2006 DHSV Annual Report

We give Victorians reasons to smile.

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

We continue our commitment to achieving the key results detailed in our Strategic Plan.

KEY RESULT AREAS IDENTIFIED IN THE STRATEGIC PLAN

Efficient and effective services

ACHIEVEMENTS AGAINST THE STRATEGIC PLAN

PAGE 4:
The number of patients treated throughout the State rose by 3.8 per cent

PAGE 4:
There was a 7.9 per cent increase in the number of special needs patients treated

PAGE 8:
There was a 34 per cent increase in the number of emergency patients treated at RDHM

PAGE 12:
The average waiting time for general care dropped to 23.5 months against a target of 24 months, the wait for denture care reduced to 22.4 months against a target of 26 months

PAGE 12:
The number of people on waiting lists was reduced by more than 63,000

Engagement with Stakeholders

PAGE 9:
New collaborative research initiatives focusing on the impact of delayed dental treatment and the surveillance of traumatic dental injuries were undertaken.

PAGE 13:
An integrated health promotion project was developed and implemented to increase patient access to SDS

PAGE 13:
DSHV hosted the inaugural National Oral Health Forum

PAGE 13:
DHSV continued its advocacy role in support of water fluoridation

PAGE 14:
Customised chairside communication training sessions were held for RDHM staff

PAGE 18:
An action plan was developed to assist in providing services to CALD communities

Quality & Innovation

PAGE 9:
Excellent results were achieved in the December 2005 periodic review for accreditation

PAGE 9:
A new clinical governance framework was developed and implemented

PAGE 9:
An organisation wide quality improvement register and awards process was commenced

PAGE 10:
Development of new models for integrating delivery of school dental services with the CDP

PAGE 16:
The State-wide Information Communication and Technology project commenced July 2005

Financial viability

PAGE 4:
DHSV achieved a modest surplus for the 2005-06 financial year

PAGE 16:
$5.86 million in capital works was completed

PAGE 16:
Dental Logistics continued focus on growing supply chain management services achieved an increase of 22 per cent with total sales of $5.8million

Workforce development

PAGE 4:
A new Bachelor of Oral Health Science degree commenced at La Trobe University in Bendigo

PAGE 14:
12 new units for a State-wide professional development program were conducted

PAGE 14:
A new Dental Assistant Training and Development Program was launched

PAGE 14:
A new Human Resource Strategy was implemented, focusing on new and innovative solutions to tackle workforce shortages. More than 40 Dental Officers were recruited

During the past year, more than 850 DHSV staff worked together to provide the Victorian community with quality dental care, education and health promotion programs.

Our vision: oral health for better health.

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

About Dental Health Services Victoria

WITH A BUDGET OF MORE THAN $120 MILLION IN 2005-06, DENTAL HEALTH SERVICES VICTORIA (DHSV) IS THE LEADING PUBLIC DENTAL AGENCY IN VICTORIA.

DHSV was established in 1996 to improve the planning, integration, coordination and management of Victoria's public dental services. Responsible to the Victorian Minister for Health, DHSV became a metropolitan health service in July 2000, and today employs more than 850 staff.

DHSV provides quality dental care to the eligible Victorian community through its wide range of clinical and oral health promotion programs. Each year, approximately $49.5 million is used to purchase dental services from more than 60 external agencies who are responsible for the delivery of the Community Dental Program through community dental clinics across the State.

DHSV also aims to raise awareness of dental health issues among the broader Victorian community through its range of oral health promotion programs.

OUR CLIENTS

In 2005-06, more than 197,053 adults and 103,221 children from rural, regional and metropolitan Victoria received general and specialist dental care.

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 primary school children and concession card dependants in years seven to 12, are eligible to receive treatment through the School Dental Service or the Youth Dental Program. Co-payments apply for those children whose parents are not concession card holders.

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 upon patient referral to RDHM.

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

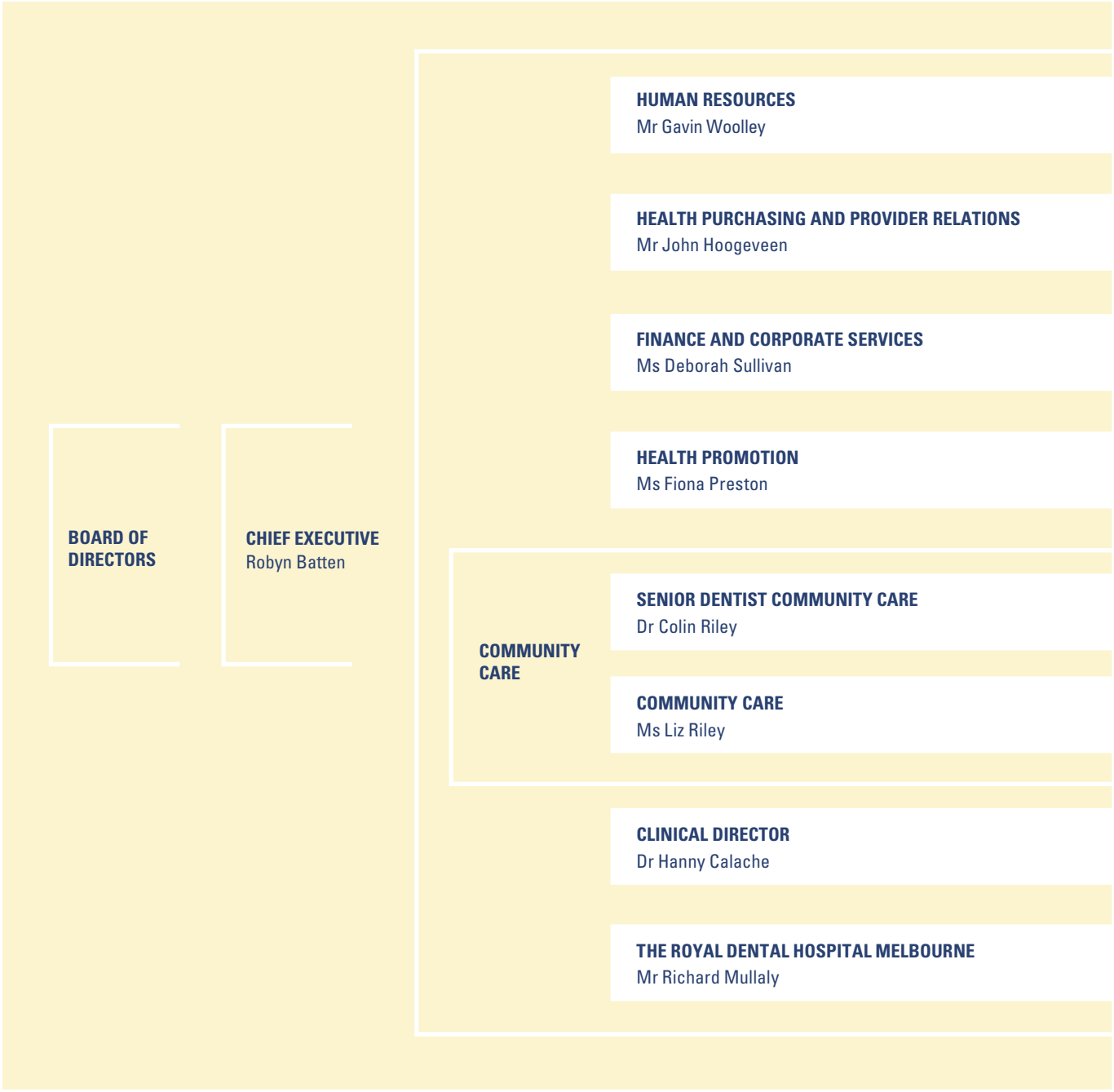
EDUCATION - RDHM's teaching clinics support the University of Melbourne's education of dentists, dental therapists, specialists and hygienists, and RMIT University's education programs for dental assistants and technicians. RDHM also provides bridging programs for overseas-trained dentists seeking registration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

HEALTH PROMOTION - DHSV deploys a wide range of educational and promotional initiatives in order to raise community awareness of oral health issues and reduce the incidence of oral disease throughout the Victorian community.

Our organisation

MORE THAN 850 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 managing all quality improvement and research initiatives.



Enhancing quality accessibility and training

FROM THE CHAIR AND CHIEF EXECUTIVE

OVER THE PAST YEAR WE HAVE SEEN A MARKED INCREASE IN THE DELIVERY OF PUBLIC DENTAL SERVICES TO THE VICTORIAN COMMUNITY. The number of patients treated throughout the State has risen by 3.8 per cent, while waiting times have significantly decreased.

This year, DHSV placed particular emphasis on improving the accessibility and quality of our services for people with special needs and young children. There was a 7.9 per cent increase in the number of special-needs patients treated, while a number of oral health promotion programs for young children were established in high-needs areas of the State.

Together with various community, health sector, and local and State Government partners, DHSV made significant progress towards implementing a more integrated approach to the provision of dental health services across the State.

OVERVIEW OF PERFORMANCE

In 2005-06 DHSV achieved a modest underlying operating surplus of $445,000 and a reported entity deficit of $1.4 million. This deficit is due to an asset reduction of $3.9 million associated with the removal of the old Royal Dental Hospital of Melbourne (RDHM) building which is no longer in operation. All grant funds provided for treatment of patients were expended during the year, utilising private service providers where necessary.

In 2004 the Victorian Government committed an additional $97.2 million to public dental services over four years. These additional funds enabled Victorian public dental services to treat 300,274 patients in 2005-06; a 3.8 per cent increase over 2004-05. Of this total, DHSV treated 132,468 patients directly.

By June 2006, the average waiting time for general care was down to 23.5 months against a target of 24 months, while the prosthetic care waiting time averaged 22.4 months against a target of 26 months. In addition, the number of people on waiting lists was reduced by more than 63,000.

The RDHM saw an 11.3 per cent increase in the number of patients treated – a direct result of its focus on increasing chair utilisation and offering care to patients registered on Community Dental Program waiting lists in surrounding areas.

These positive results were achieved through a combination of additional funding and the implementation of new models of care.

COMMITTED TO QUALITY

DHSV achieved excellent results in its December 2005 Periodic Accreditation Review. The review was conducted by the Australian Council on Healthcare Standards, in accordance with the EQUIP accreditation standards. We achieved all 30 recommendations from the 2003 accreditation survey, as well as ratings of at least moderate achievement on 19 new mandatory criteria. The Council awarded DHSV a number of excellent achievement ratings for some of our new programs, and commended staff on their clear and strong commitment to continuous improvement.

In other quality improvement developments, a new Clinical Governance Framework was implemented during the year, ensuring all elements of clinical governance have specific action plans. The plans are regularly monitored by the Board.

2005-06 also saw the development of an organisation-wide Quality Improvement Register, which includes many examples of quality improvement projects. The register allows the sharing of information across the organisation, as well as recognition of the teams who have made valuable contributions to the improvement of our services.

PUTTING PLANS INTO ACTION

The 2005 to 2010 Oral Health Strategic Plan and Service Plan has continued to guide our work here at DHSV. Developed in 2004 in consultation with DHSV staff, representatives from community agencies, and the Department of Human Services (DHS) the plan sets out clear strategic directions for DHSV and cements our partnerships with government, industry, education and community groups.

In 2005-06, we made significant progress against the plan. We implemented a new State-wide emergency triage system, enabling patients to receive emergency care based on clinical need, thereby improving the balance between emergency and general care.

Progress was also made with the integration of School Dental Services (SDS) and Community Dental Programs; we commenced three demonstration projects, and we integrated dental services at the new Goulburn Valley Health facility. Plans are well under way to implement similar integrated models of care across the State.

We also delivered an extensive professional development program, focusing on providing quality services to people with special needs and to young children.

We submitted a business case to the DHS for the capital redevelopment of the SDS mobile fleet, and we received support from both public and private sector dental service providers for the development and implementation of a framework to audit externally contracted services.

Other developments in keeping with the Strategic Plan and Service Plan include the provision of ongoing support to the Victorian Government's fluoridation initiatives, and trials for the expansion of the role of dental auxiliaries which are currently under way.

ORAL HEALTH DEGREE

In February 2006, the commencement of a new Bachelor of Oral Health Science degree course by La Trobe University in Bendigo was a most exciting development. The course directly addresses the major limiting factor in the provision of public dental care – the shortage of clinicians, due largely to the insufficient number of clinicians being trained.

Twelve students commenced the course in 2006 and will graduate as dual-trained hygienists and therapists. In 2007, a further 20 students will commence, and 30 more students will be enrolled in 2008.

DHSV commends La Trobe University and the Victorian Government for this important initiative. Together, La Trobe University, Bendigo Health, DHSV and DHS have demonstrated what can be achieved, in a relatively short period of time, by working in partnership.

BOARD APPOINTMENTS

In June 2006, the Chair of DHSV, Jay Bonnington, and two Directors, retired from the DHSV Board. Jay made a significant contribution to DHSV over a period of seven years, initially serving as a Director before

leading the organisation for the past six years as Chair. Professor Hal Swerissen and Doctor Lloyd O'Brien also retired, following three years of valuable contribution to DHSV during a time of major expansion and development.

Natalie Savin was welcomed as the Chair in July 2006. Natalie has a deep commitment to public oral health services and has been a Director of DHSV for six years. Two new Directors, Michael Ellis and Ruth Owens, also joined the Board in July 2006.

THE KEY TO SUCCESS

The many new developments in oral health services over the past year are only possible when staff, management and the Board share a vision and work together to achieve service improvements. The DHSV staff have ably demonstrated their continuing commitment to quality care and their willingness to actively participate in major change and ongoing improvement. On behalf of the Board we thank them for their dedicated work.

THE YEAR AHEAD

This year marked our tenth year of operation at DHSV. It has been a year of growth and development, and 2007 promises to be equally exciting. We will continue to implement new service models to further improve the accessibility and quality of oral health services for Victorians. The State-wide rollout of the electronic patient management system will be completed, new staff recruitment and retention strategies will be implemented, and we will continue to improve services, particularly for those with special needs.

The integration of SDS and Community Dental Programs will continue to take shape. The implementation of a more integrated model of dental care will improve patient access and continuity of care, and will provide clinicians with the opportunity to work in expanded multidisciplinary teams.

We look forward to meeting the challenges and changes that lie ahead with dedication and enthusiasm, and with the vital support of the partnerships we share with our community, the State Government, DHS, health services across the State, and of course our most valuable resource – our staff.

