

2007 DHSV Annual Report

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



dental health
services victoria

Our Achievements Against the 2004-2007 Strategic Plan

KEY RESULT AREAS IDENTIFIED IN THE STRATEGIC PLAN				
Efficient and Effective Services	Engagement with Stakeholders	Quality and Innovation	Financial Viability	Workforce Development
ACHIEVEMENTS AGAINST THE STRATEGIC PLAN				
Page 9 Lower wait times achieved and with 188,324 patients treated through the Community Dental Program	Page 6 The Disability Observation Project completed to improve staff training and awareness of disabled patients' needs	Page 9 Development of a State-wide Quality Framework for public oral health services commenced	Page 13 DHSV achieved a \$2.4m surplus , allowing for the refurbishment of ageing SDS infrastructure	Page 10 Collaboration with Victorian Aboriginal Community Controlled Health to develop oral health curriculum for Aboriginal health workers
Page 6 6 per cent increase in patients treated at RDHM	Page 6 Targeted consumer input improved communication training for staff	Page 8 Developed State-wide training program for clinicians treating young children	Page 13 Dental Logistics achieved total sales of \$5.65m	Page 8 Research project to assess the capacity of dental therapists to provide fillings to adults over 25 years of age commenced
Page 6 Established community based specialist services for oral medicine and oral surgery	Page 10 Launched stage two of the <i>Defenders' Adventure Playground</i> interactive oral health website	Page 10 Completion of the <i>Smiles 4 Miles</i> pilots designed to test models for addressing early childhood oral health	Page 13 Completed capital works to the value of \$6.11m	Page 8 DHSV is playing a key role in development of the curriculum for La Trobe University's new dentistry course
Page 6 Services for special needs patients working together as the Integrated Special Needs Unit to improve service flexibility and continuity of care				Page 11 Continued improvement in recruiting dental clinicians
Page 7 Completed pilots of integrated adult and children's community based dental services at three community health services				Page 11 Chair-side Communication Program run State-wide
Page 7 New infrastructure improved the quality and accessibility of dental clinics – three new co-located clinics opened (Niddrie, Banyule and Maryborough), 2 double-chair dental vans were commissioned, funding for three single-chair vans was approved				

This year DHSV treated 125,781 patients State-wide.

We remain dedicated to achieving the key results detailed in our Strategic Plan.

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Our Vision: Oral health for better health

Our Mission: To optimise the oral health of the Victorian community, targeting those most in need.

Our Values: Respect, Integrity,
Teamwork and Excellence

With a budget of more than \$121 million in 2006-07, Dental Health Services Victoria (DHSV) is the leading public dental agency in the State.

DHSV was established in 1996 to improve the planning, integration, coordination and management of Victoria's public dental services. Responsible to the Victorian Minister for Health, DHSV became a metropolitan health service in July 2000, and today employs more than 820 staff.

DHSV was established under the *Health Services Act 1988*. The responsible Minister during the reporting period was the Hon Bronwyn Pike MP. As of 3 August 2007, the Minister for Health is the Hon Daniel Andrews MP.

DHSV provides quality dental care to the eligible Victorian community through its wide range of clinical programs. In 2006-07 more than \$61.9 million was invested in purchasing dental services from 60 external agencies. These agencies are responsible for the delivery of the Community Dental Program through community-based dental clinics across the State.

DHSV also aims to raise awareness of oral health issues among the broader Victorian community through our range of health promotion programs and advocacy activities.

Our Clients

In 2006-07, more than 209,271 adults and 95,294 children from rural, regional and metropolitan Victoria received general and specialist care from DHSV.

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

All pre-school and primary-school-aged children and concession card dependants in years seven to 12 are eligible to receive treatment through the Early Childhood Oral Health Program, School Dental Service and the Youth Dental Program. Co-payments apply for those children whose parents are not concession cardholders.

Our Services

DHSV provides a range of services to eligible members of the Victorian community:

Emergency Care – emergency care is available to all Victorians. Care is offered during business hours at all community dental clinics across the State, as well as the Royal Dental Hospital of Melbourne (RDHM), which also operates on weekends and after hours.

General Dental Care – fillings, dentures, preventative care and other general dental services are available to all concession cardholders through DHSV adult clinics and 60 public dental clinics across Victoria from which we purchase services.

Specialist Dental Services – orthodontics, oral and maxillofacial surgery, endodontics, periodontics, prosthodontics, paediatric dentistry, oral medicine and other specialist services are provided when patients are referred to RDHM.

School Dental Service – this Victoria-wide program offers dental care to children and adolescents every 12 to 24 months, depending on the child's risk of dental disease. Dental therapists provide most treatment with the support of dentists at fixed and mobile clinics around the State.

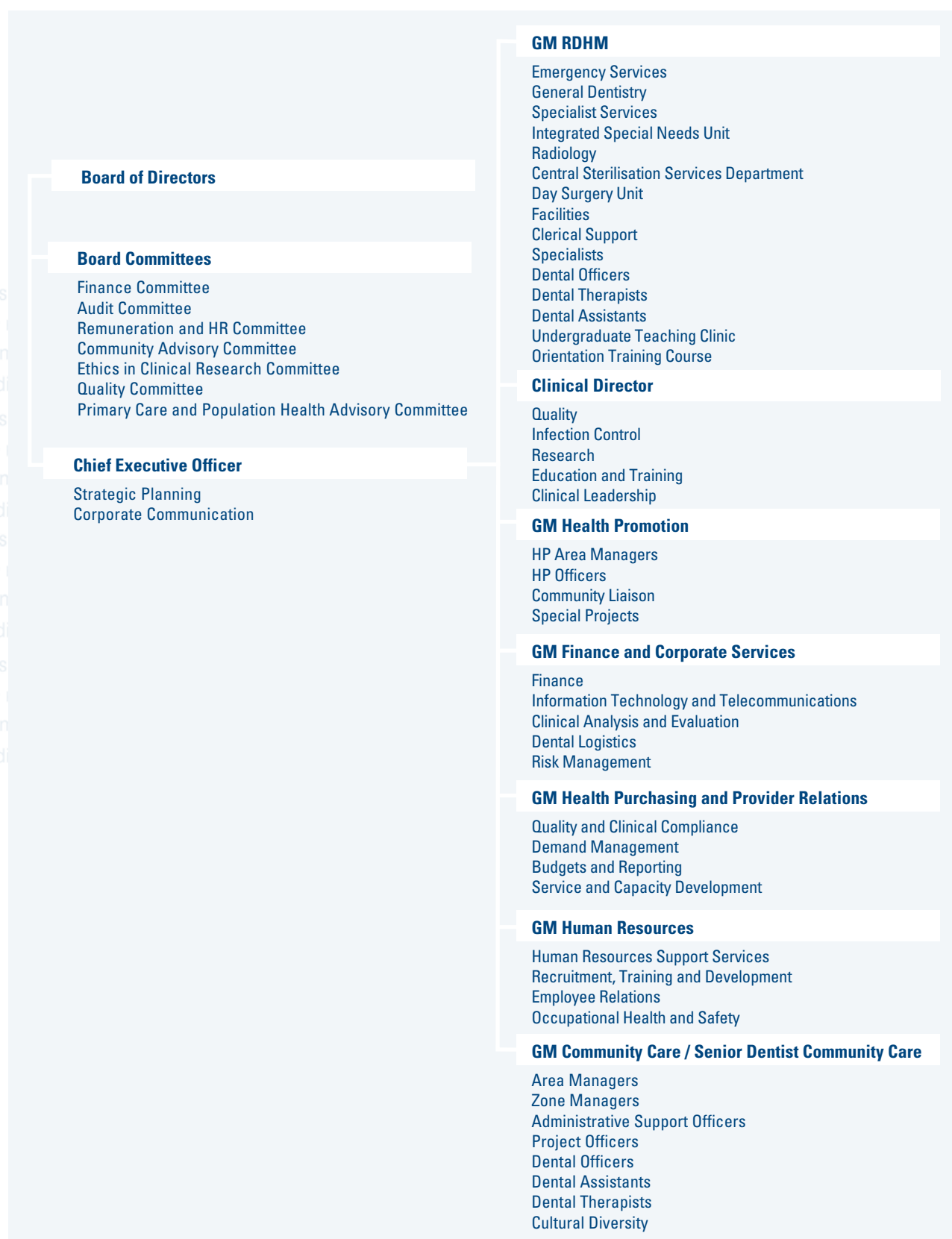
Health Promotion – DHSV works in partnership with a range of organisations to deploy a wide range of strategies and initiatives that enhance the capacity of the Victorian community to engage in and improve oral health. Enhancing community awareness and understanding of oral health issues and risk factors, and facilitating access to appropriate services assists in reducing the incidence of oral disease throughout the Victorian community.

Education – RDHM's teaching clinics support the University of Melbourne's education of dentists, dental therapists, specialists and hygienists, and RMIT University's education programs for dental assistants and technicians. RDHM also provides bridging programs for overseas-trained dentists seeking registration in Australia. DHSV is a partner to La Trobe University in the delivery of the Bachelor of Oral Health Degree in Bendigo.

Our Organisation

More than 820 DHSV staff work together to provide the Victorian community with quality dental care, education and health promotion programs.

DHSV is governed by a Board of Directors and comprises seven divisions: the Royal Dental Hospital of Melbourne; Community Care; Health Purchasing and Provider Relations; Health Promotion; Finance and Corporate Services; Human Resources; and the Office of the Clinical Director, which is responsible for overseeing all quality improvement and research initiatives.



From the Chair and Chief Executive

DHSV has performed well this year, making significant inroads in the delivery of quality public dental services to the Victorian community and in the reduction of waiting lists.

Overview of Performance

In its 2004 Budget, the Victorian Government committed an additional \$97.2 million to public dental services over four years. These funds enabled Victoria's public dental services to provide treatment to 304,565 patients in 2006-07; a 1.4 per cent increase over 2005-06. Of these, DHSV treated 125,781 patients directly, while the remainder were treated by community dental agencies and private sector providers.

Average waiting times for general care and denture care were down for the year. By June 2007, the average waiting time for general care was 22 months against a target of 24 months, while the denture care waiting time averaged 21 months against a target of 26 months.

The Royal Dental Hospital of Melbourne (RDHM) saw a six per cent increase in the number of patients treated. This extra capacity was generated by new and innovative models of care which focused on increasing the flexibility of the services provided by RDHM, improved chair utilisation, and offering care to patients registered on Community Dental Program waiting lists from around the State. RDHM's emergency department saw 17,951 patients; an increase of 16.4 per cent on last year.

DHSV achieved an underlying operating surplus of \$2,378,000 and a reported entity deficit of \$0.28 million. Most grant funds provided for treatment of patients were expended during the year.

We continued to oversee the State-wide emergency triage system, through which patients receive emergency care on the basis of clinical need, thereby improving the balance between emergency and general care. We met our target, seeing over 80 per cent of category one patients State-wide within 24 hours of presentation.

Committed to Quality and Service

Our implementation of the 2006-07 Business Plan progressed well, with the vast majority of initiatives completed, or near completion, as at July 2007. In December 2006 we completed a self-assessment of our quality systems to ensure the maintenance of our accreditation status in line with the Australian Council of Healthcare Standards.

The \$3 million State-wide rollout of the Information Communication and Technology project progressed well. By late 2007, all public dental clinicians in Victoria will have access to chair-side electronic patient records.

DHSV's use of interpreters increased by 26.6 per cent in 2006-07, as part of our overall initiative to improve access to services for culturally and linguistically diverse communities. We also progressed towards the appointment of an Aboriginal Community Development Worker to be based at RDHM, in order to improve access to dental care for the Indigenous community.

Throughout the year, Victorian-based Maternal and Child Health Nurses received training through our Health Promotion Division to help them identify very young children at risk of oral disease.

Putting Plans into Action

The 2005 to 2010 Oral Health Strategic Plan and Service Plan continues to provide direction and guidance for DHSV's clinical and strategic initiatives. This year, a series of actions was undertaken in accordance with the plan.

Together with local health services, the community, and our local and State government partners, we made considerable progress towards integrating the provision of dental health services across the State, especially in the integration of the School Dental Service and Community Dental Program. We completed three demonstration projects and integrated dental services at the new Goulburn Valley Health facility.

In line with our focus on improving the accessibility and quality of our services for people with special needs and young children, we rolled out a number of early childhood oral health promotion programs in high needs areas of the State. We also delivered a professional development program focusing on providing services to people with special needs and to young children. This year, we've seen a 19 per cent increase in the number of special needs patients treated.

The State Government-funded capital program for public dental services resulted in the development of a new eight-chair clinic at Banyule Community Health Service in Heidelberg; a 12-chair teaching clinic at Goulburn Valley Health in Shepparton; two chairs at Rumbalara Aboriginal Co-Operative in Mooroopna; seven chairs for Doutta Galla Community Health Service in Niddrie; four chairs at Maryborough Hospital and two in Benalla; two new School Dental Service mobile vans and a relocatable two-chair School Dental Service clinic; and four chairs for Monashlink Community Health Service in Clayton.

Oral Health Partnerships

In 2006-07 the State Government announced a landmark policy decision to support the establishment of a second Dental School for Victoria, based in Bendigo and jointly operated by the new La Trobe University Department of Oral Health and DHSV. The course will complement the La Trobe University Bachelor of Oral Health Science, which will produce its first graduates towards the end of 2008.

The new degrees significantly improve our capacity to address one of the major limiting factors in the provision of public dental care – the dental workforce shortfall. This shortfall is a key contributor to waiting lists, particularly in rural Victoria.

These exciting developments are the result of partnerships with the University of Melbourne, La Trobe University, the Victorian Government, the Department of Human Services, Bendigo Health and DHSV. We commend all of our partners on their commitment to these important initiatives.

Workforce Strategies

In 2006-07, DHSV recruited 127 dental professionals. We expanded the travelling dental team, which supports high needs areas by working in clinics with the longest waiting lists for a few months at a time. The team visited a number of areas this year, including Moe, Warrnambool, Echuca, Sale, Wangaratta and Ballarat, treating more than 3,000 patients.

