality of life for children managed under dental hospitalisation were the same as those in the SDF protocol.

The study results will be presented at the World Dental Federation (FDI) World Dental Congress in Buenos Aires in September 2018.

Funding

All Victorian Government funds were acquitted and targets were met for 2017–18. Funding for the federal government's *National Partnership Agreement (NPA) on Public Dental Services for Adults* has been confirmed for the whole of 2018–19.

In May 2018, the Victorian Minister for Health announced an additional $12.1 million of funding to assist with wait list reduction, provide fluoride varnish for children in disadvantaged communities, train dental clinics with alternative sedations to general anaesthetics, and an allocation for oral healthcare education.

Aged Care

As part of the ongoing commitment to improving the oral health of seniors, DHSV has developed an online Aged Care Oral Health Package. The package is aimed at capacity-building the oral health and aged care sectors to be proactive in their management of oral health for aged care residents.

EXCELLENCE IN INNOVATION

Centre for Value-Based Healthcare

Centre for Value-Based Healthcare (CVBHC) was involved in a range of activities including:

- Led a Cochrane Review on "Community-based population-level interventions for promoting child oral health". The review included findings from 38 studies across the globe (total 119,789 children) on effective interventions for preventing dental caries, gingival and periodontal diseases. Positive impacts were reported for multi-component and multi-setting interventions (oral health education coupled toothpaste provision, sugarless chewing gum, motivational interviewing, professional oral care, training of non-dental professionals, fluoride varnish application, fluoride supplements and reducing sugar consumption). The findings from the review has global implications in models of oral healthcare delivery, oral health promotion, research, policy and practice.
- Led the Victorian arm of the National Study of Adult Oral Health. This is a collaborative project among the federal and state/territory health departments and the University of Adelaide's Australian Research Centre for Population Oral Health. In partnership with 28 community dental agencies across Victoria, 1266 participants have been examined from a total sample of 1740 participants. The information collected will be used to inform government dental health policies and programs.
- Led Australia's National Oral Health Plan (NOHP) 2015–24 performance monitoring implementation project. Standardised definitions, the NOHP key performance indicators (KPIs) and a standardised framework to enable reporting of the NOHP KPIs were developed. CVBHC produced the first national report providing baseline data for the KPIs from all jurisdictions at the commencement of the 10-year NOHP. The report has been submitted to the Oral Health Monitoring Group and then submitted to the Community Care and Population Health Principal Committee.
- Analyses of service data was undertaken to inform how we best deliver services using VBHC principles. These included: the profile of access and services provided to children by risk status; and services provided to children receiving treatment under general anaesthetic. The findings from the analysis were presented to all agencies at regional forums held across the state.
- An evaluation of a new triage tool (Relative Needs Index) was implemented at RDHM. This will inform potential statewide implementation of the tool to better prioritise and manage people presenting with urgent dental care needs.

International Knowledge and Discovery

The International Consortium of Health Outcome Measurement (ICHOM) is a non-profit organisation designed to transform healthcare systems worldwide by measuring and reporting consumer outcomes in a standardised way. ICHOM has developed standard sets of outcome measures for many medical conditions with the aim of covering more than 50 per cent of the global disease burden by 2017. DHSV, the Harvard School of Dental Medicine and the Hospital Contribution Fund Foundation have partnered with ICHOM to develop the standard set of outcomes measures for adults and children and has participated in several rounds of international teleconferences to support the development of outcome measures for oral health.

A standard set of outcome measures for adult oral health has now been developed with DHSV as an active partner with ICHOM and the FDI. This standard will now undergo a consumer validation process. DHSV will lead the implementation of the ICHOM Adult Oral Health Standard Set Consumer Validation Survey in Australia.

Caring for the Environment

DHSV has become a member of the Global Green and Healthy Hospitals (GGHH) and has agreed to endorse the GGHH agenda – a comprehensive framework of 10 interconnected goals designed to support hospitals and health systems around the world to achieve greater sustainability and to contribute to improved public and environmental health.

BUILDING A STRONGER WORKFORCE

Oral Health Educators

DHSV continues in its commitment to building the capacity of its oral health educators. Forty-five oral health educators have completed a 12-month intensive training program with RMIT University. Participants were selected from agencies across the state and from RDHM. The certificate program comprised a mix of classes, online workshops and practical exercises undertaken in the workplace.

Courses for Overseas-Trained Dentists

A new program has been successfully developed and offered to overseas-trained clinicians to assist with their preparation for the Australian Dental Council (ADC) examinations. The new program includes a 10-day lecture and case study component to assist participants to prepare for the objective structured clinical examination (OSCE) section of the examination. Mock examinations are run regularly to provide feedback to participants on areas requiring further focus.

New DHSV myHR Portal System

DHSV implemented a new myHR portal that was launched in November 2017. The new platform provides employees with access to their information with a single sign-in. All users of the portal benefit from ease of access to their individual candidate profiles, personal and HR data and payroll information. Managers and team leaders can also use the system to access the new recruitment and staff change models.

DHSV and La Trobe University Team up for Great Oral Health

On 21 September 2017, DHSV and La Trobe University signed a Memorandum of Understanding (MOU) at DHSV. The objective of the MOU is to encourage both parties to jointly work towards achieving better oral health outcomes for Victorians, with a focus on children in regional Victoria.

The MOU sets out DHSV's commitment to foster close collaboration in the important areas of practice-based research, knowledge translation, health program evaluation, professional practice placements and staff capacity building.

Family Violence Response

A policy for consumers and visitors affected by domestic and family violence was approved in 2017. DHSV is now being supported by Melbourne Health to implement components of the Strengthening Hospital Responses to Family Violence (SHRFV) model and is represented at the Melbourne Health SHRFV Steering Committee.

In May and June 2018, a number of DHSV staff completed Common Risk Assessment Framework (CRAF) training run by the Domestic Violence Resource Centre. Training for all front-line staff will be provided in 2018–19 to ensure they are able to identify and respond sensitively and appropriately to family violence disclosures.

DHSV Public Oral Health Innovation Conference and Regional Forums

More than 500 participants attended DHSV's Public Oral Health Innovations Conference in April 2018. Held at the Melbourne Convention and Exhibition Centre, the conference featured a range of expert speakers discussing topics ranging from health initiatives to innovative communication.

The conference explored: strategies for enhancing the consumer experience through meaningful engagement; the latest developments in VBHC; and ways of promoting clinical care through highly effective interactions with consumers.

The 2017–18 regional community dental agency forums were held across regional and metropolitan areas, including Sebastopol, Moe, Barooga (NSW) and Melbourne CBD. The forums provided participants with the opportunity to engage in key topics, network, and work towards collective innovation across the sector. Key topics included VBHC, silver fluoride, and consumer case studies.

Awards and Recognition

CEO Dr Deborah Cole won the 2017 Lynda Gratton CEO Award at the Australian Human Resources Institute (AHRI) Awards. The Lynda Gratton CEO Award recognises Chief Executive Officers who through best practice people management achieve positive results for their organisation. DHSV was also a finalist for the AHRI Inclusive Workplace Award for the 'Respectful Workplace Framework'.

In conjunction with Western Health, DHSV won the 'Safer Care Victoria compassionate care award' for dental health services for those with special needs at the 2017 Victorian Public Healthcare Awards.

Safety and Quality

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

DHSV implemented new patient safety related questions in November 2017. Feedback is collected from our consumers and visitors at RDHM and reviewed monthly.

The Patient Experience Tracker satisfaction results for 2017-18 were:

88.22% Easy to contact
94.09% Wait time for Welcome
93.75% Friendly manner at reception
93.04% Communication
90.86% Wait times communicated to patient
88.5% Confidence in clinician
88.1% Equipment standard
87.3% Safety
98.3% Introductions.

The overall consumer and visitor satisfaction score at RDHM was **91%**.

DHSV won the Government and Civic Leadership Award at Victoria's Multicultural Awards for Excellence for our refugee and asylum seeker toolkit that was developed in partnership with the Victorian Refugee Health Network.

DHSV was a finalist for the 'Secretary's Award for improving integration of care for patients with chronic and complex conditions' through the teledentistry project at the 2017 Victorian Public Healthcare Awards. DHSV was also highly commended for 'Improving Indigenous health – closing the gap' for creating a more culturally affirming public dental environment for Aboriginal people.

Regulations

DHSV contributed the development of the Drugs, Poisons and Controlled Substances Amendment (Dental Assistant) Regulations 2018. These regulations now enable dental assistants to administer fluoride varnish under the prescription of a registered oral health professional.


Sisters
Forever

PURPOSE, FUNCTIONS, POWERS AND DUTIES

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

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

We work to educate the community and broader health sector about the links between oral health and general health.

We use our position as leaders in oral health and our partnerships with other health organisations and providers to promote the message that good oral health is essential for overall health and wellbeing to better the oral health outcomes for all Victorians.

DHSV is responsible for:

- providing dental services through RDHM
- purchasing dental services from more than 50 community dental agencies across Victoria
- developing the current workforce and supporting the education and training of future oral health professionals
- fostering, supporting and participating in oral health research
- advising the government on policy, funding and service development
- supporting oral health promotion programs across Victoria
- providing clinical leadership to the public oral health sector.

The following groups are eligible for public dental services:

- all children aged 0 to 12 years
- young people aged 13 to 17 years who are healthcare or pensioner concession cardholders or dependents of concession card holders
- children and young people up to 18 years of age in out-of- home care provided by DHHS
- youth justice clients in custodial care, up to 18 years of age
- adults, 18 years and over, who are healthcare or pensioner concession cardholders or dependents of concession cardholders
- refugees and asylum seekers.

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

The following groups have priority access:

- Aboriginal and Torres Strait Islander peoples
- children and young people (0 to 17 years)
- 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.

We work to educate the community and broader health sector about the links between oral health and general health.

SUMMARY OF SERVICES

RDHM

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

Community Dental Agencies

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

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

Services

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

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

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

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

Education
RDHM's specialist and teaching clinics support The University of Melbourne's education programs for dentists, specialists and oral health therapists. The teaching clinics also support RMIT University's education programs for dental assistants, technicians, prosthetists and hygienists. In addition, RDHM provides training for overseas-trained clinicians seeking to sit for the ADC exams to gain professional registration.

DHSV works closely with La Trobe University's dentists and oral health therapists to support its rural oral health teaching program in a number of community dental agencies.

Purchased services
DHSV purchases oral health services from more than 50 community dental agencies.

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

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

Partnering with our consumers
DHSV involves consumers in all aspects of its business, particularly around improving the consumer journey through our services.

Consumers are included on sub-committees and are consulted wherever possible in service and program developments.

DHSV consults with consumers and the Victorian community on the way services are provided and our strategic goals for the future. The Strategic Framework for Consumer and Community Engagement 2016–21 involves communities in the formation of DHSV policies and strategies.

Information technology
DHSV develops and maintains client management system solutions and infrastructure to support the activities at dental clinics across Victoria.

Management reporting and analysis
DHSV provides management reporting and analysis services to dental clinics across Victoria.

Agency Relationships Team (ART)
DHSV works closely with public community dental agencies across the state to ensure services provided are as efficient and effective as possible with the resources allocated. ART provides resources, leadership, support and advice and is the link between agencies, DHSV and RDHM.

BOARD AND EXECUTIVE

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

Dr Zoe Wainer (Chair)
BMBS, GAICD
Appointed to the Board in July 2015, reappointed June 2018

Zoe is the Head of Public Health at Bupa Australia and New Zealand, Director on the Board of the Victorian Responsible Gambling Foundation and is an Honorary Clinical Research Fellow at the Peter MacCallum Cancer Centre. Her passion and expertise in public health has driven formal and informal collaborations with the ICHOM and Harvard Business School in value-based healthcare across multiple organisations and she has a continued advocacy focus on the importance of sex differences across health from basic research to health systems implications.

Zoe holds a Bachelor of Medicine, Bachelor of Surgery from Flinders University, and has a clinical background in cardiothoracic surgery and thoracic surgical oncology. She has a PhD and a Masters of Public Health from The University of Melbourne and is a graduate of the Australian Institute of Company Directors.

Ms Kathy Bell
BA (Hons), GradCertHealthEcons, MPH, GAICD
Appointed to the Board in July 2009

Kathy has extensive experience in public health policy and management, with a focus on primary healthcare, workforce issues, ageing, and Aboriginal health. She has held CEO roles in a number of organisations, and is currently engaged in Board and consulting work.

Dr Pamela Dalgliesh
BDS, Cert Therapy
Appointed to the Board in July 2011

Pamela has twenty-five 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, ADAVB, 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 Dentistry. In the past six years she has been involved in working with refugees from Africa and Burma with the Lutheran Church as its Community Development Facilitator. She is currently on the Board of Management for the Mansfield District Hospital.

Ms Barbara Hingston
BA, BSW, GAICD, AASW ICDA
Appointed to the Board in August 2013
Reappointed July 2016

Barbara brings a wealth of knowledge from governance, management and practice roles in health – acute, primary care, mental health, practitioner education – and in the community sector including disability services and policy, and addressing women and children's safety, family violence and sexual abuse.

She has extensive experience in organisational and clinical governance, quality and safety and consumer and other stakeholder engagement, social policy development, strategic planning, and service evaluation.

Barbara's current non-executive directorships include as Director of the inaugural statewide Tasmanian Health Service Governing Council, Director of the Board of the Public Trustee Tasmania and she is an appointee to the Minister's Disability Advisory Council, Tasmania. Her former directorships include the Boards of Austin Health Service Victoria, the national Board of Catholic Social Services Australia and national Director of Headspace, the National Youth Mental Health Foundation Ltd.

Ms Lucy Hunter
BA, LLB (Hons.I), Dip Ed
Appointed to the Board in August 2017

Lucy has expertise in law. Lucy has worked as a solicitor in private practice and is currently corporate counsel at Latrobe Regional Hospital.

Lucy has held appointments to governing bodies of various health and statutory agencies, as well as being a past member of human research and ethics committees.

Mr Alex Johnstone
BSc (Econ) Hons, FCPA, FCPFA, GAICD
Appointed to the Board in July 2016

Alex brings financial nous to the board as an experienced Chief Financial Officer and Executive Director.

He is Chair of the DHSV Finance Committee and is also currently CEO of IPC Health and a Board Director for Eastern Primary Health Network and a member of the Victorian Clinical Council.

He previously held a number of Executive Director positions at The University of Melbourne and in the National Health Service in England. In addition, he is a former Board Director of Health Purchasing Victoria and South East Melbourne Medicare Local.

Ms Judith Klepner
BA, DipEd, Grad Dip Inter Ethnic Studies & Education, GAICD
Appointed to the Board in July 2016

Judith offers expert advice and insight in the fields of industrial relations, health and safety, community engagement and risk management.

She has extensive board experience including having served as a director for the Adult, Community and Further Education Board, member of the management committee of the South Melbourne Market, on the Board of Multicultural Arts Victoria and as Councillor for the City of Port Phillip.

Judith is currently a member of the Board of Gasworks Arts and Board Chair of Star Health.