Governance

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 JAY BONNINGTON – Chair

BCom MBA FCPA FAICD

A director since January 1999 and chair from July 2000, Ms Bonnington is non-Executive Director of a number of public and privately listed companies and has previously held a variety of senior corporate and financial management roles, both overseas and within Australia, including CEO of the Make-A-Wish Foundation Australia.

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.

MS NATALIE SAVIN

BA MPolicy & Law

A director since July 2000, Ms Savin has worked extensively in human services management within local and State government, and the community sector.

DHSV Board of Directors.
Front (left to right) Professor Louise Kloot, Ms Jay Bonnington (Chair), Dr Lloyd O'Brien.
Back (left to right) Dr Errol Katz, Ms Natalie Savin, Mr Ignatius Oostermeyer, Dr Brian Stagoll, Professor Hal Swerissen.

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, Law and Economics with the Faculty of Business & Enterprise.

PROFESSOR HAL SWERISSEN

BAppSc (Psych) GDipPsych BA (Hons), MAppPsych

A director since July 2003, Professor Swerissen is the Dean of Health Sciences at La Trobe University. He has an extensive background in policy research and analysis in health, aged care and community services.

DR LLOYD O'BRIEN

DDS, MDSc, FRACDS, LDS, FICD, FADI, FPFA, FACD

A director since October 2003, Dr O'Brien has been a general dentist for over 40 years. Recently the President of the Australian Dental Council, Dr O'Brien also has indepth experience in dental organisations, universities and public health.

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.

BOARD MEETING ATTENDANCE JULY 2005/JUNE 2006

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

Director	Eligible	Attended
Ms Jay Bonnington (Chair)	11	9
Ms Natalie Savin	11	11
Ms Kellie-Ann Jolly	11	10
Dr Errol Katz	11	9
Prof. Louise Kloot	11	9
Dr Lloyd O'Brien	11	11
Mr Ignatius Oostemeyer	11	8
Dr Brian Stagoll	11	8
Prof. Hal Swerissen	11	10

BOARD COMMITTEES

Finance Committee

Chair: Ms Jay Bonnington

Members: Prof. Louise Kloot, Ms Natalie Savin

Audit Committee

Chair: Prof. Louise Kloot

Members: Ms Jay Bonnington,
Ms Natalie Savin,
Prof. Barry Cooper (consultant)

Remuneration Committee

Chair: Ms Jay Bonnington

Members: Dr Errol Katz,
Mr Ignatius Oostemeyer

COMMUNITY ADVISORY COMMITTEE

Chair: Natalie Savin

The role of the Community Advisory Committee is to advise the Board on DHSV's policy and strategy regarding consumer and community participation and the impact on health service outcomes. It advocates to the Board on behalf of the community with a particular focus on the needs of those who are disadvantaged and marginalised.

During the year a new part-time Community Liaison Co-ordinator role was created to support the work of the Committee, encouraging implementation of DHSV's current Community Participation Plan and assisting the development of the next plan for the organisation. The Committee believes that initiatives in the new Community Participation Plan will substantially increase DHSV's understanding of community and consumer views. In particular, the development of a comprehensive register of community members and service users for community consultation, and a formal program through which staff will become intimately aware of the service experiences of clients of the special needs program at RDHM.

The Committee has continued an active role in supporting DHSV's Disability Action Plan, and has instigated the appointment of two community representatives to the organisation's Quality Committee and the development of a new Cultural Diversity Committee.

Training in community participation processes has been planned and developed for all staff over the coming year. One member of the Committee was funded to participate in a national quality conference in Adelaide in late 2005 and it is anticipated that two will join the same conference which is being conducted in Melbourne in August 2006.

ETHICS IN CLINICAL RESEARCH COMMITTEE

Chair - Professor Louise Kloot

The DHSV Ethics in Clinical Research Committee reviews and approves all research proposals involving DHSV patients. This includes clinical trials, collection of epidemiological data, reviews of DHSV patient records, undertaking surveys, and analysis of DHSV's epidemiological and treatment service data. The Committee follows the 'NHMRC National Statement on Ethical Conduct of Research involving Humans, 1999'.

QUALITY COMMITTEE

Chair - Dr Lloyd O'Brien

This committee is responsible for ensuring there are systems in place to improve the quality, safety and effectiveness of services provided by DHSV. The Committee, which meets quarterly, oversaw the implementation of the DHSV Clinical Governance Framework. This included monitoring and evaluation of the DHSV's Quality Plan and the activities of the Clinical Leadership Council. Its activities also embraced reviewing the DHSV's Key Clinical Quality Performance Indicators, such as clinical incidents, complaints, compliments and comments, restorative re-treatments and denture remakes. The organisation's activities relating to achieving the requirements of the ACHS Periodic Review in December 2005 were also addressed.

THE PRIMARY CARE & POPULATION HEALTH ADVISORY COMMITTEE

Chair – Professor Hal Swerissen

The Primary Care & Population Health Advisory Committee has the broad responsibility to review DHSV's primary care and health promotion programs to ensure they promote equity of access, taking into account demographic, social and environmental factors, and identifying mechanisms for ensuring coordination with other health and human services.

The Committee has maintained its focus on DHSV's interaction with the broader primary care sector through its role as a purchaser of services through the community dental sector. More recently it became the Board Committee with primary responsibility for overseeing the significant integration activity planned to occur across the sector over the coming two years.

With its broad representation, the Committee continues to provide a strong link and important forum for consultation and review between the sector and DHSV, and is uniquely placed to provide broader oversight roles.

COMPENSATION ARRANGEMENTS

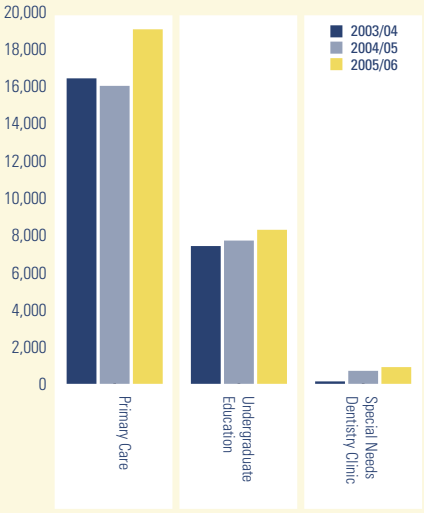
The Board reviews the compensation arrangements of the Chief Executive and other senior executives annually via the Remuneration Committee to ensure compliance with the government services executive remuneration policy. The remuneration of Board members is determined by government policy.

Victoria's leading teaching facility

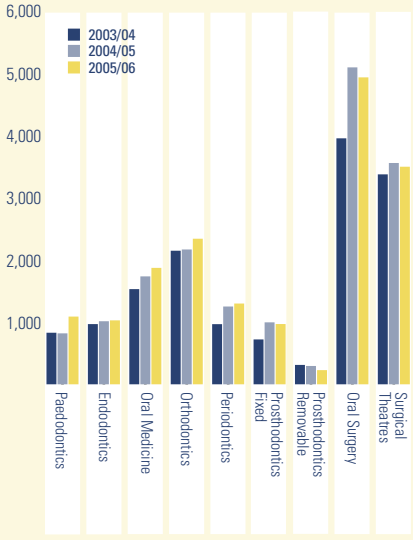
KEY FACTS

- The number of individuals receiving treatment at the Dental Hospital increased by 11.3 per cent in 2005-06
- 14,561 patients were seen as emergency presentations – an increase of 34 per cent on 2004-05
- The number of patients with special needs treated at RDHM rose 29 per cent on 2004-05 figures

General Dental Services at the Royal Dental Hospital Melbourne (Individuals treated)



Specialist Dental Services at the Royal Dental Hospital Melbourne (Individuals treated)



THE ROYAL DENTAL HOSPITAL OF MELBOURNE (RDHM) IS VICTORIA'S LEADING TEACHING FACILITY FOR DENTAL PROFESSIONALS. It provides access to general, emergency and specialist care for concession cardholders and their dependants. Located in Swanston Street, Carlton, it employs more than 220 professional staff who are focused on providing world-class general and specialist dental care to Victorians. RDHM works in partnership with the University of Melbourne and RMIT University to provide excellence in the education and training of future dental professionals.

As well as significant increases in the number of patients treated at RDHM, the year saw a renewed focus on improving patient services and facilities, and the introduction of important initiatives to further improve patient care.

RECORD INCREASE IN PATIENT NUMBERS

The implementation of the State-wide Emergency Demand Management Strategy has seen an unprecedented increase in demand for provision of emergency service at RDHM, with 14,561 patients seen as emergency presentations – an increase of 34 per cent. Eight new chairs were opened in January 2006 in order to treat emergency and general waiting list patients. The number of patients treated at the Dental Hospital increased by 11.3 per cent for the year.

ENCLOSURE OF SURGERIES

Building works to enclose two open-plan surgeries was completed in August 2006. This initiative has doubled the number of enclosed surgeries at RDHM, providing both patients and staff with more private clinical environments. Access to enclosed clinics will be beneficial for the treatment of special needs, paediatric and oral medicine patients, where issues such as lack of privacy and noise could affect treatment outcomes.

CHILDREN'S WAITING ROOM REDEVELOPMENT

In a bid to make the RDHM facilities more friendly for DHSV's younger patients, a children's waiting room was developed in early 2006, drawing on funds donated by the Collier Charitable Fund. The brightly decorated waiting room has greater capacity and is substantially more welcoming for children. It also includes computers, toys and TV-DVD facilities.

CARE FROM HOSPITAL TO HOME

Over the course of the year, RDHM teamed up with a medical locum service to provide post-discharge medical care for the small group of RDHM surgery patients deemed to be at risk of a complication or incident after they return home from the Dental Hospital – about 2.5 per cent of RDHM patients treated. Clinical information is sent to a locum service and a doctor is assigned to visit the patient at home, if necessary. While such complications are rare, the new service enables RDHM to ensure ongoing care and improved safety for those patients who are at risk.

PATIENT SATISFACTION SURVEY

A Patient Satisfaction Survey was conducted in late 2005. The results indicated that RDHM has improved across the majority of patient satisfaction parameters since the last survey in 2003, in particular in the areas of service timeliness, accuracy of written patient information and the helpful and responsive nature of hospital staff.

A working party with consumer and community input has been convened to implement recommendations from the survey, with a particular focus on customer service and communications.

Customised chair-side communications training sessions are already being conducted for RDHM staff, and improved communication procedures and referral pathways between community-based and specialist services at RDHM are being developed.

LOOKING AHEAD

Visits to the Special Needs Dental Unit increased by 57 per cent in 2005-06. We will continue to concentrate on providing optimal service and treatment for special needs patients over the coming year – the planned integration of DHSV Special Needs, Domiciliary Care and School Dental Special Services will help to facilitate this. Services within the Primary Care Unit will also be an area of focus. Staffing levels, patient waiting times, clerical services and chair utilisation will all be closely monitored.

We will continue to work on improving the way we provide services with a view to reducing the waiting times for emergency patients, managing patients who require treatment from multiple specialist units, and integrating the Undergraduate Teaching Clinics with our Primary Care Unit.

Quality, research and innovation

THE OFFICE OF THE CLINICAL DIRECTOR SUPPORTS DHSV'S CLINICAL DIVISIONS TO ENSURE THAT THE QUALITY OF CLINICAL SERVICES IS MAINTAINED AND IMPROVED. The unit focuses on education and training, research, and clinical governance.

The office also administers clinical governance for DHSV, which includes the implementation of the Clinical Governance Framework and Quality Plan, and overseeing the Quality and Infection Control Teams.

We provide Statewide, clinically-based continuing professional development for dental clinicians and dental assistants. In addition, the office promotes research within the organisation through the development of research partnerships with tertiary education and research institutions.

ACHS ACCREDITATION

In 2005-06 DHSV achieved the requirements of the Australian Council on Healthcare Standards (ACHS) for accreditation, meeting all the ACHS accreditation requirements of 'moderate achievement' (MA) for the 19 specified mandatory criteria, including three 'extensive achievements' (EA's) in the areas of Risk Management, Continuous Quality Improvement and Continuum of Care.

RESEARCH PROJECTS

During the year we commenced a number of research projects, including two new research initiatives focused on the impact of delayed dental treatment, and the surveillance of traumatic dental injuries.

The 'Traumatic Dental Injury Surveillance' Project was conducted with Monash University's Victorian Injury Surveillance Unit, and Department of Human Services' Victorian Public Health Training Scheme. It set out to estimate the frequency, causes and pattern of traumatic dental injuries treated at the Dental Hospital over a one year period.

Results indicated that males were most likely to be affected by traumatic dental injury (accounting for 67.1 per cent of cases surveyed). The most common cause of injury of patients presenting the Dental Hospital's Emergency Department was from falls of less than one metre, accounting for 42 per cent of injuries; 70 per cent of these patients were children. A series of recommendations were put forward as a result of the research, including the development and implementation of an oral-dental injury surveillance system at the Dental Hospital, and the development of a structured history form for obtaining detailed injury and clinical information from patients.

The 'Impact of Delayed Dental Treatment' Research Project is being conducted 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. The research is currently still in progress.

QUALITY AND INNOVATION

A number of quality initiatives were developed and implemented during the year, including the establishment of a Quality Improvement Register and Awards. This resulted in more than 47 projects being registered over the course of 2005-06, each impacting on the quality or accessibility of DHSV's services. These quality improvement projects were initiated and managed by small teams of staff throughout DHSV. Awards have been presented to 15 teams whose projects displayed innovation and ingenuity, with a clear aim to improve the quality of DHSV processes and services.

The development and implementation of a Clinical Peer Review Process across RDHM and the SDS provided staff with a unique and beneficial professional development experience aimed at improving the quality of clinical services.

EDUCATION AND TRAINING

Twelve State-wide, full-day Clinical Continuing Professional Development Programs were developed and implemented in 2005-06. These programs targeted dentists, dental therapists, dental hygienists and dental prosthetists. In addition, a State-wide training program for the implementation of the newly approved clinical procedure on 'Preformed Metal Crown' was developed and implemented at pilot sites. It will be rolled out across Victoria over the next two years.

