



Australian Government

Department of Health, Disability and Ageing

Key Information and Questions & Answers

Drug and Alcohol Program Consultations



Table of Contents

- Key Information 3
 - Background 3
 - Consultation Process 3
 - Timing 3
 - Scope 4
 - Feedback 4
 - Targeted consultations 4
- Questions and Answers..... 5
 - Will all the new grant opportunities be competitive? 5
 - Why are competitive grants processes being introduced? 5
 - How will the new funding be categorised? 5
 - When can I apply for funding? 6
 - When will funding outcomes be finalised? 6
 - What will happen to current DAP providers if they aren't successful? 6
 - Will the new grants be indexed? 6
 - Will the Drug and Alcohol Treatment Services Measure (DATSM) and the Community Sector Organisation (CSO) supplementary funding be included in the new grants? 7
 - Will new grant recipients be required to report against all the new KPIs? 7
 - How does this grant redesign process align with the National Drug Strategy? 7

Key Information

Background

In 2025, the Department of Health, Disability and Ageing (the department) commissioned an independent external evaluation of the Drug and Alcohol Program (DAP) that focused on the service delivery elements. The [Drug and Alcohol Program Final Evaluation Report](#) is available on the department's website.

Following the evaluation, through the 2025–26 MYEFO, the Australian Government agreed to consolidate the DAP's terminating and ongoing funding into a single ongoing program. From 2026–27, \$727 million will be invested over three years, followed by \$244.2 million annually from 2029–30 onwards.

The government also agreed to extend all current DAP grants due to end in June 2026 for one year. This transitional measure provides certain and stability to the AOD sector while the department consults with it on changes to the DAP for the next round of three-year grant agreements which will commence on 1 July 2027.

The redesign will not change the fundamental objectives or service types under the DAP but does include updating the program logic, key performance indicators (KPIs), and developing a needs-based funding model (consultation on the data inputs for this will occur as part of stage 2).

Consultation Process

Timing

Consultation will occur between February 2026 – April 2026 in multiple stages.

Stage 1 (20/02/2026 – 13/03/2026)

- Feedback is being sought via a survey on the department's [Consultation Hub](#) on the draft program logic and draft KPIs.

Stage 2 (indicative dates: 16/03/2026 – 13/04/2026)

- The department will provide a summary of feedback received during Stage 1 and how it's been addressed.
- The department will host a live webinar with a moderated question and answer function. The webinar will be recorded and published on the department's [Consultation Hub](#).
- A further feedback survey will seek stakeholder views on the revised Program Logic and KPIs.
- The department will provide the data inputs that are proposed to inform the needs-based funding model and seek stakeholder feedback through a survey.

Stage 3 (indicative dates: after 13/04/2026)

- The department will publish a final webinar, sharing overall themes of feedback and comments and how these were addressed.

Scope

The department is seeking stakeholder comments and feedback on the:

- draft program logic and draft set of KPIs
- data inputs into the needs-based funding model (in Stage 2 only)
- issues which the sector considers the department must be aware of when redesigning the DAP.

The department will not be seeking feedback on:

- which grants will be subject of competitive processes - the department will determine this as part of the grant design process
- the development of Grant Opportunity Guidelines for DAP funding
- the development and design of the needs-based funding model (noting feedback on the data inputs for the model will be sought during stage 2 of the consultation process).

Feedback

Anyone can participate in the consultations through the department's [Consultation Hub](#). The department will consider all the feedback received through the first two stages of the consultation process. High level, de-identified, consolidated feedback will be provided during stages 2 and 3 of the consultation process.

The department will use the feedback to finalise the DAP program logic, KPIs and data inputs for the funding models which will inform the development of the new DAP grant opportunities. In Stage 3 of the consultation, the department will confirm how it has actioned the feedback received during the consultation process.

Targeted consultations

As part of the consultation process, the department will be undertaking targeted consultations with particular stakeholder groups. The table below notes who the department will separately consult with in Stage 1 and why. Additional stakeholders for targeted consultation will be added to the table below if they are identified.

The department will only consult with these stakeholders on the publicly available consultation materials. The department will aggregate the outputs of these targeted stakeholder consultations with all other feedback received during the consultation, which will be shared thematically in Stage 2 and Stage 3.