Mr Ian Pollerd
BEd(BS), GDipEd(EdAdmin), BEd(BA), DipCrim, MAICD
Appointed to the Board in September 2015

Ian is a Director of Eureka Solutions, a consultancy specialising in policy formulation and review, governance and event management.

With over 20 years' working in government, Ian is well acquainted with the workings of bureaucracy. He has held senior public sector health and community services program management positions at both the operational and policy levels. Ian is a Member of the Australian Institute of Company Directors, has completed the company directors' course and has extensive experience as a Director on a number of government and non-government boards.

An experienced community engagement facilitator in both metropolitan and rural settings, Ian has assisted Aboriginal groups to develop good corporate governance policies.

BOARD MEETINGS

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

In addition to the Annual General Meeting, the Board met 12 times during 2017–18. Attendance at Board meetings was as follows:

Member	Number of meetings eligible for	Number of meetings attended
Zoe Wainer	12	11
Kathy Bell	12	11
Lucy Hunter	9	8
Pamela Dalgliesh	12	9
Barbara Hingston	12	10
Ian Pollerd	12	8
Judith Klepner	12	11
Alex Johnstone	12	10

SUB-COMMITTEES

The following committees provided advice to the DHSV Board of Directors during the 2017–18 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: Ms Lucy Hunter
Members: Dr Pamela Dalgliesh, Mr Kevin Quigley (independent) and Mr Ian Pollerd

Community Advisory Committee

The Community Advisory Committee 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 Barbara Hingston
Members: Mrs Sandra Anderson, Ms Jacqueline Gibson, Ms Sharon King Harris, Ms Christine Ingram, Mr Vivendra Khatana, Ms Roxanne Maule, Ms Thu-Trang-Tran and Mr Kevin Trang

Executive Performance and Remuneration Committee

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

Chair: Dr Zoe Wainer
Members: Ms Kathy Bell and Dr Pamela Dalgliesh

Finance Committee

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

Chair: Mr Alex Johnstone
Members: Dr Deborah Cole, Mr Ian Pollerd and Dr Zoe Wainer

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. It also serves as the Victorian Oral Health Promotion Advisory Group, overseeing the development of the new Victorian action plan to prevent oral disease 2018–2022.

Chair: Ms Kathy Bell
Members: Ms Jan Black, Ms Chelsea Brand, Ms Mikaela Egan, Dr Lisa Gibbs, Dr Mark Gussy, Ms Melanie Hayes, Mr William Henry, Ms Barbara Hingston, Dr Matthew Hopcraft, Ms Rebekah Kaberry, Ms Judith Klepner, Dr Sajeev Koshy, Ms Roisin McGrath, Dr Gregory Morris, Mr Tan Nguyen, Dr John Rogers, Dr Julie Satur, Mr Chris Templin (until May 2018), Emma Lepia (from May 2018), Mr William Henry (until September 2017), Ms Mikayla Egan and Dr Felicia Valianatos

Safety and Quality Committee

The Safety and Quality Committee provides advice and direction to the Board of Directors of Dental Health Services Victoria (DHSV) on the continuous quality improvement of services, provided and purchased by DHSV. The committee oversee the implementation and evaluation of safety, quality and clinical governance activities across services.

Chair: Dr Pamela Dalgliesh
Members: Ms Sandra Anderson, Mr Keegan Crow, Ms Nicolle Davies, Ms Rebekah Kaberry, Ms Judith Klepner, Mr Ian Pollerd and Mr Jonathon Teoh

Compensation Arrangements

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

Managing Risk

The Board retained the services of Protiviti Independent Risk Consulting in 2017–18 as internal auditors and risk consultants as part of our ongoing commitment to risk management.

EXECUTIVE

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

Dr Deborah Cole
Chief Executive Officer
BDS, GDHA, MBA, GradCertLead and CathCulture, FAICD, FAIM, GAIST, FICD

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 RDHM from 1995 to 1999 and has also held senior positions at the South Australian Dental Service.

Ms Louise Palmer
Chief Experience Officer
CertDenThrpy, AssDipArts, DipT, GCertAppSci, MEd, CertIVTAA, CertGovPrac

Louise has significant senior and executive management experience, most recently in the tertiary education sector. She has expertise in the areas of leadership and management, strategy and culture, workforce learning and development, organisational design and innovation, and Lean people systems and processes.

Mr Nicholas Russell
Chief Financial Officer
B.Eng, ACMA

Nicholas is responsible for the finance and corporate services functions at DHSV. He has over 10 years' experience in both the public and private health sectors in a variety of senior management roles. He has a strong focus on performance, efficiency and staff management. Nicholas has held senior positions at Western Health, St. John of God Health Choices, St John of God Health Care and the CraigCare Group.

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

Nuno has over 10 years' experience in Health Information Technology, and over 20 years of ICT experience across numerous industries. He has held the following positions – CTO at Peter Mac, CIO at the Eye and Ear Hospital and the Senior Director of ICT for HSQ at Queensland Health.

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

Mark is responsible for purchasing services and administering funding for statewide public oral health services, health promotion and statewide safety and quality. He has particular expertise in project management, continuous improvement and customer service and has held senior executive positions in regional and specialist hospitals.

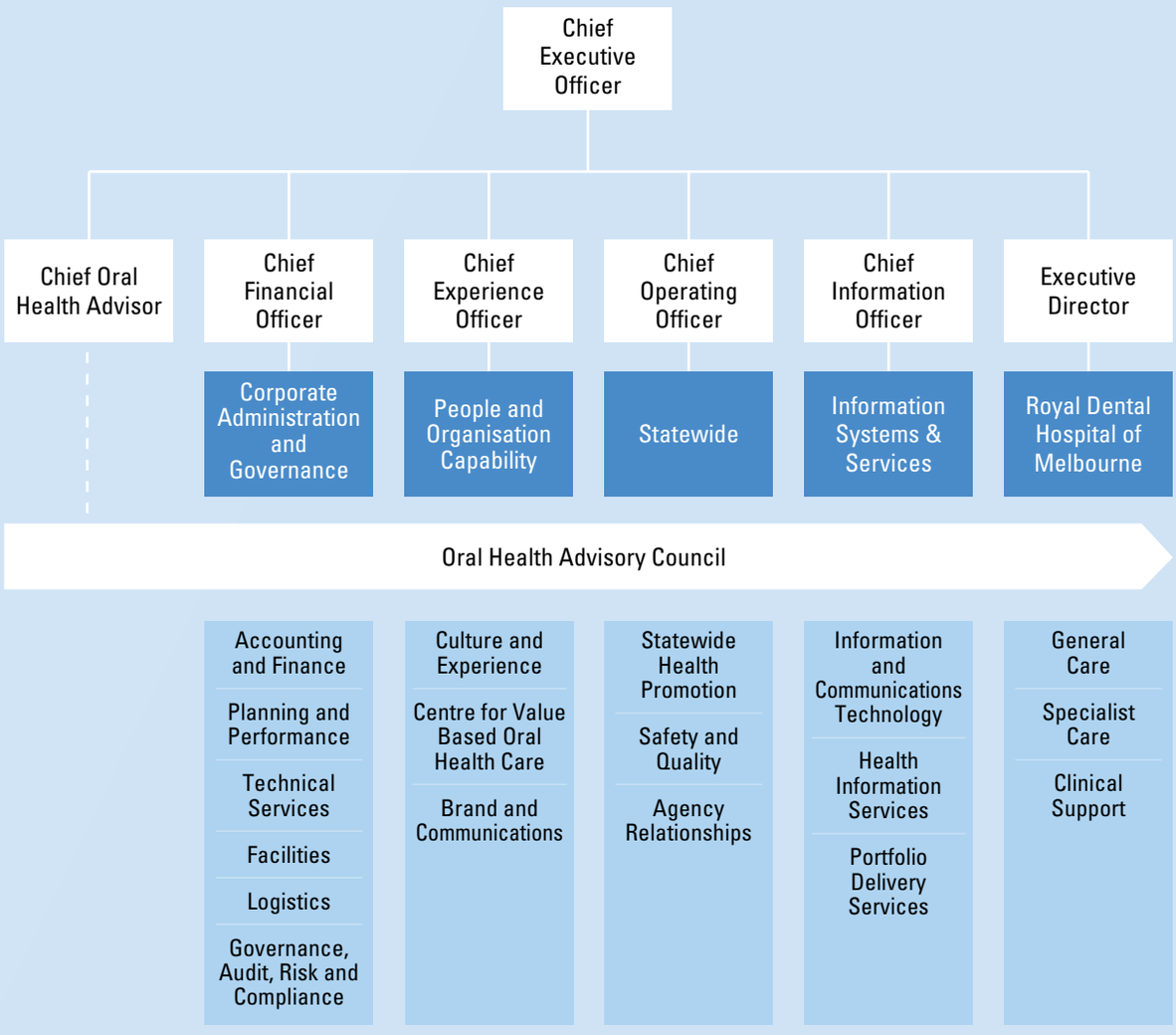
Dr Martin Hall
Chief Oral Health Advisor
BDS, MPH, AdvDipManagement, FICD

Martin has over 30 years' experience as a dentist working to improve the oral health of vulnerable communities both in Australia and overseas. He previously held positions of Senior Dentist and General Manager Clinical and Oral Health Services at North Richmond Community Health. He is also currently Honorary Fellow at The University of Melbourne's Faculty of Medicine, Dentistry and Health Sciences and Director of Kose Nehan – Oral Health Project in East Timor.

Ms Melanie van Altena
Executive Director, RDHM
BAppSc Physio, MBA, Dip Bus

Melanie is responsible for RDHM. She has significant senior management experience in the healthcare and personal injury insurance sectors. Melanie holds qualifications in physiotherapy and business administration and has expertise in the areas of leadership and management, project management and continuous improvement.

ORGANISATIONAL CHART



Financial Management Compliance

I, Dr Zoe Wainer, on behalf of the Responsible Body, certify that Dental Health Services Victoria has complied with the applicable Standing Directions of the Minister for Finance under the Financial Management Act 1994 and Instructions.

Dr Zoe Wainer
Chair, Board of Directors
Dental Health Services Victoria Carlton VIC
9 August 2018

Data Integrity

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

Dr Deborah Cole
Chief Executive Officer
Dental Health Services Victoria Carlton VIC
9 August 2018

WORKFORCE INFORMATION

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

Employment principles

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

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

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

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

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

Organisational values and staff code of conduct

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

WORKFORCE BREAKDOWN

Labour category	June Current Month FTE*		June YTD FTE*	
	2017	2018	2017	2018
Nursing Registered nurses	18.74	17.45	17.63	17.40
Administration and clerical Admin, clerical, management	163.83	164.47	163.69	162.55
Medical support CSSD techs/ radiologists	23.82	23.81	24.26	23.89
Hotel and allied services Other (e.g. storepersons, maintenance technicians, orderlies)	9.23	8.71	8.39	8.70
Medical officers Anaesthetists	5.97	5.48	4.95	5.05
Ancillary Staff	0.54	0.34	0.36	0.32
Specialist dentists	17.32	16.69	17.78	16.12
Dentists	38.54	39.54	36.38	37.76
Dental therapists	7.22	9.40	6.12	8.43
Dental hygienists	0.18	0.18	0.18	0.17
Dental assistants	103.15	110.07	103.41	110.38
Dental technicians	16.00	14.05	15.44	15.03
Prosthetists	3.16	3.96	3.21	3.46
Total	407.70	414.15	401.80	409.26

FTE: Full time equivalent

Occupational violence statistics	2017–18
WorkCover accepted claims with an occupational violence cause per 100 FTE	0
Number of accepted work cover claims with lost time injury with an OVA cause per 1,000,000 hours worked	0
Number of occupational violence incidents reported	66
Number of occupational violence incidents reported per 100 FTE	15.9 (reason for increase likely to be better reporting)
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	0

Occupational health and safety

DHSV established an *Occupational Violence & Aggression Committee* who developed a disposition using a risk management approach to address occupational violence and aggression in the workplace. The Occupational Violence framework was presented to the Board, and a risk management approach to occupational violence and aggression was subsequently implemented, with focus on identifying additional risk control measures within DHSV.

The workplace health and safety strategic direction focuses on leadership and employee engagement in occupational health and safety (OHS), supported by an OHS consultant. The SMILESafe OHS management system provides a framework for risk management ensuring compliance with relevant legislation and supporting continuous improvement.

Employee engagement and consultation is achieved through established Designated Work Groups (DWGs), each with an elected Health and Safety Representative (HSR) who is provided with training in OHS legislation, hazard identification and consultation. These representatives, along with management representatives, form the Workplace Health, Safety and Wellbeing Committee, who set the direction of OHS and monitoring risk management programs, including workplace inspections and musculoskeletal disorder risk management.

Employees receive regular feedback and updates from the Workplace Health Safety & Wellbeing Committee via the HSRs. The OHS Consultant ensures safety is paramount for all who work at and visit RDHM.

Number of reported hazards/incidents for the year per 100 full-time equivalent staff members	55.18
The number 'lost time' standard claims for the year per 100 full-time equivalent staff members	1.45
The average cost per claim for the year 2018 – payments to date (as at 30 June 2018)	$38,725.68
An estimate of outstanding claim costs as advised by WorkSafe	$44,073.36
A minimum of two prior years' data on these indicators and explanations for significant variations from one year to the next; and Two prior years' data (actual) • Average claims cost (payments made) 2015–16 • Average claims cost (payments made) 2016–17	$20,337.50
Significant variations: 10 claims involve payments of weekly compensation. Most weekly compensation payments can be contributed to three claims. Two of these claims reached 130 weeks of weekly payments in 2016–17. 2016–17 One claim was initially rejected by our insurer Xchanging, however, later was settled for 51 weeks of weekly compensation. The legal activity on some of these claims has caused an increase in the estimated costs of these claims.	$49,170.99
In the event of a fatality, a discussion of the circumstances that led to the fatality and the preventative measures that have been taken to prevent recurrence. If the fatality is under investigation or subject to an inquiry, a statement to that effect shall be included.	N/A

FEES AND CHARGES

Eligible adults:

- a fee of $28.00 per visit to a maximum of $112 for a general course of care, which includes an examination and all general dental treatment
- a flat fee of $28.00 for an emergency course of care, which includes assessment and treatment of the tooth/gums/false teeth that is causing pain
- fees for dentures are dependent on the type of dentures required – $67.50 per denture capped at $135 for a full upper and lower denture.

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

- free of charge for an emergency course of care
- a flat fee of $33.00 per child for a general course of care, which includes an examination and all general dental treatment. Fees per family will not exceed $132.

Fees for specialist services (RDHM only):

- dependent on the treatment provided, up to a maximum of $338 for a course of care.

FEE EXEMPTIONS

Exemption from fees for public dental services apply to:

- Aboriginal and Torres Strait Islander peoples at RDHM*
- children and young people aged 0 to 17 years who are healthcare or pensioner concession card holders or dependants of concession card holders*
- homeless people and people at risk of homelessness
- refugees and asylum seekers
- all children and young people up to 18 years of age, who are in out-of-home care provided by DHHS
- all youth justice clients up to 18 years of age in custodial care
- registered clients of mental health and disability services, supported by a letter of recommendation from their case manager or staff of special development schools
- those receiving care from undergraduate students
- those experiencing financial hardship as assessed by a qualified staff member.