We also worked on new workforce models within the multidisciplinary dental team, working with the University of Melbourne to trial expanded roles for dental hygienists and dental therapists. We also increased our commitment to professional development, facilitating 12 State-wide clinical professional development programs, and conducting a ten-day program for dental officers in community dental programs treating pre-school aged children.

Board Developments

We would like to recognise the contribution of the DHSV Board of Directors and thank them for their strategic input and advice. The Board looks forward to working with our new member, Professor Michael Morgan, who joined the Board in July 2007.

Committed Staff are the Key

We would like to acknowledge the significant contribution of all DHSV staff, their professional commitment to public dentistry, the quality of their care, and their willingness to embrace major change and improvement. On behalf of the Board, we congratulate them on their achievements throughout the year.

The Board would especially like to congratulate the Executive Team on their commitment to improving the quality and accessibility of our services. We also acknowledge the important leadership provided by Robyn Batten, and successively by Liz Riley and Richard Mullaly, who have both acted as Chief Executive throughout the year. Robyn left DHSV in January 2007 following three years as Chief Executive. Her initiative and strategic vision shaped our services and paved the way for continued success. Finally, we would like to officially welcome Jill Hutchison, who so adeptly took up the role of Chief Executive in May 2007.

The Year Ahead

The integration of the School Dental Service and Community Dental Program, and the State-wide rollout of the electronic patient management system, will be key areas of focus in the year ahead, as will our next Australian Council of Healthcare Standards assessment in December 2007.

As always, we will maintain our vigilance when it comes to improving the quality and accessibility of our services, particularly for Victorians with special needs and those requiring emergency care.

The partnerships we share with our community, the State Government, the Department of Human Services, universities, and community health services across the State, are integral to the work we do here at DHSV, as are our own dedicated staff. We look forward to working together in the year ahead to continue to provide the Victorian community with quality dental care.



Jill Hutchison
Chief Executive



Natalie Savin
Chair



The Royal Dental Hospital of Melbourne: Victoria's Leading Oral Health Clinical Teaching Facility

Key Facts

- Victoria's leading teaching facility for dental professionals
- Located in Carlton, and employing more than 270 professional staff
- Providing emergency and specialist dental care
- Partnering with the University of Melbourne and RMIT University to provide education and training for future dental professionals
- The overall number of patients treated at RDHM increased by 6 per cent for the year

Emergency Demand

Introduced in May 2005, the State-wide Emergency Demand Management Strategy has generated an unprecedented increase in demand for the provision of emergency services at RDHM. In 2006-07, more than 17,950 patients were seen as emergency presentations – an increase of 16.4 per cent on the previous year. Increased focus on flexible service provision and maximisation of chair utilisation facilitated this increase, and led to shorter patient waiting periods in RDHM waiting rooms.

Specialist Treatment and Services for Special Needs Patients

As part of the RDHM strategic plan, select specialist treatment and general dental services for some special needs patients is now occurring in selected Community Dental Agencies. In a joint venture with the Frankston Integrated Health Service, staff from the Oral Medicine Unit now provide specialist services to patients from the Mornington Peninsula, meaning that these patients no longer need to travel to RDHM for their care.

Special needs patients also receive oral surgical services at North Yarra Community Health Centre, performed by RDHM oral surgeons.

Meanwhile, visits to DHSV's Special Needs Dental Unit have increased steadily in the past year. In 2007 we integrated the RDHM Special Needs Unit, DHSV Domiciliary Care, the School Dental Special Service, Ozanam Community Centre and Forensic Care, with a view to providing more flexible services and treatment for special needs patients and their families.

Customer Focused Quality Initiatives

Following on from the 2005 Patient Satisfaction Survey, we've introduced a number of initiatives focused on patient and customer service. To better understand the needs of patients with disabilities, we conducted a series of patient observation exercises. The outcomes have been collated into a staff handbook which complements the general disability awareness training offered throughout DHSV.

Targeted consumer input into staff communications training resulted in customised chair-side communication training for RDHM staff in 2006, while improved referral pathway tools between community agencies and specialist services at RDHM have been introduced to better communicate patient status following specialist treatments. In addition, customer service champions from clerical and dental assistant areas were introduced, and cultural awareness training was provided for clerical and clinical staff.

As a result, the level of complaints relating to customer service reduced dramatically throughout the year.

Improved Infrastructure

Building works to improve security and provide quieter and more private treatment areas were completed in July 2007. The works also resulted in improvements to patient waiting areas and reception, improvements to patient queuing systems, and the addition of a children's nook in the emergency waiting area.

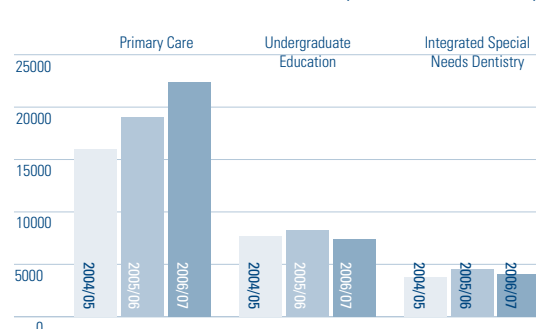
Looking Ahead

Patient service within the Primary Care Unit will be an important focus in 2007-08. We will continue to investigate ways to improve services and reduce waiting times for emergency patients.

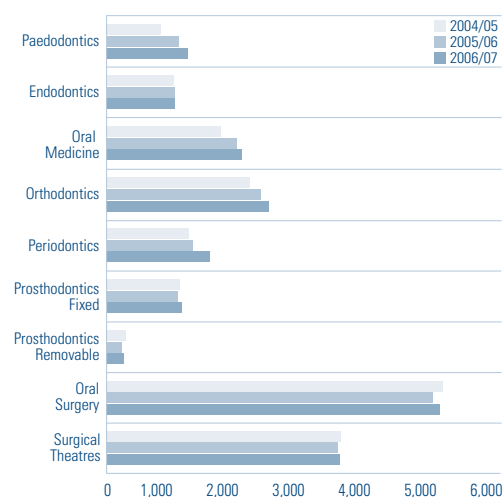
Training of the next generation of dental health practitioners will also remain a priority. RDHM will seek new and cooperative ways to address the needs of students and provide them with supportive and rich experiences at RDHM. DHSV will establish a new model for providing undergraduate clinical experience in the management and treatment of children. Direct Patient Recall will be central, and it will expose students to a much broader range of children than the current model allows, while also meeting DHSV's aim of integrating services for school and pre-school aged children into the community agencies.

Also in the coming year, we will be introducing a Care Coordinator position to improve the experience of patients who require treatment in multiple specialist units at RDHM.

General Dental Services at RDHM (individuals treated)



Specialist Dental Services at RDHM (individuals treated)



Community Care: An Integrated Approach

Key Facts

- Includes the School Dental Service (SDS) and Adult Dental Services (ADS)
- Supports an integrated approach to community dental services in collaboration with the primary care sector
- Treated 67,726 SDS patients and 9,017 ADS patients in 2006-07
- Comprises 400 staff located across the State

Patient Numbers

SDS treated 67,726 patients during the year. The general recall period for children at low risk of dental disease was 25 months, while children identified to be at high risk were recalled every 13 months or less. ADS treated 9,017 patients. DHSV's Special Services Unit provided a completed course of care to 1,073 children attending special schools or special development schools for the year.

Integrating Oral Health Services

Public dental services across Victoria are integrating with local health services to create closer working links between oral health and general health services. This move will see the DHSV-managed SDS transferred to the management of local health services, which will manage all general oral health services, providing patients and families with a one-stop-shop for their oral health care. During the year, DHSV has worked with three community health services to conduct trial projects to learn more about integration and to demonstrate how integrated services can work effectively.

In other integration initiatives, the new Integrated Special Needs Unit for special needs patients was established during the year. The existing Domiciliary Unit was transferred from Community Care and combined with the Special Needs Unit at RDHM. Management of the remaining special services clinics within Community Care, such as the SDS mobile service to special and special development schools, and Melbourne Juvenile Justice Centre clinic, was transferred to RDHM to form the new unit.

Goulburn Valley Health Integrated Rural Dental Service began operations in July 2006. Effective collaboration between community health service providers, tertiary institutions and the local Aboriginal co-operative, meant the project resulted in the permanent integration of public dental services provided in the Shepparton region.

Improvements to Infrastructure

Community Care continued to improve its clinical infrastructure: two double-chair dental vans were commissioned and commenced services; three single-chair vans were approved and are now under construction; and three co-located clinics – Niddrie, Banyule and Maryborough – have opened, as well as the 12-chair clinic at the Integrated Care Centre at Goulburn Valley Health.

Workforce Training and Development

The Public Sector Dental Workforce Scheme for Dental Officers within Community Care was established during the year to encourage dentists to work in public dental services. Meanwhile, changes to the registration requirements by the Dental Practice Board of Victoria have enabled Community Care to recruit five new dentists.

We've continued to train clinicians in the use of stainless steel crowns to retain the restoration of deciduous teeth longer. In addition, chair-side communication training, cultural awareness training, and sessions covering the treatment of children presenting with heart conditions, were provided to all Community Care staff.

Improving Patient Satisfaction

A patient satisfaction survey was undertaken during the year, while a survey targeting consumers from culturally and linguistically diverse backgrounds was being planned for implementation in early 2007-08. In addition, consumer representatives now sit on the Cultural Diversity and Integration Demonstration Project Steering Committees.

Health Promotion in Community Care

A partnership between the Community Care and Health Promotion Divisions has resulted in a series of projects being undertaken during 2006-07.

With the assistance of more than \$100,000 in Department of Human Services funding, health promotion projects have been undertaken to improve access to quality care for marginalised groups within the Victorian community. Also in conjunction with Health Promotion, a pictorial oral health training program was developed to assist Refugee Health Nurses to prioritise oral health needs for new migrant arrivals.

Looking Ahead – Organisational Restructuring

DHSV recently conducted a review and restructure of the Community Care, and Health Purchasing and Provider Relations (HP&PR) divisions of DHSV. In 2007-08 these divisions will be merged and will operate as a single division – Oral Health Services – maintaining both a strategic and operational role. The merged division will provide leadership in the delivery and ongoing development of integrated oral health services for the community.

Quality Improvement and Research: Focusing on Innovation and Excellence

Key Facts

- Supports DHSV's clinical divisions, ensuring the quality of clinical services is maintained and improved
- Focuses on clinical governance, education and training, and research
- Implements the Clinical Governance Framework and oversees the Quality and Infection Control Teams
- Provides clinically-based continuing professional development, and promotes research through partnerships with tertiary and research institutions.

Quality and Innovation

A number of quality initiatives were developed and implemented during the year. One significant piece of work has been the development of a State-wide Quality Framework for Oral Health. The framework, which will be implemented in 2007-08, is a simple, web-based tool that can be implemented by all public dental services to further build upon their existing governance and quality frameworks. The framework will help ensure a State-wide focus on achieving quality standards throughout all areas of dental practice. It will also provide access to a centralised online resource library of tools such as policies and procedures that will assist public dental services to maintain a quality improvement focus throughout the entire scope of their practice.

ACHS Accreditation

In 2006-07 DHSV has been focusing on the Australian Council on Healthcare Standards (ACHS) Organisation Wide Survey due to take place in December 2007. In 2005-06 we achieved accreditation, meeting all the ACHS requirements of 'moderate achievement', (as well as two 'extensive achievements' in the areas of Risk Management and Continuum of Care).

Education and Training

Twelve State-wide, one-day clinical continuing professional development programs were developed and implemented in 2006-07. These programs targeted dentists, dental therapists, dental hygienists, dental prosthetists and dental assistants. In addition, the State-wide training program for the implementation of the newly approved clinical procedure on preformed metal crowns continued to be rolled out, and is expected to be completed in June 2008.

A State-wide training program to assist dental clinicians treating very young children was developed and implemented this year. DHSV received funding from the Department of Human Services that enabled the introduction of the trial program. The program was undertaken in collaboration with the University of Melbourne's School of Dental Science and the Victorian Paediatric Dentistry Group, and provided community dental clinicians who were not already experienced in the management of very young children, together with their dental assistants, with the knowledge and skills required to provide basic oral health care for this population group.

The unit has also made a significant contribution to the establishment of the Dentistry Course at La Trobe University, Bendigo Campus. As a member of the Curriculum Advisory Panel, Dentistry Course, the Clinical Director of DHSV has ongoing involvement in the development of the curriculum.

Dental Therapy Research Project

In partnership with the University of Melbourne's School of Dental Science, we commenced a research project designed to assess the capacity of dental therapists to provide restorative care (fillings) to adults over 25 years of age, according to the prescription, and with the support of a dentist.

This project was commenced to develop a workforce model that would help to address some of the dental workforce issues in Australian dentistry. Initial results from the project have been positive. Later reports will cover re-evaluation of restorations placed by the dental therapists after six months, provide more information about optimal utilisation of therapists' skills, and reflect on training needs for dental therapists if more are to undertake direct restorative treatments (under direction) in adult dental services.

Impact of Delayed Dental Treatment

The Impact of Delayed Dental Treatment Research Project was commenced in early 2006 in partnership with the Health Issues Centre and Dianella Community Health Centre. The project seeks to estimate the cost incurred by the public health system and consumers, in association with waiting times for oral health treatment. All quantitative and qualitative data has been collected, and analysis of this data is currently under way.

Looking Ahead

In the coming year we will focus on finalising a Research Strategy for DHSV, which will look at maximising relationships in newly formed research partnerships. We will also work to evaluate upcoming clinical professional development programs, establish processes for the implementation and evaluation of new and updated clinical guidelines, and evaluate our newly implemented, evidence-based clinical guidelines.

At the same time, we will maintain our focus on ensuring that DHSV meets all the mandatory criteria for the Organisation Wide Survey for accreditation.

