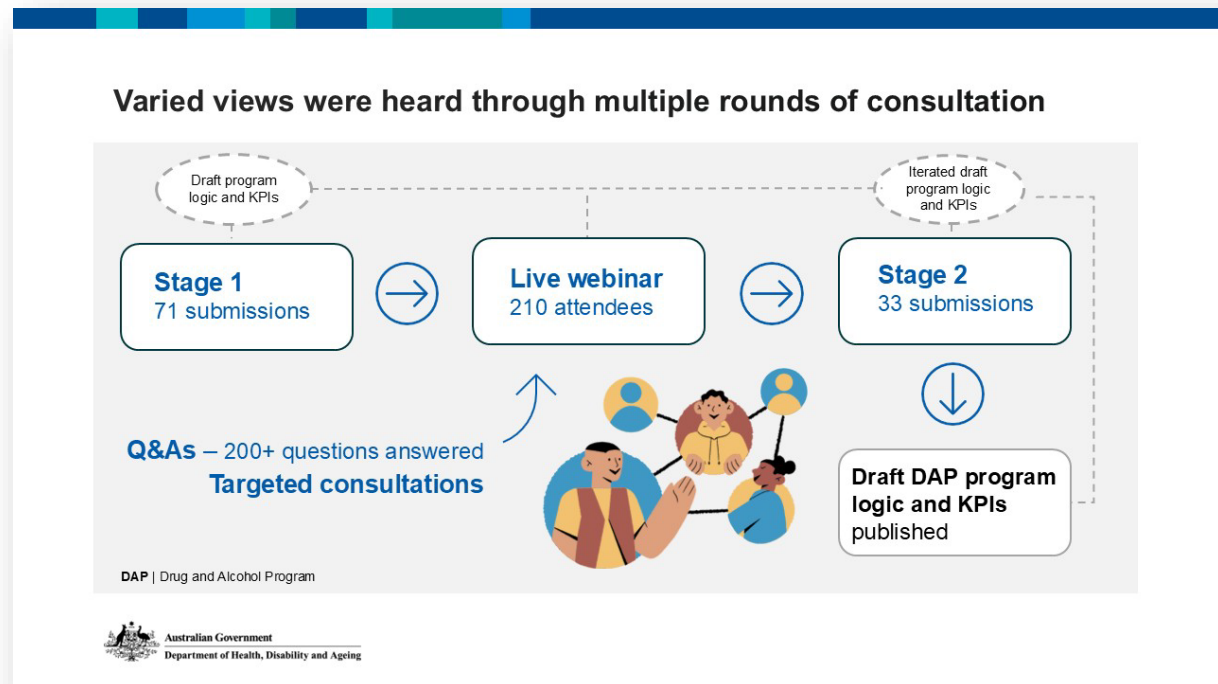


Webinar

Drug and Alcohol Program (DAP) Consultations – Stage 3

03 July 2026



Varied views were heard through multiple rounds of consultation

Stage 3 is the final part of the multi-stage public consultation on the Drug and Alcohol (DAP) Program reforms.

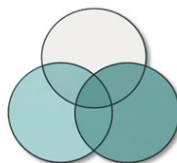
- This consultation process has comprised:
 - 2 rounds of surveys seeking feedback on the proposed draft program logic, key performance indicators (KPIs), and data inputs for the needs-based funding model.
 - 71 detailed responses in Stage 1's survey
 - 33 responses in Stage 2's survey.
 - A live webinar with a moderated Q&A session, which was attended by more than 200 participants representing a variety of perspectives in the alcohol and other drugs (AOD) sector.
 - A live Q&A document, and departmental responses to more than 200 questions in different forums (online and webinar).
 - Targeted consultation with identified stakeholders.

- As this consultation represents only the first stage of reforms to the DAP, the scope was limited to the program logic, KPIs, and proposed data inputs for the needs-based funding model.
- The wealth of information and insights provided by all stakeholders throughout this process has been invaluable. While not all insights were in scope for this consultation, they have been noted and will form part of future policy work in the alcohol and other drugs space.
- The department has listened to your views and used your knowledge to inform the versions of the program logic and KPIs which we are sharing today.
- These materials reflect where the department has landed following careful consideration of feedback received across all stages of consultation.
- While the program logic and KPIs shared today are close to final, they will continue to be considered and may be refined further as the department works through the design of the Grant Opportunity Guidelines (GOGs), Ministerial approval and subsequent implementation processes.