* Fees do apply for public specialist dental services.

MEETING ACCREDITATION

In December 2017, DHSV was assessed by the Australian Council on Healthcare Standards (ACHS) against nine of the 10 National Safety and Quality Health Service Standards (NSQHSS) and awarded full accreditation for four years.

The surveyors praised DHSV for a number of initiatives and improvements including the culture of safety, evaluation and improvement evident throughout the services offered; the well managed infection prevention and control system; the management of risks associated with pressure injuries and falls; and the excellent preparation and record of changes which guided the survey team in their review. DHSV was awarded 13 Met with Merit ratings in Partnering with Consumers Standard.

DHSV also had a lead role supporting all public community dental agencies to successfully maintain accreditation with six NSQHSS for dental practices.

QUALITY RESOURCES

DHSV develops a range of educational and informative written materials and resources for our consumers, other health professionals and members of the public. These resources include a public Quality Account and a suite of brochures, pamphlets and flyers. All written materials can be obtained via the DHSV website or by contacting DHSV Brand and Communications on (03) 9341 1361.

STATEMENT OF AVAILABILITY OF OTHER INFORMATION

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

a) a statement of pecuniary interests has been completed.

b) details of shares held by senior officers as nominee or held beneficially.

c) details of publications produced by the Department about the activities of DHSV and where they can be obtained.

d) details of changes in prices, fees, charges, rates and levies charged by DHSV.

e) details of any major external reviews carried out on DHSV.

f) details of major research and development activities undertaken by DHSV that are not otherwise covered either in the Report of Operations or in a document that contains the financial statements and Report of Operations.

g) details of overseas visits undertaken including a summary of the objectives and outcomes of each visit.

h) details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of DHSV and its services.

i) details of assessments and measures undertaken to improve the occupational health and safety of employees.

j) general statement on industrial relations within DHSV and details of time lost through industrial accidents and disputes, which is not otherwise detailed in the Report of Operations.

k) a list of major committees sponsored by DHSV, the purposes of each committee and the extent to which the purposes have been achieved.

l) details of all consultancies and contractors including consultants/contractors engaged, services provided and expenditure committed for each engagement.

Conflict of Interest

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

Dr Deborah Cole
Chief Executive Officer
Dental Health Services Victoria Carlton VIC
9 August 2018

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

Dr Deborah Cole
Chief Executive Officer
Dental Health Services Victoria Carlton VIC
9 August 2018

Buildings management

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

Purchasing and tendering

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

Competitive neutrality

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

Probity

DHSV has undertaken public tenders for contracts in accordance with Victorian Government Purchasing Board policies and has a rigorous supplier evaluation and relationship management process in place. When necessary DHSV utilises the services of an independent probity advisor.

Freedom of information

The Victorian Freedom of Information (FOI) Act 1982 provides members of the public the right to apply for access to information held by DHSV. The majority of applications under Freedom of Information are requests by patients for access to their own personal dental records.

DHSV received 143 requests during the year and all requests were granted in full.

Protected Disclosure Act 2012 (the Act)

DHSV is committed to the aims and objectives of the Act. DHSV does not tolerate improper conduct by employees, nor the taking of reprisals against people who come forward to disclose such conduct.

DHSV is not a public organisation prescribed under the Act to receive a protected disclosure, therefore disclosures about DHSV, its directors and employees must be made directly to the Independent Broad-based Anti-corruption Commission (IBAC).

Although DHSV is not able to receive disclosures, DHSV has a procedure in place (as required under section 58 of the Act), which sets out how DHSV will protect people against detrimental action that might be taken against them in reprisal for making a protected disclosure or cooperating in an investigation into a protected disclosure complaint.

ENVIRONMENT PERFORMANCE REPORT 2017-18

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

DHSV also continues to work with the Department of Health and Sustainability Victoria to report our energy and water usage on a monthly basis. The data presented in this report has been collated over three years from 2015–18 inclusive, as at 30 June 2018.

Energy Consumption

Total energy consumption by energy type (GJ)	2015–16	2016–17	2017–18
Electricity	11,537	10,582	11,102
Natural gas	27,012	10,798	19,852

2015–16	Total	38,549
2016–17	Total	21,381
2017–18	Total	30,958

Normalised energy consumption	2015–16	2016–17	2017–18
Energy per unit of floor space RDHM (GJ/m²)	2	1	2

Greenhouse Gas Emissions

Total greenhouse gas emissions (tonnes CO2e)	2015–16	2016–17	2017–18
Scope 1 – calculated on natural gas consumption	1392	556	1023
Scope 2 – calculated on electricity consumption	3643	3204	3332

2015–16	Total	5035
2016–17	Total	3761
2017–18	Total	4355

Normalised greenhouse gas emissions	2015–16	2016–17	2017–18
Emissions per unit of floor space RDHM (kgCO2e/m²)	275.18	205.52	238

Water Consumption

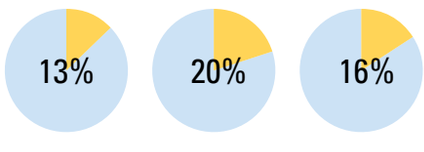
Total water consumption by type (KL)	2015–16	2016–17	2017–18
Portable water	14,470	18,135	16,884

2015–16	Total	14,470
2016–17	Total	18,135
2017–18	Total	16,884

Normalised water consumption	2015–16	2016–17	2017–18
Water per unit of floor space RDHM (kL/m²)	1	1	1

Waste Generation

Total waste generation by type (tonnes)	2015–16	2016–17	2017–18
Clinical waste	22	13	15
General waste	139	233	257
Recycled waste	25	23	31
Total	186	269	303
Normalised waste generation			
Waste per activity (kg/activity)	2	2.5	2
Waste recycling			
Waste recycling rate (percentage)			



STATEMENT OF PRIORITIES

PART A: STRATEGIC PRIORITIES

In 2017–18 DHSV will contribute to the achievement of the Victorian Government's commitments by:

Goals	Strategies	Health Service Deliverables	Due	Comments
Better Health	Better Health			
A system geared to prevention as much as treatment Everyone understands their own health and risks Illness is detected and managed early Healthy neighbourhoods and communities encourage healthy lifestyles	Reduce statewide risks Build healthy neighborhoods Help people to stay healthy Target health gaps	Use the principles of value-based healthcare (VBHC) within the model of care framework to establish the clinically applicable Practice Design, ready for trial in 2017–18.	End Q4	Using the principles of VBHC, we redrafted the Public Model of Oral Health Care and developed the VBHC Consumer Journey as well as a draft set of Client Care Pathways. At two half-day workshops, we introduced the VBHC principles and practice design to staff. We also undertook workshops with our consumers. We established four working groups to focus on: access, assessment and measurement, care pathways, and maintenance.
		Partner with the Department of Health and Human Services to deliver the agreed response to the recommendations arising from the Victorian Auditor General's Office review – Access to public dental services in Victoria (Note – applies across strategic priorities).	End Q4	The VAGO Audit Project Sponsors Group identified eight project plans to address the 11 recommendations from the VAGO report. As at June 2018, five plans are complete addressing seven of the 11 recommendations: oral health promotion, oral health data, funding model, dental reporting, and wait list management practice and prioritisation. The remaining three project plans are on track to be completed in the next 18 months: DWAU price, models of care and regional public dental service collaboration.
		Develop a Reconciliation Action Plan (RAP) for 2017–21 as the framework for DHSV to realise our vision for reconciliation. The framework will provide a focus on strategies to assist with closing the gap.	End Q4	We have completed a review of the requirements for a Reconciliation Action Plan (RAP) based on Reconciliation Australia's RAP Framework and developed an RAP template ready for consultation with the RAP Working Group who will assist with finalising the plan.

Goals	Strategies	Health Service Deliverables	Due	Comments
		Through the Population Health Committee and the Victorian Oral Health Promotion Advisory Group, undertake further consultation and implement the next Victorian prevention action plan.	End Q4	A strategic workshop and three consultation sessions were held with our partners and consumers to inform the development of the new *Victorian action plan to prevent oral disease 2018–22*. We led a further four consultation sessions at regional forums throughout Victoria, as well as two roundtables, one with the Parliamentary Secretary for Health. The plan is due for public release after being approved by the government.
		Use the department's Preventing and Managing Occupational Violence and Aggression framework and complete all key components within the *Governance* and *Training* domains.	End Q4	All components within the governance domain of the Managing Occupational Violence and Aggression Framework were completed. We also conducted a training needs analysis for DHSV staff and began developing a training plan.
		Develop and negotiate an employer bargaining position for the enterprise agreements that reflect the oral health clinician workforce capability and practice design requirements necessary for the new public oral health model of care for general dentists, specialist dentists and specialist dentists in training; and dental therapists, dental hygienists and oral health therapists.	TBA	After an in-principle agreement was approved by the Government, a new draft enterprise agreement was developed for dental therapists, dental hygienists and oral health therapists. After an in-principle agreement was signed by Victorian Hospitals' Industrial Association and Australian Dental Association – Victorian Branch, we commenced drafting new enterprise agreements for general dentists, specialist dentists and specialist dentists in training.

Goals	Strategies	Health Service Deliverables	Due	Comments
Better Access	Better Access			
Care is always there when people need it More access to care in the home and community People are connected to the full range of care and support they need There is equal access to care	Plan and invest Unlock innovation Unlock innovation Provide easier access Ensure fair access	Develop innovative emergency and waitlist management processes to further reduce inequality and target those most in need.	End Q4	We developed new processes for emergency and waitlist management that focus on early intervention, person-centred care and oral health promotion. The statewide general waitlist longest wait time has reduced from 54.01 months to 42.97 months, a reduction of 25%. We also focused on stratifying consumers into care pathways based on urgency, need and risk of deterioration of oral health.
		Increase use of the Child Dental Benefits Schedule (CDBS) to improve the access of eligible Victorians to oral health care – particularly preschool children that currently do not access care.	End Q4	In 2017–18, 60,000 children used CDBS. Of that number, 4000 more preschool children (0–4) used CDBS than in 2016–17.
		Continue to work with the department to maximise any Commonwealth funded programs to improve the access of eligible Victorians to oral health care.	End Q4	After receiving confirmation of funding for Q1–Q4 Additional Funding grants, we conducted expressions of interests and confirmed agency funding allocations. The *National Partnership Agreement on Public Dental Services for Adults* was signed between State and Commonwealth in January 2018. All statewide activity targets were achieved.
		Identify, implement and integrate appropriate digital solutions to improve consumer, staff and partner experiences.	Q3	We implemented the single sign-on solution at DHSV improving ease of access to devices.
			Q4	DHSV provisioned the Clinical Integration Engine platform to integrate consumer information between Titanium and our digital radiology platform.
			Q4	We investigated the use of cognitive intelligence to support the development of health outcome measures. We extended teledentistry across the state improving access to specialist services for people living in remote and rural locations.
		Undertake the National Adult Oral Health Survey in Victoria on behalf of the department.	End Q4	DHSV is leading the Victorian arm of the National Study of Adult Oral Health. In partnership with 28 community dental agencies, 1278 participants have been examined from a total sample of 1740 participants. To date, 60% (917) of metro participants and 51% (361) of regional participants have been examined. Outreach will be completed by December 2018. The information will be used to inform government oral health policies and programs.

Goals	Strategies	Health Service Deliverables	Due	Comments
Better Care	Better Care			
Target zero avoidable harm Healthcare that focusses on outcomes Consumers and carers are active partners in care Care fits together around people's needs	Put quality first Join up care Partner with consumers Strengthen the workforce Embed evidence Ensure equal care	Use the co-design framework to engage with our consumers in the review and redesign of public oral health care practice in Victoria, including identification of priority improvement areas and developing improvement plans.		Using the co-design framework, we engaged with consumers through focus groups, the inclusion of consumer representatives on VBHC project boards, and building the co-design capabilities of new members of the Consumer Representative Network.
		Involve the DHSV consumer representatives in DHSV's partnership with the International Consortium of Health Outcome Measures (ICHOM) to develop the global standard set of oral health outcome measures that will be used for measuring and reporting consumers' health outcomes.	on-going	Several DHSV staff members and two DHSV consumer representatives participated in the development of the standard set of oral health measures for adults via teleconference and online surveys. The draft standard was distributed to oral health professionals across Australia and will go through a consumer validation process in 2018–19.
		Revise the DHSV *Workforce Plan 2016–21* as appropriate to reflect emerging workforce capability and competency requirements associated with the revision to the public oral health model of care.	End Q4	We continued to revise the *Workforce Plan 2016–21*. Capability sets were identified and revised for oral health educators and lead clinicians. Competency standards and a course outline for *Advanced Radiological Interpretation* were developed that will support credentialing. The revised plan will build workforce capability with regards to cultural and linguistic diversity as well as inclusivity for people with disability.
		Commence implementation of the web version of the public dental consumer administration and clinical record system (TiWeb) to support our public oral health model of care.	Q4	The Electronic Oral Health Record (EoHR) Evaluation Working Group analysed three different international EoHR platforms and will present their recommendation to the Board in July 2018.
		Commence implementation of the Strengthening Hospital Responses to Family Violence (SHRV) initiative, including the development of policy and procedures for consumers affected by family violence, training implemented across the Royal Dental Hospital Melbourne (RDHM) and a reporting framework.	Q3	We approved policies for staff, consumers and visitors affected by domestic and family violence and commenced training staff to manage consumers affected by domestic violence. Reporting commenced in line with the SHRV model requirements.

Goals	Strategies	Health Service Deliverables	Due	Comments
Better Care	Better Care Mandatory actions against the 'Target zero avoidable harm' goal:			
	Develop and implement a plan to educate staff about obligations to report consumer safety concerns.	Provide 'Speak up for Safety' training by December 2017 for all clinical and support staff.	End Q2	In October 2017, the Cognitive Institute conducted 'Speaking up for Safety' workshops for all DHSV staff. Further training was provided at an all-staff learning day in December 2017.
	In partnership with consumers, identify 3 priority improvement areas using data from the Patient Experience Trackers (PET) and establish an improvement plan for each. These should be reviewed every 6 months to reflect new areas for improvement in	Implement a new set of PET questions aligned to the patient safety questions in the staff engagement survey and identify improvements following analysis.		Patient safety questions were implemented in November 2017. The responses are being analysed monthly and plans are being developed to address areas of opportunity.
		Review current consumer telephone contact pathways and identify improvements.	Q4	After reviewing our current consumer engagement pathways, we identified areas for improvement including an upgrade of our call centre software, a mobile-friendly website and a pilot of webchat technology.
		Review current processes to ensure we provide accurate and timely information to our consumers/carers at point of presentation.	End Q3	Feedback from consumer focus groups identified specific issues relating to accessibility, accuracy and timeliness of information. A project specifically relating to this has been incorporated within the VBHC project portfolio, *Improving the Experience – Initial Consumer Engagement*. Co-design workshops have commenced to develop products, tools and processes to address the issues identified.