Health Purchasing and Provider Relations: Improving Accessibility Through Partnerships

Key Facts

- Purchases Community Dental Program services from 60 external agencies and DHSV adult dental clinics
- Purchased more than 1,223,460 services, provided to 188,324 patients in 2006-07
- Average waiting times for general dental care reduced to 22.0 months
- Denture waiting lists reduced to 21.3 months, priority denture waiting lists at 1.4 months

2006-07 marked the third year of a substantial injection of funds into the adult and early childhood oral health programs. While the extra funding has had a substantial impact, improving access to services and equity in funding allocations, there are still areas that require ongoing support and development to improve service access standards, particularly in regional and rural areas.

The Community Dental Program

The Community Dental Program operates from more than 60 clinics across the State, responsible for providing dental care to eligible adults, young people and preschoolers.

2006-07 has been a year of significant achievement for the program, with more than 1,223,460 services provided to 188,324 patients in the course of 462,857 visits.

Across the State, average waiting times for general dental care were 22.0 months, down from a high of 23.2 months, while denture waiting lists reduced to 21.3 months, down from a high of 24.9 months. Priority denture waitlists were at 1.4 months.

Key Achievements

Aside from the reduction in waiting times, other achievements for the year included the implementation of an interpreter services monitoring framework, and the development and dissemination of an infection control self-audit tool for use in community dental agencies. We also organised DHSV's approach to the Public Sector Dental Workforce Scheme, including the registration process, guidelines and registration templates.

Waiting List Management

This year's lower waiting times have been assisted by comprehensive data cleansing and validation exercises at 19 agencies across the State. This involved conducting manual waiting list audits at a number of agencies, which involved contacting clients regarding their ongoing eligibility and needs. The result has been a waiting list that is now more reflective of community demand.

Service and Capacity Development

DHSV implemented a number of strategies to significantly increase patient access to services in rural regions. This has included the implementation of the Graduate Access Program which has placed a number of new graduate dentists in under-resourced rural environments. The program has improved access for isolated communities, while the graduates placed in these regional areas received ongoing mentor support and a widened scope of experience.

Meanwhile, the Travelling Dental Team continued to visit Community Dental Program clinics around the State. The team assists clinics with limited or no available workforce, and provided some 3,300 patients with care over the past year.

Quality Assurance and Credentialling

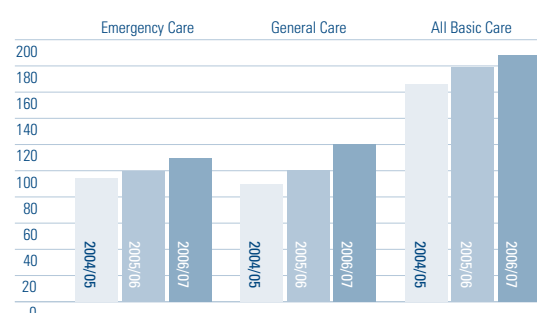
In 2006-07, DHSV undertook an extensive audit of credentialling and clinical privileging across all external agencies. The audit ensured all clinicians working in the public dental service were appropriately qualified, skilled and experienced to provide quality patient care. Seven agencies also underwent a quality assurance audit to ensure industry standards were being met, with particular attention to infection control, informed consent protocols and patient record keeping standards. Health Purchasing and Provider Relations also contributed towards the development of the State-wide Quality Framework.

Looking Ahead

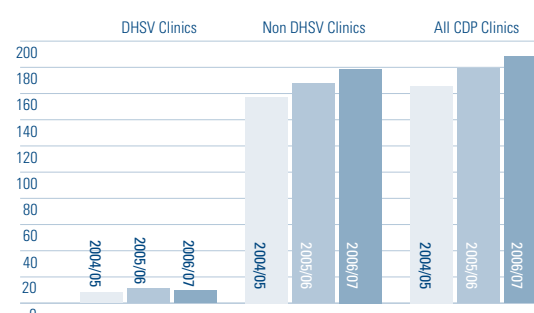
In line with current government and DHSV directions, Health Purchasing and Provider Relations amalgamated with the Community Care division on 30 June 2007. The new division – Oral Health Services – will support the State-wide integration of the Community Dental Program and the School Dental Service.

The new Oral Health Services division will continue to work towards ensuring that outcomes for patients are as equitable as possible across the State, and will draw on the strong relationships developed with community dental agencies to achieve this. We would like to thank our partners in the community who have achieved significant outcomes during 2006-07, and we look forward to working with them to continue to improve access to services in the upcoming year.

Community Dental Program – Individuals treated ('000)



DHSV vs Non DHSV – Individuals treated ('000)



Health Promotion: Increasing Awareness and Understanding

Key Facts

- Delivers ongoing oral health promotion services, programs, support and advice
- Aims to reduce the incidence of oral disease and increase community awareness and understanding of oral health issues

In 2006-07, Health Promotion has continued to lead the development of evidence-based programs that target high-risk populations. With a major focus on improving the oral health of very young children, health promotion resources, programs, support and advice are provided throughout Victoria. A number of initiatives have been undertaken during the year, all working towards reducing the incidence of oral disease by increasing the community's awareness and understanding of the issues relating to oral health.

Early Childhood Oral Health

DHSV's oral health promotion program targeting at risk preschool-aged children, *Smiles 4 Miles*, completed its third and final year as a pilot program. The pilot was designed to develop and test the effectiveness of a range of models for addressing early childhood oral health. It takes a settings-based approach and now operates in 13 sites throughout the State.

Meanwhile, the *Defenders of the Tooth* – *MunchGirl*, *WaterBoy* and *BrushBoy* – continue to fly the flag for oral health with children. In 2006-07, stage two of the *Defenders' Adventure Playground* – an oral health website for children – was undertaken, including the development of a series of interactive and educational games for primary school aged children. The characters continue to charm and engage the younger members of the community and work with health and education professionals in communicating the important oral health messages to children and their families.

Child Oral Health Literacy Survey

DHSV has undertaken a Child Oral Health Literacy Survey – a demonstration project in a new and emerging field of health promotion. Health literacy is a relatively new concept and is recognised as a major contributor to health outcomes. DHSV has found no evidence of previous oral health literacy studies internationally, so we are positioned at the forefront of this exciting new field.

Parents of children in Grades Prep, One, Five and Six were surveyed on their understanding of oral health and its determinants, as well as their oral health behaviour and that of their children. Grades Five and Six children participated directly in the survey, completing facilitated questionnaires in the classroom, addressing oral health information, behaviour and understanding.

Complete findings of the survey will be published early in 2007-08, and will inform future practice in addressing the identified gaps in health literacy amongst this population group. It is hoped the demonstration survey will provide the basis for the development of a more comprehensive and extensive follow-up survey through Victorian primary schools in years to come.

The project has also provided the impetus to a valuable and important partnership with Deakin University.

Aboriginal Oral Health

DHSV is working with the Aboriginal health sector on a number of levels, towards improved oral health outcomes for this population. The Health Promotion division is undertaking a project in partnership with the Victorian Aboriginal Community Controlled Health Organisation to develop an oral health curriculum for Aboriginal health workers, and to produce targeted resources supporting the work of this group.

In parallel with this work, DHSV is also funding two *Smiles 4 Miles* sites specifically working with Aboriginal communities to develop strategies that better address the oral health needs of at-risk young children. An Aboriginal Community Development Worker role will also be established at DHSV in 2007-08 to work with DHSV to improve our capacity to address the oral health needs of this population.

Together, these activities will contribute to improved capacity of the public oral health sector to support Aboriginal oral health.

Human Resources: Developing the Workforce

Key Facts

- Initiatives to tackle the ongoing workforce challenges facing public dentistry
- Continued improvement in recruitment and workforce development
- Recruited 67 dental officers and specialist dentists, 13 dental therapists, 47 dental assistants and 77 other professionals in 2006-07

Recruitment and Retention

During the year DHSV recruited 67 dental officers and specialist dentists, 13 dental therapists, 47 dental assistants and 77 other professionals. We are close to finalising the Oral Health Workforce Recruitment and Retention Strategy 2007, which will detail initiatives to address workforce shortages and retention issues, and their impact on the delivery of timely and efficient oral health services.

In a new partnership between Health Purchasing and Provider Relations, Human Resources and the public sector, we provided a leadership role in staff recruitment for the Community Dental Program (CDP) agencies. In July 2006 there were 202 dental chairs in the CDP (the FTE was 161.1), and in June 2007 there were 220 (with an FTE of 187.0).

We continued to offer our summer program at the Dental Hospital, engaging four dental officers to keep the vacant dental chairs operational while the students were on holiday. We also continued our Dental Assistant Development Program to help overseas-trained dentists develop an alternative career path in dental assisting, and to gain local experience before presenting for the Australian Dental Council examination.

We sponsored a Public Sector Dental Workforce Scheme dentist for the Overseas Training Course this year, and offered financial sponsorship for the final examination. Meanwhile, eight pairs of mentors and mentees participated in our new Public Dental Mentoring Scheme for new dental graduates and overseas-trained dentists entering the workforce.

Careers in Public Dentistry

DHSV participated in several career expos including the National Careers and Employment Expo, the Herald Sun Expo, and the Melbourne Dental Student Society conference, as well as the National Dental Trade Show. Subscriptions to all oral health graduate education programs grew substantially, indicating a pleasing trend among school leavers wishing to pursue oral health careers.

Integration and Human Resources

Preparing DHSV for the integration of the School Dental Service with the Community Dental Program has been a key area of focus for Human Resources. A Change Leadership Development program was developed, underpinned by a comprehensive change management model, framework and toolkit to help managers lead change in a consistent, coordinated and supportive manner.

A State-wide employee relations strategy was developed to address integration and support the transition of DHSV and its staff. In addition, specific employee relations support was provided for the development of the new Oral Health Services Division.

Employee relations advice was implemented to support three demonstration projects at Knox Community Health Service, Western Region Health Service and Barwon Health, and the direct transfer of DHSV's Shepparton clinic staff to Goulburn Valley Health.

Learning and Organisational Development

The Chairside Communication Program is a key organisational development initiative. Thirty-six programs were run State-wide with 369 clinical staff from RDHM, as well as metropolitan and regional clinical staff, completing the program in 2006-07.

In February 2007 we launched the Building Positive Attendance Program. All DHSV managers were trained to develop a supportive environment to facilitate staff attendance. DHSV's unplanned absenteeism rate was 4.73 per cent in 2006-07, down from 6.0 per cent in 2005-06 and 5.7 per cent in 2004-05.

We conducted a series of new clinical and non-clinical continuing professional development programs, as well as continuing some pre-existing courses.

Payroll

DHSV's HRIS/Payroll continues to be an important database supporting organisational strategies and goals where accurate remuneration and staffing profile information is required.

Human Resources: Workforce Data as at 30 June 2007

Occupational Health & Safety (OH&S)

Proactive injury prevention and WorkCover claims management continue to be a key focus. Twenty WorkCover claims were lodged in 2006-07 compared with 37 claims in 2005-06, 25 in 2004-05, and 98 in 2003-04.

DHSV achieved a reduced premium rate of 21.22 per cent for the 2007-08 year compared with a 10 per cent reduction in the average rate decrease for Victoria.

A 95 per cent return to work rate was achieved (66 per cent of claimants returned to their full pre-injury duties).

During 2007 DHSV established an OH&S webpage and continued developing our Safety Management System to generate greater awareness of safety in the workplace.

Staff Numbers as at 30 June 2007 (Number of individuals)

	Women	Men	Total
Full-time	257	85	342
Part-time	343	75	415
Casual	41	23	64
Total	641	183	824

Workforce Data – number of equivalent full-time staff

	2006-07	2005-06
Nursing – <i>Registered Nurses</i>	17.51	15.52
Administration and clerical – <i>Admin / Clerical / Management</i>	173.99	180.18
Medical support – <i>CSSD techs, Radiologists</i>	23.75	23.59
Hostel and allied services – <i>Other (Dental Logistics technicians, storemen, drivers, orderlies etc)</i>	18.23	22.38
Medical – <i>Anaesthetists</i>	4.04	3.81
Ancillary support services – <i>Dental Officers, Specialists, Dental Therapists, Dental Assistants, Dental Technicians, Prosthetists</i>	340.96	355.17
Total	578.48	600.64

Finance and Corporate Services: Managing and Utilising Resources

Key Facts

- Focused on initiatives that contribute to the effective and efficient operation of DHSV services
- Constantly seeks to improve the management and efficient utilisation of DHSV resources.

Dental Logistics

The completion of the Dental Logistics Strategic Plan in the first quarter triggered a number of initiatives including the development of a formal Dental Maintenance Technician Certificate IV training program. The program will seek to address the increasing skills shortage in this field and the increased complexity in Australian standards compliance for dental surgeries; an area in which Dental Logistics continues to specialise.

The successful launch of an online ordering solution following internal technical and functional reviews is set to support the ongoing growth in supply chain management customers from both the public and private sectors buying through Dental Logistics. In 2006-07 Dental Logistics achieved total sales of \$5.65 million.

Major projects successfully completed by Dental Logistics during the year included a 10-chair dental training facility in Bendigo. Other capital projects included the design of three new single-chair drivable clinics that will be predominantly used for delivery of services to special needs patients. Commissioning of these is expected to be completed later in 2007. Our technical division completed \$6.11 million of capital works during 2006-07.

Finance

DHSV's operating surplus for 2006-07 will help finance the organisation's commitment to Improve the School Dental Service mobile fleet by replacing ageing infrastructure. This commitment will benefit both patients and staff.

During the year we committed to establishing a Special Purpose Fund to support population health research and innovation.

The old Royal Dental Hospital was finally passed back to the Department of Human Services.

A review of the current State-wide dental funding model was completed with external assistance, and proposed changes to the model reflecting a more integrated approach to oral health services are expected to be finalised during the remainder of 2007.

Information Technology and Telecommunications

The State-wide rollout of chair-side computing commenced at pilot sites in November 2006. Over a third of the total 98 sites have since been connected to the newly built central infrastructure, with remaining sites to be connected progressively over the coming months.