Positive feedback was received from Stage 1 to Stage 2



Interdependent social determinants



Intersectionality of disadvantage and AOD use



KPIs needing greater clarity

Positive feedback was received from Stage 1 to Stage 2

- During Stage 2, we heard sector support for the inclusion of interdependent social determinants in the program logic.
- We also received feedback that the addition of the Assumptions statement, which recognises the intersectionality of disadvantage and harmful AOD use, was very positive.
- We also heard that while the updates to the KPIs were well received, we need to provide greater clarity on which KPIs are to be collected by services, versus those collected by the department.

Consultation feedback indicated concerns about a few issues



Consultation feedback indicated concerns about a few issues

- In Stage 2, we heard that we hadn't quite hit the mark on 3 main issues:
 - Attribution – some stakeholders raised concerns that the program logic overstated the role of DAP funded activities in achieving broader population level changes.
 - Harm reduction – some stakeholders would like harm reduction to be more explicit in the program logic.
 - Program scope and service level alignment – stakeholders have emphasised the importance of ensuring that the program logic and KPIs are more closely aligned with service-level expectations, with a clear articulation of what each funded service is responsible for delivering.

Attribution

- We recognise attribution is inherently challenging in the alcohol and other drugs context, where outcomes are influenced by a range of interdependent and intersecting factors spanning health, social, economic, legal and cultural domains.
- It is rarely possible to draw simple, linear links between individual interventions and population-level outcomes, particularly over the short to medium term.
- Notwithstanding these complexities, establishing clearer links between funded activities and intended outcomes is necessary to improve transparency, accountability and learning over time.
- The proposed program logic and KPIs represent a first step toward strengthening how we understand and articulate the contribution of DAP-funded activities within a broader system.

- In response to the feedback received about attribution, the department has come to the following position: when interpreting data collected through the KPIs, the department will explicitly acknowledge the limitations of attribution, including the influence of external factors beyond the scope of the DAP.
- Analysis and reporting will be framed to support responsible interpretation of results, focusing on contribution rather than sole causation, and avoiding overstatement of population-level impacts.
- Over time, improved and more consistent data collection will help build a stronger evidence base to inform future refinements to the program logic, KPIs and broader policy settings.

Harm reduction

- The principles of harm reduction continue to underpin the DAP program logic.
- Stakeholders continued to advocate for harm reduction to be recognised as a standalone pillar within the program logic.
- In response to the Stage 2 feedback about the role of harm reduction, the department did consider whether a standalone harm reduction pillar was appropriate.
- The department maintains its position that while it may fund activities that support or complement harm reduction initiatives, the DAP will not provide funding for harm reduction interventions such as needle and syringe programs, supervised injecting rooms, drug checking services, pill testing etc.
 - We note that there was a question during the live webinar about whether needle and syringe programs currently funded by Primary Health Networks (PHNs) will lose their funding as part of these reforms, and the department answered that they will not.
 - To clarify, this funding supports harm reduction education and health promotion activities that complement and support state-funded needle and syringe programs in these PHN regions. It does not fund needle and syringe service delivery itself. PHNs will continue to be able to fund these education and workforce activities should they determine these services are necessary in their communities.
- Most harm reduction activities and initiatives such as supervised injecting centres, needle and syringe programs, drug checking services, blood borne virus testing and treatment are managed by states and territories based on additional legislative and regulatory responsibilities.
- That said, we acknowledge stakeholder feedback that these initiatives are highly valued by the sector. Following consultations, the updated program logic now includes harm reduction support within early intervention, and within treatment, recovery and management as a cross-cutting approach to support activities that complement broader harm reduction initiatives (such as education, health promotion, workforce capability and service linkages) across these pillars.

Program scope and service level alignment

- The program logic is intentionally designed at a high level to capture the full breadth of activities that the DAP may fund. This broad approach ensures the program logic remains flexible and adaptable to a wide range of initiatives under the DAP umbrella. The specific details of what the DAP will fund, including more detailed information on the responsibilities of funded services, will be set out in the GOGs which are expected to be released over the coming months.
- Peer led and family and caregiver support organisations have noted that while the department has acknowledged the program logic will be flexible to accommodate their models of care, there are no specific KPIs that these organisations can see themselves reporting against.
- In response to this feedback, the department is looking to embed further flexibility in the GOGs to support these models. We acknowledge the value of these organisations within the AOD and related sectors such as mental health.
- Importantly, the department confirms that any negotiations regarding KPIs and service-level expectations will be undertaken as part of the standard grants process. This will ensure that all parties have an opportunity to discuss and agree on appropriate measures and deliverables.