PART B: PERFORMANCE PRIORITIES

Quality and safety

Key Performance Indicator	2017–18 Agencies target	YTD Q4 Actual	2017–18 RDHM target	YTD Q4 Actual
Number of hospital initiated postponements per 100 scheduled appointments	–	–	3.0	2.8
Health service accreditation (RDHM) and support agencies to maintain accreditation.	Fully accredited	–	Fully accredited	–

Governance and leadership

Key Performance Indicator	Target	YTD Q4 Actual
People matter survey – percentage of staff at Royal Dental Hospital Melbourne with an overall positive response to safety and culture questions	80%	89%
People Matter Survey – percentage of staff at Royal Dental Hospital Melbourne with a positive response to the question: "I am encouraged by my colleagues to report any patient safety concerns I may have"	80%	95%
People matter survey – percentage of staff at Royal Dental Hospital Melbourne with a positive response to the question: "Patient care errors are handled appropriately in my work area"	80%	93%
People matter survey – percentage of staff at Royal Dental Hospital Melbourne with a positive response to the question: "My suggestions about patient safety would be acted upon if I expressed them to my manager"	80%	89%
People matter survey – percentage of staff at Royal Dental Hospital of Melbourne with a positive response to the question: "The culture in my work area makes it easy to learn from the errors of others"	80%	86%
People matter survey – percentage of staff at Royal Dental Hospital of Melbourne with a positive response to the question: "Management is driving us to be a safety-centred organisation"	80%	92%
People matter survey – percentage of staff at Royal Dental Hospital of Melbourne with a positive response to the question: "This health service does a good job of training new and existing staff"	80%	79%
People matter survey – percentage of staff at Royal Dental Hospital of Melbourne with a positive response to the question: "Trainees in my discipline are adequately supervised"	80%	84%
People matter survey – percentage of staff at Royal Dental Hospital of Melbourne with a positive response to the question: "I would recommend a friend or relative to be treated as a patient here"	80%	89%

Access and timelines

Key Performance Indicator						
Emergency care	2017–18 Agencies Target	YTD Q4 Agencies Actual	2017–18 RDHM target	YTD Q4 RDHM Actual	2017–18 Statewide target	YTD Q4 Statewide Actual
Percentage of dental emergency triage category 1 clients treated within 24 hours	85.0%	91.6%	85.0%	95.1%	85.0%	92.2%
Percentage of dental emergency triage category 2 clients treated within 7 days	80.0%	91.9%	80.0%	91.6%	80.0%	91.9%
Percentage of dental emergency triage category 3 treated within 14 days	75.0%	91.5%	75.0%	94.1%	75.0%	91.9%

General and denture care	2017–18 Agencies Target	2017–18 RDHM target	YTD Q4 RDHM Actual	2017–18 Statewide target	YTD Q4 Statewide Actual
Average recall interval for high caries risk eligible clients aged 0–17 years (months)	–	–	–	12.0	9.5
Average recall interval for low caries risk eligible clients aged 0–17 years (months)	–	–	–	24.0	11.2
Waiting time for prosthodontics, endodontics, and orthodontics specialist services patients (months)	–	15.0	14.2	–	–
Waiting time for other dental specialist services patients (months)	–	9.0	6.1	–	–
Waiting time for general care (months)	–	–	–	23.0	20.3
Waiting time for denture care (months)	–	–	–	22.0	17.4
Waiting time for priority denture care (months)	–	–	–	3.0	2.2

Activity

Key Performance Indicator	2017–18 Statewide Target	YTD Q4 Target	YTD Q4 Actual
Total number of individuals treated	345,099	345,099	386,373

Financial sustainability

Key Performance Indicator	Target	YTD Q4 Target	YTD Q4 Actual	YTD Q4 Variance
Annual operating result ($m)	$0m	$0m	($0.91m)	($0.91m)
Creditors	< 60 days	60	39	21
Debtors	< 60 days	60	25	35
Number of days of available cash	14 days	14	59	45

Other reporting requirements

Key Performance Indicator	2017–18 Statewide Target	YTD Q4 Target	YTD Q4 Actual
Dental Weighted Activity Units (DWAUs)	327,527	327,527	369,376
Ratio of emergency to general courses of dental care	40:60	40:60	36:64

FINANCIAL OVERVIEW

The DHSV operating result for the financial year was a deficit of $90,834. The net entity result was a deficit of $2.6 million, which was mainly due to depreciation expenses of $5.2 million that was partially offset by capital revenue ($2.9 million) from University of Melbourne (UoM) for its Carlton Connect Initiative (CCI). DHSV was compensated by UoM for enabling works to restore amenities that were lost during the construction of the CCI.

Total revenue increased by $10.7 million – a 5.7% increase on the previous year. The increase was mainly due to CPI increase, additional funding to support the price standardisation in the community agencies, and one-off capital revenue from CCI. Total expenditure increased by $8.4 million – 4.4% increase on the previous year. The increase was largely attributable to EBA and CPI increases, and additional payment to community agencies flowing from price standardisation.

The total equity increased by $11.0 million, which was a result of the incremental revaluation of land and buildings of $13.6 million being partially offset by a deficit (Net Result for the Year) amounting to $2.6 million.

The key operational and financial objectives at DHSV are documented in the Statement of Priorities 2017–18.

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

Summary of financial results					
	2018 $'000	2017 $'000	2016 $'000	2015 $'000	2014 $'000
Total revenue	197,524	186,849	195,851	173,056	218,177
Total expenses	(200,065)	(191,659)	(192,920)	(173,951)	(224,260)
Other operating flows included in the Net Result	(86)	104	(1)	(209)	(163)
Net result for the year	(2627)	(4706)	2930	(1104)	(6246)
Operating result	(91)	(53)	1637	172	104
Total assets	162,192	140,449	132,883	140,386	139,153
Total liabilities	41,723	30,946	21,443	33,342	31,005
Net assets	120,469	109,503	111,440	107,044	108,148
Total Equity	120,469	109,503	111,440	107,044	108,148

Details of Information and Communication Technology expenditure

The total ICT expenditure incurred during the 2017–18 period is $4.713 million (excluding GST) with the details shown below ($'000).

Business As Usual (BAU) ICT expenditure
Total (excluding GST)
$3462
Non-Business As Usual (non-BAU) ICT expenditure
Total =(Operational expenditure and capital expenditure) (excluding GST)
$1251
Operational expenditure (excluding GST)
$384
Capital expenditure (excluding GST)
$867

Consultancies

Details of consultancies (under $10,000)

In 2017–18, there were 19 consultancies where the total fees payable to the consultants were less than $10,000.

The total expenditure incurred during 2017–18 in relation to these consultancies were $85,719 (excluding GST).

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

In 2017–18, there were 11 consultancies where the total fees payable to the consultants were $10,000 or greater.

The total expenditure incurred during 2017–18 in relation to these consultancies were $413,007 (excluding GST).

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

DISCLOSURE INDEX

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

Legislation	Requirement	Page reference
Report of Operations		
Charter and purpose		
FRD 22H	Manner of establishment and the relevant Minister	3
FRD 22H	Purpose, functions, powers and duties	21
FRD 22H	Initiatives and key achievements	4
FRD 22H	Nature and range of services provided	22
Management and structure		
FRD 22H	Organisational structure	29
Financial and other information		
FRD 10A	Disclosure index	44
FRD 11A	Disclosure of ex gratia expenses	107
FRD 21C	Responsible person and executive officer disclosures	103/104
FRD 22H	Application and operation of *Protected Disclosure 2012*	34
FRD 22H	Application and operation of *Carers Recognition Act 2012*	NA
FRD 22H	Application and operation of *Freedom of Information Act 1982*	34
FRD 22H	Compliance with building and maintenance provisions of *Building Act 1993*	34
FRD 22H	Details of consultancies over $10,000	43
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Legislation	Requirement	Page reference
Financial and other information (continued)		
FRD 22H	Statement on National Competition Policy	34
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FRD 22H	Summary of the financial results for the year	43
FRD 22H	Additional information available on request	33
FRD 22H	Workforce Data Disclosures including a statement on the application of employment and conduct principles	30
FRD 25C	Victorian Industry Participation Policy disclosures	NA
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SD 5.2.3	Declaration in report of operations	6
Other requirements under Standing Directions 5.2		
SD 5.2.2	Declaration in financial statements	49
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	58
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Legislation		
Freedom of Information Act 1982		34
Protected Disclosure Act 2012		34
Carers Recognition Act 2012		NA
Victorian Industry Participation Policy Act 2003		NA
Building Act 1993		34
Financial Management Act 1994		58
Safe Patient Care Act 2015		Nil return

GLOSSARY

ADAVB	Australian Dental Association Victorian Branch Inc
ADC	Australian Dental Council
ART	Agency Relationships Team
BPCLE	Best Practice Clinical Learning Environment
CDBS	Child Dental Benefits Schedule
CEO	Chief Executive Officer
CLiP	Clinical Leadership in Practice Committee
CVBHC	Centre for Value Based Healthcare
DHHS	Department of Health and Human Services
DHSV	Dental Health Services Victoria
DWAU	Dental Weighted Activity Unit
DWG	Designated Work Groups
EOHR	Electronic oral health record
FDI	World Dental Federation
FOI	Freedom of Information
FY	Financial year
FTE	Full time equivalent
GGHH	Global Green and Healthy Hospitals
GST	Goods and services tax
HFHS	Healthy Families, Healthy Smiles
ICHOM	International Consortium for Health Outcomes Measurement
KPI	Key performance indicator
LGA	Local government area
MCH	Maternal and child health
MCHN	Maternal and child health nurse
MOU	Memorandum of Understanding
NOHP	National Oral Health Plan
NPA	National Partnership Agreement
OHAC	Oral Health Advisory Council
OHS	Occupational health and safety
PET	Patient Experience Tracker
RAP	Reconciliation Action Plan
RDHM	The Royal Dental Hospital of Melbourne
RFDS	Royal Flying Doctor Service
SDF	Silver diamine fluoride
SHRFV	Strengthening Hospital Responses to Family Violence
UOM	University of Melbourne
VACCA	Victorian Aboriginal Child Care Agency
VACCHO	Victorian Aboriginal Community Controlled Health Organisation
VAGO	Victorian Auditor General's Office

DENTAL HEALTH
SERVICES VICTORIA

ABN: 55 264 981 997

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 JUNE 2018

dental health
services victoria
oral health for better health

Dental Health Services Victoria

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

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2018 and the financial position of Dental Health Services Victoria at 30 June 2018.

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 authorize the attached financial statements for issue on 9 August 2018.

Zoe Wainer Board Chair	Deborah Cole Chief Executive Officer	Nicholas Russell Chief Financial Officer
Carlton 9 August 2018	Carlton 9 August 2018	Carlton 9 August 2018

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Dental Health Services Victoria

Opinion	I have audited the financial report of Dental Health Services Victoria (the entity) which comprises the: • balance sheet as at 30 June 2018 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • board member's, accountable officer's and chief financial & accounting officer's declaration. In my opinion the financial report presents fairly, in all material respects, the financial position of the entity as at 30 June 2018 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975.* My staff and I are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Board's responsibilities for the financial report	The Board of the entity is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

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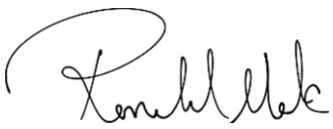
Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994,* my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



MELBOURNE
21 August 2018

Ron Mak
as delegate for the Auditor-General of Victoria

DENTAL HEALTH SERVICES VICTORIA

FINANCIAL STATEMENTS

Comprehensive Operating Statement
For the financial year ended 30 June 2018

	Note	Total 2018 $'000	Total 2017 $'000
Revenue from operating activities	**2.1**	192,164	183,810
Revenue from non-operating activities	**2.1**	644	608
Employee expenses	**3.1**	(41,683)	(40,228)
Non salary labour costs	**3.1**	(420)	(477)
Supplies and consumables	**3.1**	(4,421)	(4,644)
Grants to other Health Services and Community Agencies	**3.1**	(133,356)	(123,512)
Other expenses	**3.1**	(13,019)	(15,610)
Net result before capital and specific items		**(91)**	**(53)**
Capital purpose income	**2.1**	1,812	2,422
Specific income	**2.2**	2,904	9
Impairment of non-financial assets	**3.1**	(20)	-
Depreciation and amortisation	**4.3**	(5,155)	(5,277)
Specific expenses	**3.3**	(1,715)	(1,741)
Expenditure for capital purpose	**3.1**	(276)	(170)
Net result after capital and specific items		**(2,541)**	**(4,810)**
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	**2.1/7.2**	23	49
Net gain/(loss) on financial instruments	**3.1**	(111)	(69)
Revaluation of Long Service Leave	**3.1**	2	124
Total other economic flows included in net result		**(86)**	**104**
NET RESULT FOR THE YEAR		**(2,627)**	**(4,706)**
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in physical assets revaluation surplus	**4.2/8.1**	13,593	2,769
Total other comprehensive income		**13,593**	**2,769**
Comprehensive result		**10,966**	**(1,937)**

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

DENTAL HEALTH SERVICES VICTORIA
Balance Sheet
As at 30 June 2018

	Note	Total 2018 $'000	Total 2017 $'000
Current assets			
Cash and cash equivalents	**6.1**	31,948	16,225
Receivables	**5.1**	2,326	2,349
Investments and other financial assets	**4.1**	2,000	8,000
Inventories	**5.2**	521	738
Prepayments and Other Assets	**5.3**	742	864
Total current assets		**37,537**	**28,176**
Non-current assets			
Receivables	**5.1**	1,152	970
Property, plant and equipment	**4.2**	122,644	111,211
Intangible assets	**4.4**	859	92
Total non-current assets		**124,655**	**112,273**
TOTAL ASSETS		**162,192**	**140,449**
Current liabilities			
Payables	**5.4**	30,931	21,000
Provisions	**3.4**	9,442	8,675
Total current liabilities		**40,373**	**29,675**
Non-current liabilities			
Provisions	**3.4**	1,350	1,271
Total non-current liabilities		**1,350**	**1,271**
TOTAL LIABILITIES		**41,723**	**30,946**
NET ASSETS		**120,469**	**109,503**
EQUITY			
Property, plant and equipment revaluation surplus	**8.1**	101,394	87,801
General purpose surplus	**8.1**	512	512
Contributed capital	**8.1**	52,612	52,612
Accumulated surpluses/(deficits)	**8.1**	(34,049)	(31,422)
TOTAL EQUITY	**8.1**	**120,469**	**109,503**
Commitments	**6.2**		
Contingent assets and contingent liabilities	**7.3**		

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

DENTAL HEALTH SERVICES VICTORIA
Statement of Changes in Equity
For the financial year ended 30 June 2018

Total	Note	Property, Plant & Equipment Revaluation Surplus $'000	General Purpose Surplus $'000	Contributed Capital $'000	Accumulated Surpluses / (Deficits) $'000	Total $'000
Balance at 1 July 2016		**85,032**	**512**	**52,612**	**(26,716)**	**111,440**
Net result for the year		**-**	**-**	**-**	**(4,706)**	**(4,706)**
Other comprehensive income for the year	**8.1**	**2,769**	**-**	**-**	**-**	**2,769**
Balance at 30 June 2017		**87,801**	**512**	**52,612**	**(31,422)**	**109,503**
Net result for the year		**-**	**-**	**-**	**(2,627)**	**(2,627)**
Other comprehensive income for the year	**8.1**	**13,593**	**-**	**-**	**-**	**13,593**
Balance at 30 June 2018		**101,394**	**512**	**52,612**	**(34,049)**	**120,469**

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

DENTAL HEALTH SERVICES VICTORIA

Cash Flow Statement
For the financial year ended 30 June 2018

	Note	Total 2018 $'000	Total 2017 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating grants from government		190,992	174,299
Capital grants from government		1,812	2,422
Patient fees received		3,004	2,984
Donations and bequests received		2	-
GST received from ATO		8,128	7,783
Interest received		650	612
Other receipts		11,165	9,967
Total receipts		***215,753***	***198,067***
Employee expenses paid		(40,835)	(39,808)
Non salary labour costs		(369)	(502)
Payments for supplies and consumables		(4,421)	(4,566)
Grant payments to other Health Services and Community Agencies		(133,318)	(117,828)
Purchase of inventories for resale		(3,118)	(4,558)
Other payments		(20,210)	(21,452)
Total payments		***(202,271)***	***(188,714)***
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES	**8.2**	**13,482**	**9,353**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of non-financial assets		(3,059)	(1,994)
Purchase of intangible assets		(808)	(26)
Proceeds from sale of non-financial assets		108	109
Proceeds from sale of investments		6,000	-
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		**2,241**	**(1,911)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD		**15,723**	**7,442**
Cash and cash equivalents at beginning of financial year		**16,225**	**8,783**
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	**6.1**	**31,948**	**16,225**

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

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Basis of preparation

The financial statements are prepared in accordance with Australian Accounting Standards and relevant FRDs.