The relocation of the central data centre was completed in June. It is now housed at the Tally Ho centre in Burwood, accessed under the Whole of Victorian Government contract with Hewlett Packard.

More than 170 staff and students at RDHM were trained by Corporate Services staff during 2006-07 in the new Electronic Patient Management System as part of its expanded rollout across all areas of RDHM.

Clinical Analysis and Evaluation

Substantial time has been devoted to the State-wide rollout of chair-side computing. We have supported a large number of system upgrades and database conversions across multiple sites. These tasks will continue throughout the second half of 2007 until all 98 sites are fully operational.

We have also supported a review of internal organisational performance indicators and progressed the capture of adult oral health status data from a number of participating community health agencies to support future population health research initiatives.

Risk and Compliance

A continued focus on the rollout of a centralised electronic incident reporting solution has yielded some good results in terms of early coordination and mitigation of risks affecting multiple service delivery areas during 2006-07. A recent initiative involving a new automated online compliance monitoring tool will ensure that DHSV's commitment to full legislative compliance at all levels within the organisation can be achieved in a more efficient and inclusive way.

This year we invited tenders for the provision of Internal Audit Services to DHSV to commence in 2007-08. DHSV's new service providers, Protiviti, are committed to ensuring that DHSV's excellent track record in corporate governance and compliance is maintained.

The Governor in Council, on the Minister for Health's recommendation, appoints the DHSV Board of Directors. The requisite six to nine Board members reflect a mix of qualifications, skills and experience, specifically in the areas of dental health, community welfare, finance and business.

Ms Natalie Savin – Chair

BA MPolicy & Law

A director since July 2000 and appointed Chair in July 2006, Ms Savin has worked extensively in human services management within local and State government, and the community sector. She is currently Chief Executive Officer of Arthritis Victoria.

Dr Brian Stagoll

MB BS FRANZCP

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

Dr Errol Katz

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

A director since July 2004, Dr Katz has a strong background in strategic business planning and health care consulting. He is currently General Manager, Business Strategy for Visy Industries, having previously worked at the Boston Consulting Group.

Mr Ignatius Oostermeyer

BA(Hons) LLB (Hons) MSC (Econ) (Distinction)

A director since July 2002, Mr Oostermeyer is a practising barrister and solicitor with the Victorian Hospital's Industrial Association.

Professor Louise Kloot

PHD MCom BBus BA FCPA FFIN

A director since July 2000, Professor Kloot is Professor of Accounting at Swinburne University of Technology, and Head of Accounting, Economics, Finance and Law with the Faculty of Business & Enterprise. She is also a director of the South Eastern Housing Co-operative, and a member of various CPA Australia committees.

Ms Ruth Owens

BBus MBA FCPA FAICD

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

Ms Kellie-Ann Jolly

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

A director since July 2004, Ms Jolly has a clinical background partnered with substantial experience in public dental health and health promotion portfolios at State and community levels. She is currently Director, Active Communities and Healthy Eating at VicHealth.

Mr Michael Ellis

BEcon, BEd.

A board member since July 2006, Mr Ellis has extensive experience in the health and human service industry and is currently a partner in Highview Consultants, specialising in strategic management and human resource support.



Pictured clockwise from above:

Ms Natalie Savin – Chair

Dr Brian Stagoll

Dr Errol Katz

Mr Ignatius Oostermeyer

Professor Louise Kloot

Mr Michael Ellis

Ms Ruth Owens

Ms Kellie-Ann Jolly



Board Meeting Attendance July 2006/June 2007

There were 11 board meetings held during the year. Attendance was as follows:

Director	Eligible	Attended
Ms Natalie Savin – Chair	11	11
Ms Kellie-Ann Jolly	11	10
Dr Errol Katz	11	10
Prof Louise Kloot	11	9
Mr Michael Ellis	11	9
Mr Ignatius Oostermeyer	11	6
Dr Brian Stagoll	11	10
Ms Ruth Owens	11	9

Board Committees

Finance Committee

Chair: Prof Louise Kloot Members: Ms Natalie Savin, Ms Ruth Owens

Audit Committee

Chair: Ms Ruth Owens Members: Ms Natalie Savin, Prof Louise Kloot, Mr Peter Robinson (consultant)

Remuneration Committee

Chair: Ms Natalie Savin Members: Dr Errol Katz, Mr Ignatius Oostermeyer

Community Advisory Committee

Chair: Ms Kellie-Ann Jolly Members: Mr Savas Augoustakis, Ms Phyllis Cremona, Ms Janet Curry, Mr Grant Holland, Mr Greg Loughnan, Mr Peter Martin, Mr Blair Sanderson, Dr Brian Stagoll

DHSV's Community Advisory Committee works on behalf of the Board to influence and advise policy and strategy development with respect to consumer and community participation across the organisation.

2006-07 has been a very active year in enhancing and refining DHSV's capacity to work effectively with and for the community. A number of projects were undertaken, including an extensive patient mapping survey, which, in conjunction with the completion of a professional access audit, aimed to improve access and services for people with disabilities.

Ethics in Clinical Research Committee

Chair: Prof Louise Kloot Members: Ms Jill Hutchison, Rev James Brady, Assoc Prof John Harcourt, Mr Ignatius Oostermeyer, Dr Brian Stagoll, Mr Peter Martin, Ms Kavitha Chandra-Shekeran, Dr Rodrigo Mariño

The DHSV Human Research Ethics Committee reviews and approves all research proposals involving DHSV patients. This includes clinical trials, collection and analysis of DHSV's epidemiological and treatment service data, surveys and reviews involving DHSV patient records.

The Committee follows the 'NHMRC National Statement on Ethical Conduct of Research Involving Humans, 1999' guidelines, and, as of 2007, is guided by a DHSV HREC Charter, as well as a DHSV guideline, policy and procedure relating to the Committee.

Quality Committee

Chair: Dr Brian Stagoll Members: Prof Hanny Calache, Mr Michael Ellis, Ms Jean Joseph, Dr Errol Katz, Mr Richard Mullaly, Ms Kiran Murphy, Dr Shane McGuire, Ms Ruth Owens, Dr Colin Riley, Ms Sue Sestan, Ms Deb Sullivan, Dr Martin Whelan

The Quality Committee is responsible for ensuring there are systems in place to improve the quality, safety, efficiency, effectiveness, appropriateness, and acceptability of services provided by DHSV. The Committee meets quarterly to oversee the implementation of the DHSV Clinical Governance Framework, which includes monitoring and evaluation of DHSV's Quality Structure and quality-related committees. This year the Committee reviewed DHSV's Key Clinical Quality Performance Indicators, such as clinical incidents, complaints, compliments and comments, restorative re-treatments and denture remakes. DHSV's efforts to meet the requirements of the Australian Council on Healthcare Standards Organisation Wide Survey, due to take place in December 2007, were also addressed.

The Primary Care & Population Health Advisory Committee

Chair: Dr Errol Katz Members: Ms Clare Amies, Ms Leigh Gibson, Ms Kellie-Ann Jolly, Ms Vicky Mason, Assoc Prof Mike Morgan, Mr Ignatius Oostermeyer, Ms Catherine James, Mr Michael Ellis, Prof Marc Tennant DHSV Members: CEO, GM RDHM, GM Health Promotion, Clinical Director, GM Community Care, GM Health Purchasing and Provider Relations, GM Human Resources, Manager Integration Project, Manager Clinical Analysis and Evaluation

The Primary Care & Population Health Advisory Committee played a role in overseeing the State-wide Integration of Oral Health Services project. The Committee helped DHSV progress towards an integrated model of oral health care delivery, in line with Victoria's policy, Care in your Community (DHS 2006).

The Committee spent 2006-07 establishing a clear role for itself in facilitating system change in Victoria's public oral health services. With its membership broadly representative of a range of key stakeholders in the State's public oral health system, the Committee has a significant role to play. DHSV's new three-year strategic plan has a clear goal to shift to a population health approach to addressing oral health. The Committee will guide and oversee DHSV's progress towards this goal. Building on a social model of health, DHSV will work towards better targeting those most in need and at greatest risk. By providing a broader contextual view of individuals and their oral health needs, the Committee will work towards improving community outcomes.

Compensation Arrangements

The Board reviews the compensation arrangements of the Chief Executive and other senior executives annually via the Remuneration Committee to ensure compliance with the government services executive remuneration policy. The remuneration of Board members is determined by government policy.

Managing Risk

The DHSV Board monitors areas of operational and financial risk through the Board Audit Committee and the Board Finance Committee. The Board retained the services of KPMG Consultants in 2006-07 as internal auditors and facilitators of the DHSV Enterprise Risk Management process. KPMG Consultants undertook an evaluation of organisational risks in May 2007 as part of DHSV's ongoing commitment to risk management.

Consultancies

Consultancies costing more than \$100,000: Nil

Consultancies costing less than \$100,000: 27 at a total cost of \$130,254.92

Compliance with the *Building Act 1993*

DHSV's buildings are maintained to meet the provisions of the *Building Act 1993*.

Purchasing and Tendering

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

Competitive Neutrality

In accordance with the Victorian Government policy statement on competitive neutrality, DHSV applies competitively neutral pricing principles to all its identified business units.

Probity

DHSV, through its Corporate Services and Facilities Management Units, has undertaken public tender for contracts required in Victorian Government Public Service guidelines and has a rigorous supplier evaluation and relationship management process in place.

Code of Conduct

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

Freedom of Information

During the year DHSV received 118 requests for access to documents under the *Freedom of Information Act 1982*. Of these, 103 were personal requests and the remainder were non-personal. All requests were approved. Requests were dealt with in the following manner:

- Access granted in full: 117
- Requests withdrawn/not proceeded with: 1
- Application fees collected: \$21.50
- Application fees waived: \$2,494.00
- Charges collected: \$0
- Charges waived: \$1,075.00

There were a further 147 requests received for copies of documents that were provided outside the Freedom of Information process. These requests consisted of written authorities to copy documents to facilitate ongoing patient care at another health facility.

Further Information Available

The information listed in the Directions of the Minister for Finance – FRD 22 has been prepared and is available to the relevant minister, members of parliament and the public sector upon request.

Senior Management Team

Ms Jill Hutchison

RM, RPN, BHA UNSW, Ass Dip Acc, MBA, FACHSE, CHE

Chief Executive Officer

Jill has a breadth of experience in acute, aged and primary care sectors in both clinical practice and health service administration. With 20 years of involvement in health sector management she has witnessed and been part of many changes including having responsibility for the introduction of an integrated health service pilot for Victoria. Jill has been involved in many State working parties, had four years of involvement with VHA, and is dedicated to the professional development of health professionals through ACHSE.

Mr Richard Mullaly

BSc (Hons), MBA, AFACHSE

General Manager – Royal Dental Hospital of Melbourne

Richard has extensive management and clinical experience within Victoria's public health system. In his previous role as Business Director for Southern Health, he worked with an executive team to oversee the strategic, financial and operational management of the Dandenong Hospital. Richard has a Bachelor of Science (Pharmacology) and a Master of Business Administration and is responsible for the management of the Royal Dental Hospital of Melbourne.

Ms Deborah Sullivan

BEC, CPA, MBA

General Manager Finance and Corporate Services

Deborah has substantial commercial and operational expertise, developed in senior roles with large service-based organisations in Australia and Europe. Prior to joining DHSV, she held divisional management and chief financial officer positions that enhanced her skills as a finance professional and developed her expertise in the areas of organisational change and strategic business development. Deborah is responsible for ensuring that Finance and Corporate Services contributes to the broader oral health strategy, with a strong focus on operational efficiency and 'value adding' services.

Adj. Prof. Hanny Calache

BDSc, MDSc (Children's and Preventative Dentistry),
Grad Dip Health Admin, DPH

Clinical Director

Throughout the past 27 years, Hanny has been responsible for some major breakthroughs in the education of dental therapists and hygienists. He has a Bachelor of Dental Science, Masters in Paediatric Dentistry, Graduate Diploma in Health Administration and a Doctor of Public Health Degree. Hanny is responsible for four main areas of enterprise – quality improvement, clinical governance, education and training, and the promotion of DHSV-led research.

Ms Tracie Andrews

RN Div 1, Ad Dip. Clinical Nursing, Ad Dip Bus Mgmt.

General Manager – Community Care

Tracie has a background in nursing and significant experience in health services leadership roles. Her experience has included driving organisational portfolios for quality, health promotion, clinical services and governance. She has been responsible for the management of a diverse range of community-based programs and has provided leadership in the development and implementation of new programs. This includes the establishment of partnerships to develop and implement integrated models of care, inclusive of Early Childhood, Chronic Disease Management and Hospital Admission Risk Programs.

Ms Fiona Preston

BEd(Sec), BA, Grad Dip Rec Mgt

General Manager – Health Promotion

Fiona has worked in health promotion planning, implementation and business development. She has consulting and management experience in health promotion, including the development of campaign-based community awareness initiatives and private sector program development and management. Fiona is responsible for DHSV's State-wide health promotion function, building on the Integrated Health Promotion framework in the development of a preventive approach to oral health. The integration of oral health into general health and increasing community awareness of the importance of oral health are key objectives.

Ms Robin Allen

BA (Hons), M.Comm.

Acting General Manager – Human Resources

Robin has worked for employers and unions in senior consulting and management positions in both public and private sectors and across a broad range of industries. Originally coming from a labour economics background, Robin has nearly 20 years of experience in generalist Human Resources, specialist Employee Relations and Mediation. As the Acting General Manager – HR, Robin's key areas of focus are to embed sound HR policies and practices, and to develop and implement a workforce strategy for DHSV and the oral health sector.

Dr Colin Riley

BDSC, LDS

Senior Dentist – Community Care

In his role as Senior Dentist for Community Care, Colin is responsible for ensuring the delivery of appropriate, effective and efficient services. He is also involved in the training, education and mentoring of Community Care staff, and assisting with ongoing development of Clinical Guidelines and relevant clinical policies and procedures. Colin has a Bachelor of Dental Science from the University of Melbourne and clinical experience with both children and adults.

