



Webinar

20 February 2026

Drug and Alcohol Program Reform Consultations

Webinar 1 – February 2026



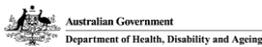
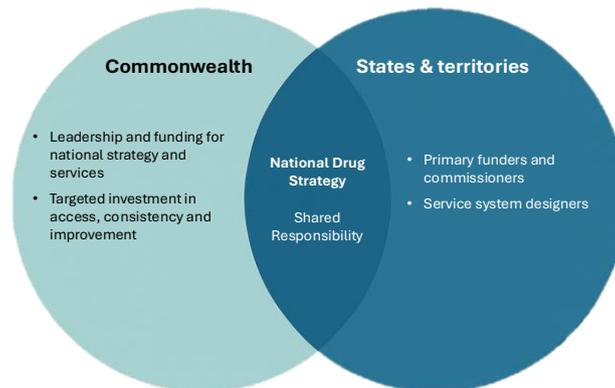
Australian Government
Department of Health, Disability and Ageing

www.health.gov.au

Introduction slide only

AOD Policy and Funding in Australia

States and territories lead AOD system design and funding; the Commonwealth provides national leadership and targeted funding via the Drug and Alcohol Program (DAP).



Alcohol and other drug policy in Australia operates under a shared responsibility model set out in the National Drug Strategy.

States and territories have primary responsibility for AOD services at the jurisdictional level. This includes leading the planning, design, funding, commissioning, and delivery of comprehensive AOD service systems within their health jurisdiction.

The Australian Government's primary responsibility is at the national level. Its role focuses on national leadership and system-wide functions, such as setting national priorities, and funding and commissioning nationally delivered services and initiatives across the spectrum of care.

The Drug and Alcohol Program (DAP) is a key Australian Government AOD health program within this broader system. This webinar is focused specifically on reforms to that program.

What is the DAP?

A single program established in 2016 that brought together multiple legacy Commonwealth investments. It supports national and locally commissioned AOD services

Core National Function

- Prevention
- Treatment
- Research & Data
- PHN Commissioning (primary delivery mechanism)

Supplementary Funding

- States and territories (treatment capacity)
- Peak bodies and system support



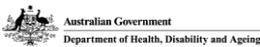
The DAP, is the primary Australian Government investment in alcohol and other drug health, delivered by the department.

When it was established in 2016, it brought together a number of legacy funding streams into a single program. Over time, this has improved coherence but has also created challenges for long-term planning, sustainability and clarity about outcomes.

The program funds a mix of national prevention, treatment, research and data activities. A core feature is funding to Primary Health Networks, enabling local commissioning based on need and better connections with primary care and other services.

In addition, the program includes a smaller amount of supplementary funding for state and territory treatment services and peak bodies. This plays a secondary but important role in supporting access and system capacity.

Why was the DAP evaluated?



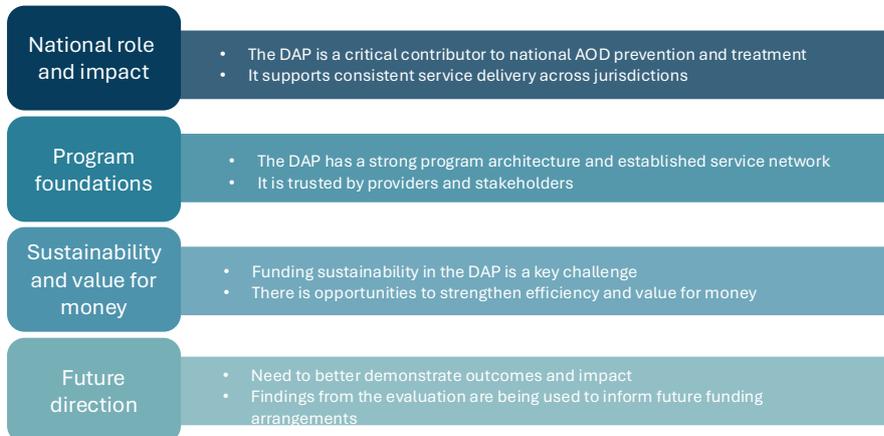
It is Australian Government policy that grant-funded programs must undergo periodic evaluation. This ensures decisions about whether and how funding should continue are based on evidence.