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

LOOKING AHEAD

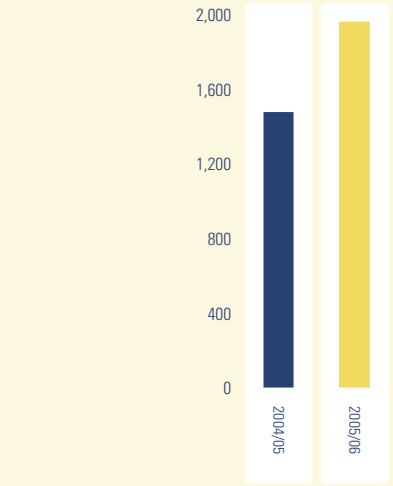
Over the next 12 months, the unit will focus on developing a research plan for DHSV, and maximising relationships with newly formed research partners. The unit will also work to evaluate upcoming clinical professional development programs, establish processes for the implementation and evaluation of new and updated clinical guidelines, and evaluate our newly implemented, evidence-based clinical procedures.

An important focus for the coming year will be preparing the organisation for our next Organisational-wide Survey for Accreditation, scheduled for December 2007.

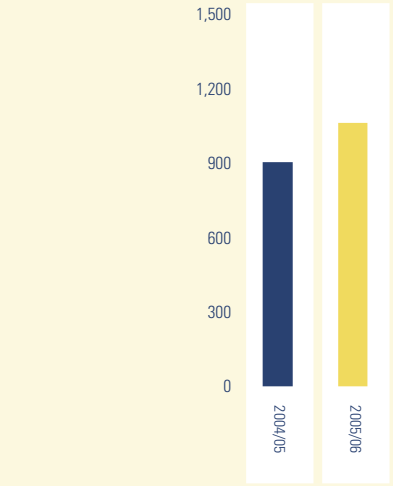
An integrated approach to community dental services

KEY STATISTICS:

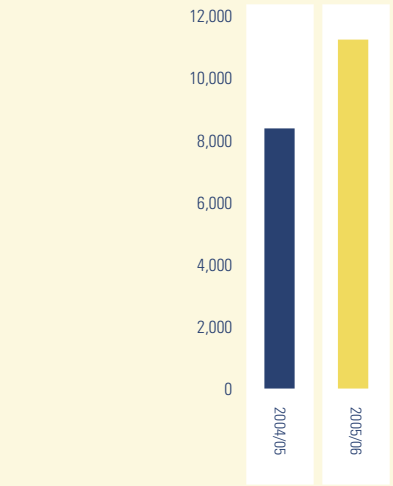
Individuals treated:
Domiciliary unit



SDS Special Services



Adult Dental Services



COMPRISING THE SCHOOL DENTAL SERVICE (SDS), DOMICILIARY CARE, AND ADULT DENTAL SERVICES (ADS), the Community Care division supports an integrated approach to community dental services, and works to enhance collaboration with the primary care sector.

PATIENT NUMBERS

During the course of the year, the SDS treated 75,548 patients, while the ADS treated 11,233 patients. Children attending Special Schools or Special Development Schools may be offered care by DHSV's Special Services Unit – the unit provided a completed course of care to 1,060 children for the year.

The division also provides dental care to people who are home-bound or reside in residential accommodation as a result of medical, physical and/or psychiatric conditions. In 2005-06 Domiciliary Services treated 1,963 individuals.

HEALTH PROMOTION IN COMMUNITY CARE

In partnership with DHSV's Health Promotion Division, Community Care is implementing a project to build on the knowledge and practice of integrated health promotion, to increase patient access to the SDS. The project targets high-needs community groups. Three trial models are already under way in three very different communities across Victoria – a refugee community (Footscray), a culturally and linguistically diverse (CALD) community (Dandenong), and a rural community (Warragul).

Local project teams work together to implement strategies to improve community relationships, awareness and access to services. Teams are also working with Adult Migrant Education Services (AMES) in Dandenong and Footscray to improve referrals for clients and their families, while the Warragul team has partnered with West Gippsland Health Care Group and the 'Move your feet, watch what you eat' primary schools project.

INTEGRATING ORAL HEALTH SERVICES

The Community Care division has been working with Barwon Health, Western Region Health Service and Knox Community Health Service to develop new models for integrating the delivery of school dental services with the Community Dental Program, in order to improve patient health and continuity of care.

These three demonstration projects aim to implement different models of service integration between ADS and SDS, including the Early Childhood Oral Health Program and the Youth Dental Program.

This Oral Health Integration Project is being implemented in parallel with the Integrated Rural Dental Service project at Goulburn Valley Health. It is anticipated that outcomes from these projects will pave the way for future integration of oral health services across Victoria.

BACHELOR OF ORAL HEALTH SCIENCE

In partnership with DHSV and Bendigo Health, La Trobe University established a Bachelor of Oral Health program, which commenced in January 2006. This initiative includes the development of a new state-of-the-art simulation laboratory at La Trobe University's Bendigo campus, and called for the redevelopment of Bendigo Health Care Group's Anne Caudle campus to increase its number of dental chairs from nine to 19, creating a dual service delivery and teaching facility. The three-year degree course will focus primarily on attracting rural students to careers in public dentistry.

SDS PATIENT NUMBERS

In 2005-06 a total of 75,548 children received a completed course of care through the SDS. The general recall period for children at low risk of dental disease was 25.5 months, while children identified to be at high risk were recalled every 12 months or less. The service achieved a participation rate of 40.8 per cent, with almost half of Victoria's children receiving care through the SDS, and 69.2 per cent of eligible concession cardholders using the service.

INFRASTRUCTURE

Community Care continued to make improvements to its clinical infrastructure throughout the State. Two new, prefabricated, two-chair clinics became fully operational, with an additional clinic built and about to be commissioned. In addition, two new, two-chair dental vans were also completed and are now fully operational.

MANAGEMENT

Continuing the recommendations of DHSV's Oral Health Strategic Plan and Service Plan, the management of the adult clinic at Wangaratta was successfully transferred back to the local community's hospital in April 2006, after five years of management by DHSV. Meanwhile, following a request by South West Healthcare, management of the adult dental clinic at Warrnambool was assumed by DHSV in September 2005 for an interim period of one year.

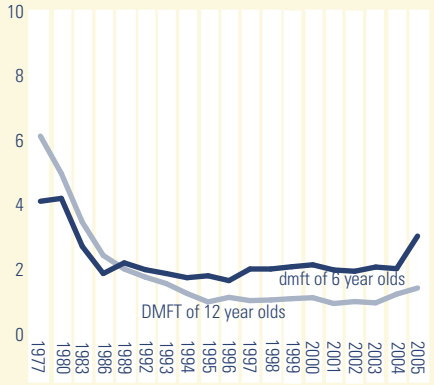
WORKFORCE DEVELOPMENT

Community Care successfully recruited 15 graduate dental therapists at the beginning of 2006. A structured mentoring program was developed for graduates and is being implemented. A successful dental therapist retraining program was held in July, resulting in three new staff members commencing employment in rural areas.

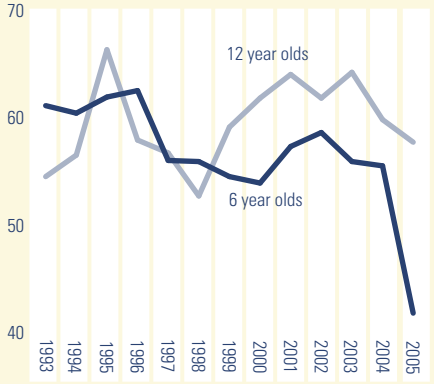
Clinician levels at Hamilton and Wangaratta adult dental clinics were increased to maximum levels during the year.

Mean DMFT* of 12 year olds and dmft^ of 6 year olds

*decayed missing or filled permanent teeth
^decayed, missing or filled deciduous teeth

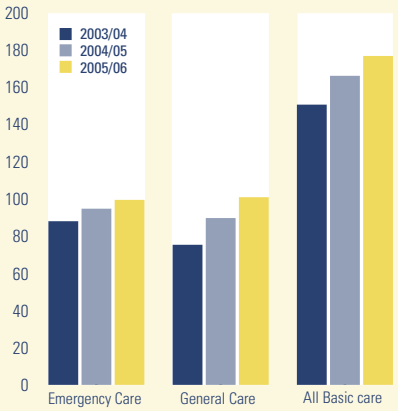


% of children with decayed teeth

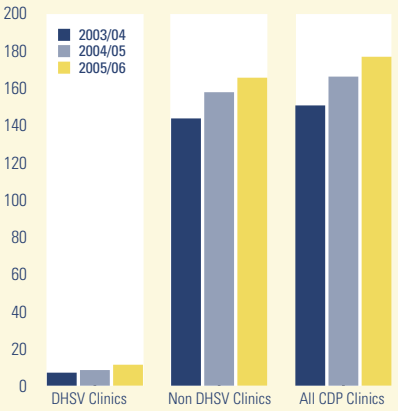


Improving accessibility through partnerships

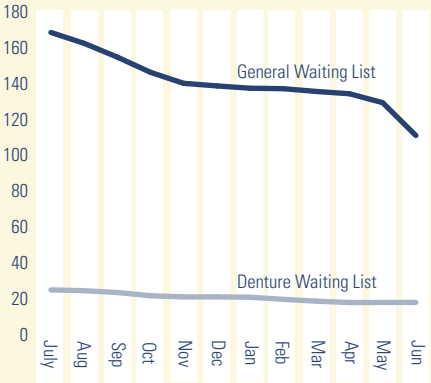
Community Dental Program
Number of individuals treated ('000)



DHSV vs Non-DHSV
Number of individuals treated ('000)



Statewide Waiting List
Number of people waiting 2005/06 ('000)



HEALTH PURCHASING & PROVIDER RELATIONS (HP&PR) PURCHASES COMMUNITY DENTAL PROGRAM (CDP) SERVICES from some 60 external agencies and DHSV adult dental clinics.

2005-06 marked the second year of a substantial injection of funds into the adult and early childhood dental 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.

REVIEW OF THE EMERGENCY DEMAND MANAGEMENT STRATEGY

The Emergency Demand Management Strategy, implemented in late May 2005, was reviewed. The new strategy provided all public dental clinics with a triage tool to ensure all patients presenting for emergency treatment were assessed and offered care in a consistent way. At the six-month mark, in excess of 71,000 emergency patients had been triaged. As expected, there was a marked increase in utilisation of vouchers to private practitioners participating in the Victorian Emergency Dental Scheme throughout rural and outer Melbourne; while a significant decrease occurred in metropolitan Melbourne. The proportion of in-house emergency care reduced from 29 per cent to 25 per cent. A new version of the triage clinical pathway tree was implemented in early 2006 following the receipt of feedback from community dental agencies using the web-based triage tool. A survey of participating agencies revealed a high level of satisfaction with most aspects of the new program.

WAITING LIST MANAGEMENT PROJECT AND DATA TRANSFER PORTAL

The Waiting List Management Project continued in 2005-06, with more than 90,000 clients contacted regarding their ongoing eligibility and needs, and resulting in a waiting list that is now more reflective of community demand.

Meanwhile, the long awaited Extranet was completed and implemented in February 2006 and has become the primary secure portal for data transfer between DHSV and community dental agencies. An implementation review will be undertaken during 2007.

COMMUNITY DENTAL PROGRAM

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

2005-06 has been a year of significant achievement for the CDP, with over 1,146,000 services provided to 179,039 patients, in the course of 444,305 visits.

The number of people on waiting lists has been reduced by some 63,905 individuals. Across the State, average wait times are 23.5 months for general dental care (down from a high of 28.3 months); 22.4 months for general denture care (down from a high of 28.1 months); and two months for priority denture care.

LOOKING AHEAD

The 2006-07 year will once again be one of significant challenges in the management of waiting lists and times, along with the perennial issues of workforce recruitment and retention.

Health Purchasing and Provider Relations is constantly striving to ensure that outcomes for patients are as equitable as possible across the State. As always, we rely on the strong relationships that have been developed with community dental agencies to achieve this. We would like to thank our partners in the community who have achieved significant outcomes during 2005-06, and we look forward to working with them to continue to improve access to services in the upcoming year.

Increasing awareness and understanding

HEALTH PROMOTION DELIVERS ONGOING ORAL HEALTH PROMOTION SERVICES, PROGRAMS, SUPPORT AND ADVICE THROUGHOUT VICTORIA with a view to reducing the incidence of oral disease and increasing the community's awareness and understanding of the issues relating to oral health.

DIVISIONAL RESTRUCTURE

The Health Promotion division restructured during the year to enable staff to build stronger relationships and working links with dental professionals working across the State in the Community Care Division and the Community Dental Programs, as well as with the relevant Primary Care Partnerships, Local Councils and Community Health Centres.

The restructure will improve DHSV's capacity to encourage health practitioners to incorporate oral health into their general health promotion and clinical practice. It will also give staff greater flexibility to seize opportunities to help individuals and groups develop oral health initiatives in their local areas as they arise.

Our early childhood programs have been significantly enhanced through the new organisational structure. These programs focus on supporting local services to build oral health promotion into their policies and activities, as well as creating links between children's services and local dental services for easy access and referral of children. Work with maternal and child health services across the State has been critical in informing families, and a range of local services, about the State-wide early childhood oral health services available to them.

ORAL HEALTH FOR YOUNG PEOPLE

While much of the focus has been on preschool and primary school children, Health Promotion also began promoting the Youth Dental Program to eligible young people. The division also provided a range of oral health information materials for youth workers, secondary school nurses and others who work with young people. These tools look at the major issues that are likely to affect young people's oral health, such as oral piercings and use of tobacco, alcohol and other drugs, while promoting good oral health behaviours.

RESEARCH PROJECTS

Over the past year a major research project was developed to investigate parent and child oral health literacy. The project involved surveying children in grades five and six, their parents and parents of those in prep and grade one, in State, independent and Catholic primary schools across Victoria. With support and advice from Deakin University, the project is designed to create a benchmark for Victoria in oral health literacy, a burgeoning area of oral health research.

Work has also commenced on a research project addressing the oral health needs of pregnant Indigenous women.

DEVELOPING THE NATIONAL ORAL HEALTH PROMOTION FORUM

In November 2005, DHSV hosted the Inaugural National Oral Health Promotion Forum. The Forum was initiated in partnership with the South Australian Dental Service and Queensland Health to provide an opportunity for leaders in the field to come together and discuss strategies for collective action to reduce the national burden of oral disease. The initial meeting has been followed by bi-monthly national teleconferences, which have enabled implementation of the Forum decisions.