The KPIs will be reviewed collectively to ensure a consistent and practical approach in designing the DAP grants



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We heard a range of feedback on the KPIs:

Firstly, on outcome measures and 'like for like' comparisons

- There was a push to shift from activity and reach measures to stronger indicators of impact, quality, engagement and retention outcomes. We also heard that reporting burden and digital/data readiness is mixed across provider types, with some struggling to report against the proposed outputs.
- This is why we are treating the proposed KPIs as a first step in a longer journey: building the foundations for better longitudinal data over time, and then progressively strengthening what we collect on outcomes and other qualitative measures. There are various models of service activities across the AOD sector, such as residential rehabilitation and brief interventions which cannot be directly compared.
- The aim is to collect overall outputs for the DAP as a whole to demonstrate the impact of the program. Many factors affect service delivery and capacity, including organisational funding, client complexity and workforce availability; these will all be considered in the context of individual grants.

Secondly, we heard feedback on KPI-specific issues

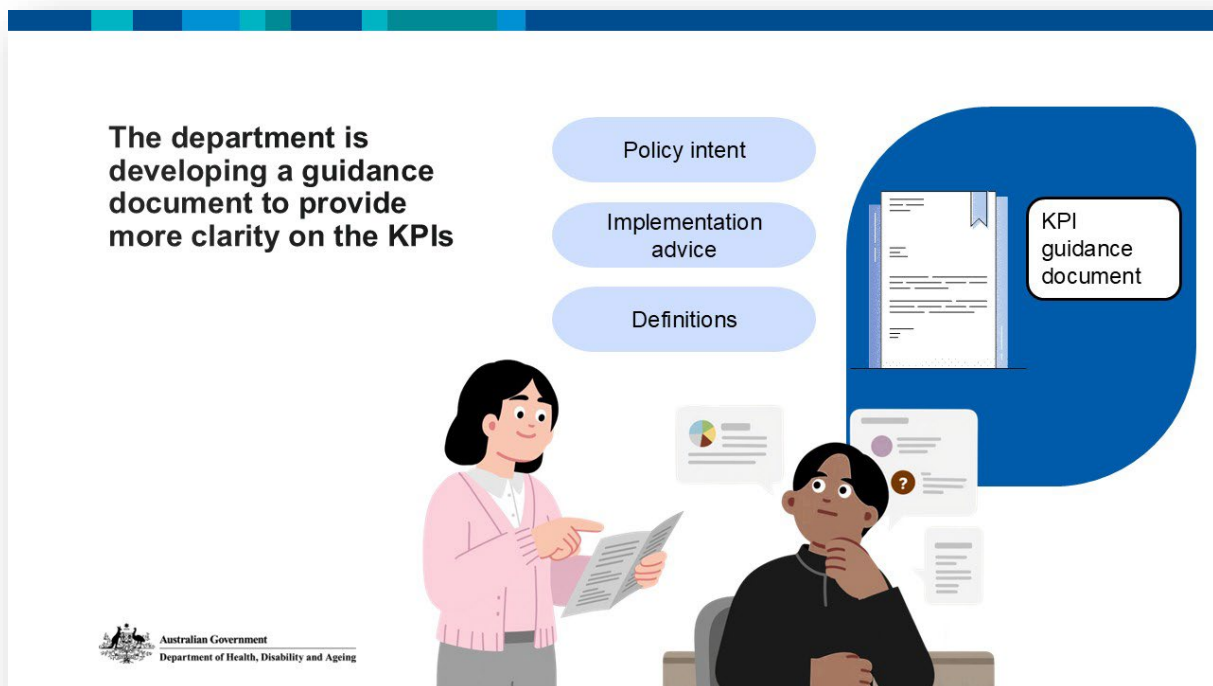
- Stakeholders emphasised that measures should reflect culturally safe practices as defined by clients and communities (not just training counts), avoid duplicating existing reporting, and embed lived and living experience in a meaningful, non-tokenistic way. Feedback also highlighted that outcomes are often non-linear, with re-engagement,

stabilisation, incremental progress and reduced harm representing valid and important change that may not fit a simple linear “pipeline” model.

- In response to this feedback, we have further streamlined and clarified the program logic and KPIs, including refining wording and changing some expectations from KPIs to eligibility requirements. This aims to better reflect culturally safe practice, recognise non-linear progress (including re-engagement), and reduce reporting burden by aligning with existing requirements where possible.
- We are also considering clearer guidance on meaningful lived experience (peer) involvement and pragmatic approaches to priority population reporting in low-threshold settings.
- We have updated the layout of the program logic and KPI deck to better distinguish provider deliverables from broader system indicators.