Pictured (left to right)

Ms Jill Hutchison, Mr Richard Mullaly, Ms Deborah Sullivan,
Adj. Prof. Hanny Calache, Ms Tracie Andrews, Ms Fiona Preston,
Ms Robin Allen, Dr Colin Riley.



Corporate Communication

The Corporate Communication unit works to improve the quality and delivery of DHSV's internal and external communication. During 2006-07 the unit focused on the development of quality patient information and supporting Human Resources and Health Promotion initiatives.

Notable projects included promotion of career opportunities within DHSV's Integrated Special Needs Unit, and supporting community awareness programs emphasising the importance of good oral health.

Corporate Communication has also supported the integration of the School Dental Service with the Community Dental Program, delivering information and supporting effective processes for constructive two-way communication.

Strategic Planning

The Strategic Planning unit supports the development of DHSV's Strategic Plan and other strategic and service plans that have an organisation-wide impact. Assisting the Executive in the development of the annual DHSV business plan and divisional plans is another key function.

In collaboration with other DHSV staff, Strategic Planning has supported and participated in a range of initiatives, including the development a State-wide Quality Framework and a Knowledge Management Framework, the development of a DHSV Research Strategy, and the integration of the School Dental Service with the Community Dental Program.

Cultural Diversity and Community Liaison

The Cultural Diversity Steering Committee consists of staff members representing every division of DHSV as well as representatives from community organisations. During 2006-07, the Committee has overseen the development of culturally and linguistically diverse (CALD) policies, the implementation of training activities, the gathering of CALD data to support planning, the translation and distribution of patient information to major community groups, and the development of CALD and ATSI resources for staff. The main aim of the Committee is to consolidate these achievements into all core DHSV operations.

DHSV demonstrated its commitment to community participation through the activities of the Community Advisory Committee, including a patient mapping project involving more than a dozen people with a disability. These patients visited the Royal Dental Hospital of Melbourne (RDHM) for oral health care and were individually shadowed by a staff member from the moment they arrived at the building until their departure. The project has provided stark and constructive reminders of the issues we need to consider in planning and providing services to meet the needs of this population group. Challenges have been identified through real-life stories relating to access and comfort within the broader environment as well as the actual delivery of clinical services. This project, in concert with the externally commissioned access audit at RDHM, provides the basis for DHSV's Disability Action Plan in 2007-08.

In 2007 the Community Advisory Committee farewelled two committed and highly valued committee members in Mr Blair Sanderson and Ms Phyllis Cremona. These two community advocates served on the Committee for seven and three years respectively, and their contribution, particularly in relation to the needs of people with a disability and their carers, has been invaluable. Two new appointments will be made in July 2007.

Financial Overview

DHSV achieved an underlying operating surplus of \$2.378 million for the year. This is after allowing for AASB 1004 timing differences. The net result from Continuing Operations before Capital and Specific Items was a surplus of \$2.939 million.

Total revenues increased by \$1.362 million comprising an operating revenue increase of \$5.88 million and a capital purpose and specific income decrease of \$4.519 million. This includes \$8.198 million of revenue comprising grants that have been received and accounted for in accordance with AASB 1004 contributions which will be expended in the 2007-08 financial year.

Total expenses increased by \$0.24 million reflecting \$6.626 million of services expenditure and \$2.286 million of specific expenditure for which the revenue was received in the preceding financial year in accordance with AASB 1004.

The net result of the specific adjustments noted above was a reported deficit of \$0.283 million.

Total equity decreased by \$7.733 million due to the operating deficit of \$0.283 million and the transfer of the old Royal Dental Hospital to the Department of Human Services as Contributed Capital of \$7.450 million.

Table 4: Summary of financial results

	(i) 2007 \$'000	(i) 2006 \$'000	(i) 2005 \$'000	(ii) 2004 \$'000	(ii) 2003 \$'000
Total Expenses	121,975	121,735	106,461	86,106	83,431
Total Revenue	121,692	120,330	107,169	90,063	85,153
Operating Surplus/(deficit)	(283)	(1,405)	708	3,957	1,722
Retained Surplus	8,483	8,917	10,322	9,611	5,641
Total Assets	90,772	96,667	95,527	91,186	85,334
Total Liabilities	22,530	20,692	19,690	16,060	14,978
Net Assets	68,242	75,975	75,837	75,126	70,356
Total Equity	68,242	75,975	75,837	75,126	70,356

(i) Prepared in accordance with the requirements of Australian Accounting Standards which include Australian equivalents to International Financial Reporting Standards ("AASB").

(ii) Not prepared in accordance with the requirements of AASB.

Significant changes in financial position during the financial year

Dental Health Services Victoria reported a surplus before capital purpose income, impairment of non-current assets, depreciation, amortisation and specific revenues and expenses of \$2.939 million. This result comprises \$5.912 million of grant revenue brought to account, for which expenses will be recognised in the 2007-08 financial year, \$1,113 million of minor works and annual provision, and \$6.626 million of expenses incurred in 2006-07 of which revenue was recognised in the 2005-06 financial year.

There was no other material change in the financial position of Dental Health Services Victoria during the financial year.

Dental Care Profile – State-wide

Description	Number of services per 100 patients								
	Specialist Care			Basic Care (S'wide)			School Dental Service		
	2004/05	2005/06	2006/07	2004/05	2005/06	2006/07	2004/05	2005/06	2006/07
Diagnostic Services									
Examination	12.0	14.5	12.6	106.4	108.5	110.5	121.6	115.4	113.0
Consultation	103.6	96.6	95.0	22.6	24.1	22.3	10.5	10.6	11.3
Radiograph	102.4	102.8	111.5	67.7	72.7	76.9	33.5	37.5	41.3
Other Diagnostic	30.8	28.3	33.6	15.5	13.0	12.1	6.4	6.2	6.4
Preventive Services									
Plaque and Calculus removal	11.0	14.1	13.0	30.5	32.3	30.8	15.2	17.3	17.9
Topical Fluoride	1.5	1.6	1.9	9.4	9.7	11.5	9.2	10.2	11.8
Fissure Sealant	7.1	8.4	12.6	10.6	11.0	20.3	101.7	108.0	113.2
Other Preventive	8.8	11.6	9.9	35.2	36.4	40.2	19.9	29.1	32.2
Periodontics									
Periodontal Surgery	1.7	2.0	1.7	0.1	0.1	0.1	0.0	0.0	0.0
Other Periodontal	13.9	14.7	15.5	5.0	6.0	6.1	0.0	0.0	0.0
Oral Surgery									
Simple Extraction	67.4	70.4	68.4	47.9	51.2	47.6	26.7	29.5	8.7
Surgical Extraction	42.5	36.6	37.8	7.3	7.1	6.4	0.0	0.1	0.1
Surgical Procedure	3.6	3.5	2.9	2.9	2.7	2.4	0.1	0.1	0.1
Endodontics									
Pulp Treatment	20.2	18.8	20.0	15.6	15.6	15.0	14.9	14.5	12.1
Other Endodontic	4.0	3.1	3.1	3.1	3.4	2.9	0.3	0.3	0.3
Restorative Services									
Amalgam Restoration	6.5	4.5	4.1	15.9	15.0	12.5	4.4	4.1	3.1
Adhesive Restoration	30.4	31.2	28.5	111.6	122.3	124.8	125.9	141.0	130.3
Other Restorative	5.0	4.9	4.2	12.0	12.1	11.2	8.2	8.4	9.1
Fixed Prosthodontics									
Crowns	4.1	4.8	4.5	0.1	0.1	0.1	0.0	0.0	0.0
Bridge Pontic	1.1	1.0	0.6	0.0	0.0	0.0	0.0	0.0	0.0
Other Crown and Bridge Services	2.6	2.4	2.5	1.4	1.4	1.5	0.0	0.0	0.0
Removable Prosthodontics									
Denture Unit - Full	0.7	1.1	0.8	11.7	13.5	10.1	0.0	0.0	0.0
Partial Denture - Acrylic	0.5	0.6	0.5	6.4	7.7	6.7	0.0	0.0	0.0
Partial Denture - Cobalt Chromium	0.7	0.6	0.4	0.3	0.4	0.4	0.0	0.0	0.0
Reline/Rebase Denture	0.2	0.1	0.1	1.3	1.2	1.0	0.0	0.0	0.0
Denture Repair and Maintenance Services	0.7	0.8	0.7	13.8	13.0	11.5	0.0	0.0	0.0
Other Prosthodontic	2.4	2.9	3.1	19.5	22.9	19.6	0.0	0.0	0.1
Orthodontics									
Removable Appliance	4.2	4.4	5.2	0.0	0.0	0.0	0.8	0.4	0.3
Full Banding (Arches)	4.8	4.1	4.2	0.0	0.0	0.0	0.0	0.0	0.0
Other Orthodontic	1.4	1.5	1.7	0.0	0.0	0.0	0.0	0.0	0.0
General Services									
Emergency Services	0.1	0.0	0.0	2.8	2.7	2.5	0.0	0.0	0.1
Drug Therapy (including general anaesthetics)	46.1	40.0	45.8	13.5	12.2	11.3	0.5	0.6	0.9
Occlusal Therapy	4.7	4.7	5.0	0.2	0.2	0.2	0.0	0.0	0.0
Miscellaneous Services	7.7	3.7	3.5	3.9	4.2	4.5	0.2	0.6	1.2



Operating Statement

For the Year Ended 30 June 2007

	Note	Total 2007 \$'000	Total 2006 \$'000
Revenue from Operating Activities	2	116,618	111,425
Revenue from Non-operating Activities	2	2,363	1,675
Employee Benefits	2b	(36,596)	(37,016)
Non Salary Labour Costs	2b	(731)	(847)
Supplies & Consumables	2b	(4,538)	(4,667)
Other Expenses from Continuing Operations	2b	(74,177)	(68,850)
Net Result Before Capital & Specific Items		2,939	1,720
Capital Purpose Income	2	1,925	4,640
Specific Income	2	786	2,590
Impairment of Non-Current Assets	8	-	(3,920)
Depreciation and Amortisation	3	(3,083)	(3,639)
Specific Expense	2g	(2,692)	(2,714)
Expenditure Using Capital Purpose Income	2b	(158)	(82)
NET RESULT FOR THE PERIOD		(283)	(1,405)

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

Balance Sheet

As at 30 June 2007

	Note	Total 2007 \$'000	Total 2006 \$'000
Current Assets			
Cash and Cash Equivalents	4	28,958	27,304
Receivables	5	3,357	2,821
Inventories	6	752	570
Other Current Assets	7	1,465	2,186
Total Current Assets		34,532	32,881
Non-Current Assets			
Receivables	5	-	94
Property, Plant & Equipment	8	53,913	63,590
Intangible Assets	9	2,327	102
Total Non-Current Assets		56,240	63,786
TOTAL ASSETS		90,772	96,667
Current Liabilities			
Payables	10	13,439	12,192
Provisions	11	6,464	6,692
Other Liabilities	12	1,677	914
Total Current Liabilities		21,580	19,798
Non-Current Liabilities			
Provisions	11	950	894
Total Non-Current Liabilities		950	894
TOTAL LIABILITIES		22,530	20,692
NET ASSETS		68,242	75,975
EQUITY			
Asset Revaluation Reserve	13a	6,456	6,456
General Purpose Reserve	13a	152	-
Restricted Specific Purpose Reserve	13a	-	1
Contributed Capital	13b	53,151	60,601
Accumulated Surpluses/(Deficits)	13c	8,483	8,917
TOTAL EQUITY	13d	68,242	75,975

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

Statement of Changes in Equity

For the Year Ended 30 June 2007

	Note	Total 2007 \$'000	Total 2006 \$'000
Total equity at beginning of financial year		75,975	75,837
Gain/(loss) on Asset Revaluation	13a	-	1,543
NET INCOME RECOGNISED DIRECTLY IN EQUITY		-	1,543
Net result for the year		(283)	(1,405)
TOTAL RECOGNISED INCOME AND EXPENSE FOR THE YEAR		(283)	138
Transactions with the State in its capacity as owner	13b	(7,450)	-
Closing Balance		68,242	75,975

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

Cash Flow Statement

For the Year Ended 30 June 2007

	Note	Total 2007 \$'000	Total 2006 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Grants from Government		105,286	102,991
Patient Fees		3,259	2,995
Donations & Bequests Received		1	6
GST Received from/(paid to) ATO		(3,602)	(3,481)
Recoupment from private practice for use of hospital facilities		19	55
Interest Received		1,909	1,606
Other Receipts		8,043	5,133
Employee Benefits Paid		(37,383)	(37,592)
Fee for Service Medical Officers		(116)	(103)
Payments for Supplies & Consumables		(4,538)	(4,667)
Other Payments		(70,783)	(67,746)
Cash Generated from Operations		2,095	(803)
Capital Grants from Government		2,569	6,760
Capital Donations and Bequests Received		130	130
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	14	4,794	6,087
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant & Equipment		(3,769)	(3,333)
Proceeds from Sale of Property, Plant & Equipment		629	289
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		(3,140)	(3,044)
CASH FLOWS FROM FINANCING ACTIVITIES			
Contributed Capital from Government		-	-
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES		-	-
NET INCREASE/(DECREASE) IN CASH HELD		1,654	3,043
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		27,304	24,261
CASH AND CASH EQUIVALENTS AT END OF PERIOD	4	28,958	27,304

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

Notes to the Financial Statements

30 June 2007

Note 1: Statement of Significant Accounting Policies

This general-purpose financial report has been prepared on an accrual basis in accordance with the *Financial Management Act 1994*, Accounting Standards issued by the Australian Accounting Standards Board and Urgent Issues Group Interpretations. Accounting standards include Australian equivalents to International Financial Reporting Standards (A-IFRS).