FLUORIDATION

The US Centre for Disease Control has rated water fluoridation as one of the Top 10 public health achievements of the Twentieth Century. Health Promotion has continued to support the Public Health Division of the Department of Human Services in their work towards fluoridation of more water supplies in regional Victoria, with plants in Robinvale and Morwell both commissioned during the year. The water supplies of other areas of Gippsland will be fluoridated before the end of 2006. Health Promotion is pleased to note that we will soon be able to provide clear guidelines, agreed throughout Australia, about the use of fluoride supplements, gels, foams and mouth-rinses.

FUTURE DIRECTIONS PROJECT

Health Promotion joined with the University of Melbourne in the past year to undertake a project for the Department of Human Services to recommend future directions for oral health promotion in Victoria. The project report recommends a number of focus areas for future oral health promotion initiatives throughout Victoria. The implementation of these recommendations would impact upon community awareness and help to stem the incidence of oral disease within the community.

Developing the workforce

DURING 2006, DHSV DEVELOPED A NEW STRATEGIC PLAN FOR HUMAN RESOURCES IN ORDER TO SUPPORT ITS FUTURE STRATEGIC DIRECTION AND GROWTH. Focusing on new and innovative solutions to tackle the ongoing challenges facing public dentistry – the plan's implementation has already delivered results, with a marked improvement in workforce development.

RECRUITMENT AND RETENTION

Recruitment and retention challenges continue to be addressed through HR and workforce strategies and plans, with the rural workforce, in particular, being a critical area of focus.

Recruitment and retention strategies included tailored recruitment programs for dentists and the identification of suitable talent for the sector, providing assistance with incentives and allowances, establishing an e-recruitment portal and sponsoring dentists currently completing the Overseas Training Course.

During the course of the year 43 dental officer appointments were made in Victoria; 23 within DHSV, and 20 across the Community Dental Program network. DHSV increased its use of casual dentists from seven in 2004-05 to 20 in 2005-06, largely through the implementation of the Summer School Program – a program developed to minimise down-time and maximise chair utilisation at the Dental Hospital over the summer holiday period. When students are on holiday, a number dentists are engaged on short term contracts to keep the vacant dental chairs operational, thereby ensuring more patients receive treatment over this period.

DHSV established the Dental Assistant Development Program in early 2006 to assist overseas-trained professionals to develop alternative career paths into dental assisting, and to obtain local experience while considering the Australian Dental Council exams.

Other initiatives included mentoring, improved continuing professional development programs and supporting the development of the new teaching facility in Bendigo.

CAREERS IN PUBLIC DENTISTRY

DHSV participated in a number of careers expos during the year, with the aim of highlighting the various careers in public dentistry to secondary school students. A great deal of interest was shown by students, and a number of relationships were established with careers counsellors and individual schools enabling broader, ongoing promotion of careers in public dentistry.

EMPLOYEE RELATIONS

During 2005-06, DHSV re-negotiated and certified DHSV-specific agreements for approximately 500 clinical staff, and concluded a DHSV-specific agreement covering dentists which will be mirrored in the wider Victorian public oral health services sector.

In addition, the terms and conditions of approximately 230 DHSV clerical and administrative staff and instrument technicians were re-negotiated in line with the broader public hospital sector. Affected staff voted resoundingly in favour of the replacement agreements.

The DHSV-specific agreements delivered improved classification structures, transparent salary progression mechanisms and improved professional development opportunities. They also provide for flexible work practice arrangements to meet the changing needs of DHSV and its employees.

Employee relations advice was provided and action taken to support the Community Care division in the development of strategies for integrating School Dental Services with Community Dental Programs managed by local community agencies or health care providers.

LEARNING AND ORGANISATION DEVELOPMENT

A key organisational development initiative for this financial year was the Chair-side Communication program. To date, in excess of 100 attendees from RDHM as well as metropolitan and regional clinical staff have completed the program. The Patient First Contact program has also been a highly successful program for clinical and administrative staff, aimed at improving communication with patients.

Various management training and OH&S programs were rolled out to staff, including the new Essential Management Skills Program, the Victorian Public Dental Mentoring program, and DHSV's suite of Continuing Professional Development programs. A peer review process was also implemented.

In the upcoming year DHSV will be providing 12 new clinical professional development programs, as well as training for management and staff in the areas of change management, leadership, coaching, in order to support communication, team work and departmental management.

PAYROLL

Both internal and external audits have reinforced the accuracy and stability of DHSV's payroll operation during the year. Once again, our system proved a great asset during this financial year as we implemented many changes to employment agreements due to changes to certified agreements.

OCCUPATIONAL HEALTH & SAFETY (OHS)

The DHSV OHS committees familiarised themselves with the new *OHS Act* in Victoria during the year, and have continued to play a leading role in ensuring safe workplaces across DHSV.

Proactive injury prevention and WorkCover claims management continues to be a key focus with DHSV achieving a premium rate, reduced by 21.1 per cent over the year – this is double the average rate decrease for Victoria.

During 2005-06, 35 work related WorkCover claims were lodged. A 100 per cent return to work rate was achieved, with 91 per cent of claimants returned to their full pre-injury duties.

In the coming year we will focus on implementing programs that will build our capacity in the areas of injury prevention, early injury intervention and return to work management. In addition, the establishment of a healthy workplace program will promote the link between employee health and well-being and a positive and productive work environment.

Workforce data as at 30 June 2006

Staff numbers as at 30/06/2006 (number of individuals)

	Women	Men	**Total**
Full Time	296	90	**386**
Part Time	345	64	**409**
Casual	37	22	**59**
Total	**678**	**176**	**854**

Full Time Equivalent Numbers – 2004-05

	Dentist	Dental Therapist	Dental Assistant	Dental Technician	Advanced Dental Technician	Clinical Support	Anaesthetist	CSSD Technicians	Med Imaging Technicians	Registered Nurses	MNGT	Other	**Total**
RDHM	**34.2**	**1.0**	**87.5**	**13.7**	**1.5**	**37.9**	**3.5**	**17.2**	**2.5**	**12.0**	**1.8**	**4.6**	**217.3**
DHSV Adult Dental Clinics	**8.0**	**0.4**	**11.7**	**0.6**	**1.8**	**5.7**							**28.3**
School Dental Service	**10.9**	**86.4**	**101.6**	**0.0**	**0.0**	**38.4**					**10.0**	**1.3**	**248.7**
Health Purchasing & Provider Relations	**0.6**	**0.6**	**0.0**	**0.0**	**0.0**	**3.7**					**3.3**		**8.2**
Corporate Services	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**56.7**				**1.1**	**13.9**	**13.9**	**85.6**
Health Promotion	**0.0**	**0.0**	**0.2**	**0.0**	**0.0**	**4.3**					**1.4**		**5.9**
Dental Health Services Victoria	**53.7**	**88.4**	**201.1**	**14.3**	**3.3**	**146.7**	**3.5**	**17.2**	**2.5**	**13.1**	**30.4**	**19.8**	**594.0**

Full Time Equivalent Numbers – 2005-06

	Dentist	Dental Therapist	Dental Assistant	Dental Technician	Advanced Dental Technician	Clinical Support	Anaesthetist	CSSD Technicians	Med Imaging Technicians	Registered Nurses	MNGT	Other	**Total**
RDHM	36.0	0.8	87.5	12.9	1.5	50.4	3.8	20.7	2.9	14.3	1.0	4.5	**236.3**
Clinical Director						3.2				1.2	2.0		**6.4**
DHSV Adult Dental Clinics	6.3	0.1	7.7	0.0	1.7	4.7							**20.5**
School Dental Service	12.0	85.7	106.1	0.0	0.0	35.9					5.0	4.6	**249.3**
Health Purchasing & Provider Relations	1.3	1.0	0.0	0.0	0.0	3.9					4.2		**10.4**
Corporate Services	0.0	0.0	0.0	0.0	0.0	47.1					10.8	13.2	**71.1**
Health Promotion	0.0	0.0	0.0	0.0	0.0	4.1					2.7		**6.8**
Dental Health Services Victoria	55.6	87.6	201.3	12.9	3.2	149.3	3.8	20.7	2.9	15.5	25.7	22.3	**600.8**

Notes: Full Time Equivalent Varations between 2004-05 and 2005-06
Other includes: Lecturers and Demonstrators, Patient Care Assistants and Maintenance Technicians.
Clinical Director: Established in 05-06 to facilitate clinical excellence, quality, training and research. Includes Quality Unit and Infection Control.
Clinical support: Increase in 05-06 due to transfer of 10 FTE patient records staff from Corporate Services and 2 FTE at RDHM for telephone emergency triage.
Management: Reduction in 5 FTE managers in School Dental Service due to service restructure.
Health Purchasing and Provider Relations: Growth of 2.2 FTE due to 30 per cent increase in level of services purchased.

Managing and utilising resources

THE FINANCE & CORPORATE SERVICES DIVISION AIMS TO MAKE A MATERIAL CONTRIBUTION TO THE EFFECTIVE AND EFFICIENT OPERATION OF ALL DHSV'S SERVICES – clinical and non-clinical. The management and efficient utilisation of DHSV resources, both financial and physical, is a major focus for this division.

Substantial changes occurred within the division during 2005-06. The structural separation of Dental Logistics and Infrastructure Services was completed to allow a stronger focus on individual aspects of service delivery from those areas. A change in leadership also occurred during the year, with a new General Manager, Finance and Corporate Services appointed in April 2006.

DENTAL LOGISTICS

Dental Logistics played a lead role in the implementation of key capital projects during the year, including the Goulburn Valley Health, Doutta Galla (Niddrie), Monashlink, Benalla and Rumbalara clinics, as well as the construction of two state-of-the-art, towable dental clinics for the School Dental Service. In total, Dental Logistics' technical division completed $5.86 million of capital works.

A continued focus on growing supply-chain management services achieved an increase in total supply activity of 22 per cent, reflected in total sales of $5.8 million. The division launched a customer survey process to internal and external customers in March 2006, which achieved an overall response rate of 93 per cent and provided excellent feedback. Survey results are being used to align continuous improvement initiatives with customer requirements for technical, supply and project management services.

Dental Logistics is conducting a strategic review of its business model in order to identify and develop services and service improvements for maintaining the infrastructure of the Victorian oral health sector.

FINANCE

DHSV achieved a modest operating surplus for the 2005-06 financial year. Funding was received from the Office of Health Information Systems, enabling the updating of ageing technology. The implementation of Australian equivalents to International Financial Reporting Standards has been completed. This has not had a material impact on the overall results depicted in the Financial Statements. The adoption of a 'business partner' model within the finance team structure has supported more focused operational financial management for larger DHSV divisions.

INFORMATION TECHNOLOGY & TELECOMMUNICATIONS

A State-wide Information Communication and Technology project commenced in July 2005. Significant project milestones achieved during the year included the procurement of hardware, up-skilling technical training resources, ExACT© Patient Management System software modifications and the development of an implementation schedule. The rollout of pilot sites has been scheduled for the first quarter of 2006-07. A major Information Technology security review, including implementation of recommendations, was also completed.

CLINICAL ANALYSIS AND EVALUATION

The primary focus of this small team is to monitor and report on clinical activity across all programs funded via DHSV. Achievements for the year include the enhancement of clinical indicators monitoring the quality of clinical care, extending the rollout of a new version of the ExACT© Patient Management System to SDS and CDP clinics across Victoria, and delivery of a major training program for clinical and clerical users of this system. These initiatives form part of a broader business strategy surrounding implementation of electronic patient records.

RISK AND COMPLIANCE

DHSV's risk management and compliance framework was further consolidated in 2005-06 with a focus on divisional risks and mitigation strategies. DHSV's Enterprise Risk Framework received one of three Extensive Achievement (EA) outcomes during the 2005 Australian Council on Healthcare Standards Periodic Review Survey for Accreditation. A key focus for 2007 is the introduction of centralised electronic incident reporting to ensure accuracy and consistency in reporting. and complaint management.

Financial Overview

DHSV ACHEIVED AN UNDERLYING OPERATING SURPLUS OF $0.445 MILLION FOR THE YEAR. THIS IS AFTER ALLOWING FOR AASB 1004 TIMING DIFFERENCES.

Total revenues increased by $13.161 million comprising operating revenue of $7.800 million and capital purpose and specific income of $5.300 million. This includes $5.859 million of revenue comprising grants that have been received and accounted for in accordance with AASB 1004 Contributions which will be expended in the 2006-07 financial year.

Total expenses increased by $15.274 million reflecting $5.697 million of services expenditure and $0.623 million of specific expenditure for which the revenue was received in the preceding financial year in accordance with AASB 1004. $3.920 million was also recognised as expense for the impairment of the old RDHM building. DHSV and its co-tenant, The University of Melbourne, no longer use the said building as their "core" facility.

The net result of the specific adjustments noted above was a reported deficit of $1.405 million.

The accumulated surplus decreased by $1.405 million due to the operating deficit.

Table 4: Summary of financial results

	(i) 2006 $'000	(i) 2005 $'000	(ii) 2004 $'000	(ii) 2003 $'000	(ii) 2002 $'000
Total Expenses	121,735	106,461	86,106	83,431	73,961
Total Revenue	120,330	107,169	90,063	85,153	77,909
Operating Surplus/(deficit)	(1,405)	708	3,957	1,722	3,948
Accumulated Surplus	8,917	10,322	9,611	5,641	2,998
Total Assets	96,667	95,527	91,186	85,334	66,088
Total Liabilities	20,692	19,690	16,060	14,978	13,025
Net Assets	75,975	75,837	75,126	70,356	53,063
Total Equity	**75,975**	**75,837**	**75,126**	**70,356**	**53,063**

(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 $1.720 million. This result comprises $5.859 million of grant revenue brought to account for which expenses will be recognised in the 2006-07 financial year, $1,113 million of minor works and annual provision, and $5.697 million of expenses incurred in 2005-06 of which revenue was recognised in the 2004-05 financial year.

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

Corporate support services

CORPORATE COMMUNICATION

The Corporate Communication unit works to improve the quality and delivery of DHSV's internal and external communication. In 2005-06 the unit focused on increasing availability and improving quality of patient information.

Once again the unit worked closely with the Human Resources team to promote public dental careers, and provided support to the Health Promotion division on initiatives aimed at raising community awareness about the importance of good oral health.

Fundraising initiatives such as the solicitation of philanthropic donations and corporate community partnerships continued to raise revenue above targets for improved patient services and equipment.

