



# FLUORIDE CAPITAL WORKS SUBSIDY GUIDELINES

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<b>Date</b>	<b>Version</b>	<b>Amendments</b>	<b>Author</b>
7 June 2004	1.0	Draft version of document put together as a result of Fluoridation of Public Water Supplies Advisory Committee.	Oral Health Branch
23 June 2004	1.1	Comments and edits from Oral Health Branch staff incorporated.	Oral Health Branch
5 July 2004	1.2	Comments from NSW Health Accounts Branch and Capital Works Unit included.	Oral Health Branch
22 July 2004	1.3	Comments from Dept of Energy, Utilities and Sustainability and Dept of Commerce included.	Oral Health Branch
5 August 2004	2.0	Final draft of document circulated.	Oral Health Branch
12 August 2004	2.1	Cover page included	Oral Health Branch
3 November 2004	2.2	Version table included.	Oral Health Branch
6 November 2004	3.0	Delete Item 4.3 (Exclusions) based on advice from FPWSAC. Minor edits to formatting.	Oral Health Branch
3 July 2006	4.0	Updated contact details	COHS
19 December 2006	5.0	Updated advice from David Gates, Director Asset and Contract Service	COHS
21 June 2007	6.0	Updated and endorsed by the Fluoridation of Public Water Supplies Advisory Committee.	COHS
29 June 2007	6.0	Supported and endorsed by the Acting Director General, Robert McGregor AM	NSW Health Department
26 September 2013	7.0	Revised in conjunction with NSW Water	COHS
26 June 2015	8.0	Revised to include details of plant upgrades, new contact details for water unit	NSW Health Water Unit

## 1. INTRODUCTION AND BACKGROUND

- 1.1. The NSW Government supports drinking water fluoridation as an effective, efficient, socially equitable and safe population approach to the prevention of tooth decay.
- 1.2. NSW Health will continue to promote the introduction of water fluoridation in non-fluoridated areas through the development of a comprehensive public health and oral health promotion strategy. The strategy will be developed in consultation with communities and stakeholders to assist in understanding and sharing responsibilities for improved oral health for all residents of New South Wales.
- 1.3. Since 2004, NSW Health has offered water utilities a 100% subsidy for approved works under the Fluoridation Capital Works Program. This guideline formulates a framework under which these grants can be considered, supported and monitored.
- 1.4. This guideline defines responsible financial management and monitoring processes. It will also assist in preparing forward estimates and ensure that payments are timely and consistent with current policies.
- 1.5. As a result of the increased awareness of the available subsidy, it has become necessary to define specific inclusions and exclusions for subsidy applications.
- 1.6. This guideline only deals with the subsidy approval process. It does not cover the initial issue of fluoridation approvals and directions, nor does it cover the process of calling for tenders. These are local procedural issues and should be dealt with at a water utility level in accordance with the *NSW Code of Practice for Fluoridation of Public Water Supplies*.
- 1.7. The Chief Financial Officer is the appropriately delegated officer to approve subsidy payments under the Fluoride Capital Works Program. Payment of the subsidy will be endorsed by the Director, Environmental Health Branch. Endorsement will be subject to an approval to commence operation of a fluoridation plant by the Chief Health Officer in accordance with the Code of Practice.
- 1.8. The subsidy approval will be in line with current NSW Health financial delegations.
- 1.9. NSW Health capital and infrastructure investment process requires:
  - 1.9.1 The preparation of a Business Case covering both capital and recurrent cost.
  - 1.9.2 Adherence to relevant statutory and regulatory guidelines and regulations.
- 1.10. All correspondence concerning the subsidy should be sent to:

Director  
Environmental Health Branch - NSW Health  
Locked Bag 961  
North Sydney NSW 2059

## 2. ELIGIBILITY

- 2.1. The subsidy is available to NSW water utilities for capital and associated costs of constructing drinking water fluoridation systems.
- 2.2. Each subsidy application will be considered on its merits.
- 2.3. Subsidies may be granted for new fluoridation systems, and for complete replacement of existing fluoridation systems that do not comply with the Code of Practice, or are otherwise in need of replacement.
- 2.4. The subsidy for a system is limited to the actual incurred cost of the least capital cost option meeting the requirements of the Code of Practice.
- 2.5. NSW Health may approve more expensive options, but the subsidy will be limited to the least capital cost option. The water utility shall be responsible for the additional capital and all non-construction costs.
- 2.6. The least capital cost option is determined during approval of the system design, in conjunction with the NSW Office of Water.
- 2.7. NSW Health may provide a subsidy greater than the least capital cost option if a water utility can justify the cost based on site specific circumstances, and all reasonable steps to have been taken to minimise costs.
- 2.8. NSW Health will consider progress payments throughout the design and construction process to assist with the cash flow of water utilities.
- 2.9. NSW Health may make payments directly to contractors engaged by NSW Health to assist with implementation of water fluoridation.