The financial statements were authorised for issue by Deborah Sullivan, Chief Finance and Accounting Officer, on 3 September 2007.

Basis of preparation

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

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

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

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2007, and the comparative information presented in these financial statements for the year ended 30 June 2006.

(a) Reporting Entity

The financial statements include all the controlled activities of Dental Health Services Victoria (DHSV). DHSV is a not-for-profit entity and therefore applies the additional Aus paragraphs applicable to "not-for-profit" entities under the A-IFRS.

(b) Rounding Of Amounts

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

(c) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and in banks and investments in money market instruments.

(d) Receivables

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

(e) Inventories

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

Cost for inventories is measured on the basis of weighted average cost.

(f) Intangible Assets

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

Intangible assets are recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to DHSV.

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

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

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

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

Notes to the Financial Statements

30 June 2007

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2007 DHSV Annual Report

Note 1: Statement of Significant Accounting Policies (continued)

(g) Property, Plant and Equipment

Freehold and Crown Land is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or constructive restrictions imposed on the land, public pronouncements or commitments made in relation to the intended use of the land. 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.

Buildings are measured at fair value less accumulated depreciation and impairment.

Plant, Equipment and Vehicles are measured at cost less accumulated depreciation and impairment.

(h) Revaluations of Property, Plant and Equipment

Financial Reporting Direction (FRD) 103B *Non-current Physical Assets*, prescribes that non-current physical assets measured at fair value are revalued with sufficient regularity to ensure that the carrying amount of each asset does not materially differ from its fair value. This revaluation process normally occurs every five years as dictated by timelines in FRD103B which sets the next revaluation for the Health, Welfare and Community Purpose Group to occur on 30 June 2009, or earlier should there be an indication that fair values are materially different from the carrying value. Revaluation increments or decrements arise from differences between an asset's carrying value and fair value.

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

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

Revaluation increases and revaluation decreases relating to individual assets within a class of property, plant and equipment are offset against one another within that class but are not offset in respect of assets in different classes. Revaluation reserves are not transferred to accumulated funds on derecognition of the relevant asset.

(i) Depreciation

Assets with a cost in excess of \$1,000 (2005-6 and 2006-7) are capitalised and depreciation has been provided on depreciable assets so as to allocate their cost - or valuation - over their estimated useful lives using the straight-line method. Estimates of the remaining useful lives and depreciation methods for all assets are reviewed at least annually. This depreciation charge is not funded by the Department of Human Services.

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

	2007	2006
Buildings	10 to 40 years	10 to 40 years
Plant and Equipment	5 to 10 years	5 to 10 years
Medical Equipment	5 to 10 years	5 to 10 years
Computers and Communication	1 to 3 years	1 to 3 years
Furniture & Fittings	1 to 5 years	1 to 5 years
Motor Vehicles	1 to 7 years	1 to 7 years
Intangible Assets	3 to 5 years	3 to 5 years

(j) Impairment of Assets

Intangible assets with indefinite useful lives are tested annually as to whether their carrying value exceeds their recoverable amount. All other assets are assessed annually for indications of impairment, except for:

- inventories; and
- financial instruments.

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

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

(k) Payables

These amounts represent liabilities for goods and services provided prior to the end of the financial year and which are unpaid. The normal credit terms are usually Nett 30 days.

Notes to the Financial Statements

30 June 2007

Note 1: Statement of Significant Accounting Policies (continued)

(l) 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 provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

(m) Functional and Presentation Currency

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

(n) Goods and Services Tax (GST)

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

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

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

(o) Employee Benefits

Wages and Salaries, Annual Leave, and Accrued Days Off

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

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

Long Service Leave

Current Liability – unconditional LSL (representing 10 or more years of continuous service) is disclosed as a current liability regardless whether DHSV does not expect to settle the liability within 12 months as it does not have the unconditional right to defer the settlement of the entitlement should an employee take leave.

The components of this current LSL liability are measured at:

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

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

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

Superannuation

Defined contribution plans

Contributions to defined contribution superannuation plans are expenses when incurred.

Defined benefit plans

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

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

DHSV made contributions to the following major superannuation plans during the year:

Defined benefit plans: Health Super Superannuation Fund, State Superannuation Board

Defined contribution plans: Health Super Superannuation Fund, State Superannuation Board

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

Notes to the Financial Statements

30 June 2007

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Note 1: Statement of Significant Accounting Policies (continued)

Termination Benefits

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

On-Costs

Employee benefit on-costs are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

(p) Leases

All leases entered into by DHSV are operating leases.

(q) Revenue Recognition

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

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

Government Grants

Grants are recognised as income when DHSV gains control of the underlying assets in accordance with AASB 1004 *Contributions*. Where grants are reciprocal, revenue is recognised as performance occurs under the grant. Non-reciprocal grants are recognised as income when the grant is received or receivable. Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant.

Indirect Contributions

- Insurance is recognised as revenue following advice from the Department of Human Services.
- Long Service Leave (LSL) - Revenue is recognised upon finalisation of movements in LSL liability in line with the arrangements set out in the Acute Health Division Hospital Circular 16/2004.

Patient Fees

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

Private Practice Fees

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

Donations and Other Bequests

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

(r) Fund Accounting

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

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

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

(t) Comparative Information

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

(u) Asset Revaluation Reserve

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

(v) General Reserves

The Board of Directors established a reserve for research and innovation to support strategic research projects, seed grants, innovation awards, and postgraduate scholarships.

(w) Specific Restricted Purpose Reserve

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

(x) Contributed Capital

Consistent with *UIG Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities* and FRD 2A Contributions by Owners, appropriations for additions to the net asset base have been designated as contributed capital. Other transfers that are in the nature of contributions or distributions that have been designated as contributed capital are also treated as contributed capital.

Notes to the Financial Statements

30 June 2007

Note 1: Statement of Significant Accounting Policies (continued)

(y) Net Result Before Capital & Specific Items

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

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

- Capital purpose income, which comprises all tied grants, donations and bequests received for the purpose of acquiring non-current assets, such as capital works, plant and equipment or intangible assets. Consequently the recognition of revenue as capital purpose income is based on the intention of the provider of the revenue at the time the revenue is provided.
- Specific income/expense, comprise the following items, where material:
 - Write-down of inventories;
 - Non-current asset revaluation increments/decrements;
 - Reversals of provisions; and
 - Funding/Purchase of capital items for Agencies.
- Impairment of non-current assets, includes all impairment losses (and reversal of previous impairment losses), related to non-current assets only which have been recognised in accordance with note 1 (j).
- Depreciation and amortisation, as described in note 1 (i).
- Expenditure using capital purpose income comprises expenditure which either falls below the asset capitalisation threshold (note 1 (i)) or doesn't meet recognition criteria and therefore does not result in the recognition of an asset in the balance sheet, where funding for that expenditure is from capital purpose income.

(z) Category Groups

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

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

Notes to the Financial Statements

30 June 2007

Note 1: Statement of Significant Accounting Policies (continued)

(aa) New Accounting Standards and Interpretations

Certain new accounting standards and Interpretations have been published that are not mandatory for 30 June 2007 reporting period. As at 30 June 2007, the following standards and interpretations had been issued but were not mandatory for financial year ending 30 June 2007. DHSV has not and does not intend to adopt these standards early, as their impact to the annual statements would not be material.

Standard/ Interpretation	Summary	Applicable for reporting periods beginning on or ending on	Impact on DHSV's Annual Statements
AASB 7 Financial Instruments: Disclosures	New standard replacing disclosure requirements of AASB 132	Beginning 1 Jan 2007	AASB 7 is a disclosure standard so will have no direct impact on the amounts included in DHSV's financial statements. However, the amendments will result in changes to the financial instrument disclosures included in DHSV's annual report.
AASB 2005-10, Amendments to Australian Accounting Standards (AASB's 132, 101, 114, 117, 133, 139, 1, 4, 1023 & 1038)	Amendments arising from the release in Aug 05 of AASB 7 Financial Instruments: Disclosures	Beginning 1 Jan 2007	Amendments may result in changes to the financial statements.
AASB 101 Presentation of Financial Statements (revised)	Removes Australian specific requirements from AASB 101, including the Australian illustrative formats of the income statement, balance sheet, and the statement of changes in equity which Health Services were previously 'encouraged' to adopt in preparing their financial statements.	Beginning 1 Jan 2007	Amendments may result in changes to the financial statements.
AASB 2007-1 Amendments to Australian Accounting Standards arising from AASB Interpretation 22 (AASB 2)	Additional paragraphs added underneath transitional payments	1 March 2007	Amendments may result in changes to the financial statements.

Notes to the Financial Statements

30 June 2007

Note 2: Revenue

	HSA 2007 \$'000	HSA 2006 \$'000	Non HSA 2007 \$'000	Non HSA 2006 \$'000	Total 2007 \$'000	Total 2006 \$'000
Revenue from Operating Activities						
Government Grants						
- Department of Human Services	105,286	102,352	-	-	105,286	102,352
Indirect Contributions by Department of Human Services	714	667	-	-	714	667
Patient Fees (refer note 2c)	3,256	3,197	-	-	3,256	3,197
Donations and Bequests	1	6	-	-	1	6
Recoupment from Private Practice for Use of DHSV Facilities	19	55	-	-	19	55
Other Revenue from Operating Activities	3,990	1,674	3,352	3,474	7,342	5,148
Sub-Total Revenue from Operating Activities	113,266	107,951	3,352	3,474	116,618	111,425
Revenue from Non-Operating Activities						
Interest	2,268	1,606	-	-	2,268	1,606
Property Income	-	-	95	69	95	69
Sub-Total Revenue from Non-Operating Activities	2,268	1,606	95	69	2,363	1,675
Revenue from Capital Purpose Income						
State Government Capital Grants						
- Targeted Capital Works and Equipment	-	-	-	364	-	364
- Other	-	-	1,480	4,184	1,480	4,184
Net Gain/(Loss) on Disposal of Non-Current Assets (refer note 2d)	-	-	(72)	(38)	(72)	(38)
Donations and Bequests	-	-	130	130	130	130
Other Capital Purpose Income	-	-	387	-	387	-
Sub-Total Revenue from Capital Purpose Income	-	-	1,925	4,640	1,925	4,640
Specific Income (refer note 2f)	-	-	786	2,590	786	2,590
Total Revenue (refer to note 2a)	115,534	109,557	6,158	10,773	121,692	120,330

Indirect contributions by Department of Human Services:

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

Notes to the Financial Statements

30 June 2007

Note 2a: Analysis of Revenue by Source

	Total (Other) 2007 \$'000	Total (Other) 2006 \$'000
Revenue from Services Supported by Health Services Agreement		
Government Grants		
- Department of Human Services	105,286	102,352
Indirect contributions by Department of Human Services		
- Insurance	558	475
- Long Service Leave	156	192
Patient Fees (refer note 2c)	3,256	3,197
Recoupment from Private Practice for Use of DHSV facilities	19	55
Interest	2,268	1,606
Donations & Bequests (non capital)	1	6
Other	3,990	1,674
Sub-Total Revenue from Services Supported by Health Services Agreement	115,534	109,557
Revenue from Services Supported by Hospital and Community Initiatives		
Internal Specific Purpose Fund		
- Car Park	3	2
- Property Income	92	67
- Technical Support	2,259	2,415
- Overseas Dentists Training Programme	1,093	1,050
- Dental Health Research	-	9
Capital Purpose Income (refer note 2)	1,925	4,640
Specific Income (refer note 2f)	786	2,590
Sub-Total Revenue from Services Supported by Hospital and Community Initiatives	6,158	10,773
Total Revenue	121,692	120,330

Indirect contributions by Department of Human Services:

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

Notes to the Financial Statements

30 June 2007

Note 2b: Expenses

	HSA 2007 \$'000	HSA 2006 \$'000	Non HSA 2007 \$'000	Non HSA 2006 \$'000	Total 2007 \$'000	Total 2006 \$'000
Employee Benefits						
Salaries & Wages	31,406	31,966	483	458	31,889	32,424
WorkCover Premium	744	596	8	8	752	604
Departure Packages	150	-	-	-	150	-
Long Service Leave	851	963	13	12	864	975
Superannuation	2,911	2,986	30	27	2,941	3,013
Total Employee Benefits	36,062	36,511	534	505	36,596	37,016
Non Salary Labour Costs						
Fees for Visiting Medical Officers	116	103	-	-	116	103
Agency Costs - Nursing	167	25	-	-	167	25
Agency Costs - Other	432	705	16	14	448	719
Total Non Salary Labour Costs	715	833	16	14	731	847
Supplies and Consumables						
Drug Supplies	496	460	-	-	496	460
Medical & Surgical Supplies	3,940	4,115	102	92	4,042	4,207
Total Supplies and Consumables	4,436	4,575	102	92	4,538	4,667
Expenditure using Capital Purpose Income						
Other Expenses	-	-	158	82	158	82
Total Expenditure using Capital Purpose Income	-	-	158	82	158	82
Other Expenses from Continuing Operations						
Domestic Services & Supplies	1,045	1,052	-	-	1,045	1,052
Fuel, Light, Power and Water	396	303	-	-	396	303
Insurance costs funded by DHS	558	475	-	-	558	475
Motor Vehicle Expenses	357	483	-	-	357	483
Repairs & Maintenance	227	172	1	3	228	175
Maintenance Contracts	271	254	-	-	271	254
Patient Transport	6	4	-	-	6	4
Bad & Doubtful Debts	181	180	-	-	181	180
Lease Expenses	373	309	-	-	373	309
Other Administrative Expenses	6,872	6,562	1,835	1,874	8,707	8,436
Other	61,918	56,994	-	-	61,918	56,994
Audit Fees	137	185	-	-	137	185
Total Other Expenses from Continuing Operations	72,341	66,973	1,836	1,877	74,177	68,850
Impairment of Non Current Assets	-	-	-	3,920	-	3,920
Depreciation and Amortisation	-	-	3,083	3,639	3,083	3,639
Specific Expense	-	-	2,692	2,714	2,692	2,714
Total	-	-	5,775	10,273	5,775	10,273
Total Expenses	113,554	108,892	8,421	12,843	121,975	121,735