STRATEGY AND SERVICE PLANNING

Strategic Planning supports development of the DHSV Strategic Plan and other strategic and service plans that have an organisation-wide impact. Assisting the Executive Committee with development of the annual DHSV business plan and divisional plans is another key function. The team has supported a range of diverse projects during the year, including production of the Service Plan and Capital Plan Priorities Report. This plan sets out the capital development priorities for oral health infrastructure across the State for the short, medium and long term. DHS distributed this report to regional offices noting that this was the way to plan oral health services. Another key focus of activities was guiding the establishment of a Special Needs Reference Group and development of a Special Needs Strategy.

CULTURAL DIVERSITY AND AWARENESS

Approximately 26 per cent of people who are eligible to access DHSV services are from a Culturally and Linguistically Diverse (CALD) or Aboriginal and Torres Strait Islander (ATSI) background.

In 2005, the 'Provision of Public Dental Services and Information to Culturally and Linguistically Diverse Communities' project was developed by a DHSV Leadership and Management project team. An action plan was produced to assist in providing appropriate services to eligible clients from CALD communities.

Funding was obtained from the Department of Human Services to employ a Project Officer to develop initiatives to reduce barriers. This included the:

- establishment of a DHSV demographic to inform future planning and service delivery;
- development and implementation of a staff training package across the State to increase awareness of the needs and issues affecting CALD communities. Areas covered included Understanding Culture, Victoria's Diversity, Communication, Language Services and Working with Interpreters. Cultural diversity training has now been delivered to over 300 DHSV staff;
- development of a Resource Kit which includes policies and procedures, community profiles, translating and interpreting information and a range of useful multicultural resources;
- development of information in a range of community languages;
- expansion of the Cultural Diversity Steering committee to include representatives from the community.

These initiatives will continue throughout 2006 and assist to embed CALD in the organisation.

DHSV Senior Management Team
Front (left to right) Dr Hanny Calache,
Ms Robyn Batten (CEO), Ms Deborah Sullivan
Back (left to right) Mr Gavin Woollley,
Dr Colin Riley, Ms Liz Riley, Mr John Hoogeveen,
Mr Richard Mullaly

Senior management team

MS ROBYN BATTEN
BSocWk, MSocWk, MBA, AFACHSE

Chief Executive
Robyn has broad experience covering primary care, local community health management and local government. She was most recently the director of Primary Care and Mental Health at Southern Health where she was responsible for acute and community based mental health services and a range of ambulatory care services. Over the past decade, Robyn has been responsible for several major organisational change programs which have resulted in improved quality and efficiency of service delivery to the community.

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 both in Australia and Europe.

Prior to joining DHSV, she held divisional management and chief financial officer positions that leveraged 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.

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

Clinical Director
Throughout the past 27 years, Hanny Calache 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 – quality improvement, clinical governance, education and training, and the promotion of DHSV-led research.

MS LIZ RILEY
BASc (Nursing), Crit Care Cert, Grad Dip Management, MBA

General Manager- Community Care
Liz has extensive experience in clinical and managerial positions in the private and public hospital sectors and the community sector. Liz's management roles have involved significant change management, and the development and implementation of innovative models of service delivery to enhance the quality and efficiency of services. Liz is responsible for the operation of DHSV's Community Care Division, which includes the School Dental Service, DHSV-managed Adult Dental Services and Special Services.

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 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.

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 Statewide 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.

MR JOHN HOOGEVEEN
SRN, B. Nurs, ONC, DTS, MBioethics, MBA

General Manager
Health Purchasing & Provider Relations
John has extensive experience in clinical and managerial positions in Victoria's public and private hospital sectors. Formerly responsible for the Royal Dental Hospital of Melbourne's operations, John oversaw the Dental Hospital Redevelopment Project. He is now responsible for the Health Purchasing and Provider Relations Division within DHSV.

MR GAVIN WOOLLEY
BA, BA (Hons), MA (Industrial Psychology)

General Manager- Human Resources
Gavin has 15 years of senior and general management experience gained in South Africa, Australia and New Zealand across several industries, including consumer electronics, management consulting, private and public healthcare. As General Manager HR, Gavin's role focuses on the development and implementation of HR strategies and programs aimed at ensuring that DHSV has the right people, with the right skills, at the right place and at the right time. Previously, Gavin held the roles of General Manager Organisation Development at Northland District Health Board and National Business Improvement Manager at Mayne Health.

Statutory Requirements

MANAGING RISK

The DHSV Board monitors area of operational and financial risk through the Board Audit Committee and the Board Finance Committee. The Board retained the services of KPMG Consultants in 2005-06 as internal auditors and facilitators of the DHSV Enterprise Risk Management process. KPMG Consultants undertook an evaluation of organisational risks in May 2006 as part of DHSV's ongoing commitment to risk management.

CONSULTANCIES

Consultancies costing more than $100,000 : Nil

Consultancies costing less than $100,000 : 35 at a total cost of $363,336

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 and Infrastructure Services Units, has undertaken public tender for contracts required under 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 based on guidelines issued by the Office of Public Employment and Best Practices. 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 142 requests for access to documents under the *Freedom of Information Act* 1982. Of these, 131 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: 140
- Requests withdrawn/not proceeded with: 2
- Application fees collected: $21.00
- Application fees waived: $2,961.00
- Charges collected: $0
- Charges waived: $1,480.00

There were a further 222 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.

Dental Care Profile – Statewide

Description	NUMBER OF SERVICES PER 100 PATIENTS								
	Specialist Care			Basic Care (S'wide)			School Dental Service		
	2003/04	2004/05	2005/06	2003/04	2004/05	2005/06	2003/04	2004/05	2005/06
DIAGNOSTIC SERVICES									
Examination	12.7	12.0	14.5	109.4	106.4	108.5	117.1	121.6	115.4
Consultation	107.7	103.6	96.6	23.8	22.6	24.1	11.8	10.5	10.6
Radiograph	104.1	102.4	102.8	71.5	67.7	72.7	28.8	33.5	37.5
Other Diagnostic	26.8	30.8	28.3	16.7	15.5	13.0	5.1	6.4	6.2
PREVENTIVE SERVICES									
Plaque and Calculus removal	12.5	11.0	14.1	29.9	30.5	32.3	14.4	15.2	17.3
Topical Fluoride	1.1	1.5	1.6	8.7	9.4	9.7	9.1	9.2	10.2
Fissure Sealant	7.0	7.1	8.4	11.7	10.6	11.0	96.8	101.7	108.0
Other Preventive	7.5	8.8	11.6	36.7	35.2	36.4	21.8	19.9	29.1
PERIODONTICS									
Periodontal Surgery	1.7	1.7	2.0	0.1	0.1	0.1	0.0	0.0	0.0
Other Periodontal	13.6	13.9	14.7	4.8	5.0	6.0	0.0	0.0	0.0
ORAL SURGERY									
Simple Extraction	86.2	67.4	70.4	52.1	47.9	51.2	24.5	26.7	29.5
Surgical Extraction	43.6	42.5	36.6	6.9	7.3	7.1	0.1	0.0	0.1
Surgical Procedure	3.4	3.6	3.5	3.1	2.9	2.7	0.1	0.1	0.1
ENDODONTICS									
Pulp Treatment	22.0	20.2	18.8	18.3	15.6	15.6	13.5	14.9	14.5
Other Endodontic	3.9	4.0	3.1	3.4	3.1	3.4	0.2	0.3	0.3
RESTORATIVE SERVICES									
Amalgam Restoration	9.2	6.5	4.5	18.8	15.9	15.0	4.6	4.4	4.1
Adhesive Restoration	31.9	30.4	31.2	105.4	111.6	122.3	121.8	125.9	141.0
Other Restorative	4.1	5.0	4.9	13.3	12.0	12.1	6.7	8.2	8.4
FIXED PROSTHODONTICS									
Crowns	4.4	4.1	4.8	0.1	0.1	0.1	0.0	0.0	0.0
Bridge Pontic	0.9	1.1	1.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Crown and Bridge Services	2.9	2.6	2.4	3.0	1.4	1.4	0.0	0.0	0.0
REMOVABLE PROSTHODONTICS									
Denture Unit - Full	1.3	0.7	1.1	8.5	11.7	13.5	0.0	0.0	0.0
Partial Denture - Acrylic	0.6	0.5	0.6	5.6	6.4	7.7	0.0	0.0	0.0
Partial Denture - Cobalt Chromium	1.0	0.7	0.6	0.3	0.3	0.4	0.0	0.0	0.0
Reline/Rebase Denture	0.1	0.2	0.1	1.4	1.3	1.2	0.0	0.0	0.0
Denture Repair and Maintenance Services	0.8	0.7	0.8	15.6	13.8	13.0	0.0	0.0	0.0
Other Prosthodontic	3.3	2.4	2.9	18.8	19.5	22.9	0.0	0.0	0.0
ORTHODONTICS									
Removable Appliance	6.8	4.2	4.4	0.1	0.0	0.0	0.5	0.8	0.4
Full Banding (Arches)	4.0	4.8	4.1	0.0	0.0	0.0	0.0	0.0	0.0
Other Orthodontic	1.0	1.4	1.5	0.0	0.0	0.0	0.0	0.0	0.0
GENERAL SERVICES									
Emergency Services	0.0	0.1	0.0	3.1	2.8	2.7	0.0	0.0	0.0
Drug Therapy (including general anaesthetics)	48.4	46.1	40.0	14.9	13.5	12.2	0.5	0.5	0.6
Occlusal Therapy	4.5	4.7	4.7	0.2	0.2	0.2	0.0	0.0	0.0
Miscellaneous Services	2.2	7.7	3.7	4.4	3.9	4.2	0.2	0.2	0.6

FINANCIAL STATEMENTS
Operating Statement
For the Year Ended 30 June 2006

	Note	Total 2006 $'000	Total 2005 $'000
Revenue from Operating Activities	2	111,425	103,861
Revenue from Non-operating Activities	2	1,675	1,397
Employee Benefits	2b	(37,016)	(35,538)
Non Salary Labour Costs	2b	(847)	(868)
Supplies & Consumables	2b	(4,667)	(3,952)
Other Expenses from Continuing Operations	2b	(68,850)	(60,023)
Net Result From Continuing Operations Before Capital & Specific Items		**1,720**	**4,877**
Capital Purpose Income	2	4,640	53
Specific Income	2	2,590	1,858
Impairment of Non-Current Assets	9	(3,920)	–
Depreciation and Amortisation	3	(3,639)	(3,382)
Specific Expense	2g	(2,714)	(2,648)
Expenditure Using Capital Purpose Income	2b	(82)	(50)
NET RESULT FROM CONTINUING OPERATIONS		**(1,405)**	**708**

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

FINANCIAL STATEMENTS
Balance Sheet
As at 30 June 2006

	Note	Total 2006 $'000	Total 2005 $'000
ASSETS			
Current Assets			
Cash and Cash Equivalents	5	27,304	24,261
Receivables	6	2,821	1,778
Inventories	7	570	680
Prepayments		49	119
Other Current Assets	8	2,137	947
Total Current Assets		**32,881**	**27,785**
Non-Current Assets			
Receivables	6	94	1,137
Property, Plant & Equipment	9	63,590	66,426
Intangible Assets	10	102	179
Total Non-Current Assets		**63,786**	**67,742**
TOTAL ASSETS		**96,667**	**95,527**
LIABILITIES			
Current Liabilities			
Payables	11	12,192	11,623
Provisions	12	6,692	7,236
Other Liabilities	13	914	53
Total Current Liabilities		**19,798**	**18,912**
Non-Current Liabilities			
Provisions	12	894	778
Total Non-Current Liabilities		**894**	**778**
TOTAL LIABILITIES		**20,692**	**19,690**
NET ASSETS		**75,975**	**75,837**
EQUITY			
Asset Revaluation Reserve	14a	6,456	4,913
Restricted Specific Purpose Reserve	14a	1	1
Contributed Capital	14b	60,601	60,601
Accumulated Surpluses/(Deficits)	14c	8,917	10,322
TOTAL EQUITY	14d	**75,975**	**75,837**

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

FINANCIAL STATEMENTS
Statement of Recognised Income and Expense
For the Year Ended 30 June 2006

	Note	Total 2006 $'000	Total 2005 $'000
Gain/(loss) on Asset Revaluation	14a	1,543	-
NET INCOME RECOGNISED DIRECTLY IN EQUITY		**1,543**	**-**
Net result for the year		(1,405)	708
TOTAL RECOGNISED INCOME AND EXPENSE FOR THE YEAR		**138**	**708**
Effects of correction of errors	4	-	215
		-	**215**

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

FINANCIAL STATEMENTS
Cash Flow Statement
For the Year Ended 30 June 2006

	Note	Total 2006 $'000	Total 2005 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Grants from Government		102,991	96,158
Patient Fees		2,995	3,061
Donations & Bequests Received		6	29
GST Received from/(paid to) ATO		(3,481)	(4,327)
Recoupment from private practice for use of hospital facilities		55	53
Interest Received		1,606	1,264
Other Receipts		5,133	4,078
Employee Benefits Paid		(37,592)	(36,158)
Fee for Service Medical Officers		(103)	(98)
Payments for Supplies & Consumables		(4,667)	(3,952)
Other Payments		(67,746)	(54,432)
Cash Generated from Operations		(803)	5,676
Capital Grants from Government		6,760	1,466
Capital Donations and Bequests Received		130	47
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	**15**	**6,087**	**7,189**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant & Equipment		(3,333)	(1,101)
Proceeds from Sale of Property, Plant & Equipment		289	282
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		**(3,044)**	**(819)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Contributed Capital from Government		-	-
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES		**-**	**-**
NET INCREASE/(DECREASE) IN CASH HELD		**3,043**	**6,370**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		**24,261**	**17,891**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**5**	**27,304**	**24,261**

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

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 Robyn Batten, Chief Executive Officer, on 25 August 2006.

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.

Judgments made by management in the application of A-IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed throughout the notes in the financial statements.

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.

Dental Health Services Victoria (DHSV) changed its accounting policies on 1 July 2004 to comply with A-IFRS. The transition to A-IFRS is accounted for in accordance with Accounting Standard AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*, with 1 July 2004 as the date of transition. An explanation of how the transition from superseded policies to A-IFRS has affected DHSV's financial position, financial performance and cash flows is discussed in note 21.