## 3. INCLUSIONS

The subsidy covers all costs associated with constructing a fluoridation system, including:

- 3.1. Preconstruction costs for investigation, design, specification and completion of tender process including award of contract. This will be limited to 15% of the capital cost of the least cost option
- 3.2. Project management costs up to completion of successful commissioning of the completed plant. This will be limited to 10% of the capital cost of the least cost option.
- 3.3. All contract and tendering costs for the procurement of the fluoridation system.
- 3.4. Cost of purchasing laboratory fluoride testing equipment.

## 4. EXCLUSIONS

In general, the subsidy does not cover recurrent costs associated with operating and maintain the fluoridation system, including:

- 4.1. Repairs, maintenance and replacement of equipment.
- 4.2. Fluoridation chemicals and laboratory consumables.
- 4.3. Staffing costs for plant operation, monitoring and testing.
- 4.4. Operations Manuals separate from that provided under the plant contract.
- 4.5. Operator training.
- 4.5 Roads, reservoirs and other civil works not integral with the fluoridation plant.

## 5. APPLYING FOR A GRANT

- 5.1. Applications for subsidy should be made as part of the process of approval for the design and construction of a new or upgraded fluoridation system. For further information on this process, refer to the Code of Practice.
- 5.2. A water utility should indicate if it is seeking a subsidy by completing the relevant section of the Form 1. NSW Health will respond to confirm in principle support for a subsidy, or to outline the reasons why a subsidy is not supported.
- 5.3. NSW Health will inform the Fluoridation of Public Water Supplies Advisory Committee of subsidy applications and approvals.
- 5.4. NSW Office of Water will review the designs and specification for a new fluoridation system to determine the least capital cost option. NSW Office of Water will give approval to for procurement and approve the selected tender. NSW Office of Water will inform NSW Health of the total estimated project cost once a tender is awarded.
- 5.5. A water utility must inform NSW Health of any expected significant changes to the estimated project cost during the design and construction of the system.
- 5.6. Following commencement of the fluoridation system, a water utility should submit a Claim for Subsidy Payment (Section 6 of this document) to NSW Health. NSW Health will seek advice from NSW Office of Water on whether the claim is appropriate.
- 5.7. Once approved, NSW Health will request an invoice from the water utility. All invoices related to subsidy claims must be made out to:

NSW Health  
Locked Mail Bag 961,  
North Sydney 2059 NSW  
ABN: 95 885 087 830

**6. APPLICATION FOR SUBSIDY PAYMENT NSW HEALTH FLUORIDE CAPITAL WORKS PROGRAM**



To: Director Environmental Health Branch  
 NSW Health  
 Locked Bag 961  
 North Sydney NSW 2059

On behalf of the \_\_\_\_\_ (Council/Water Utility) I wish to apply for a subsidy payment under the NSW Health Fluoride Capital Works Program.

The following information and attachments are submitted to support the subsidy application.

I certify that work as detailed in the attached supporting documents has been carried out in the construction of the \_\_\_\_\_ Fluoridation System.

Final inspection of the plant has/will be completed by an Officer from the NSW Office of Water.

\_\_\_\_\_  
 (signed)

\_\_\_\_\_  
 (signed)

Proposed Works (Circle which is applicable)

Upgrade

New

**CERTIFICATION**

1. Name of Council/Water Utility	
2. Address of Council/Water Utility	
3. Name of Water Treatment Facility	

4. Location of Water Treatment Facility	
5. Local Officer Contact Details:  Name  Phone  Fax  E-mail	
6. Proposed Commencement Date of Project.	
7. Estimated Completion Date	
8. Significant Milestones:	
a. Milestone 1  Date	
b. Milestone 2  Date	
c. Milestone 3  Date	
9. Total Estimated Project Cost (Attach relevant documentation)	
10. Total Estimate of Capital Works Component (Attach relevant documentation)	
11. Total Amount of Capital Works Subsidy to be Claimed. (Attach relevant documentation)	

12. Progress Payment No (If applicable)	
13. Amount of Previous Claims	
14. Amount of this Claim Appropriate Documentation Attached	
<b>Please note that the total amount payable or the final progress payment of the subsidy agreement will not be made until a final inspection has been made by Officers from the NSW Office of Water or their nominated representative.</b>	