These financial statements are presented in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

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.

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the Health Service.

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

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

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 year ended 30 June 2018. The report provides 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 AASBs, which include interpretations issued by the Australian Accounting Standards Board (AASB). They are presented in a manner consistent with the requirements of AASB 101 *Presentation of Financial Statements.*

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

The annual financial statements were authorised for issue by the Board of DHSV on 09 August 2018.

(b) Reporting entity

The financial statements include all the controlled activities of DHSV.

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

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

(c) Basis of Accounting Preparation and Measurement

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

The accounting policies have been applied in preparing the financial statements for the year ended 30 June 2018, and the comparative information presented in these financial statements for the year ended 30 June 2017.

Note 1: Summary of Significant Accounting Policies (continued)

The going concern basis was used to prepare the financial statements. The Board of DHSV in considering this view have noted that notwithstanding the working capital deficiency as at 30 June 2018 which was $2.836m (2017: $1.499m), this deficiency includes the recognition of the full legal obligations associated with employee entitlements, which are not expected to be repaid in full in the coming twelve months (i.e. annual leave and long service leave). Leave provisions amount to $8.438m (2017: $7.809m). These are classified as current as it is representative of unconditional Annual Leave and Long Service Leave (which represents 10 or more years of continuous service). DHSV does not expect to settle all these amounts within 12 months. It is also expected that some entitlements will be transferred and reimbursed by the Department of Health and Human Services as long service leave is transportable upon departure to another public health service.

Continued improvement has also been realised in the past twelve months in both the cash position and Net Assets position of DHSV. Based on these facts and the current budget outlook for the year ending 30 June 2019, the board members believe the going concern basis is appropriate.

All amounts shown in the financial statements have been rounded to the nearest thousand dollars, unless otherwise stated. Minor discrepancies in tables between totals and sum of components are due to rounding.

DHSV operates on a fund accounting basis and maintains three funds: Operating, Specific Purpose and Capital Funds.

Judgments, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. 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.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AABSs that have significant effects on the financial statements and estimates relate to:

- The fair value of land, buildings and plant and equipment (refer to Note 4.2 Property, Plant and Equipment); and
- Employee benefit provisions are based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3.4 Employee Benefits in the Balance Sheet).

Goods and Services Tax (GST)
Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case the GST payable is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Balance Sheet.

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

Commitments are presented on a gross basis.

Note 2: Funding Delivery of Our Services

DHSVs overall objective is to deliver programs and services that support and enhance the wellbeing of all Victorians.

DHSV is predominantly funded by accrual based grant funding for the provision of outputs.
DHSV also receives income from the supply of goods and services.

Structure
2.1 Analysis of Revenue by Source
2.2 Specific Income

Note 2.1: Analysis of Revenue by Source

	Total 2018 $'000	Total 2017 $'000
Government Grants	180,462	170,757
Indirect contributions by Department of Health and Human Services	266	148
Patient Fees	2,998	3,011
Donations and Bequests	2	-
Commercial Activities	5,988	7,659
Other Revenue from Operating Activities	2,448	2,235
Total Revenue from Operating Activities	**192,164**	**183,810**
Interest	644	608
Total Revenue from Non-Operating Activities	**644**	**608**
Capital Purpose Income (excluding interest)	1,812	2,422
Total Capital Purpose Income	**1,812**	**2,422**
Net gain / (loss) on non-financial assets (refer to note 7.2)	23	49
Specific Income (refer note 2.2)	2,904	9
Total Revenue	**197,547**	**186,898**

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

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

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

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

Indirect Contributions from the Department of Health and Human Services
- Insurance is recognised as revenue following advice from the Department of Health and Human Services.
- Long Service Leave (LSL) – Revenue is recognised upon finalisation of movements in LSL liability in line with the arrangements set out in the Department of Health and Human Services Hospital Circular 04/2017

Patient Fees
Patient fees are recognised as revenue on an accrual basis.

Revenue from commercial activities
Revenue from commercial activities such as car park and property rental income are recognised on an accrual basis.

Note 2.1: Analysis of Revenue by Source (continued)

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 into account the effective yield of the financial asset, which allocates interest over the relevant period.

Other Revenue
Other revenue predominantly includes expense recoveries from The University of Melbourne and RMIT associated with tenancy agreements.

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

Primary and Community Health comprises services for Community Health including health promotion and counselling, physiotherapy and a range of dental health services.

Note 2.2: Specific Income

	Total 2018 $'000	Total 2017 $'000
Specific Income		
Litigation Settlements - CDO [(i)]	54	-
Carlton Connect Initiative Project [(ii)]	2,850	-
Other	-	9
TOTAL	**2,904**	**9**

[(i)] This is the final payment for the class action regarding the failed CDO that was settled with the Commonwealth Bank of Australia (CBA). DHSV received approximately a total of $1.1m in settlement of its claim against CBA.

[(ii)] DHSV was compensated by University of Melbourne for enabling works to restore amenities that were lost during the construction of the Carlton Connect Initiative project.

Note 3: The Cost of Delivering Services

This section provides an account of the expenses incurred by DHSV in delivering services and outputs. In Note 2, the funds that enable the provision of services were disclosed and in this note the costs associated with provision of services are recorded.

Structure
3.1 Analysis of Expenses by Source
3.2 Analysis of Expenses and Revenue by Internally Managed and Restricted Specific Purpose Funds
3.3 Specific Expenses
3.4 Employee Benefits in the Balance Sheet
3.5 Superannuation

Note 3.1: Analysis of Expenses by Source

	Total 2018 $'000	Total 2017 $'000
Employee Expenses	41,683	40,228
Revaluation of Long Service Leave	(2)	(124)
Net Employee Expenses	**41,681**	**40,104**
Other Operating Expenses		
Non Salary Labour Costs	420	477
Supplies and Consumables	4,421	4,644
Grants to other Health Services and Community Agencies	133,356	123,512
Medical Indemnity Insurance	84	88
Fuel, Light, Power and Water	770	465
Repairs and Maintenance	304	543
Other Expenses	11,861	14,514
Total Expenditure from Operating Activities	**192,897**	**184,347**
Other Non-Operating Expenses		
Specific Expenses (refer note 3.3)	1,715	1,741
Expenditure for Capital Purposes	276	170
Impairment of non-financial assets	20	-
Net gain/(loss) on financial instruments	111	69
Depreciation and Amortisation (refer note 4.3)	5,155	5,277
Total Other Expenses	**7,277**	**7,257**
Total Expenses	**200,174**	**191,604**

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

Employee expenses
Employee expenses include:
- Salaries and wages;
- Fringe benefit tax;
- Leave entitlements;
- Termination payments;
- Workcover premiums; and
- Superannuation expenses

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

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

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.

Note 3.1: Analysis of Expenses by Source (continued)

Net gain/ (loss) on non-financial assets

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

- Revaluation gains/ (losses) of non-financial physical assets (Refer to Note 4.2 Property, plant and equipment.)
- Net gain/ (loss) on disposal of non-financial assets

Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal.

Net gain/ (loss) on financial instruments

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
- disposals of financial assets and derecognition of financial liabilities

Amortisation of non-produced intangible assets

Intangible non-produced assets with finite lives are amortised on a systematic 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.

Other gains/ (losses) from other economic flows

Other gains/ (losses) include revaluation of the present value of the long service leave liability due to changes in the bond rate movements, inflation rate movements and the impact of changes in probability factors.

Note 3.2: Analysis of Expenses and Revenue by Internally Managed and Restricted Specific Purpose Funds

	Expense		Revenue	
	Total 2018 $'000	Total 2017 $'000	Total 2018 $'000	Total 2017 $'000
Other Activities				
Technical Support	4,477	6,395	4,884	6,691
Overseas Dentists Training Program	560	475	823	675
Research and Innovation	391	462	25	38
Executive CPD	37	38	56	49
Car Park	-	-	2	2
Property Income	-	-	198	204
TOTAL	**5,465**	**7,370**	**5,988**	**7,659**

Note 3.3: Specific Expenses

	Total 2018 $'000	Total 2017 $'000
Specific Expenses		
Amounts Paid for the Purchase of Dental Equipment on Behalf of External Dental Agencies [(i)]	1,715	1,741
Total Specific Expenses	**1,715**	**1,741**

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

Note 3.4: Employee Benefits in the Balance Sheet

	Total 2018 $'000	Total 2017 $'000
Current Provisions		
Employee Benefits [(i)]		
- Accrued salaries [(ii)]	774	650
- Accrued days off - unconditional and expected to be settled wholly within 12 months [(ii)]	230	216
Annual Leave		
- Unconditional and expected to be settled wholly within 12 months [(ii)]	1,836	1,800
- Unconditional and expected to be settled wholly after 12 months [(iii)]	626	553
Long Service Leave		
- Unconditional and expected to be settled wholly within 12 months [(ii)]	591	591
- Unconditional and expected to be settled wholly after 12 months [(iii)]	4,586	4,128
	8,643	**7,938**
Provisions related to Employee Benefit On-Costs		
- Unconditional and expected to be settled within 12 months [(ii)]	254	247
- Unconditional and expected to be settled after 12 months [(iii)]	545	490
	799	**737**
Total Current Provisions	**9,442**	**8,675**
Non-Current Provisions		
Employee Benefits [(i) (iii)]	1,226	1,154
Provisions related to Employee Benefit On-Costs [(iii)]	124	117
Total Non-Current Provisions	**1,350**	**1,271**
Total Provisions	**10,792**	**9,946**
(a) Employee Benefits and Related On-Costs		
Current Employee Benefits and Related On-Costs		
Unconditional Long Service Leave Entitlements	5,722	5,216
Annual Leave Entitlements	2,716	2,593
Accrued Wages and Salaries	774	650
Accrued Days Off	230	216
Non-Current Employee Benefits and Related On-Costs		
Conditional Long Service Leave Entitlements [(iii)]	1,350	1,271
Total Employee Benefits and Related On-Costs	**10,792**	**9,946**

Notes:

[(i)] Provisions for employee benefits consist of amounts for accrued days off, 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.

(b) Movements in provisions		
Movement in Long Service Leave:		
Balance at start of year	6,487	6,504
Provision made during the year		
- Revaluations	(2)	(124)
- Expense recognising Employee Service	1,173	983
Settlement made during the year	(586)	(876)
Balance at end of year	**7,072**	**6,487**

Note 3.4: Employee Benefits in the Balance Sheet (continued)

Employee Benefit Recognition
Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date as an expense during the period the services are delivered.

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

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

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

Salaries and wages, annual leave and accrued days off
Liabilities for salaries and wages, including annual leave and accrued days off are all recognised in the provision for employee benefits as 'current liabilities', because DHSV does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries, annual leave and accrued days off are measured at:
- Undiscounted value – if DHSV expects to wholly settle within 12 months; or
- Present value – if DHSV does not expect to wholly settle within 12 months.

Long Service Leave (LSL)

Unconditional LSL is disclosed in the notes to the financial statements as a current liability, even where DHSV does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months. An unconditional right arises after a qualifying period.

The components of this current LSL liability are measured at:
- Undiscounted value – if DHSV expects to wholly settle within 12 months; or
- Present value – where DHSV does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in estimations e.g bond rate movements, inflation rate movements and changes in probability factors which are then recognised as other economic flows.

Termination benefits
Termination benefits are payable when employment is terminated before the normal retirement date or when an employee decides to accept an offer of benefits in exchange for the termination of employment.

On-costs related to employee expense
Provision for on-costs, such as workers compensation and superannuation are recognised together with provisions for employee benefits.

Note 3.5: Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	Total 2018 $'000	**Total 2017 $'000**	**Total 2018 $'000**	**Total 2017 $'000**
Defined benefit plans: [(i)]				
First State Super	55	57	1	1
Other	33	37	1	1
Defined contribution plans:				
First State Super	2,500	2,639	48	55
Other	726	547	15	11
Total	**3,314**	**3,280**	**65**	**68**

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

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

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

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

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

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

Note 4: Key Assets to Support Service Delivery

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

Structure
4.1 Investments and Other Financial Assets
4.2 Property, Plant & Equipment
4.3 Depreciation and Amortisation
4.4 Intangible Assets

Note 4.1: Investments and Other Financial Assets

	Operating Fund	
	Total 2018 $'000	**Total 2017 $'000**
CURRENT		
Loans and Receivables		
Term Deposits		
Australian Dollar Term Deposits > 90 days [(i)]	2,000	8,000
Total Current	2,000	8,000
TOTAL INVESTMENTS AND OTHER FINANCIAL ASSETS	2,000	8,000
Represented by:		
Health Service Investments	2,000	8,000
TOTAL INVESTMENTS AND OTHER FINANCIAL ASSETS	2,000	8,000

[(i)] Term deposits under 'investments and other financial assets' class include only term deposits with maturity greater than 3 months. In 2018, term deposits are held with NAB while in 2017, $6m and $2m were held with TCV and NAB, respectively as per the investment policy issued by the Department of Treasury and Finance.

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 as loans and receivables.

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.