DHSV has elected to apply Accounting Standard AASB 2005-04 *Amendments to Accounting Standards (June 2005)*, even though the Standard is not required to be adopted until annual reporting periods beginning on or after 1 January 2006.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2006, the comparative information presented in these financial statements for the year ended 30 June 2005, and in the preparation of the opening A-IFRS balance sheet at 1 July 2004, DHSV's date of transition, except for the accounting policies in respect of financial instruments. DHSV has not restated comparative information for financial instruments, including derivatives, as permitted under the first-time adoption transitional provisions. The accounting policies for financial instruments applicable to the comparative information and the impact of the changes in these accounting policies is discussed further in note 1(w).

(a) Reporting Entity

The financial statements include all the activities of DHSV. DHSV is a not-for-profit entity and therefore applies the additional Aus paragraphs applicable to "not-for-profit" entities under the Australian equivalents to IFRS.

(b) Rounding Off

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.

(e) Inventories

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

Cost is measured on the basis of weighted average cost.

Note 1: Statement of Significant Accounting Policies (continued)

(f) Intangible Assets

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

(g) Non Current Physical Assets

Land and buildings are measured at the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. Plant, equipment and vehicles are measured at cost.

(h) Revaluations of Non-Current Assets

Assets other than those that are carried at cost are revalued with sufficient regularity to ensure that the carrying amount of each asset does not differ materially from its fair value. This revaluation process normally occurs every three to four years for assets with useful lives of less than 30 years or six to eight years for assets with useful lives of 30 or greater years. Revaluation increments or decrements arise from differences between an asset's depreciated cost or deemed cost 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 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.

	2006	2005
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 20 years	3 to 20 years

Note 1: Statement of Significant Accounting Policies (continued)

(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.

(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)

Revenues, expenses and assets are recognised net of GST except for receivables and payables which are stated with the amount of GST included and except, where the amount of GST incurred is not recoverable, in which case GST is recognised as part of the cost of acquisition of an asset or part of an item of expense or revenue. GST receivable from and payable to the Australian Taxation Office (ATO) is included in the Balance Sheet. The GST component of a receipt or payment is recognised on a gross basis in the Cash Flow Statement in accordance with AASB 107 *Cash flow statements*.

(o) Employee Benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Measurement of short-term and long-term employee benefits

Short-term employee benefits are those benefits that are expected to be settled within 12 months, and are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. They include wages and salaries, annual leave, long service leave and accrued days off that are expected to be settled within 12 months.

Long-term employee benefits are those benefits that are not expected to be settled within 12 months, and are measured at the present value of the estimated future cash outflows to be made by DHSV in respect of services provided by employees up to reporting date. They include long service leave and annual leave not expected to be settled within 12 months.

The present value of long-term employee benefits is calculated in accordance with AASB 119 *Employee Benefits*. Long-term employee benefits are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. 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 on national Government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Classification of employee benefits as current and non-current liabilities

Employee benefit provisions are reported as current liabilities where DHSV does not have an unconditional right to defer settlement for at least 12 months. Consequently, the current portion of the employee benefit provision can include both short-term benefits, that are measured at nominal values, and long-term benefits, that are measured at present values.

Employee benefit provisions that are reported as non-current liabilities also include long-term benefits such as non vested long service leave (i.e. where the employee does not have a present entitlement to the benefit) that do not qualify for recognition as a current liability, and are measured at present values.

Note 1: Statement of Significant Accounting Policies (continued)

(o) Employee Benefits (continued)

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 plan superannuation represents the contributions made by DHSV to the superannuation plan in respect to the current services of current DHSV staff. Superannuation contributions are made to the plans based on the relevant rules of each plan.

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

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) Revenue Recognition

Revenue is recognised in accordance with AASB 118 *Revenue*. Income is recognised as revenue 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 revenue when DHSV gains control of the underlying assets. Where grants are reciprocal, revenue is recognised as performance occurs under the grant. Non-reciprocal grants are recognised as revenue 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.

(q) 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.

(r) 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 whilst *Services Supported by Hospital and Community Initiatives* (Non HSA) are funded by DHSV's own activities or local initiatives and/or the Commonwealth.

(s) Comparative Information

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

(t) Asset Revaluation Reserve

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

Note 1: Statement of Significant Accounting Policies (continued)

(u) 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.

(v) Contributed Capital

Consistent with *UIG Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities* and FRD 2 *Contributed Capital*, 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, have also been designated as contributed capital.

(w) Financial Instruments – Adoption of AASB 132 and AASB 139

DHSV has elected not to restate comparative information for financial instruments within the scope of AASB 132 *Financial Instruments: Presentation and Disclosure* and AASB 139 *Financial Instruments: Recognition and Measurement*, as permitted on the first-time adoption of A-IFRS.

The accounting policies applied to account for financial instruments in the current financial year are detailed in notes 1(c), 1(d) and 1(k). These policies are identical to the comparative financial year.

There was no impact from applying the requirements of AASB 132 and AASB 139 on 1 July 2005.

(x) Net Result From Continuing Operations Before Capital & Specific Items

A-IFRS allows the inclusion of additional subtotals on the face of the operating statement when such presentation is relevant to an understanding of an entity's financial performance. This financial report includes an additional subtotal entitled "Net Result From Continuing Operations Before Capital & Specific Items".

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. Consequently the recognition of revenue as capital purpose income is based on the intention of the provider of the revenue at the time the revenue is provided.
- Specific income/expense, comprises the following items, where material:
  - 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, which comprises expenditure using capital purpose income which falls below the asset capitalisation threshold and therefore does not result in the recognition of an asset in the balance sheet. The asset capitalisation threshold is set at $1,000.

Note 2: Revenue

	HSA 2006 $'000	HSA 2005 $'000	Non HSA 2006 $'000	Non HSA 2005 $'000	Total 2006 $'000	Total 2005 $'000
Revenue from Operating Activities						
Government Contributions						
- Department of Human Services	101,239	94,360	-	-	101,239	94,360
- State Government - Other						
- Equipment and Infrastructure Maintenance	1,113	1,217	-	-	1,113	1,217
Indirect Contributions by Department of Human Services	667	426	-	-	667	426
Patient Fees (refer note 2c)	3,197	3,148	-	-	3,197	3,148
Donations and Bequests	6	29	-	-	6	29
Recoupment from Private Practice for Use of DHSV Facilities	55	53	-	-	55	53
Other Revenue from Operating Activities	1,674	1,517	3,474	3,111	5,148	4,628
Sub-Total Revenue from Operating Activities	**107,951**	**100,750**	**3,474**	**3,111**	**111,425**	**103,861**
Revenue from Non-Operating Activities						
Interest	1,606	1,304	-	-	1,606	1,304
Property Income	-	-	69	93	69	93
Sub-Total Revenue from Non-Operating Activities	**1,606**	**1,304**	**69**	**93**	**1,675**	**1,397**
Revenue from Capital Purpose Income						
State Government Capital Grants						
- Targeted Capital Works and Equipment	-	-	364	-	364	-
- Other	-	-	4,184	249	4,184	249
Net Gain/(Loss) on Disposal of Non-Current Assets (refer note 2d)	-	-	(38)	(243)	(38)	(243)
Donations and Bequests	-	-	130	47	130	47
Sub-Total Revenue from Capital Purpose Income	**-**	**-**	**4,640**	**53**	**4,640**	**53**
Specific Income (refer note 2f)	**-**	**-**	**2,590**	**1,858**	**2,590**	**1,858**
Total Revenue from Continuing Operations (refer to note 2a)	**109,557**	**102,054**	**10,773**	**5,115**	**120,330**	**107,169**

Indirect contributions by Department of Human Services:

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

Note 2a: Analysis of Revenue by Source

	Total (Other) 2006 $'000	Total (Other) 2005 $'000
Revenue from Services Supported by Health Services Agreement		
Government Grants		
- Department of Human Services	101,239	94,360
Indirect contributions by Department of Human Services		
- Insurance	475	406
- Long Service Leave	192	20
Capital Purpose Income (refer note 2)	1,113	1,217
Patient Fees (refer note 2c)	3,197	3,148
Recoupment from Private Practice for Use of DHSV facilities	55	53
Interest	1,606	1,304
Donations & Bequests	6	29
Other	1,674	1,517
Sub-Total Revenue from Services Supported by Health Services Agreement	**109,557**	**102,054**
Revenue from Services Supported by Hospital and Community Initiatives		
Internal Specific Purpose Fund		
- Car Park	2	1
- Property Income	67	92
- Technical Support	2,415	2,061
- Overseas Dentists Training Programme	1,050	1,050
- Dental Health Research	9	-
Other Activities		
Capital Purpose Income	4,548	249
Net Gain/(Loss) from Disposal of Non-Current Assets (refer note 2d)	(38)	(243)
Donations and Bequests	130	47
Specific Income (refer note 2f)	2,590	1,858
Sub-Total Revenue from Services Supported by Hospital and Community Initiatives	**10,773**	**5,115**
Total Revenue from Operations	**120,330**	**107,169**

Indirect contributions by Department of Human Services:

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

Note 2b: Analysis of Expenses by Source

	Total (Other) 2006 $'000	Total (Other) 2005 $'000
Services Supported by Health Services Agreement		
Employee Benefits		
Salaries & Wages	31,966	30,377
WorkCover	596	1,051
Long Service Leave	963	752
Superannuation (refer note 18)	2,986	2,874
Non Salary Labour Costs		
Fees for Visiting Medical Officers	103	90
Agency Costs - Nursing	25	8
Agency Costs - Other	705	754
Supplies & Consumables		
Drug Supplies	460	437
Medical and Surgical Supplies	4,115	3,397
Other Expenses		
Domestic Services & Supplies	1,052	1,088
Fuel, Light, Power and Water	303	435
Insurance costs funded by DHS	475	406
Motor Vehicle Expenses	483	402
Repairs and Maintenance	172	166
Maintenance Contracts	254	255
Patient Transport	4	8
Bad and Doubtful Debts	180	150
Lease Expenses	309	417
Other Administrative Expenses	6,562	5,684
Transfer Payments		
- Output Funding for Dental Services (DHS Agencies)	34,779	32,458
- Victorian Denture Scheme (Private Practitioners)	12,270	9,478
- Victorian General Dental Scheme (Private Practitioners)	5,492	3,639
- Victorian Emergency Dental Scheme (Private Practitioners)	4,453	3,968
Sub-Total Expenses from Services Supported by Health Services Agreement	**108,707**	**98,294**

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

	Total (Other) 2006 $'000	Total (Other) 2005 $'000
Services Supported by Hospital and Community Initiatives		
Employee Benefits		
Salaries & Wages	458	433
WorkCover	8	13
Long Service Leave	12	11
Superannuation (refer note 18)	27	27
Non Salary Labour Costs		
Agency Costs - Other	14	16
Supplies & Consumables		
Medical and Surgical Supplies	92	118
Other Expenses		
Repairs & Maintenance	3	8
Other Administrative Expenses	1,874	1,371
Sub-Total Expenses from Services Supported by Hospital and Community Initiatives	**2,488**	**1,997**
Depreciation and Amortisation (refer note 3)	3,639	3,382
Impairment of Non-Current Assets	3,920	-
Audit Fees		
- Auditor-General's (refer note 20)	20	19
- Other	165	71
Specific Expenses (refer note 2g)	2,714	2,648
Expenditure Using Capital Purpose Income	82	50
Total Expenses from Continuing Operations	**121,735**	**106,461**

Note 2c: Patient Fees

	Total 2006 $'000	Total 2005 $'000
Patient Fees Raised		
Recurrent:		
Other		
- Inpatients	190	141
- Outpatients	3,007	3,007
Total Recurrent	**3,197**	**3,148**

Note 2d: Net Gain/(Loss) on Disposal of Non-Current Assets		
Proceeds from Disposals of Non-Current Assets		
Medical Equipment	1	23
Computers and Communications	4	-
Furniture and Equipment	-	-
Motor Vehicles	284	259
Total Proceeds from Disposal of Non-Current Assets	**289**	**282**
Less: Written Down Value of Non-Current Assets Sold		
Medical Equipment	3	272
Computers and Communications	-	-
Furniture and Equipment	-	1
Motor Vehicles	324	252
Total Written Down Value of Non-Current Assets Sold	**327**	**525**
Net gains/(losses) on Disposal of Non-Current Assets	**(38)**	**(243)**

Note 2e: Analysis of Expenses by Internal and Restricted Specific Purpose Funds for Services Supported by Hospital and Community Initiatives		
Technical Support	1,787	1,333
Overseas Dentists Training Program	649	657
Dental Health Research	52	8
TOTAL	**2,488**	**1,998**

Note 2f: Specific Income

	Total 2006 $'000	Total 2005 $'000
Specific Income		
Funding Received from Department of Human Services to Purchase Dental Equipment on Behalf of External Dental Agencies	2,470	1,858
Reversal of Provision for WorkCover	120	-
TOTAL	**2,590**	**1,858**

Note 2g: Specific Expenses

Specific Expenses		
Amounts Paid for the Purchase of Dental Equipment on Behalf of External Dental Agencies	2,509	2,648
Revaluation decrement on Non Current Assets - Buildings	85	-
Write-down on Inventories	120	-
TOTAL	**2,714**	**2,648**

Note 3: Depreciation and Amortisation

Depreciation		
Buildings	1,754	1,699
Plant & Equipment	1	-
Medical Equipment	805	833
Computers and Communication	496	475
Furniture and Equipment	116	127
Motor Vehicles	390	128
Total Depreciation	**3,562**	**3,262**
Amortisation		
Intangible Assets	77	120
Total Depreciation & Amortisation	**3,639**	**3,382**

Note 4: Correction of error and revision of estimates

Motor vehicles were depreciated in prior years without residual values. In order to measure the correct gain or loss on the disposal of motor vehicles, the expected residual values at the intended time of disposal were taken into account in the calculation of depreciation in the current year. The effect of this was a reduction in the accumulated depreciation of $215,000 in prior years.