In 2025, the department commissioned an independent external evaluation of the DAP. Because of time constraints, the evaluation focused on the service delivery elements of the program - national prevention and treatment activities, PHN funding, and supplementary funding to states and territories.

Activities such as national research, national data collections, and workforce functions delivered by peak bodies were not included in the scope.

The evaluation was supported by significant stakeholder engagement, including peak bodies, service providers, researchers and government agencies.

What did the evaluation find?



The evaluation confirmed that the DAP plays a critical role in supporting AOD services nationally.

It also identified areas for improvement, including the sustainability of program funding, opportunities to strengthen value for money, and ways to better demonstrate program impact.

The evaluation made a mix of short-term and long-term recommendations. Rather than responding to each recommendation individually, government has used the findings as one input to guide decisions about future funding, including decisions made through the 2025–26 MYEFO process.

In the interests of transparency, the full evaluation report was published in December 2025.

What has the government agreed to?

Consolidated ongoing program – 1 year extension

\$727 million over 3 years (2026–27 to 2028–29)

\$244.2 million per year ongoing (from 2029–30)

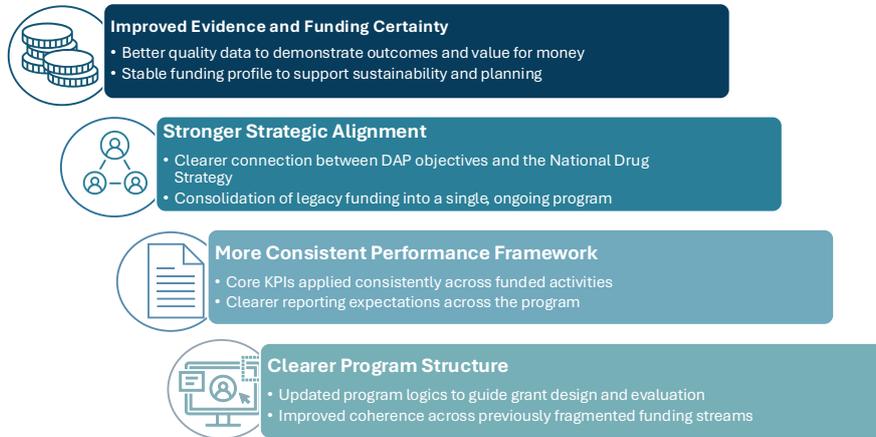


As part of the 2025–26 MYEFO, government agreed to consolidate the DAP’s terminating and ongoing funding into a single ongoing program.

Government also agreed to extend all grants due to end in June 2026 for one additional year, until June 2027. This is a transitional measure to give stability while we consult with the sector and redesign the next round of grant arrangements.

From 2026–27, \$727 million will be invested over three years, followed by \$244.2 million annually from 2029–30 onwards.

What the agreed reforms are intended to address



The reforms agreed by government respond directly to the findings of the evaluation.

They will strengthen the connection between program objectives and the National Drug Strategy. They will consolidate scattered funding streams and provide a clearer set of core KPIs across the program.

Updated program and sub-program logics will support consistent grant design and evaluation, and a needs-based funding model will help ensure allocations reflect local demand and cost drivers.

These reforms are intended to provide greater funding certainty, improve data quality, and help demonstrate the impacts of the DAP.

Importantly, the reforms are about optimising expenditure within existing funding. There is no additional investment at this stage. Any future investment would be informed by demonstrated value.

How will consultation work?