Health Service's investments must comply with Standing Direction 3.7.2 - Treasury and Investment Risk Management.

All financial assets, except for those measured at fair value through the Comprehensive Operating Statement are subject to annual review for impairment.

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

Note 4.2: Property, Plant and Equipment

(a) Gross Carrying Amount and Accumulated Depreciation

	Total 2018 $'000	Total 2017 $'000
Crown Land		
Crown Land at Fair Value	32,902	27,736
Total Crown Land	**32,902**	**27,736**
Buildings		
Buildings at Fair Value	82,910	92,209
Work in Progress	1,663	73
Less Accumulated Depreciation	-	13,601
Total Buildings	**84,573**	**78,681**
Plant and Equipment		
Plant and Equipment at Fair Value	872	895
Work in Progress	-	66
Less Accumulated Depreciation	691	669
Total Plant and Equipment	**181**	**292**
Medical Equipment		
Medical Equipment at Fair value	5,569	5,299
Work in Progress	633	510
Less Accumulated Depreciation	3,197	2,852
Total Medical Equipment	**3,005**	**2,957**
Computers and Communication		
Computers and Communication at Fair value	2,842	3,951
Work in Progress	867	274
Less Accumulated Depreciation	2,655	3,608
Total Computers and Communications	**1,054**	**617**
Furniture and Fittings		
Furniture and Fittings at Fair Value	61	61
Work in Progress	-	-
Less Accumulated Depreciation	44	34
Total Furniture & Fittings	**17**	**27**
Motor Vehicles		
Motor Vehicles at Fair Value	1,938	1,999
Work in Progress	346	-
Less Accumulated Depreciation	1,372	1,098
Total Motor Vehicles	**912**	**901**
TOTAL	**122,644**	**111,211**

Note 4.2: Property, Plant and Equipment (continued)

(b) Reconciliations of the Carrying Amounts of Each Class of Asset

	Crown Land $'000	Buildings $'000	Plant & Equipment $'000	Medical Equipment $'000	Computers & Communication $'000	Furniture & Fittings $'000	Motor Vehicles $'000	Total $'000
Balance at 1 July 2016	24,966	82,583	259	2,244	507	33	1,155	111,747
Additions	1	138	22	566	141	4	199	1,071
Disposals	-	-	-	-	-	-	(60)	(60)
Work in progress assets	-	73	66	510	274	-	-	923
Revaluation increments [(i)]	2,769	-	-	-	-	-	-	2,769
Depreciation and amortisation (note 4.3)	-	(4,113)	(55)	(363)	(305)	(10)	(393)	(5,239)
Balance at 1 July 2017	**27,736**	**78,681**	**292**	**2,957**	**617**	**27**	**901**	**111,211**
Additions	-	14	10	322	19	-	108	473
Disposals	-	-	-	-	-	-	(85)	(85)
Work in progress assets	-	1,590	(66)	123	593	-	346	2,586
Impairment of non-financial assets	-	(20)	-	-	-	-	-	(20)
Revaluation increments [(i)]	5,166	8,427	-	-	-	-	-	13,593
Depreciation and amortisation (note 4.3)	-	(4,119)	(55)	(397)	(175)	(10)	(358)	(5,114)
Balance at 30 June 2018	**32,902**	**84,573**	**181**	**3,005**	**1,054**	**17**	**912**	**122,644**

Crown land and buildings carried at valuation

The Valuer-General Victoria (VGV) undertook to re-value all of DHSVs crown land to determine their fair value.The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation was based on independent assessments. The effective date of the valuation is 30 June 2018. A formal revaluation was required as the increase in land value using VGV land indices from 30 June 2014 to 30 June 2018 was significant (greater than 40%).

In compliance with FRD 103F, in the year ended 30 June 2018, DHSVs management conducted an annual assessment of the fair value of buildings. To facilitate this, management obtained from the Department of Treasury and Finance the VGV indices for the financial year ended 30 June 2018.

[(i)] The latest building indices showed that a managerial revaluation in 2018 is required. The indexed value was compared to individual assets written down book value as at 30 June 2018 to determine the change in their fair values. The Department of Health and Human Services approved a managerial revaluation of the building asset class of $8.4m. Crown land was formally revalued by VGV due to significant movements in land indices between 30 June 2014 and 30 June 2018.

Note 4.2: Property, Plant and Equipment (continued)

(c) Fair Value Measurement Hierarchy for Assets as at 30 June 2018

	Carrying amount as at 30 June 2018	Fair value measurement at end of reporting period using: Level 1 [(i)]	Level 2 [(i)]	Level 3 [(i)]
Crown land at fair value				
Specialised land	32,902	-	-	32,902
Total of crown land at fair value	**32,902**	**-**	**-**	**32,902**
Buildings at fair value				
Specialised buildings	84,573	-	-	84,573
Total of building at fair value	**84,573**	**-**	**-**	**84,573**
Plant and equipment at fair value				
Plant, equipment and vehicles at fair value				
- Vehicles [(ii)]	912	-	208	704
- Plant and equipment	181	-	-	181
- Computer and communications	1,054	-	-	1,054
- Furniture and fittings	17	-	-	17
Total of plant, equipment and vehicles at fair value	**2,164**	**-**	**208**	**1,956**
Medical equipment at fair value				
Total medical equipment at fair value	**3,005**	-	-	**3,005**
	122,644	**-**	**208**	**122,436**

Fair Value Measurement Hierarchy for Assets as at 30 June 2017

	Carrying amount as at 30 June 2017	Fair value measurement at end of reporting period using: Level 1 [(i)]	Level 2 [(i)]	Level 3 [(i)]
Crown land at fair value				
Specialised land	27,736	-	-	27,736
Total of crown land at fair value	**27,736**	**-**	**-**	**27,736**
Buildings at fair value				
Specialised buildings	78,681	-	-	78,681
Total of building at fair value	**78,681**	**-**	**-**	**78,681**
Plant and equipment at fair value				
Plant, equipment and vehicles at fair value				
- Vehicles [(ii)]	901	-	246	655
- Plant and equipment	292	-	-	292
- Computer and communications	617	-	-	617
- Furniture and fittings	27	-	-	27
Total of plant, equipment and vehicles at fair value	**1,837**	**-**	**246**	**1,591**
Medical equipment at fair value				
Total medical equipment at fair value	**2,957**	-	-	**2,957**
	111,211	**-**	**246**	**110,965**

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

[(ii)] Vehicles are categorised to Level 3 assets if the depreciated replacement cost is used in estimating the fair value.

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

Note 4.2: Property, Plant and Equipment (continued)

(d) Reconciliation of Level 3 Fair Value [(i)]

30 June 2018	Land	Buildings	Plant and Equipment	Medical Equipment
Balance at 1 July 2017	27,736	78,681	1,591	2,957
Addition/(Disposals)	-	1,604	902	445
Gains or losses recognised in net result				
- Depreciation	-	(4,119)	(537)	(397)
- Impairment loss	-	(20)	-	-
Subtotal	**-**	**(4,139)**	**(537)**	**(397)**
Items recognised in other comprehensive income				
- Revaluation	5,166	8,427	-	-
Subtotal	**5,166**	**8,427**	**-**	**-**
Balance at 30 June 2018	**32,902**	**84,573**	**1,956**	**3,005**

30 June 2017	Land	Buildings	Plant and Equipment	Medical Equipment
Balance at 1 July 2016	24,966	82,583	1,708	2,244
Addition/(Disposals)	1	211	646	1,076
Gains or losses recognised in net result				
- Depreciation	-	(4,113)	(763)	(363)
- Impairment loss	-	-	-	-
Subtotal	**-**	**(4,113)**	**(763)**	**(363)**
Items recognised in other comprehensive income				
- Revaluation	2,769	-	-	-
Subtotal	**2,769**	**-**	**-**	**-**
Balance at 30 June 2017	**27,736**	**78,681**	**1,591**	**2,957**

Note
[(i)] Classified in accordance with the fair value hierarchy, refer Note 4.2(c).

There have been no transfers between levels during the period.

Note 4.2: Property, Plant and Equipment (continued)

(e) Fair Value determination

Asset Class	Examples of types of assets	Expected fair value level	Likely valuation approach	Significant inputs (Level 3 only)[(ii)]
Specialised land	Land subject to restrictions as to use and/or sale	Level 3	Market approach	CSO adjustments[(ii)]
Specialised buildings[(i)]	Specialised buildings with limited alternative uses customisation e.g. hospitals	Level 3	Depreciated replacement cost approach	Cost per square metre Useful life
Plant and equipment[(i)]	Specialised items with limited alternative uses and/or substantial customisation	Level 3	Depreciated replacement cost approach	Cost per square metre Useful life
Vehicles	If there is an active market available; If there is no active market available	Level 2 Level 3	Market approach Depreciated replacement cost approach	N/A Useful life

[(i)] Newly built/acquired assets could be categorised as Level 2 assets as depreciation would not be a significant unobservable input (based on the 10% materiality threshold).

[(ii)] CSO adjustment of 20% was applied to reduce the market approach value for DHSVs specialised land.

There were no changes in valuation techniques throughout the period to 30 June 2018.

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

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 physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the asset(s) are not taken into account until it is virtually certain that any restrictions will no longer apply. Therefore, unless otherwise disclosed, the current use of these non-financial physical assets will be their highest and best uses.

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

Note 4.2: Property, Plant and Equipment (continued)

Subsequent Measurement
Consistent with AASB 13 *Fair Value Measurement*, DHSV determines the policies and procedures for recurring property, plant and equipment fair value measurements, in accordance with the requirements of AASB 13 and the relevant FRDs.

All property, plant and equipment for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy.

For the purpose of fair value disclosures, DHSV has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

In addition, DHSV determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

Fair value measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Consideration of highest and best use (HBU) for non-financial physical assets
Judgments about highest and best use must take into account the characteristics of the assets concerned, including restrictions on the use and disposal of assets arising from the asset's physical nature and any applicable legislative/contractual arrangements.

In accordance with paragraph AASB 13.29, DHSV can assume the current use of a non-financial physical asset is its HBU unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

Therefore, an assessment of the HBU will be required when the indicators are triggered within a reporting period, which suggest the market participants would have perceived an alternative use of an asset that can generate maximum value. Once identified, DHSV is required to engage with VGV or other independent valuers for formal HBU assessment.

These indicators, as a minimum, include:
External factors:
- Changed acts, regulations, local law or such instrument which affects or may affect the use or development of the asset;
- Changes in planning scheme, including zones, reservations, overlays that would affect or remove the restrictions imposed on the asset's use from its past use;
- Evidence that suggest the current use of an asset is no longer core to requirements to deliver DHSVs service obligation;
- Evidence that suggests that the asset might be sold or demolished at reaching the late stage of an asset's life cycle.

In addition, DHSV needs to assess the HBU as part of the 5-year review of fair value of non-financial physical assets. This is consistent with the current requirements of FRD 103F *Non-financial physical assets*.

Note 4.2: Property, Plant and Equipment (continued)

Valuation hierarchy
DHSV needs to use valuation techniques that are appropriate for the circumstances and where there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy.

Identifying unobservable inputs (level 3) fair value measurements
Level 3 fair value inputs are unobservable valuation inputs for an asset or liability. These inputs require significant judgment and assumptions in deriving fair value for both financial and non-financial assets.

Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, i.e., an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability. Therefore, unobservable inputs would reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk.

Assumptions about risk include the inherent risk in a particular valuation technique used to measure fair value (such as a pricing risk model) and the risk inherent in the inputs to the valuation technique. A measurement that does not include an adjustment for risk would not represent a fair value measurement if market participants would include one when pricing the asset or liability i.e., it might be necessary to include a risk adjustment when there is significant measurement uncertainty. For example, when there has been a significant decrease in the volume or level of activity when compared with normal market activity for the asset or liability or similar assets or liabilities, and DHSV has determined that the transaction price or quoted price does not represent fair value.

DHSV develops unobservable inputs using the best information available in the circumstances, which might include DHSVs own data. In developing unobservable inputs, DHSV would begin with its own data, but it would adjust this data if reasonably available information indicates that other market participants would use different data or there is something particular to DHSV that is not available to other market participants. DHSV does not undertake exhaustive efforts to obtain information about other market participant assumptions. However, DHSV takes into account all information about market participant assumptions that is reasonably available. Unobservable inputs developed in the manner described above are considered market participant assumptions and meet the object of a fair value measurement.

Note 4.2: Property, Plant and Equipment (continued)

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

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

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

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

For DHSV, the depreciated replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation. As depreciation adjustments are considered as significant and unobservable inputs in nature, specialised buildings are classified as Level 3 for fair value measurements.

An independent valuation of DHSVs specialised land and building was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2014.

In June 2018 a managerial valuation was carried out in accordance with FRD 103F to revalue the building to its fair value. Also, in June 2018 an independent of valuation of DHSVs specialised land was performed by VGV as land value (based on land indices) increased by more than 40% from 30 June 2014 to 30 June 2018.

Vehicles
DHSV acquires new vehicles and at times disposes of them before completion of their economic life. The process of acquisition, use and disposal in the market is managed by DHSV who set relevant depreciation rates during use to reflect the consumption of the vehicles. As a result, the fair value of vehicles does not differ materially from the carrying amount (depreciated cost).

Note 4.2: Property, Plant and Equipment (continued)

Plant and equipment
Plant and equipment (including medical equipment, computers and communication equipment and furniture and fittings are held at carrying amount (depreciated cost). When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, the depreciated replacement cost is used to estimate the fair value. Unless there is market evidence that current replacement costs are significantly different from the original acquisition cost, it is considered unlikely that depreciated replacement cost will be materially different from the existing carrying amount.

There were no changes in valuation techniques throughout the period to 30 June 2018.

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

Revaluations of non-current physical assets
Non-current physical assets are measured at fair value and are revalued in accordance with FRD 103F *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 amount and fair value.

Revaluation increments are recognised in 'Other Comprehensive Income' and are credited directly in equity 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 normally transferred to accumulated funds on derecognition of the relevant asset, except where an asset is transferred via contributed capital.

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

Note 4.3: Depreciation and Amortisation

	Total 2018 $'000	Total 2017 $'000
Depreciation		
Buildings	4,119	4,113
Plant and Equipment	55	55
Medical Equipment	397	363
Computers and Communication	175	305
Furniture and Fittings	10	10
Motor Vehicles	358	393
Total Depreciation	**5,114**	**5,239**
Amortisation		
Intangible Assets	41	38
Total Depreciation and Amortisation	**5,155**	**5,277**

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

Depreciation is generally calculated on a straight line basis, at rates that allocate the assets' value, less any estimated residual value over its estimated useful life (refer to AASB 116 *Property, Plant and Equipment*). Estimates of the remaining useful lives, residual value and depreciation method for all assets are reviewed at least annually, and adjustments made where appropriate. Assets with a cost in excess of $2,500 are capitalised and assets are reviewed at least depreciation has been provided on depreciable assets so as to allocate their cost or valuation over their estimated useful lives.

Amortisation
Amortisation is the systematic allocation of the depreciation amount of an asset over its useful life.