Thirdly, we received feedback on reporting clarity and inferences from consultation on core, flexible and deferred KPIs

- In Stage 2, stakeholders were invited to indicate whether KPIs should be classified as core, flexible or deferred. This process aimed to better understand existing service level activities, determine the necessary level of KPI flexibility, and assess sector readiness.
- We have reviewed these classifications collectively to identify those most appropriate KPIs for the downstream grants, taking sector readiness and practical application into account.
- We have also heard that definitions, scope and guidance need to be clear and consistent (including what counts, data sources, collection frequency, tools, and how results should be interpreted). This feedback will be addressed in the guidance document which will be published alongside the GOGs.



The department is developing a guidance document to provide more clarity on the KPIs

- The department is keen to ensure that service providers understand how the KPIs will be implemented.
- The department is developing a guidance document which will sit alongside the GOGs. This document is intended to ensure stronger alignment between funded activities, program objectives and expected outcomes, and to provide a consistent basis for accountability, monitoring and evaluation under the new grant arrangements. It will include the following information about each of the KPIs:
 - The description of the KPI
 - How the KPI will be calculated
 - Definitions and notes relevant to the KPI
 - How data will be collected
 - The reference period and reporting frequency.



The department will look to embed flexibility in the Grant Opportunity Guidelines

- As part of Stage 2, we heard some concerns regarding the increased requirements for data over-emphasising traditional, Western, medical models of care, and/or short interventions. We know that AOD service providers vary in approaches and care models and the intention of improved data collection is not to change that.
- As we develop the GOGs, we will keep this in mind to ensure that applications are assessed with the contextual knowledge of the environment in which the service operates.
- We are drafting the GOGs in a way that is reflective of the range of service types that are being delivered currently so as not to inadvertently or unnecessarily limit access for services to apply. The department acknowledges the value of service diversity in the AOD sector, particularly the smaller organisations, in supporting clients.

Which grants will be competitive v non-competitive are matters for Government decision

In forming its advice, the department has weighed a range of considerations, including:

- Creating space for new and innovative AOD service models
- Recognising the strong long-term value of prevention and early intervention
- Managing change carefully to minimise unnecessary workforce strain

Further information on future grants through GrantConnect as soon as it is available



Which grants will be competitive versus non-competitive are matters for Government decision

- We are awaiting Government decisions on future grant opportunities.
- We recognise that uncertainty about which grants will be subject to either competitive or non-competitive processes is a source of concern for some stakeholders.
- The department is committed to doing the necessary work to provide further information on future grants through GrantConnect as soon as it is available.
- In forming its advice, the department has weighed a range of considerations, including how to create space for new and innovative AOD service models while maintaining continuity and stability across the sector.
 - Emerging evidence points to stronger and long-term outcomes from prevention and early intervention initiatives, while also recognising that demand for treatment services remains high and continues to grow.
 - The department is also conscious that the sector is concerned about significant changes, and that any approach to the market needs to be undertaken carefully to support confidence and avoid creating unnecessary fear or workforce strain.

Still determining how needs-based funding model will be used

The DAP reforms will set a baseline for AOD data

- No wholesale changes before there is an evidence base to do so.

Allocations under a needs-based funding model need to be nuanced

- Higher operating costs in different geographical areas
- Complexity of service offering
- Comparative need



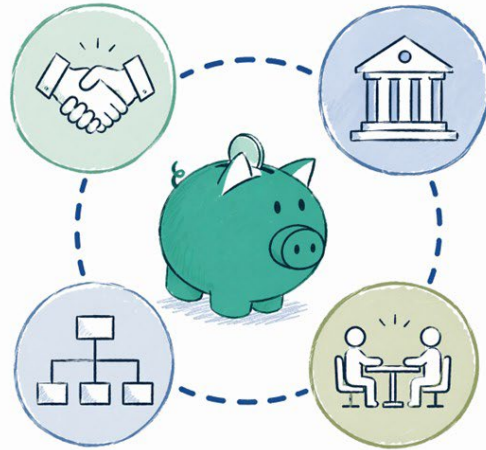
Still determining how needs-based funding model will be used

- The department is finalising the development of the needs-based funding model and is determining how it will be used in the first tranche of the DAP reforms.
- The department is mindful that the first tranche of the reforms will introduce a standardised baseline of AOD data. The needs-based funding model will not be used to introduce wholesale changes to funding before the department has an evidence base to do so.
- The department is also mindful that costs and complexity of delivering services differs depending on whether a service is operating in a metro, regional, rural, or remote area.