What will the consultation cover:

- High-level program and sub-program design
- Updated program logics and draft core KPIs
- Data inputs to support costing and needs-based funding

How will the consultation be conducted:

- Public consultation process to ensure transparency and fairness
- Boundaries set by probity requirements
- No consultation on draft GOGs or individual funding advice
- Targeted engagement reflected in public consultation outcomes



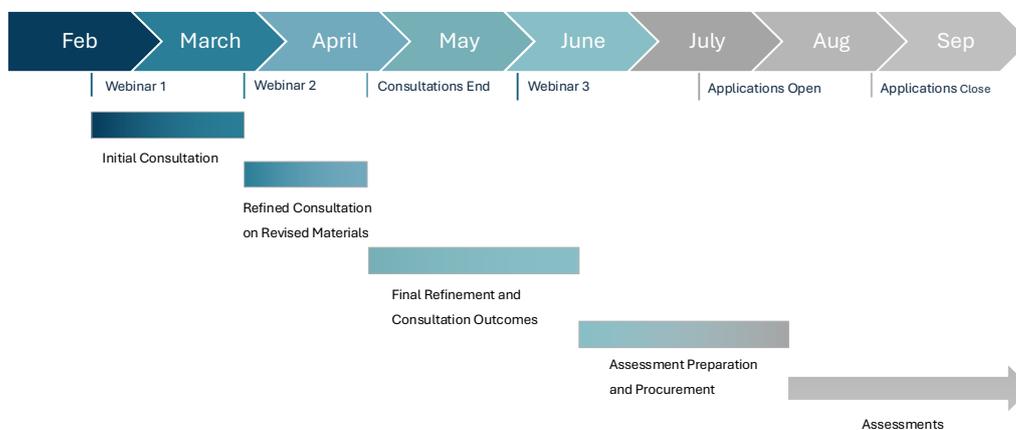
This consultation builds on the engagement undertaken during the 2025 evaluation. It is focused on high-level design elements that will shape the future grant opportunities.

This includes updated program logics, draft core KPIs, and data inputs to a needs-based funding model.

Due to probity requirements, we cannot consult on draft Grant Opportunity Guidelines themselves, and we cannot provide advice to individual organisations about how to strengthen potential applications.

A public consultation process ensures that all organisations have equal access to the same information. Any targeted engagement with peak bodies, PHNs and ANACAD will be fully reflected in the public consultation findings.

Consultation stages and timing



 Australian Government
Department of Health, Disability and Ageing

The consultation will run for approximately three months and is structured as a staged, iterative process. Feedback received at each stage will be used to refine artefacts before they are re-released for further input.

The consultation window is constrained by statutory grant timelines to ensure funding agreements are in place from July 2027.

Once Grant Opportunity Guidelines are advertised and applications open, no further consultation can occur due to probity requirements.

Where does this webinar fit?



Stage 1 – where we are now

- This webinar is part of stage 1 of the consultation
- Initial artefacts will be open for 3 weeks
- Feedback is invited via artefacts and Q&A

What happens next:

- Revised artefacts will be released in Stages 2 and 3
- Live Q&A will be updated throughout the consultation



This webinar forms part of Stage 1 of the consultation process. It has been released alongside the initial draft consultation artefacts for sector review.

The initial artefacts will remain open for approximately three weeks. Updated artefacts will then be released for further review and input as part of the design process. Stakeholders who are unable to participate in the initial window can still provide input up until mid-April and do not need to have participated in earlier stages to inform later revisions.

Alongside these materials, a public Q&A has been published and will be updated throughout the consultation period to ensure all stakeholders have access to the same information.

Why your feedback matters



Improves clarity and transparency of funding



Supports sustainability and reduced reporting burden



Builds evidence to guide future investment



We value your knowledge



Sector feedback is critical to ensuring the redesigned Drug and Alcohol Program improves clarity and transparency of funding, strengthens alignment with the National Drug Strategy, and delivers practical program logics, KPIs and costing models.

The intent is to minimise reporting burden, support service sustainability, and build a meaningful picture of program outcomes that can guide future funding decisions.

We welcome your input to help shape a Drug and Alcohol Program that is fit for purpose now and into the future.