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

	2018	2017
Buildings		
- Structure Shell Building Fabric	45 to 60 years	45 to 60 years
- Site Engineering Services and Central Plant	15 to 40 years	15 to 40 years
Central Plant		
- Fit Out	15 to 30 years	15 to 30 years
- Trunk Reticulated Building Systems	15 to 30 years	15 to 30 years
Relocatable Buildings	20 years	20 years
Building Improvements	5 years	5 years
Plant and Equipment	5 to 10 years	5 to 10 years
Medical Equipment	5 to 15 years	5 to 15 years
Computers and Communication	3 years	3 years
Furniture and Fittings	5 years	5 years
Motor Vehicles	5 to 15 years	5 to 15 years

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

Note 4.4: Intangible Assets

	Total 2018 $'000	Total 2017 $'000
Software Licences	4,467	3,658
Less Accumulated Amortisation	3,608	3,566
Total Intangible Assets	**859**	**92**

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

	Total $'000
Balance at 1 July 2016	**104**
Additions	26
Amortisation (note 4.3)	(38)
Balance at 1 July 2017	**92**
Additions	170
Work in progress assets	638
Amortisation (note 4.3)	(41)
Balance at 30 June 2018	**859**

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

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.

Intangible assets with finite useful lives are amortised over 3 years.

Note 5: Other Assets and Liabilities

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

Structure
5.1 Receivables
5.2 Inventories
5.3 Prepayments and Other Non-Financial Assets
5.4 Payables

Note 5.1: Receivables

	Total 2018 $'000	Total 2017 $'000
CURRENT		
Contractual		
Inter Hospital Debtors	186	164
Trade Debtors	802	919
Patient Fees	145	167
Accrued Investment Income	30	36
Accrued Revenue - Cost Recovery	242	142
Less Allowance for Doubtful Debts		
Trade Debtors	(1)	(2)
Patient Fees	(51)	(45)
	1,353	1,381
Statutory		
CME Grant - Department of Health and Human Services	61	-
GST Receivable	912	968
	973	968
TOTAL CURRENT RECEIVABLES	**2,326**	**2,349**
NON CURRENT		
Statutory		
Long Service Leave - Department of Health and Human Services	1,152	970
TOTAL NON-CURRENT RECEIVABLES	**1,152**	**970**
TOTAL RECEIVABLES	**3,478**	**3,319**

(a) Movement in the Allowance for Doubtful Debts

	Total 2018 $'000	Total 2017 $'000
Balance at beginning of year	47	53
Amounts written off during the year	(106)	(75)
Increase in allowance recognised in net result	111	69
Balance at end of year	52	47

Note 5.1: Receivables (continued)

Receivables consist of:

- contractual receivables, which includes mainly debtors in relation to goods and services, accrued investment income; and
- statutory receivables, which includes 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.

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.*

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.

Doubtful debts

Receivables are assessed for bad and doubtful debts on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off by mutual consent and the allowance for doubtful debts are classified as other economic flows in the net result.

Note 5.2: Inventories

	Total 2018 $'000	Total 2017 $'000
Medical and Surgical Lines		
At Cost	345	454
Total Medical and Surgical Lines	345	454
Engineering Stores		
At Cost	224	323
Loss of Service Potential	(48)	(39)
Total Engineering Stores	176	284
TOTAL INVENTORIES	**521**	**738**

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

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

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

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

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

Note 5.3: Prepayments and Other Non-Financial Assets

	Total 2018 $'000	Total 2017 $'000
CURRENT		
Prepayments	720	821
Minor Works in Progress	22	43
TOTAL CURRENT OTHER ASSETS	**742**	**864**

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.

Note 5.4: Payables

	Total 2018 $'000	Total 2017 $'000
CURRENT		
Contractual		
Trade Creditors [(i)]	1,619	2,576
Accrued Expenses	2,680	1,596
Amounts Payable to Governments and Agencies	12,179	12,780
Revenue in Advance	344	429
	16,822	17,381
Statutory		
Department of Health and Human Services	14,109	3,619
	14,109	3,619
TOTAL CURRENT	**30,931**	**21,000**

(i) The average credit period is 30 days. No interest is charged on the other payables.

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

Note 5.4 (a): Maturity analysis of Financial Liabilities as at 30 June

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

Maturity Analysis of Financial Liabilities as at 30 June

			Maturity Dates			
2018	**Carrying Amount $'000**	**Nominal Amount $'000**	**Less than 1 Month $'000**	**1 - 3 Months $'000**	**3 months - 1 Year $'000**	**1 - 5 Years $'000**
Financial Liabilities						
At Amortised Cost						
Payables	16,478	16,478	16,478	-	-	-
Total Financial Liabilities	**16,478**	**16,478**	**16,478**	-	-	-
2017						
Financial Liabilities						
At Amortised Cost						
Payables	16,952	16,952	16,952	-	-	-
Total Financial Liabilities	**16,952**	**16,952**	**16,952**	-	-	-

Note 6: How We Finance Our Operations

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

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

Structure
6.1 Cash and cash equivalents
6.2 Commitments for expenditure

Note 6.1: Cash and Cash Equivalents

	Total 2018 $'000	Total 2017 $'000
Cash on hand	6	6
Cash at bank	19,942	11,219
Short-term deposits [(i)]	12,000	5,000
Total Cash and Cash Equivalents	**31,948**	**16,225**
Represented by:		
Cash for Health Service Operations (as per Cash Flow Statement)	31,948	16,225
Total Cash and Cash Equivalents	**31,948**	**16,225**

(i) Term deposits are held with TCV as per the investment policy issued by the Department of Treasury and Finance.

Cash and cash equivalents recognised on the Balance Sheet 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 with an insignificant risk of changes in value.

Note 6.2: Commitments for Expenditure

(a) Commitments Other Than Public Private Partnerships

	Total 2018 $'000	Total 2017 $'000
Capital expenditure commitments		
Payable:		
Building	1,684	-
Plant and Equipment	673	-
Intangible Assets	363	-
Motor Vehicle	45	-
Total capital expenditure commitments	**2,765**	**-**
Operating Commitments		
Payable:		
Cleaning Services	759	791
Computer Services	2,252	1,388
Security Services	250	270
Maintenance	1,156	334
Total Other Expenditure Commitments	**4,417**	**2,783**
Lease Commitments		
Commitments in relation to leases contracted for at the reporting date:		
Operating Leases	68	107
Total Lease Commitments	**68**	**107**
Total Commitments (Inclusive of GST) Other Than Public Private Partnerships	**7,250**	**2,890**

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

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

(b) Commitments Payable

	Total 2018 $'000	Total 2017 $'000
Capital expenditure commitments		
Less than 1 year	2,765	-
Total Other Expenditure Commitments	**2,765**	**-**
Other Expenditure Commitments Payable		
Less than 1 year	4,095	2,769
Longer than 1 year but not longer than 5 years	322	14
Total Other Expenditure Commitments	**4,417**	**2,783**
Lease Commitments Payable		
Less than 1 year	39	39
Longer than 1 year but not longer than 5 years	29	68
Total Lease Commitments	**68**	**107**
Total Commitments (Inclusive of GST)	**7,250**	**2,890**
Less GST Recoverable from the Australian Tax Office	(659)	(263)
Total Commitments (exclusive of GST)	**6,591**	**2,627**

Note 7: Risks, Contingencies & Valuation Uncertainties

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

Structure
7.1 Financial Instruments
7.2 Net gain/ (loss) on disposal of non-financial assets
7.3 Contingent Assets and Contingent Liabilities

Note 7.1: Financial Instruments

Financial Risk Management Objectives and Policies

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of DHSVs activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

(a) Financial instruments: categorisation

2018	Contractual Financial Assets - Loans and Receivables $'000	Contractual Financial Liabilities At Amortised Cost $'000	Total $'000
Contractual Financial Assets			
Cash and Cash Equivalents	31,948	-	31,948
Other Financial Assets			
- Term Deposits	2,000	-	2,000
Loans and Receivables	1,405	-	1,405
Total Financial Assets [(i)]	**35,353**	**-**	**35,353**
Financial Liabilities			
At Amortised Cost	-	16,478	16,478
Total Financial Liabilities [(ii)]	**-**	**16,478**	**16,478**

2017	Contractual Financial Assets - Loans and Receivables $'000	Contractual Financial Liabilities At Amortised Cost $'000	Total $'000
Contractual Financial Assets			
Cash and Cash Equivalents	16,225	-	16,225
Other Financial Assets			
- Term Deposits	8,000	-	8,000
Loans and Receivables	1,428	-	1,428
Total Financial Assets [(i)]	**25,653**	**-**	**25,653**
Financial Liabilities			
At Amortised Cost	-	16,952	16,952
Total Financial Liabilities [(ii)]	**-**	**16,952**	**16,952**

[(i)] The total amount of financial assets disclosed here excludes statutory receivables.

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

Note 7.1: Financial Instruments (continued)

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

	Total Interest Income $'000	Impairment Loss $'000	Total $'000
2018			
Financial Assets			
Cash and Cash Equivalents [(i)]	644	-	644
Receivables [(i)]	-	(111)	(111)
Total Financial Assets	**644**	**(111)**	**533**
Financial Liabilities			
At Amortised Cost	-	-	-
Total Financial Liabilities	**-**	**-**	**-**
2017			
Financial Assets			
Cash and Cash Equivalents [(i)]	608	-	608
Receivables [(i)]	-	(69)	(69)
Total Financial Assets	**608**	**(69)**	**539**
Financial Liabilities			
At Amortised Cost [(ii)]	-	-	-
Total Financial Liabilities	**-**	**-**	**-**

[(i)] For cash and cash equivalents and loans or receivables, the net gain or loss is calculated by taking the movement in the fair value of the asset, interest revenue, plus or minus losses arising from revaluation of financial assets, and minus any impairment recognised in the net result.

[(ii)] For financial liabilities measured at amortised cost, the net gain or loss is calculated by taking the interest expense measured at amortised cost.

Categories of financial instruments

Loans and receivables and cash are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets and liabilities are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method (and for assets, less any impairment). DHSV recognises the following assets in this category:

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

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method. DHSV recognises the following liabilities in this category:

- payables (excluding statutory payables)

Note 7.1: Financial Instruments (continued)

Offsetting financial instruments
Financial instrument assets and liabilities are offset and the net amount presented in the consolidated balance sheet when, and only when, DHSV concerned has a legal right to offset the amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Some master netting arrangements do not result in an offset of balance sheet assets and liabilities. Where DHSV does not have a legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as default, insolvency or bankruptcy, they are reported on a gross basis.

Derecognition of financial assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:
- the rights to receive cash flows from the asset have expired; or
- DHSV retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- DHSV has transferred its rights to receive cash flows from the asset and either:
  - has transferred substantially all the risks and rewards of the asset; or
  - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

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

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

Note 7.2: Net Gain / (Loss) on Disposal of Non-financial Assets

	Total 2018 $'000	Total 2017 $'000
Proceeds from Disposals of Non-Current Assets		
Motor Vehicles	108	109
Total Proceeds from Disposal of Non-Current Assets	**108**	**109**
Less: Written Down Value of Non-Current Assets Sold		
Motor Vehicles	85	60
Total Written Down Value of Non-Current Assets Sold	**85**	**60**
Net gain / (loss) on Disposal of Non-Financial Assets	**23**	**49**

Disposal of non-financial assets
Any gain or loss on the sale of non-financial assets is recognised in the comprehensive operating statement.

Impairment of non-financial assets
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 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 amount exceeds their possible recoverable amount. Where an asset's carrying amount 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 reversal in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. This reversal of the impairment loss occurs only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

It is deemed that, in the event of the loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs of disposal. 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 of disposal.

Note 7.3: Contingent assets and contingent liabilities

DHSV has joined a class action against a rating agency to recover losses incurred in a failed CDO. The amount of the contingent asset as a result of this action is unquantifiable as at 30 June 2018. This class action is separate from the CBA class action that had been settled in 2017/18.

There are no contingent liabilities at 30 June 2018 (2017 - Nil).

Note 8: Other Disclosures

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

Structure
8.1 Equity
8.2 Reconciliation of Net Result for the Year to Net Cash Inflow/(Outflow) from Operating Activities
8.3 Responsible persons disclosures
8.4 Remuneration of Executives
8.5 Related Parties
8.6 Remuneration of Auditors
8.7 Ex-gratia expenses
8.8 AASBs Issued that are not yet effective
8.9 Events Occurring after the Balance Sheet Date
8.10 Grossary of terms and style conventions

Note 8.1: Equity

	Total 2018 $'000	Total 2017 $'000
(a) Surpluses		
Property, Plant and Equipment Revaluation Surplus [(i)]		
Balance at the beginning of the reporting period	87,801	85,032
Revaluation Increment		
- Crown Land	5,166	2,769
- Buildings	8,427	-
Total Revaluation Increment	13,593	2,769
Balance at the end of the reporting period*	101,394	87,801
* Represented by:		
- Crown Land	29,273	24,107
- Buildings	71,672	63,245
- Medical Equipment	331	331
- Motor Vehicles	118	118
Total	101,394	87,801
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	101,906	88,313
(b) Contributed Capital		
Balance at the beginning of the reporting period	52,612	52,612
Balance at the end of the reporting period	52,612	52,612
(c) Accumulated Deficits		
Balance at the beginning of the reporting period	(31,422)	(26,716)
Net Result for the Year	(2,627)	(4,706)
Balance at the end of the reporting period	(34,049)	(31,422)
Total Equity at end of financial year	**120,469**	**109,503**

[(i)] *The property, plant and equipment asset revaluation surplus arises on the revaluation of property, plant and equipment.*

Note 8.1: Equity (continued)

Contributed capital
Consistent with Australian Accounting Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* and FRD 119A *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 to or distributions by owners that have been designated as contributed capital are also treated as contributed capital.

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

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.

Note 8.2: Reconciliation of Net Result for the Year to Net Cash Inflow / (Outflow) from Operating Activities

	Total 2018 $'000	Total 2017 $'000
Net Result for the Year	(2,627)	(4,706)
Non-Cash Movements:		
Depreciation and Amortisation	5,155	5,277
Impairment of Non-Financial Assets	20	-
Provision for Doubtful Debts	111	69
Movements Included in Investing and Financing Activities:		
Net Gain from Disposal of Non-Financial Physical Assets	(23)	(49)
Movements in Assets and Liabilities:		
Change in Operating Assets and Liabilities		
(Increase) in Receivables	(270)	(305)
(Increase) / Decrease in Other Assets	122	(422)
Increase in Payables	9,931	9,207
Increase in Employee Benefits	846	296
(Increase) / Decrease in Inventories	217	(14)
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	**13,482**	**9,353**

Note 8.3: Responsible Persons Disclosures

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

	Period	
Responsible Minister:		
The Honourable Jill Hennessy, Minister for Health, Minister for Ambulance Services	01-July-2017	30-June-2018
Governing Board		
Dr Zoe Wainer	01-July-2017	30-June-2018
Ms Kathryn Bell	01-July-2017	30-June-2018
Dr Pamela Dalgliesh	01-July-2017	30-June-2018
Ms Barbara Hingston	01-July-2017	30-June-2018
Mr Ian Pollerd	01-July-2017	30-June-2018
Mr Alexander Johnstone	01-July-2017	30-June-2018
Ms Judith Klepner	01-July-2017	30-June-2018
Ms Lucy Hunter	22-August-2017	30-June-2018
Accountable Officer		
Dr Deborah Cole	01-July-2017	30-June-2018

Remuneration
Remuneration received or receivable by responsible persons were in ranges of:

	2018 No.	2017 No.
Income Band		
$0 - $9,999	1	-
$20,000 - $29,999	6	8
$50,000 - $59,999	1	1
$370,000 - $379,999	-	1
$390,000 - $399,999	1	-
Total Numbers	**9**	**10**
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**$ 595,000.00**	**$ 625,000.00**

Note 8.4: Remuneration of Executives

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

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

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

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

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

Termination benefits
Termination of employment payments, such as severance packages.