Notes to the Financial Statements

30 June 2007

Note 2b: Analysis of Expenses by Source

	Total (Other) 2007 \$'000	Total (Other) 2006 \$'000
Services Supported by Health Services Agreement		
Employee Benefits		
Salaries & Wages	31,406	31,966
WorkCover Premium	744	596
Departure Packages	150	-
Long Service Leave	851	963
Superannuation	2,911	2,986
Non Salary Labour Costs		
Fees for Visiting Medical Officers	116	103
Agency Costs - Nursing	167	25
Agency Costs - Other	432	705
Supplies & Consumables		
Drug Supplies	496	460
Medical & Surgical Supplies	3,940	4,115
Other Expenses		
Domestic Services & Supplies	1,045	1,052
Fuel, Light, Power and Water	396	303
Insurance costs funded by DHS	558	475
Motor Vehicle Expenses	357	483
Repairs and Maintenance	227	172
Maintenance Contracts	271	254
Patient Transport	6	4
Bad and Doubtful Debts	181	180
Lease Expenses	373	309
Other Administrative Expenses	6,872	6,562
Transfer Payments		
- Output Funding for Dental Services (DHS Agencies)	39,968	34,779
- Victorian Denture Scheme (Private Practitioners)	9,323	12,270
- Victorian General Dental Scheme (Private Practitioners)	4,578	5,492
- Victorian Emergency Dental Scheme (Private Practitioners)	5,034	4,453
- School Dental Services (Private Practitioners)	3,015	-
Sub-Total Expenses from Services Supported by Health Services Agreement	113,417	108,707

Notes to the Financial Statements

30 June 2007

Note 2b: Analysis of Expenses by Source (continued)

	Total (Other) 2007 \$'000	Total (Other) 2006 \$'000
Services Supported by Hospital and Community Initiatives		
Employee Benefits		
Salaries & Wages	483	458
WorkCover Premium	8	8
Departure Packages	-	-
Long Service Leave	13	12
Superannuation	30	27
Non Salary Labour Costs		
Fees for Visiting Medical Officers	-	-
Agency Costs - Nursing	-	-
Agency Costs - Other	16	14
Supplies & Consumables		
Drug Supplies	-	-
Medical and Surgical Supplies	102	92
Other Expenses		
Domestic Services and Supplies	-	-
Fuel, Light, Power and Water	-	-
Motor Vehicle Expenses	-	-
Repairs & Maintenance	1	3
Maintenance Contracts	-	-
Bad & Doubtful Debts	-	-
Other Administrative Expenses	1,835	1,874
Sub-Total Expenses from Services Supported by Hospital and Community Initiatives	2,488	2,488
Services Supported by Capital Sources		
Other Expenses		
Other	158	82
Sub-Total Expenses from Services Supported by Capital Resources	158	82
Depreciation and Amortisation (refer note 3)	3,083	3,639
Impairment of Non-Current Assets	-	3,920
Audit Fees		
- Auditor-General's (refer note 18)	19	20
- Internal Audit and Taxation Compliance	118	165
Specific Expenses (refer note 2g)	2,692	2,714
Total Expenses	121,975	121,735

Notes to the Financial Statements

30 June 2007

Note 2c: Patient Fees

	Total 2007 \$'000	Total 2006 \$'000
Patient Fees Raised		
Recurrent:		
Other	3,256	3,197
Total Recurrent	3,256	3,197

Note 2d: Net Gain/(Loss) on Disposal of Non-Current Assets

Proceeds from Disposals of Non-Current Assets

Medical Equipment	-	1
Computers and Communications	-	4
Furniture and Equipment	-	-
Motor Vehicles	629	284
Total Proceeds from Disposal of Non-Current Assets	629	289

Less: Written Down Value of Non-Current Assets Sold

Medical Equipment	-	3
Computers and Communications	-	-
Furniture and Equipment	-	-
Motor Vehicles	701	324

Total Written Down Value of Non-Current Assets Sold

	701	327
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Net gains/(losses) on Disposal of Non-Current Assets

	(72)	(38)
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Note 2e: Analysis of Expenses by Internal and Restricted Specific Purpose Funds for Services Supported by Hospital and Community Initiatives

Technical Support	1,805	1,787
Overseas Dentists Training Program	683	649
Dental Health Research	-	52
TOTAL	2,488	2,488

Note 2f: Specific Income

Specific Income

Funding Received from Department of Human Services to Purchase Dental Equipment on Behalf of External Dental Agencies	786	2,470
Reversal of Provision for WorkCover	-	120
TOTAL	786	2,590

Notes to the Financial Statements

30 June 2007

Note 2g: Specific Expenses

	Total 2007 \$'000	Total 2006 \$'000
Specific Expenses		
Amounts Paid for the Purchase of Dental Equipment on Behalf of External		
Dental Agencies	2,692	2,509
Revaluation decrement on Non Current Assets - Buildings	-	85
Write-down on Inventories	-	120
TOTAL	2,692	2,714

Note 3: Depreciation and Amortisation

Depreciation

Buildings	1,205	1,754
Plant & Equipment	18	1
Medical Equipment	714	805
Computers and Communication	560	496
Furniture and Equipment	110	116
Motor Vehicles	373	390
Total Depreciation	2,980	3,562

Amortisation

Intangible Assets	103	77
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Total Depreciation & Amortisation	3,083	3,639
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Note 4: Cash and Cash Equivalents

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

Cash on Hand	9	8
Cash at Bank	1,175	1,162
Short-Term Deposit	27,774	26,134
TOTAL	28,958	27,304

Represented by:

Cash for Health Service Operations (as per Cash Flow Statement)	28,958	27,304
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Notes to the Financial Statements

30 June 2007

Note 5: Receivables

	Total 2007 \$'000	Total 2006 \$'000
CURRENT		
Inter-Hospital Debtors	53	31
Trade Debtors	1,874	1,917
Patient Fees	184	187
Accrued Investment Income	424	65
Accrued revenue - DHS	-	9
Accrued Revenue - Cost Recovery	190	12
GST Receivable	802	770
TOTAL	3,527	2,991
LESS Provision for Doubtful Debts		
Trade Debtors	33	39
Patient Fees	137	131
TOTAL	170	170
TOTAL CURRENT RECEIVABLES	3,357	2,821
NON CURRENT		
DHS - Long Service Leave	-	94
TOTAL NON CURRENT RECEIVABLES	-	94
TOTAL RECEIVABLES	3,357	2,915

Note 6: Inventories

CURRENT		
Medical and Surgical Lines - at cost	514	438
Engineering Stores - at cost	386	308
Less Provision for Diminution in Inventory	148	176
TOTAL INVENTORIES	752	570

Note 7: Other Assets

CURRENT		
Prepayments	56	49
Minor Works in Progress	1,409	2,137
TOTAL	1,465	2,186

Notes to the Financial Statements

30 June 2007

Note 8: Property, Plant & Equipment

	Total 2007 \$'000	Total 2006 \$'000
Land		
- Land at Valuation	6,626	14,076
Total Land	6,626	14,076
Buildings		
- Buildings at Valuation	42,003	41,823
Less Accumulated Depreciation	1,392	187
Total Buildings	40,611	41,636
Plant and Equipment at Cost		
- Plant and Equipment	179	179
Less Accumulated Depreciation	19	1
Total Plant and Equipment	160	178
Medical Equipment at Cost		
- Medical Equipment	12,537	12,379
Less Accumulated Depreciation	9,228	8,517
Total Medical Equipment	3,309	3,862
Computers and Communication at Cost		
- Computers and Communication	4,962	4,925
Less Accumulated Depreciation	4,318	3,758
Total Computers and Communications	644	1,167
Furniture and Fittings at Cost		
- Furniture and Fittings	1,194	1,192
Less Accumulated Depreciation	1,018	908
Total Furniture & Fittings	176	284
Motor Vehicles at Cost		
- Motor Vehicles	3,415	3,544
Less Accumulated Depreciation	1,028	1,157
Total Motor Vehicles	2,387	2,387
TOTAL	53,913	63,590

The reduction in land at valuation is due to the Department of Human Services assuming day-to-day control of the vacant old hospital site at 711 Elizabeth Street, Melbourne.

The transfer has been approved and designated as a reduction in contributed capital by the Minister for Health.

Notes to the Financial Statements

30 June 2007

Note 8: Property, Plant & Equipment (Continued)

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

	Land \$000	Buildings \$000	Plant & Equipment \$000	Medical Equipment \$000	Computers & Commncnts \$000	Furniture & Fittings \$000	Motor Vehicles \$000	Total \$000
Balance at 1 July 2005	12,520	46,562	-	4,125	1,198	400	1,621	66,426
Additions	-	846	179	545	465	-	1,480	3,515
Disposals	-	-	-	(3)	-	-	(324)	(327)
Impairment losses recognised/(reversed) in net result	-	(3,920)	-	-	-	-	-	(3,920)
Revaluation increments/(decrements)	1,556	(98)	-	-	-	-	-	1,458
Transfer to Victorian Government	-	-	-	-	-	-	-	-
Depreciation and Amortisation (note 3)	-	(1,754)	(1)	(805)	(496)	(116)	(390)	(3,562)
Balance at 1 July 2006	14,076	41,636	178	3,862	1,167	284	2,387	63,590
Additions	-	180	-	161	37	2	1,074	1,454
Disposals	-	-	-	-	-	-	(701)	(701)
Impairment losses recognised/(reversed) in net result	-	-	-	-	-	-	-	-
Revaluation increments/(decrements)	-	-	-	-	-	-	-	-
Transfer to Victorian Government	(7,450)	-	-	-	-	-	-	(7,450)
Depreciation and Amortisation (note 3)	-	(1,205)	(18)	(714)	(560)	(110)	(373)	(2,980)
Balance at 30 June 2007	6,626	40,611	160	3,309	644	176	2,387	53,913

Notes to the Financial Statements

30 June 2007

Note 9: Intangible Assets

	Total 2007 \$'000	Total 2006 \$'000
Software	2,766	439
Less Accumulated Amortisation	439	337
Total Written Down Value	2,327	102
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 2005	179	
Amortisation (note 3)	(77)	
Balance at 1 July 2006	102	
Additions	2,328	
Amortisation (note 3)	(103)	
Balance at 30 June 2007	2,327	

Note 10: Payables

	Total 2007 \$'000	Total 2006 \$'000
CURRENT		
Trade Creditors	7,617	9,724
Accrued Expenses	4,615	1,137
GST Payable	998	1,131
Salary Packaging	114	200
DHS - Long Service Leave	95	-
TOTAL	13,439	12,192

Notes to the Financial Statements

30 June 2007

Note 11: Provisions

	Total 2007 \$'000	Total 2006 \$'000
CURRENT		
Employee Benefits (refer Note 11a)	6,464	6,692
NON CURRENT		
Employee Benefits (refer Note 11a)	950	894
TOTAL	7,414	7,586

Note 11a Employee Benefits

CURRENT (refer note 1 (o))

Unconditional long service leave entitlements	3,656	3,667
Annual leave entitlements	2,016	2,028
Accrued Wages and Salaries	697	906
Accrued Days Off	95	91
TOTAL*	6,464	6,692

*Current Employee benefits that:

Expected to be utilised within 12 months (nominal value)	3,225	3,428
Expected to be utilised after 12 months (present value)	3,239	3,264
TOTAL	6,464	6,692

NON-CURRENT (refer note 1(o))

Conditional long service leave entitlements (present value)	950	894
TOTAL	950	894

Movement in Long Service Leave:

Balance at start of year	4,561	4,270
Provision made during the year	864	975
Settlement made during the year	(819)	(684)
Balance at end of year	4,606	4,561

Note 12: Other Liabilities

CURRENT

Specific Purpose Income in Advance	1,677	914
TOTAL	1,677	914

Notes to the Financial Statements

30 June 2007

Note 13: Equity and Reserves

	Total 2007 \$'000	Total 2006 \$'000
(a) Reserves		
Land and Buildings Asset Revaluation Reserve (1)		
Balance at the beginning of the reporting period	6,456	4,913
Revaluation Increment/(Decrement)		
- Land	-	1,556
- Buildings	-	(13)
Transfer to Accumulated Surplus		
- Land	-	-
* Balance at the end of reporting period	6,456	6,456
* Represented by:		
- Land	6,456	6,456
Total	6,456	6,456
General Purpose Reserve		
Balance at the beginning of the reporting period	-	-
Transfer to and from Accumulated Surplus	152	-
Balance at the end of the reporting period	152	-
Restricted Specific Purpose Reserve		
Balance at the beginning of the reporting period	1	1
Transfer to and from Accumulated Surplus	(1)	-
Balance at the end of the reporting period	-	1
Total Reserves	6,608	6,457
(1) The land and building assets revaluation reserve arises on the revaluation of land and buildings.		
(b) Contributed Capital		
Balance at the beginning of the reporting period	60,601	60,601
Transfer of Asset to Victorian Government	(7,450)	-
Balance at the end of the reporting period	53,151	60,601
(c) Accumulated Surpluses/(Deficits)		
Balance at the beginning of the reporting period	8,917	10,322
Net Result for the year	(283)	(1,405)
Transfer to and from Land and Buildings Asset Revaluation Reserve	-	-
Transfer to and from General Purpose Reserve	(152)	-
Transfer to and from Restricted Specific Purpose Reserve	1	-
Balance at the end of the reporting period	8,483	8,917
(d) Equity at end of financial year	68,242	75,975

Notes to the Financial Statements

30 June 2007

Note 14: Reconciliation of Net Result for the Year to Net Cash Inflow/(Outflow) from Operating Activities

	Total 2007 \$'000	Total 2006 \$'000
Net Result for the Period	(283)	(1,405)
Depreciation & Amortisation	3,083	3,639
Impairment of Non-Current Assets	-	3,920
Revaluation decrement on Non Current Assets - Buildings	-	85
Provision for Bad and Doubtful Debts	181	180
Change in Inventories	-	120
Resources Received Free of Charge	(13)	(182)
Net (Gain)/Loss from Sale of Plant and Equipment	72	38
Change in Operating Assets & Liabilities		
Increase/(Decrease) in Payables	1,247	569
Increase/(Decrease) in Income in Advance	763	861
Increase/(Decrease) in Employee Benefits	(172)	168
(Increase)/Decrease in Non Current Receivables	94	447
(Increase)/Decrease in Other Current Assets	721	(1,120)
(Increase)/Decrease in Current Receivables	(717)	(1,223)
(Increase)/Decrease in Inventory	(182)	(10)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	4,794	6,087

Note 15: Financial Instruments

(a) Risk management policies

DHSV does not engage in transactions requiring financial risk management.