Note 5: Cash and Cash Equivalents

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

Cash on Hand	8	8
Cash at Bank	1,162	380
Short-Term Deposit	26,134	23,873
TOTAL	**27,304**	**24,261**

Note 6: Receivables

	Total 2006 $'000	Total 2005 $'000
CURRENT		
Inter-Hospital Debtors	31	51
Trade Debtors	1,917	795
Patient Fees	629	427
Accrued Investment Income	65	40
Accrued revenue - DHS	9	2
Accrued Revenue - Cost Recovery	12	162
GST Receivable	770	741
TOTAL	**3,433**	**2,218**
LESS Provision for Doubtful Debts		
Trade Debtors	39	39
Patient Fees	573	401
TOTAL	**612**	**440**
TOTAL CURRENT RECEIVABLES	**2,821**	**1,778**
NON CURRENT		
DHS - Long Service Leave	94	1,137
TOTAL NON CURRENT RECEIVABLES	**94**	**1,137**
TOTAL RECEIVABLES	**2,915**	**2,915**
BAD AND DOUBTFUL DEBTS		
Patient Fees	180	150
TOTAL	**180**	**150**

Note 7: Inventories

CURRENT		
Medical and Surgical Lines - at cost	438	444
Engineering Stores - at cost	308	292
Less Provision for Diminution in Inventory	176	56
TOTAL INVENTORIES	**570**	**680**

Note 8: Other Assets

CURRENT		
Minor Works in Progress	2,137	947
TOTAL	**2,137**	**947**

Note 9: Property, Plant & Equipment

	Total 2006 $'000	Total 2005 $'000
Land		
Crown Land - Independent Valuation at 30 June 2006	14,076	-
Crown Land - Independent Valuation at 30 June 2004	-	10,720
Crown Land - Independent Valuation at 30 June 2003	-	1,800
Total Land	**14,076**	**12,520**
Buildings		
- Buildings at Cost	876	-
Less Accumulated Depreciation and Impairment	187	-
	689	-
- Buildings - Independent Valuation at 30 June 2006	40,947	-
Buildings - Directors' Valuation at 30 June 2004	-	43,086
Buildings - Independent Valuation at 30 June 2004	5,015	5,015
Buildings - Independent Valuation at 30 June 2003	-	180
Less Accumulated Depreciation and Impairment	5,015	1,719
	40,947	46,562
Total Buildings	**41,636**	**46,562**
Plant and Equipment at Cost		
- Plant and Equipment	179	-
Less Accumulated Depreciation and Impairment	1	-
Total Plant and Equipment	**178**	**-**
Medical Equipment at Cost		
- Medical Equipment	12,379	11,845
Less Accumulated Depreciation and Impairment	8,517	7,720
Total Medical Equipment	**3,862**	**4,125**
Computers and Communication at Cost		
- Computers and Communication	4,925	4,459
Less Accumulated Depreciation and Impairment	3,758	3,261
Total Computers and Communications	**1,167**	**1,198**
Furniture and Fittings at Cost		
- Furniture and Fittings	1,192	1,191
Less Accumulated Depreciation and Impairment	908	791
Total Furniture & Fittings	**284**	**400**
Motor Vehicles at Cost		
- Motor Vehicles	3,544	2,678
Less Accumulated Depreciation and Impairment	1,157	1,057
Total Motor Vehicles	**2,387**	**1,621**
TOTAL	**63,590**	**66,426**

Note 9: Property, Plant & Equipment (Continued)

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

	Land $000	Buildings $000	Plant & Equipment $000	Medical Equipment $000	Computers & Commnctns $000	Furniture & Fittings $000	Motor Vehicles $000	Total $000
Balance at 1 July 2004	12,520	48,195	-	4,931	1,539	398	1,475	69,058
Additions	-	66	-	299	134	130	526	1,155
Disposals	-	-	-	272	-	1	252	525
Impairment losses recognised/(reversed) in net result	-	-	-	-	-	-	-	-
Revaluation increments/(decrements)	-	-	-	-	-	-	-	-
Depreciation and Amortisation (note 3)	-	1,699	-	833	475	127	128	3,262
Balance at 30 June 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
Depreciation and Amortisation (note 3)	-	1,754	1	805	496	116	390	3,562
Balance at 30 June 2006	**14,076**	**41,636**	**178**	**3,862**	**1,167**	**284**	**2,387**	**63,590**

Land and buildings carried at valuation

An independent valuation of DHSV's land and buildings was performed by Charter Keck Cramer to determine the fair value of the land and buildings. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation was based on independent assessments. The effective date of valuation is 30 June 2006. The effective dates of valuation for 2005 were 30 June 2004 and 30 June 2003.

The old RDHM building at 711 Elizabeth Street, Melbourne has been impaired as it became obsolete and was no longer a "core" facility to the operations of DHSV. The site has been valued essentially as a redevelopment site with the value underpinned by the underlying land component.

Note 10: Intangible Assets

	Total 2006 $'000	Total 2005 $'000
Software	439	439
Less Accumulated Amortisation and Impairment	337	260
Total Written Down Value	**102**	**179**
Reconciliation of the carrying amounts of intangible assets at the beginning and end of the previous and current financial year:		
Balance at 1 July 2004	293	
Additions	6	
Disposals	-	
Amortisation (note 3)	120	
Balance at 30 June 2005	**179**	
Additions	-	
Disposals	-	
Amortisation (note 3)	77	
Balance at 30 June 2006	**102**	

Note 11: Payables

CURRENT		
Trade Creditors	9,924	8,947
Accrued Expenses	1,137	1,759
GST Payable	1,131	917
TOTAL	**12,192**	**11,623**

Note 12: Provisions

CURRENT		
Employee Benefits (refer Note 12a)	6,692	7,236
NON CURRENT		
Employee Benefits (refer Note 12a)	894	778
	7,586	**8,014**

Note 12a: Employee Benefits

	Total 2006 $'000	Total 2005 $'000
CURRENT		
Long Service Leave		
- short-term benefits at nominal value*	738	4,088
- long-term benefits at present value*	2,929	-
Annual Leave		
- short-term benefits at nominal value*	1,693	1,593
- long-term benefits at present value*	335	459
Accrued Wages and Salaries	906	1,000
Accrued Days Off	91	96
TOTAL	**6,692**	**7,236**
NON-CURRENT		
Long Service Leave*	894	778
TOTAL	**894**	**778**
TOTAL	**7,586**	**8,014**
Movement in Long Service Leave:		
Balance at start of year	4,270	4,155
Provision made during the year	975	859
Settlement made during the year	(684)	(744)
Balance at end of year	**4,561**	**4,270**

* The following assumptions were adopted in measuring present value:

(a) The long service leave and annual leave entitlements were multiplied by an on-cost factor to arrive at the nominal value.

(b) The nominal value for long service leave was multiplied by a probability factor to arrive at the net value. The probability factor was determined as the probability that the employee will qualify for their long service leave entitlement.

(c) The future value of long service leave was calculated by applying an exponential wage inflation rate to each of the future years.

(d) Expected future payments for long service leave and annual leave are discounted using interest rates on national Government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Note 13: Other Liabilities

	Total 2006 $'000	Total 2005 $'000
CURRENT		
Specific Purpose Income in Advance	914	53
TOTAL	**914**	**53**

Note 14: Equity and Reserves

(a) Reserves		
Asset Revaluation Reserve		
Balance at the beginning of the reporting period	4,913	4,913
Revaluation Increment/(Decrement)		
- Land	1,556	-
- Buildings	(13)	-
*Balance at the end of reporting period	6,456	4,913
*Represented by:		
- Land	6,456	4,900
- Buildings	-	13
Total	6,456	4,913
General Purpose Reserve		
Balance at the beginning of the reporting period	-	-
Transfer to and from Accumulated Surplus	-	-
Balance at the end of the reporting period	-	-
Restricted Specific Purpose Reserve		
Balance at the beginning of the reporting period	1	1
Transfer to and from Accumulated Surplus	-	-
Balance at the end of the reporting period	1	1
Total Reserves	**6,457**	**4,914**
(b) Contributed Capital		
Balance at the beginning of the reporting period	60,601	60,601
Capital contribution received from Victorian Government	-	-
Capital repayments	-	-
Balance at the end of the reporting period	60,601	60,601

Note 14: Equity and Reserves (continued)

	Total 2006 $'000	Total 2005 $'000
(c) Accumulated Surpluses/(Deficits)		
Balance at the beginning of the reporting period	10,322	9,614
Net Result for the year	(1,405)	708
Transfer to and from Restricted Specific Purpose Reserve	-	-
Balance at the end of the reporting period	8,917	10,322
(d) Equity		
Total Equity at the beginning of the reporting period	75,837	75,129
Total Changes in Equity Recognised in the Operating Statement	138	708
Total Equity at the reporting date	75,975	75,837

Note 15: Reconciliation of Net Result for the Year to Net Cash Inflow/(Outflow) from Operating Activities

Net Result for the Year	**(1,405)**	**708**
Depreciation & Amortisation	3,639	3,382
Impairment of Non-Current Assets	3,920	-
Revaluation decrement on Non Current Assets - Buildings	85	-
Provision for Bad and Doubtful Debts	180	150
Write-down of Inventories	120	-
Resources Received Free of Charge	(182)	(60)
Net (Gain)/Loss from Sale of Plant and Equipment	38	243
Change in Operating Assets & Liabilities		
Increase/(Decrease) in Payables	569	3,892
Increase/(Decrease) in Income in Advance	861	(408)
Increase/(Decrease) in Employee Benefits	168	149
(Increase)/Decrease in Non Current Receivables	447	(20)
(Increase)/Decrease in Other Current Assets	(1,120)	(517)
(Increase)/Decrease in Current Receivables	(1,223)	(362)
(Increase)/Decrease in Inventory	(10)	32
NET CASH INFLOW/(OUTLFLOW) FROM OPERATING ACTIVITIES	**6,087**	**7,189**

Note 16: 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.

Note 16: 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. Exposure arises predominantly from assets and liabilities bearing variable interest rates.

Interest rate exposure as at 30/06/2006

	Fixed interest rate maturing						
	Floating Interest Rate $'000	1 year or less $'000	1 to 5 years $'000	Over 5 years $'000	Non-interest bearing $'000	Total $'000	* Weighted Average Interest Rates (%)
Financial Assets							
Cash at Bank	-	-	-	-	1,170	1,170	0.00
Trade Debtors	-	-	-	-	2,821	2,821	0.00
Deposits	26,134	-	-	-	-	26,134	5.60
Total Financial Assets	**26,134**	**-**	**-**	**-**	**3,991**	**30,125**	**4.86**
Financial Liabilities							
Trade Creditors and Accruals	-	-	-	-	12,192	12,192	0.00
Advances	-	-	-	-	914	914	0.00
Total Financial Liabilities	**-**	**-**	**-**	**-**	**13,106**	**13,106**	**0.00**
Net Financial Asset/Liabilities	**26,134**	**-**	**-**	**-**	**(9,115)**	**17,019**	**8.60**

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

Interest rate exposure as at 30/06/2005

	Fixed interest rate maturing						
	Floating Interest Rate $'000	1 year or less $'000	1 to 5 years $'000	Over 5 years $'000	Non-interest bearing $'000	Total $'000	* Weighted Average Interest Rates (%)
Financial Assets							
Cash at Bank	-	-	-	-	388	388	0.00
Trade Debtors	-	-	-	-	1,778	1,778	0.00
Deposits	23,873	-	-	-	-	23,873	5.50
Total Financial Assets	**23,873**	**-**	**-**	**-**	**2,166**	**26,039**	**5.04**
Financial Liabilities							
Trade Creditors and Accruals	-	-	-	-	11,623	11,623	0.00
Advances	-	-	-	-	53	53	0.00
Total Financial Liabilities	**-**	**-**	**-**	**-**	**11,676**	**11,676**	**0.00**
Net Financial Asset/Liabilities	**23,873**	**-**	**-**	**-**	**(9,510)**	**14,363**	**9.14**

* 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.

Note 16: Financial Instruments (continued)

(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.

The following table details the fair value (2005: net fair value) of financial assets and financial liabilities.

	Total 2006		Total 2005	
	Book Value $'000	Fair Value* $'000	Book Value $'000	Net Fair Value* $'000
Financial Assets				
Cash at Bank	1,170	1,170	388	388
Trade Debtors	2,821	2,821	1,778	1,778
Deposits	26,134	26,134	23,873	23,873
Total Financial Assets	**30,125**	**30,125**	**26,039**	**26,039**
Financial Liabilities				
Trade Creditors and Accruals	12,192	12,192	11,623	11,623
Advances	914	914	53	53
Total Financial Liabilities	**13,106**	**13,106**	**11,676**	**11,676**

* 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 17: Commitments

	Total 2006 $'000	Total 2005 $'000
Lease Commitments		
Commitments in relation to leases contracted for at the reporting date:		
Operating leases	654	303
Total Lease Commitments	**654**	**303**
Operating Leases		
Rental		
Non-Cancellable		
Not later than one year	236	247
Later than one year but not later than 5 years	418	56
TOTAL	**654**	**303**

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 2006 was $308,000.

Note 18: Superannuation

Superannuation contributions for the reporting period are included as part of employee benefits and on-costs in the Operating Statement of DHSV.

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

Contribution for the Year

	Total 2006 $'000	Total 2005 $'000
Fund		
Health Super Fund	2,457	2,386
State Superannuation Fund	475	492
Other Funds	81	23
Total	**3,013**	**2,901**

Contribution Outstanding at Year End

Fund		
Health Super Fund	240	80
State Superannuation Fund	108	8
Other Funds	3	-
Total	**351**	**88**

The bases for contributions are determined by the various schemes.

The unfunded superannuation liability in respect to members of State Superannuation Schemes and Health Super Scheme is not recognised in the Balance Sheet. DHSV's total unfunded superannuation liability in relation to these funds has been assumed by and is reflected in the financial statements of the Department of Treasury and Finance.

The above amounts were measured as at 30 June of each year, or in the case of employer contributions they related to the years ended 30 June.

All employees of DHSV are entitled to benefits on retirement, disability or death from the Government Employees Super Fund.

The defined benefit fund provides defined lump sum benefits based on years of service and annual average salary.

Note 19: Responsible Persons and Executive Officer Disclosures

	Period	Time
(a) Responsible Persons		
Responsible Minister		
The Hon. Bronwyn Pike	01-July-2005	30-June-2006
Governing Board		
Ms. Jay Bonnington (Chair)	01-July-2005	30-June-2006
Ms. Natalie Savin	01-July-2005	30-June-2006
Prof. Louise Kloot	01-July-2005	30-June-2006
Mr. Ignatius Oostermeyer	01-July-2005	30-June-2006
Dr. Brian Stagoll	01-July-2005	30-June-2006
Prof. Hal Swerissen	01-July-2005	30-June-2006
Dr. Lloyd O'Brien	01-July-2005	30-June-2006
Ms. Kellie Ann Jolly	01-July-2005	30-June-2006
Dr. Errol Katz	01-July-2005	30-June-2006
Accountable Officers		
Ms. Robyn Batten	01-July-2005	30-June-2006

Note 19: Responsible Persons and Executive Officer Disclosures (continued)

(b) Remuneration of Responsible Persons

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

	2006 No.	2005 No.
Income Band		
$0 - $9,999	-	8
$10,000 - $19,999	8	1
$20,000 - $29,999	1	-
$200,000 - $209,999	-	1
$210,000 - $219,999	1	-
Total Numbers	**10**	**10**
	$'000	**$'000**
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**350**	**299**

(c) Retirement Benefits of Responsible Persons

Retirement benefits were not provided for Responsible Persons.