Remuneration of executive officers (including Key Management Personnel disclosed in Note 8.5)	**Total Remuneration 2018 $**	**2017 $**
Short-term employee benefits	1,133	854
Post-employment benefits	107	84
Other long-term benefits	14	20
Termination benefits	-	45
Total Remuneration [(i)]	**1,254**	**1,003**
Total number of executives (i)	6	6
Total annualised employee equivalents (AEE) (ii)	5.77	3.97

Notes:
[(i)] The total remuneration and the total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the health service under AASB 124 Related Party Disclosures and are reported within Note 8.5 Related Parties.

[(ii)] Annualised employee equivalent is based on the time fraction worked over the reporting period.

Note 8.5: Related Parties

DHSV is a wholly owned and controlled entity of the State of Victoria. Related parties of DHSV include:
- All key management personnel and their close family members;
- Cabinet Ministers and their close family members; and
- All Health Services and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

KMPs are those people with the authority and responsibility for planning, directing and controlling the activities of the health service and its controlled entities, directly or indirectly.

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

Entity	Key Management Personnel	Position Title
Dental Health Services Victoria	Dr Zoe Wainer	Chair of the board
Dental Health Services Victoria	Ms Kathryn Bell	Board Member
Dental Health Services Victoria	Dr Pamela Dalgliesh	Board Member
Dental Health Services Victoria	Ms Barbara Hingston	Board Member
Dental Health Services Victoria	Mr Ian Pollerd	Board Member
Dental Health Services Victoria	Mr Alexander Johnstone	Board Member
Dental Health Services Victoria	Ms Judith Klepner	Board Member
Dental Health Services Victoria	Ms Lucy Hunter	Board Member
Dental Health Services Victoria	Dr Deborah Cole	Chief Executive Officer
Dental Health Services Victoria	Mr Mark Sullivan	Chief Operating Officer
Dental Health Services Victoria	Mr Nick Russell	Chief Financial Officer
Dental Health Services Victoria	Ms Louise Palmer	Chief Experience Officer
Dental Health Services Victoria	Mr Nuno Goncalves	Chief Information Officer
Dental Health Services Victoria	Mr Martin Hall	Chief Oral Health Advisor
Dental Health Services Victoria	Ms Melanie Van Altena	Executive Director RDHM

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

Compensation - KMPs	2018 ($'000)	2017 ($'000)
Short-term employee benefits	1,676	1,317
Post-employment benefits	159	121
Other long-term benefits	14	16
Total	**1,849**	**1,454**

Note 8.5: Related Parties (continued)

Significant transactions with government-related entities
DHSV received funding from the Department of Health and Human Services of $192.8 million (2017: $176.7 million).

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

Professional medical indemnity insurance and other insurance products are obtained from a Victorian Public Financial Corporation.

Treasury Risk Management Directions require the Health Service to hold cash (in excess of working capital) and investments, and source all borrowings from Victorian Public Financial Corporations.

During the year, DHSV had the following government-related entity transactions:

Agency	2018 ($'000)	2017 ($'000)
Barwon Health	7,201	6,958
Bendigo Health Care Group	5,627	5,046
Peninsula Health	6,534	5,915
Monash Health	11,379	9,177
Other Transactions [(i)]	37,032	34,170
Total	**67,773**	**61,266**

[(i)] Other transactions relates to dental grants provided to 26 other agencies, where each individual transaction is below $5 million.

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

Outside of normal citizen type transactions with the Department of Health and Human Services, all other related party transactions that involved KMPs and their close family members have been entered into on an arm's length basis. Transactions are disclosed when they are considered material to the users of the financial report in evaluating and making decisions about the allocation of scarce resources.

There were no related party transactions with Cabinet Ministers required to be disclosed in 2018.

Note 8.5: Related Parties (continued)

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

Entity	Key Management Personnel	Position Title
IPC Health	Mr Alexander Johnstone	CEO
Star Health	Ms Judith Klepner	President, Board of Directors
Plenty Valley Community Health	Mr Mark Sullivan	Director
DPV Health	Mr Mark Sullivan	Director

Aggregated disclosure note
During the year, related parties of key management personnel were provided dental grants on terms and conditions equivalent for those that prevail in arm's length transactions under the State's procurement process. The transactions involved the provision of grants to treat eligible patients in their catchment areas with an aggregated value of $15 million (including GST).

Note 8.6: Remuneration of Auditors

	2018	2017
Victorian Auditor-General's Office	$'000	$'000
Audit or review of financial statements	32	39

	2018	2017
Other Providers	$'000	$'000
Internal and other audit services	158	100

Note 8.7: Ex-Gratia Expenses

	2018	2017
DHSV has made the following ex gratia expenses:	$'000	$'000
Compensation for economic loss	-	45
Total ex-gratia expenses		

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

Note 8.8: AASBs Issued that are not yet Effective

Certain new Australian accounting standards have been published that are not mandatory for the 30 June 2018 reporting period. DTF assesses the impact of all these new standards and advises DHSV of their applicability and early adoption where applicable.

As at 30 June 2018, the following standards and interpretations had been issued by the AASB but were not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the table below. DHSV has not and does not intend to adopt these standards early.

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on DHSVs financial statements
AASB 9 *Financial Instruments*	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 Jan 2018	The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals. The initial application of AASB 9 is not expected to significantly impact the financial positon however there will be a change to the way financial instruments are classified and new disclosure requirements.
AASB 2014-1 *Amendments to Australian Accounting Standards [Part E Financial Instruments]*	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018 as a consequence of Chapter 6 Hedge Accounting, and to amend reduced disclosure requirements.	1 Jan 2018	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9*	Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9.	1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector.
AASB 15 *Revenue from Contracts with Customers*	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. Note that amending standard AASB 2015-8 8 Amendments to Australian Accounting Standards – Effective Date of AASB 15 has deferred the effective date of AASB 15 to annual reporting periods beginning on or after 1 January 2018, instead of 1 January 2017.	1 Jan 2018	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications.

Note 8.8: AASBs Issued that are not yet Effective (continued)

Standard/ Interpretation [1]	Summary	Applicable for annual reporting periods beginning on	Impact on DHSVs financial statements
AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15*	Amends the measurement of trade receivables and the recognition of dividends as follows: - Trade receivables that do not have a significant financing component, are to be measured at their transaction price, at initial recognition. - Dividends are recognised in the profit and loss only when: o the entity's right to receive payment of the dividend is established; o it is probable that the economic benefits associated with the dividend will flow to the entity; and o the amount can be measured reliably.	1 Jan 2018, except amendments to AASB 9 (Dec 2009) and AASB 9 (Dec 2010) apply from 1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector.
AASB 2015-8 *Amendments to Australian Accounting Standards* - Effective Date of AASB 15	This Standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.	1 Jan 2018	This amending standard will defer the application period of AASB 15 for for-profit entities to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2016-3 *Amendments to Australian Accounting Standards – Clarifications to AASB 15*	This Standard amends AASB 15 to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. The amendments require: • A promise to transfer to a customer a good or service that is 'distinct' to be recognised as a separate performance obligation; • For items purchased online, the entity is a principal if it obtains control of the good or service prior to transferring to the customer; and • For licences identified as being distinct from other goods or services in a contract, entities need to determine whether the licence transfers to the customer over time (right to use) or at a point in time (right to access).	1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector, other than the impact identified for AASB 15 above.
AASB 2016-7 *Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for -Profit Entities*	This Standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.	1 Jan 2019	This amending standard will defer the application period of AASB 15 for not-for -profit entities to the 2019-20 reporting period.

Note 8.8: AASBs Issued that are not yet Effective (continued)

Standard/ Interpretation [1]	Summary	Applicable for annual reporting periods beginning on	Impact on DHSVs financial statements
AASB 2016-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities*	AASB 2016-8 inserts Australian requirements and authoritative implementation guidance for not-for-profit-entities into AASB 9 and AASB 15. This Standard amends AASB 9 and AASB 15 to include requirements to assist not-for-profit entities in applying the respective standards to particular transactions and events.	1 Jan 2019	This standard clarifies the application of AASB 15 and AASB 9 in a not-for-profit context. The areas within these standards that are amended for not-for-profit application include: AASB 9 - Statutory receivables are recognised and measured similarly to financial assets AASB 15 - The “customer” does not need to be the recipient of goods and/or services; - The “contract” could include an arrangement entered into under the direction of another party; - Contracts are enforceable if they are enforceable by legal or “equivalent means”; - Contracts do not have to have commercial substance, only economic substance; and - Performance obligations need to be “sufficiently specific” to be able to apply AASB 15 to these transactions.
AASB 16 *Leases*	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet.	1 Jan 2019	The assessment has indicated that most operating leases, with the exception of short term and low value leases will come on to the balance sheet and will be recognised as right of use assets with a corresponding lease liability. In the operating statement, the operating lease expense will be replaced by depreciation expense of the asset and an interest charge. There will be no change for lessors as the classification of operating and finance leases remains unchanged.
AASB 1058 *Income of Not-for-Profit Entities*	AASB 1058 standard will replace the majority of income recognition in relation to government grants and other types of contributions requirements relating to public sector not-for-profit entities, previously in AASB 1004 Contributions. The restructure of administrative arrangement will remain under AASB 1004 and will be restricted to government entities and contributions by owners in a public sector context, AASB 1058 establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value to enable not-for-profit entities to further their objective.	1 Jan 2019	The current revenue recognition for grants is to recognise revenue up front upon receipt of the funds. This may change under AASB 1058, as capital grants for the construction of assets will need to be deferred. Income will be recognised over time, upon completion and satisfaction of performance obligations for assets being constructed, or income will be recognised at a point in time for acquisition of assets. The revenue recognition for operating grants will need to be analysed to establish whether the requirements under other applicable standards need to be considered for recognition of liabilities (which will have the effect of deferring the income associated with these grants). Only after that analysis would it be possible to conclude whether there are any changes to operating grants. The impact on current revenue recognition of the changes is the phasing and timing of revenue recorded in the profit and loss statement.

Note 8.8: AASBs Issued that are not yet Effective (continued)

Standard/ Interpretation [1]	Summary	Applicable for annual reporting periods beginning on	Impact on DHSVs financial statements
AASB 1059 Service *Concession Arrangements: Grantor*	This standard applies to arrangements that involve an operator providing a public service on behalf of a public sector grantor. It involves the use of a service concession asset and where the operator manages at least some of the public service at its own direction. An arrangement within the scope of this standard typically involves an operator constructing the asset used to provide the public service or upgrading the assets and operating and maintaining the assets for a specified period of time. The State has 2 types of PPPs: 1. Social Infrastructure: A PPP that requires the government to make payments to the operator upon commencement of services: • Operator finances and constructs the infrastructure; and • State pays unitary service payments over the term. 2. Economic Infrastructure: A PPP that is based on user pays model: • Operator finances and constructs the infrastructure; • State does not pay for the cost of the construction; and • Operator charges asset users and recovers the cost of construction and operation for the term of the contract.	1 Jan 2019	For an arrangement to be in scope of AASB 1059 all of the following requirements are to be satisfied: • Operator is providing public services using a service concession asset; • Operator manages at 'least some' of public services under its own discretion; • The State controls / regulates: o What services are to be provided; o To whom; and o At what price • State controls any significant residual interest in the asset. If the arrangement does not satisfy all the above requirements the recognition will fall under the requirements of another applicable accounting standard. Currently the social infrastructure PPPs are only recognised on the balance sheet at commercial acceptance. The arrangement will need to be progressively recognised as and when the asset is being constructed. This will have the impact of progressively recognising the financial liability and corresponding asset as the asset is being constructed. For economic infrastructure PPP arrangements, that were previously not on balance sheet, the standard will require recognition of these arrangements on balance sheet. There will be no impact to net debt, as a deferred revenue liability will be recognised and amortised over the concession term.
AASB 17 Insurance Contracts	The new Australian standard eliminates inconsistencies and weaknesses in existing practices by providing a single principle based framework to account for all types of insurance contracts, including reissuance contract that an insurer holds. It also provides requirements for presentation and disclosure to enhance comparability between entities. This standard does not apply to the not-for-profit public sector entities. The AASB is undertaking further outreach to consider the application of this standard to the not-for-profit public sector.	1 Jan 2021	The assessment has indicated that there will be no significant impact for the public sector.

Note 8.8: AASBs Issued that are not yet Effective (continued)

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2017-18 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting.

- AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions
- AASB 2016-6 Amendments to Australian Accounting Standards – Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts
- AASB 2017-1 Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments
- AASB 2017-3 Amendments to Australian Accounting Standards – Clarifications to AASB 4
- AASB 2017-4 Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments
- AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections
- AASB 2017-6 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation
- AASB 2017-7 Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures
- AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015 – 2017 Cycle
- AASB 2018-2 Amendments to Australian Accounting Standards – Plan Amendments, Curtailment or Settlement

Notes:
[1] For the current year, given the number of consequential amendments to AASB 9 *Financial Instruments*, AASB 15 *Revenue from Contracts with Customers*, and AASB 16 *Leases the* standards/interpretations have been grouped together to provide a more relevant view of the upcoming changes.

Note 8.9: Events Occurring after the Balance Sheet Date

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

Note 8.10: Glossary of Terms and Style Conventions

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

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

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

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

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

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

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

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

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

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

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

Note 8.10: Glossary of Terms and Style Conventions (continued)

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

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

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

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

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

Note 8.10: Glossary of Terms and Style Conventions (continued)

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

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

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

Intangible produced assets
Refer to produced assets in this glossary.

Intangible non-produced assets
Refer to non-produced assets in this glossary.

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

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

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

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

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

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

Note 8.10: Glossary of Terms and Style Conventions (continued)

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

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

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

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

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

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

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

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

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

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

Note 8.10: Glossary of Terms and Style Conventions (continued)

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

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

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

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

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

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

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

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

Note 8.10: Glossary of Terms and Style Conventions (continued)

Style conventions

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

The notation used in the tables is as follows:
- zero, or rounded to zero
(xxx.x) negative numbers
201x year period
201x-1x year period

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