The total DAP funding amount has not changed

The DAP is capped at approx. \$240m per year

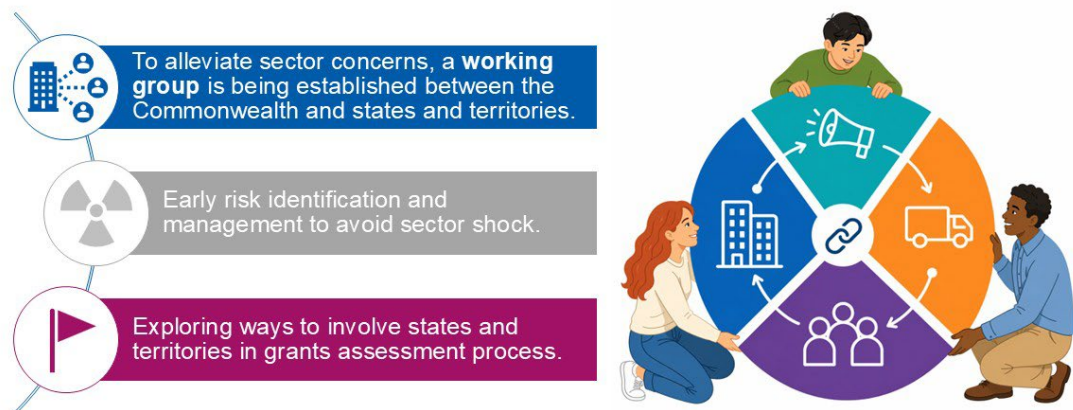
- This funding is shared across both department commissioned and PHN commissioned services.
- The DAP is one part of broader AOD investment, alongside ongoing state and territory funding.
- Reform focuses on utilising existing funding to achieve greatest impact and outcome for clients.



The total DAP funding amount has not changed

- The amount of funding available across all DAP GOGS for the first of the 3-year grant agreements is \$240 million dollars per year.
- Not all of this funding is for services directly commissioned by the department; a proportion of this funding will be for PHN commissioned services.
- We acknowledge that, with the introduction of new KPIs and data collection requirements, costs of complying with these obligations will be factored into grant applications. These additional costs may reduce the number of individual organisations which can be funded.
- That said, the DAP is only one element of AOD funding. It complements broader Australian Government investment, including AOD services delivered through the National Indigenous Australians Agency. States and territories continue to fund AOD activities in their jurisdictions.

Working with jurisdictions to manage the transition



Working with jurisdictions to manage the transition

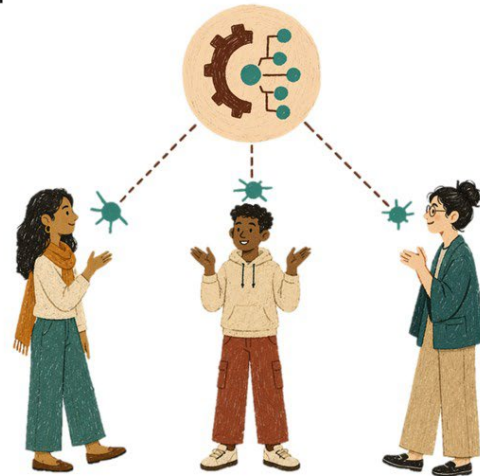
- During the consultations, we heard that there is significant anxiety about the limited funding and competitive processes, and the impact it will have for clients.
- We acknowledge and understand these anxieties, and we are keen to manage this as well as possible.
- In response, the department has reached out to each state and territory health department to set up a working group. This working group will identify and manage risks, to support the success of the DAP reforms.
- The department is also exploring opportunities to involve states and territories in other ways to ensure a smooth transition for the sector and clients.

Some comments will feed into broader policy considerations

- The DAP plays an important role within broader investment, with a defined scope.

- The department is working to **finalise and release the Grant Opportunity Guidelines** as early as possible.

- New **data collection** will build an evidence base to **demonstrate the DAP's impact**.



Some comments will feed into broader policy considerations

- Not all stakeholders will see all their feedback reflected in the updated versions of the program logic and KPIs. Many of the comments we received were beyond the scope of the consultation, and these comments will feed into broader policy work on issues such as sector capacity and integration.
- The department is working to have the GOGs finalised and released so outcomes can be known as early as possible. The final versions of the program logic and KPIs will be released alongside the grant opportunities.
- We appreciate that the AOD sector is already stretched, and that existing needs extend beyond current servicing capacity.
- The data collection requirements being introduced by these reforms will provide the evidence base to demonstrate the impact of the DAP, and to support any future investment by Government.
- I want to thank you all for your engagement and participation in this consultation process, and for generously sharing your knowledge and your insights.