(d) Other Transactions of Responsible Persons and their Related Parties

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

(e) Other Receivables from and Payables to Responsible Persons and their Related Parties

There were no receivables from or payables to Responsible Persons and their Related Parties.

(f) Amount Attributable to Other Transactions with Responsible Persons and their Related Parties

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

(g) 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 thrid and fourth columns. Base remuneration is exclusive of bonus payments, long-service leave payments, redundancy payments and retirement benefits.

Total remuneration included bonus payments.

	Total Remuneration		Base Remuneration	
	2006 No.	2005 No.	2006 No.	2005 No.
$100,000 - $109,999	-	1	1	-
$110,000 - $119,999	1	1	2	1
$120,000 - $129,999	1	-	2	-
$130,000 - $139,999	1	-	-	1
$140,000 - $149,999	2	1	1	-
$150,000 - $159,999	1	-	-	1
$160,000 - $169,999	-	1	-	-
$170,000 - $179,999	-	-	-	1
	6	4	6	4

Note 20: Remuneration of Auditors

	Total 2006 $'000	Total 2005 $'000
Audit fees paid or payable to the Victorian Auditor General's Office for audit of DHSV's financial report		
Paid as at 30 June	4	4
Payable as at 30 June	16	15
Total Paid and Payable	**20**	**19**

Note 21: Impacts of the adoption of Australian equivalents to International Financial Reporting Standards

Following the adoption of Australian equivalents to International Financial Reporting Standards (A-IFRS), DHSV has reported for the first time in compliance with A-IFRS for the financial year ended 30 June 2006.

Under A-IFRS, there are requirements that apply specifically to not-for-profit entities that are not consistent with IFRS requirements. DHSV was established to achieve the objectives of government in providing services free of charge or at prices significantly below their cost of production for the collective consumption by the community, which is incompatible with generating profit as a principal objective. Consequently, where appropriate, DHSV applies those paragraphs in Accounting Standards applicable to not-for-profit entities.

DHSV changed its accounting policies, other than its accounting policies for financial instruments, on 1 July 2004 to comply with A-IFRS. DHSV changed its accounting policies for financial instruments on 1 July 2005 (refer note 1 (w)). The transition to A-IFRS is accounted for in accordance with Accounting Standard AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*, with 1 July 2004 as the date of transition. An explanation of how the transition from superseded policies to A-IFRS has affected DHSV's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

Effect of A-IFRS on the Balance Sheet as at 1 July 2004

	Note	Previous AGAAP* $'000	Total Effect of transition to A-IFRS $'000	A-IFRS $'000
ASSETS				
Current Assets				
Cash and Cash Equivalents		17,891	-	17,891
Receivables		1,566	-	1,566
Inventories		712	-	712
Prepayments		56	-	56
Other Assets		493	-	493
Total Current Assets		**20,718**	**-**	**20,718**
Non Current Assets				
Receivables		1,117	-	1,117
Property, Plant & Equipment	**3**	69,351	(294)	69,057
Intangible Assets	**3**	-	294	294
Total Non Current Assets		**70,468**	**-**	**70,468**
TOTAL ASSETS		**91,186**	**-**	**91,186**
LIABILITIES				
Current Liabilities				
Payables		7,731	-	7,731
Provisions	**2**	3,515	(3)	3,512
Other Liabilities		461	-	461
Total Current Liabilities		**11,707**	**(3)**	**11,704**
Non-Current Liabilities				
Provisions		4,353	-	4,353
Total Non-Current Liabilities		**4,353**	**-**	**4,353**
TOTAL LIABILITIES		**16,060**	**(3)**	**16,057**
NET ASSETS		**75,126**	**3**	**75,129**
EQUITY				
Asset Revaluation Reserve		4,913	-	4,913
Restricted Specific Purpose Reserve		1	-	1
Contributed Capital		60,601	-	60,601
Accumulated Surpluses/(Deficits)	**2**	9,611	3	9,614
TOTAL EQUITY		**75,126**	**3**	**75,129**

* Reported financial position for the year ended 30 June 2004

Effect of A-IFRS on the Operating Statement for the financial year ended 30 June 2005

	Note	Previous AGAAP* $'000	Total Effect of transition to A-IFRS $'000	A-IFRS $'000
Revenue from Operating Activities		103,861	-	103,861
Revenue from Non-operating Activities		1,397	-	1,397
Employee Benefits	2	(35,539)	1	(35,538)
Non Salary Labour Costs		(868)	-	(868)
Supplies & Consumables		(3,952)	-	(3,952)
Other Expenses From Continuing Operations		(60,023)	-	(60,023)
Net Result From Continuing Operations Before Capital & Specific Items		**4,876**	**1**	**4,877**
Capital Purpose Income		53	-	53
Specific Revenue		1,858	-	1,858
Depreciation and Amortisation	1	(3,597)	215	(3,382)
Specific Expense		(2,648)	-	(2,648)
Expenditure Using Capital Purpose Income		(50)	-	(50)
NET RESULT FROM CONTINUING OPERATIONS		**492**	**216**	**708**

* Reported financial results for the year ended 30 June 2005

Effect of A-IFRS on the Balance Sheet as at 30 June 2005

	Note	Previous AGAAP* $'000	Consolidated Effect of transition to A-IFRS $'000	A-IFRS $'000
ASSETS				
Current Assets				
Cash and Cash Equivalents		24,261	-	24,261
Receivables		1,778	-	1,778
Inventories		680	-	680
Prepayments		119	-	119
Other Assets		947	-	947
Total Current Assets		**27,785**	**-**	**27,785**
Non Current Assets				
Receivables		1,137	-	1,137
Property, Plant & Equipment	**1**	66,211	215	66,426
Intangible Assets		179	-	179
Total Non Current Assets		**67,527**	**215**	**67,742**
TOTAL ASSETS		**95,312**	**215**	**95,527**
LIABILITIES				
Current Liabilities				
Payables		11,623		11,623
Provisions	**2**	7,237	(1)	7,236
Other Liabilities		53		53
Total Current Liabilities		**18,913**	**(1)**	**18,912**
Non-Current Liabilities				
Provisions		778	-	778
Total Non-Current Liabilities		778	-	778
TOTAL LIABILITIES		**19,691**	**(1)**	**19,690**
NET ASSETS		**75,621**	**216**	**75,837**
EQUITY				
Asset Revaluation Reserve		4,913	-	4,913
Restricted Specific Purpose Reserve		1	-	1
Contributed Capital		60,601	-	60,601
Accumulated Surpluses/(Deficits)	**2**	10,106	216	10,322
TOTAL EQUITY		**75,621**	**216**	**75,837**

* Reported financial position for the year ended 30 June 2005

Effect of A-IFRS on the statement of cash flows for the financial year ended 30 June 2005

There are no material differences between the Cash Flow Statement presented under A-IFRS and the statement of cash flows presented under the superseded policies.

Notes to the reconciliation of income and equity

1 Property, plant and equipment.

When an asset is initially recognised, AASB 116 *Property, Plant and Equipment* requires the capitalisation of costs of dismantling and removing an asset and restoring the site on which the asset was created, together with the recognition of a provision at present value in accordance with AASB 137 *Provision, Contingent Liabilities and Contingent Assets*. These costs (and the related provisions) are not recognised under Australian GAAP. DHSV did not incur these costs or provisions.

For property, plant and equipment that are measured under the revaluation model, not-for-profit entities are not required to establish the asset's true historical cost under AASB 116 or deemed costs because there is no requirement for not-for-profit entities to:

– restate the revaluation reserve on date of transition to A-IFRS; or

– disclose the carrying amount of each revalued class of property, plant and equipment that would have been recognised had the assets been carried under the cost model.

As a consequence, DHSV has elected not to apply the deemed cost exemption provided under AASB 1 and continues to present the previous AGAAP cumulative revaluation reserve relating to each class of property, plant and equipment.

Under AASB 116 and FRD 103 Non-Current Physical Assets, residual values are required to be assessed each year for depreciation purposes. DHSV did not recognise residual values for motor vehicles. The impact of this change resulted in an increase to the carrying amounts of assets of $215,000 at 30 June 2005. Accordingly, depreciation expense decreased by the same amount for the year ended 30 June 2005.

2 Employee Benefits

Under previous Australian Accounting Standards, employee benefits such as wages and salaries, long service leave, annual leave and sick leave are required to be measured at their nominal amount regardless of whether they are expected to be settled within 12 months of the reporting date. On adoption of A-IFRS, a distinction is made between short-term and long-term employee benefits and AASB 119 *Employee Benefits* requires liabilities for short-term employee benefits to be measured at nominal amounts and liabilities for long-term employee benefits to be measured at present value. AASB 119 defines short-term employee benefits as employee benefits that fall due wholly within twelve months after the end of the period in which the employees render the related service. Therefore, liabilities for employee benefits such as wages and salaries, long service leave, annual leave and sick leave are required to be measured at present value where they are not expected to be settled within 12 months of the reporting date.

The effect of the above requirement on DHSV's Statement of Balance Sheet as at 30 June 2005 was an increase in employee benefits liability of $1,000. For the year ended 30 June 2005, employee benefits expense increased by $1,000 as the present value discount on the liabilities for long-term employee benefits unwinded.

3 Intangible Assets

Under previous AGAAP, costs incurred on research and development projects were deferred to future periods to the extent that they were expected beyond reasonable doubt to be recoverable. Under AASB 138 Intangible Assets, costs incurred in the research phase are not permitted to be recognised as an asset and are expensed when incurred. Only expenditures incurred in the development phase are permitted to be recognised as an asset to the extent that they satisfy the criteria of AASB 138. DHSV has no intangible assets except for software. Under previous AGAAP, software is classified as an asset under Computers and Communication. Software is classified under A-IFRS as intangible assets. Intangible assets are also subject to annual impairment tests under AASB 138.

The effect of the above requirement on the Balance Sheet as at 30 June 2005 was the reclassification of $294,000 from Computers and Communication to Intangible Assets.

4 Accumulated Surplus

The effect of the above adjustments on accumulated surplus is as follows:

		Consolidated	
	Note	1-Jul-04 $'000	30-Jun-05 $'000
Reduction in depreciation expense	1	-	215
Employee benefits	2	3	1
Total adjustments to accumulated surplus		**3**	**216**

DHSV Certification letter

ACCOUNTABLE OFFICER'S, CHIEF FINANCE & ACCOUNTING OFFICER'S AND MEMBER OF RESPONSIBLE BODY'S DECLARATION

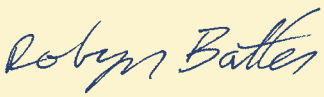
We certify that the attached financial statements for Dental Health Services Victoria have been prepared in accordance with Part 4.2 of the Standing Directions of the Minister for Finance under the Financial Management Act 1994, applicable Financial Reporting Directions, Australian Accounting Standards 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 recognised income and expense, cash flow statement and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2006 and financial position of Dental Health Services Victoria as at 30 June 2006.

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

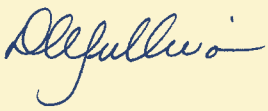
Natalie Savin
Chairperson

Melbourne
25 August 2006



Robyn Batten
Chief Executive

Melbourne
25 August 2006



Deborah Sullivan
Chief Finance & Accounting Officer

Melbourne
25 August 2006

AUDITOR GENERAL
VICTORIA

INDEPENDENT AUDIT REPORT

Dental Health Services Victoria

To the Members of the Parliament of Victoria and Members of the Board of Dental Health Services Victoria

Matters Relating to the Electronic Presentation of the Audited Financial Report

This audit report for the financial year ended 30 June 2005 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 audit 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.

Scope

The Financial Report

The accompanying financial report for the year ended 30 June 2005 of Dental Health Services Victoria consists of the statement of financial performance, statement of financial position, statement of cash flows, notes to and forming part of the financial report, and the supporting declaration.

Members' Responsibility

The Members of the Board of Dental Health Services Victoria are responsible for:

- the preparation and presentation of the financial report and the information it contains, including accounting policies and accounting estimates
- the maintenance of adequate accounting records and internal controls that are designed to record its transactions and affairs, and prevent and detect fraud and errors.

Audit Approach

As required by the *Audit Act 1994*, an independent audit has been carried out in order to express an opinion on the financial report. The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement.

The audit procedures included:

- examining information on a test basis to provide evidence supporting the amounts and disclosures in the financial report
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the members
- obtaining written confirmation regarding the material representations made in conjunction with the audit
- reviewing the overall presentation of information in the financial report.

Victorian Auditor-General's Office Level 34, 140 William Street, Melbourne Victoria 3000
Telephone (03) 8601 7000 Facsimile (03) 8601 7010 Email comments@audit.vic.gov.au Website www.audit.vic.gov.au

THE COMMUNITY'S CONTRIBUTION

DHSV is responsible for the provision of urgent and specialist dental treatment to underprivileged 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 2005-06 DHSV received more than $135,000 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 Collier Charitable Fund
The Helen MacPherson Smith Trust
The Eldon and Anne Foote Trust
The William Angliss Charitable Trust
The Australian Dental Association (Vic Branch)
Image Pro Graphics
Colgate
3M Espe
The Lord Mayor's Charitable Trust
(Donations more than $1000)

Public Dental Services in Victoria

Giving Victorians a reason to smile

منح أهالي ڤيكتوريا سبباً لإضفاء البسمة على وجوههم.

讓維多利亞州人有一個歡笑的理由

Δίνουμε στους κατοίκους της Βικτώριας λόγους για να χαμογελούν

Dando ai cittadini del Victoria una ragione per sorridere

Nagħtu lill-Poplu f'Victoria raġuni biex jitbissem

Làm cho dân chúng tiểu bang Victoria có lý do để mỉm cười

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