(b) Significant accounting policies

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

(c) Significant terms and conditions

There are no significant terms and conditions.

(d) Credit risk exposures

There are no credit risk exposures.

Notes to the Financial Statements

30 June 2007

Note 15: Financial Instruments (continued)

(e) Interest Rate Risk Exposure

DHSV's exposure to interest rate risk and effective weighted average interest rate by maturity periods is set out in the following table. For interest rates applicable to each class of asset or liability refer to individual notes to the financial statements. Exposures arise predominantly from assets and liabilities bearing variable interest rates.

Interest rate exposure as at 30/06/2007

		Fixed interest rate maturing					
	Floating Interest Rate	1 year or less	1 to 5 years	Over 5 years	Non- interest bearing	Total	*Weighted Average Interest Rates
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	(%)
Financial Assets							
Cash and Cash Equivalents	28,949	-	-	-	9	28,958	7.55
Receivables	-	-	-	-	3,357	3,357	-
Total Financial Assets	28,949	-	-	-	3,366	32,315	
Financial Liabilities							
Trade creditors and accruals	-	-	-	-	13,439	13,439	-
Other Liabilities	-	-	-	-	1,677	1,677	-
Total Financial Liabilities	-	-	-	-	15,116	15,116	
Net Financial Asset/Liabilities	28,949	-	-	-	(11,750)	17,199	

* Weighted average of effective interest rates for each class of assets.

Interest rate exposure as at 30/06/2006

		Fixed interest rate maturing					
	Floating Interest Rate	1 year or less	1 to 5 years	Over 5 years	Non- interest bearing	Total	*Weighted Average Interest Rates
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	(%)
Financial Assets							
Cash and Cash Equivalents	27,296	-	-	-	8	27,304	5.60
Receivables	-	-	-	-	2,821	2,821	-
Total Financial Assets	27,296	-	-	-	2,829	30,125	
Financial Liabilities							
Trade creditors and accruals	-	-	-	-	12,192	12,192	-
Other Liabilities	-	-	-	-	914	914	-
Total Financial Liabilities	-	-	-	-	13,106	13,106	
Net Financial Asset/Liabilities	27,296	-	-	-	(10,277)	17,019	

* Weighted average of effective interest rates for each class of assets.

(f) Credit Risk Exposure

Credit risk represents the loss that would be recognised if counterparties fail to meet their obligations under the respective contracts at maturity. The credit risk on financial assets of the entity have been recognised on the Balance Sheet, as the carrying amount, net of any provisions for doubtful debts.

(g) Fair Value of Financial Assets and Liabilities

The carrying amount of financial assets and liabilities contained within these financial statements is representative of the fair value of each financial asset or liability.

Notes to the Financial Statements

30 June 2007

Note 15: Financial Instruments (continued)

The following table details the fair value of financial assets and financial liabilities.

	Total 2007		Total 2006	
	Book Value \$'000	Fair Value* \$'000	Book Value \$'000	Net Fair Value* \$'000
Financial Assets				
Cash and Cash Equivalents	28,958	28,958	27,304	27,304
Receivables	3,357	3,357	2,821	2,821
Total Financial Assets	32,315	32,315	30,125	30,125
Financial Liabilities				
Trade creditors and accruals	13,439	13,439	12,192	12,192
Other Liabilities	1,677	1,677	914	914
Total Financial Liabilities	15,116	15,116	13,106	13,106

* Fair values are capital amounts

(Fair values of financial instruments are determined on the following basis:

- i Cash, deposit investments, cash equivalents and non interest bearing financial assets and liabilities (trade debtors, other receivables, trade creditors and advances) are valued at cost which approximates to fair value).

Note 16: Commitments for Expenditure

	Total 2007 \$'000	Total 2006 \$'000
Lease Commitments		
Commitments in relation to leases contracted for at the reporting date:		
Operating leases	545	654
Total Lease Commitments	545	654
Operating Leases		
Rental		
<i>Non-Cancellable</i>		
Not later than one year	295	236
Later than one year but not later than 5 years	250	418
Later than 5 years	-	-
TOTAL	545	654

The contingent rentals are determined by applicable rental payments for the period covered by the agreement. Rental agreements are entered from 1 to 3 years with an option to renew for a further 1 to 3 years. The rental expenses recognised for 2007 was \$373,000.

Notes to the Financial Statements

30 June 2007

Note 17a: Responsible Persons Disclosures

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

	Period	
Responsible Ministers:		
The Honourable Bronwyn Pike, MLA, Minister for Health	01-July-2006	30-June-2007
The Honourable Daniel Andrews, MP is the new Minister for Health effective 3rd August 2007		
Governing Boards		
Ms. Natalie Savin (Chair)	01-July-2006	30-June-2007
Prof. Louise Kloot	01-July-2006	30-June-2007
Mr. Ignatius Oostermeyer	01-July-2006	30-June-2007
Dr. Brian Stagoll	01-July-2006	30-June-2007
Ms. Kellie Ann Jolly	01-July-2006	30-June-2007
Dr. Errol Katz	01-July-2006	30-June-2007
Mr. Michael Ellis	01-July-2006	30-June-2007
Ms. Ruth Owens	01-July-2006	30-June-2007
Accountable Officers		
Ms. Robyn Batten	01-July-2006	02-February-2007
Ms. Elizabeth Riley	03-February-2007	20-April-2007
Mr. Richard Mullaly	21-April-2007	20-May-2007
Ms. Jill Hutchison	21-May-2007	30-June-2007

Remuneration of Responsible Persons

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

	2007 No.	2006 No.
Income Band		
\$10,000 - \$19,999	7	8
\$20,000 - \$29,999	-	1
\$30,000 - \$39,999	1	-
\$120,000 - \$129,999	1	-
\$210,000 - \$219,999	-	1
Total Numbers	9	10
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:		
	337,382	349,696

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

Other Transactions of Responsible Persons and their related Parties.

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

Notes to the Financial Statements

30 June 2007

Note 17b: Executive Officer Disclosures

Executive Officers' Remuneration

The numbers of executive officers other than the Ministers and Accountable Officers, and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands. The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long-service leave payments, redundancy payments and retirement benefits.

Total remuneration included bonus and redundancy payments.

	Total Remuneration		Base Remuneration	
	2007 No.	2006 No.	2007 No.	2006 No.
\$100,000 - \$109,999	-	-	-	1
\$110,000 - \$119,999	-	1	-	2
\$120,000 - \$129,999	-	1	4	2
\$130,000 - \$139,999	1	1	2	-
\$140,000 - \$149,999	3	2	-	1
\$150,000 - \$159,999	1	1	-	-
\$160,000 - \$169,999	-	-	-	-
\$220,000 - \$229,999	1	-	-	-
	6	6	6	6

Note 18: Remuneration of Auditors

	Total 2007 \$'000	Total 2006 \$'000
Audit fees paid or payable to the Victorian Auditor General's Office for audit of DHSV's financial report	19	20
Other non-audit services	-	-
Total Paid and Payable	19	20



Victorian Auditor-General's Office

INDEPENDENT AUDIT REPORT

Dental Health Services Victoria

To the Members of the Parliament of Victoria and Members of the Board of the Service

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report for the financial year ended 30 June 2007 relates to the financial report of Dental Health Services Victoria included on its web site. The Members of the Board of Dental Health Services Victoria are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named below. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

The Financial Report

The accompanying financial report for the year ended 30 June 2007 of Dental Health Services Victoria which comprises the operating statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the board member's, accountable officer's, and chief finance and accounting officer's declaration has been audited.

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

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

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

Auditors Responsibility

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

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

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Level 24, 35 Collins Street, Melbourne Vic. 3000

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Auditing in the Public Interest

VAGO

Victorian Auditor-General's Office

Independent Audit Report (continued)

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

Independence

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

Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of Dental Health Services Victoria as at 30 June 2007 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
4 September 2007



D.D.R. Pearson
Auditor-General

DHSV Certification Letter

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

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

We further state that, in our opinion, the information set out in the Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2007 and financial position of Dental Health Services Victoria at 30 June 2007.

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



Natalie Savin
Chairperson

Melbourne

Sept 3rd 2007



Jill Hutchison
Chief Executive Officer

Melbourne

Sept 3rd 2007



Deborah Sullivan
Chief Finance & Accounting Officer

Melbourne

Sept 3rd 2007



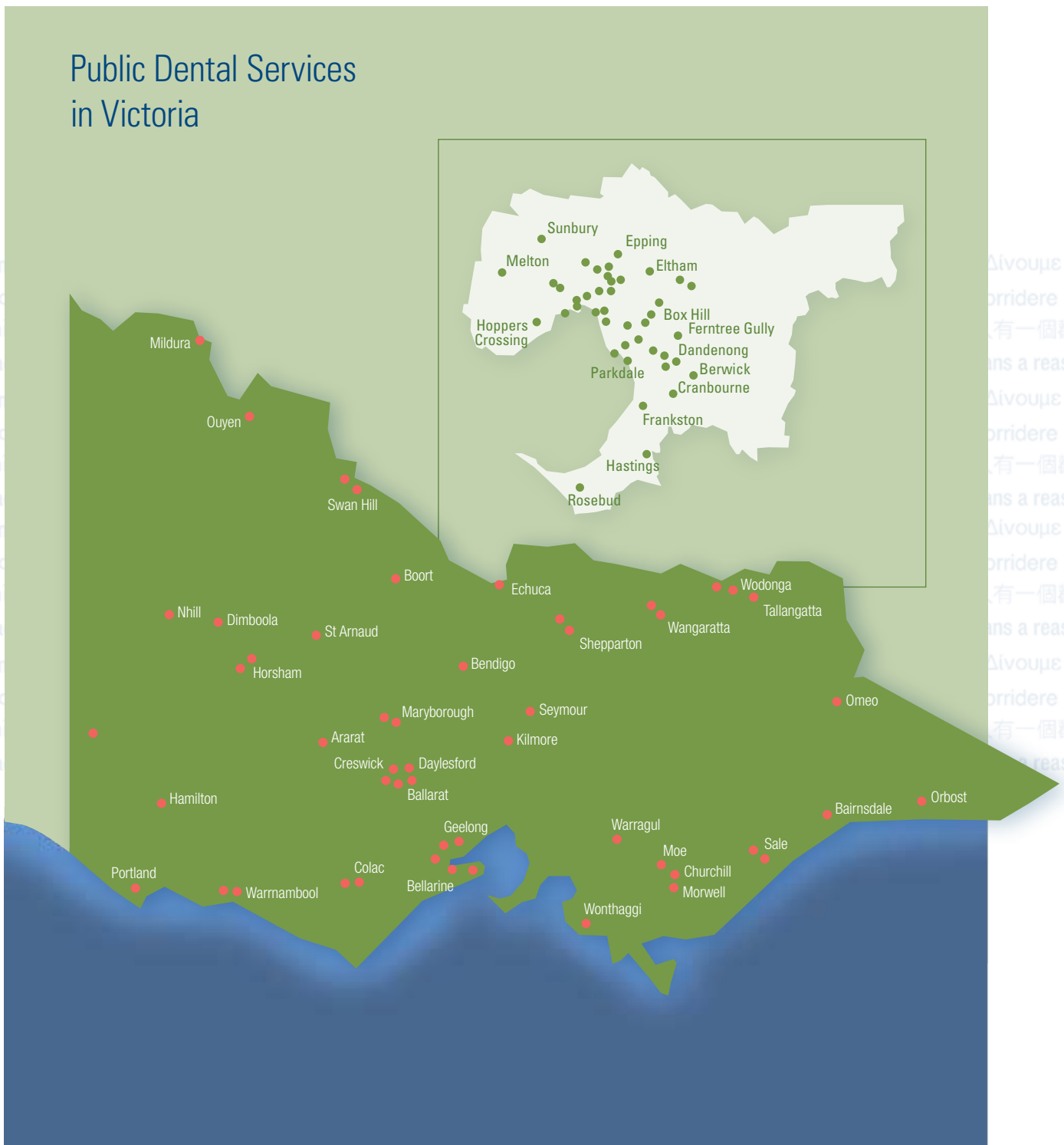
The Community's Contribution

DHSV is responsible for the provision of urgent and specialist dental treatment to disadvantaged Victorians. Thanks to the generous support of the Victorian community, including individuals, corporations, philanthropic trusts and foundations, our team of dental professionals are armed with the equipment and facilities they need to provide Victorian community members with the highest standard of care. In 2006-07 DHSV received more than \$88,000 in donations and gifts-in-kind. This generous support helped us improve and expand our vital services throughout the State – giving Victorians a reason to smile.

We thank all our donors for their support, especially the following for donations of \$1,000 or more:

- Collier Charitable Fund
- Perpetual Trustees, and
- Capitol Films

Public Dental Services in Victoria



Printed in Australia on Nordset.

Nordset, environmentally responsible paper manufactured using Elemental Chlorine Free (ECF) pulp sourced from sustainable, well managed forests. Produced by Nordland Papier, a company certified with FSC Chain of Custody & ISO14001 enviro management systems & registered under the EU Eco-management & Audit Scheme EMAS (Reg. No.D-162-00007).