The Hon Ryan Park MP
Minister for Health
Minister for Regional Health
Minister for the Illawarra and the South Coast

NSW GOVERNMENT

Ref: M25/5262

The Hon Mark Butler MP
Minister for Health and Ageing
Minister for Disability and the National Disability Insurance Scheme
minister.butler@health.gov.au

Federation Funding Agreement – Schedule on Public Dental Services for Adults

Dear Minister

Thank you for your offer to extend the Federation Funding Agreement on Adult Public Dental Services through to 30 June 2026.

The NSW Government shares the Australian Government's commitment to improving the oral health of Australians.

I am pleased to accept this offer on behalf of the NSW Government.

I welcome the additional investment towards addressing the substantial unmet oral health need in the community. However, I note the unchanged level of funding represents a reduced investment in dental services by the Australian Government in real terms. NSW Health estimates the lack of escalation of funding since the commencement of this agreement represents a reduction of investment in dental services of approximately $11.9 million in 2025-26.

NSW notes the progress being made against the long-term dental funding reform project and looks forward to finalising sustainable, long-term funding for the future.

The development of a long-term dental health funding solution is complex. If new funding arrangements are unable to be finalised before the expiry of this current agreement, I trust that your Department will work with the NSW Ministry of Health to ensure the continued timely provision of public dental services in NSW.

Thank you again for writing. For more information, please contact Mr Graeme Liston, Executive Director, Centre for Oral Health Strategy, NSW Ministry of Health, at graeme.liston@health.nsw.gov.au or on 9461 7820.

Yours sincerely

Ryan Park MP
Minister for Health
Minister for Regional Health
Minister for the Illawarra and the South Coast

Public Dental Services for Adults 2025-26

FEDERATION FUNDING AGREEMENT – HEALTH

<table>
<tr><th colspan="2">Table 1: Formalities and operation of schedule</th></tr>
<tr><td>Parties</td><td>Commonwealth and New South Wales.</td></tr>
<tr><td>Duration</td><td>This Schedule is expected to expire on 30 June 2026 or on completion of the initiative, including acceptance of final performance period reporting.</td></tr>
<tr><td>Purpose</td><td>This Schedule will improve access to oral health services by supporting New South Wales to deliver dental services to patients eligible for public dental services as per New South Wales' specified eligibility criteria.</td></tr>
<tr><td>Estimated financial contributions</td><td>The Commonwealth will provide an estimated total financial contribution to New South Wales up to [$34.37m] in respect of this Schedule.
<table>
<tr><th>Table 1
($ million)</th><th>2025-26</th><th>Total</th></tr>
<tr><td>Estimated total budget</td><td>34.37</td><td>34.37</td></tr>
<tr><td>Less estimated National Partnership Payments</td><td>34.37</td><td>34.37</td></tr>
<tr><td>Balance of non-Commonwealth contributions</td><td>-</td><td>-</td></tr>
</table></td></tr>
<tr><td>Additional terms</td><td>Dental Weighted Activity Units

Throughput under this Schedule will be measured in terms of Dental Weighted Activity Units (DWAUs), calculated using the Australian Dental Association three-digit item codes and a weighting for those items as set out in Schedule B1.

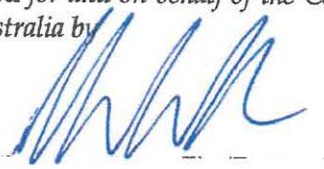
New South Wales is required to report to the Commonwealth in the format provided in Schedule B2. Data reported should reflect activity delivered in the specified performance period only and not cumulatively.</td></tr>
</table>

	New South Wales is permitted to use their own reporting mechanisms or existing performance measures within their jurisdiction. *Performance Benchmarks or Milestones* Performance activity is measured from 1 April 2025 to 31 March 2026. The Parties agree to meet the following performance benchmarks, which will be assessed relative to the 2023 funding activity targets: (a) New South Wales will maintain their State/Territory funded DWAU activity (baseline) level, as identified in Table 2 in this Schedule; (b) over the life of the Schedule, New South Wales will provide the Commonwealth Funded DWAU activity (above baseline) level as set out in Table 2 below. Payments will be paid proportional to the achievement against the performance benchmarks outlined in Table 2, on a pro rata basis, i.e. 100 per cent of funding for achieving 100 per cent of the Commonwealth Funded Activity DWAU Target. If a performance benchmark is not fully met, the unmet performance benchmark and the remaining available funding tied to the unmet benchmark may be added to a subsequent period, subject to Commonwealth Budget Rules. *DWAU Activity Rollover* DWAUs achieved above 100% of the required activity under the 2023-25 Federation Funding Agreement for Public Dental Services for Adults are eligible under this Schedule. *Relationship to National Health Reform Agreement* The National Health Reform Agreement (NHRA) provides that the Commonwealth will not fund a service where the same service, or any part of the same service, is otherwise funded by the Commonwealth. New South Wales will ensure that any claim for funding under the NHRA is not funding services, or any part of a service, provided for under this agreement and will maintain appropriate records.

Table 2: Performance requirements, reporting and payment summary			
Output	**Performance milestones**	**Report due**	**Payment**
Performance Period 1 (PP1) to be measured – 1 April 2025 to 30 September 2025	PP1 State/Territory Funded Activity Target = 80,822.14 PP1 Commonwealth Funded Activity Target = 29,252.00 Total Activity Target = 110,074.14 2023-25 Rolled over DWAU = 420,646.82 **Payment** • Eligible payment is based on percentage of Commonwealth Funded Activity Target achieved capped at 100%. • If the Total Activity Target is achieved, then maximum PP1 funding for this period can be received. • If the Total Activity Target is not achieved, then roll over DWAU can be accessed if required. **Formula for payment:** $\text{Maximum PP1 Funding Cap} \times \frac{\textit{Commonwealth Funded Activity achieved in PP1 (+ Rolled over DWAU, if required)}}{\textit{Commonwealth Funded Activity Target}}$	10/11/2025	Up to $17,182,900
Performance Period 2 (PP2) to be measured – 1 October 2025 to 31 March 2026	PP2 State/Territory Funded Activity Target = 80,822.14 PP2 Commonwealth Funded Activity Target = 29,252.00 Total Activity Target = 110,074.14 **Payment** • Eligible payment is based on percentage of Commonwealth Funded Activity Target achieved capped at 100%. • If the Total Activity Target is achieved, then maximum PP2 funding for this period can be received. • If the Total Activity Target is not achieved, then roll over DWAU can be accessed if required. **Formula for payment:** $\text{Maximum PP2 Funding Cap} \times \frac{\textit{Commonwealth Funded Activity achieved in PP2 (+ Rolled over DWAU, if required)}}{\textit{Commonwealth Funded Activity Target}}$	10/05/2026	Up to $17,182,900

The Parties have confirmed their commitment to this schedule as follows:

Signed *for and on behalf of the Commonwealth of Australia by*



The Honourable Mark Butler MP
Minister for Health and Ageing and the Minister for Disability and the National Disability Insurance Scheme

[Day] [Month] [Year]
14 July 2025

Signed *for and on behalf of the State of New South Wales by*

The Honourable Ryan Park MP
Minister for Health, Minister for Regional Health, Minister for the Illawarra and South Coast

[Day] [Month] [Year]

28 8 2025