Stakeholder	Rationale
Australian National Advisory Council on Alcohol and Other Drugs (ANACAD)	ANACAD is the principal AOD expert advisory body to the Australian Government comprised of a breadth of experience across First Nations, Lived/Living experience, mental health, service provision, research and general practice.
State and territory peaks funded through the DAP sector support/workforce and the Australian Alcohol and Other Drugs Council (Peaks).	The Peaks represent services across the objectives in the draft program logic. Many DAP-funded services are members of these Peaks, ensuring their input reflects DAP-funded service experience as well as broader system-wide funding and coordination considerations.

Stakeholder	Rationale
Fetal Alcohol Spectrum Disorder Advisory Group (FASD AG)	The FASD AG monitors the implementation of the FASD Strategic Action Plan. Investment in FASD at the National level is broadly guided by the four priorities under the Strategic Action Plan and as such, the FASD AG is well placed to provide feedback specific to FASD.
Primary Health Networks (PHNs)	PHNs are funded by the Australian Government to assess local health needs and commission services to address gaps across the objectives in the draft program logic. PHNs place-based commissioning role give PHNs practical insight into service capacity, coordination and how different parts of the care continuum operate together at the local level.

Questions and Answers

Updated: 20 February 2026

Will all the new grant opportunities be competitive?

No, but most will. The department will make the decision about which opportunities will be competitive or not as part of the grant design processes.

In line with the [Commonwealth Grants Rules and Principles 2024](#), the department will consider value for money, policy outcomes, and proportionality principles.

Why are competitive grants processes being introduced?

The [Commonwealth Grants Rules and Principles 2024](#) note a preference for competitive, merit-based selection processes. The key benefits include:

- an opportunity for providers to reassess their budgets, noting increasingly complex client needs and service delivery costs
- a fair, and transparent process, which prioritises funding proposals which best demonstrate impact, value for money, and alignment with program objectives
- encouraging sector-led, innovative, and efficient proposals which are responsive to emerging needs
- broadening the field of ideas and delivery models. Competition encourages applicants to develop high-quality, evidence-based submissions and can stimulate the establishment of partnerships and collaborations that may not otherwise exist.

The competitive processes will introduce new data collection requirements to support better consideration of the DAP's value for money and impact. This data will support future funding decisions.

How will the new funding be categorised?

New funding under the DAP will be categorised by program objectives across the continuum of care, consistent with the draft program logic.

Funding will be organised into the following primary categories:

- Prevention
- Early intervention
- Treatment, recovery and management
- Fetal Alcohol Spectrum Disorder (FASD)
- Primary Health Networks (PHNs)

PHNs will be funded in their role as regional commissioners to commission services, based on local needs, that align with one or more program objectives across the continuum of care.

In addition, a dedicated system enablers category will support the workforce, data, evidence and partnerships required to enable delivery across all objectives. Funding under system enablers will be structured through the following primary categories:

- Sector support/workforce
- Research
- International Engagement

Within these primary categories, there may be sub-categories including national or place- or state-based approaches where appropriate. The department is seeking to sensibly rationalise the number of streams and sub-streams. The final structure may change based on the consultation feedback.

When can I apply for funding?

Applications for three-year grant agreements will open mid-late 2026, with activities commencing from 1 July 2027.

Details about how to apply for funding will be made available on [GrantConnect](#) in 2026.

When will funding outcomes be finalised?

The department expects that applicants will be advised of the funding outcomes before March 2027.

What will happen to current DAP providers if they aren't successful?

Existing providers are not guaranteed funding beyond 30 June 2027.

In exceptional circumstances, the government may consider transitional funding for unsuccessful providers, which would remain subject to government decision making and budgetary processes.

Will the new grants be indexed?

All DAP grants will be indexed in accordance with Whole of Government rates set by the Department of Finance.

Will the Drug and Alcohol Treatment Services Measure (DATSM) and the Community Sector Organisation (CSO) supplementary funding be included in the new grants?

Yes, both will be incorporated into ongoing grant funding allocations.

Will new grant recipients be required to report against all the new KPIs?

No. Noting that the KPIs are draft and subject to this consultation process, the department expects that organisations funded through the new process will be required to report, at a minimum, against the core KPIs associated with the objectives under the program logic that are most applicable to their service.

Where the activity or activities span multiple objectives (currently drafted as prevention; early intervention; treatment, recovery and management; and system enablers), any additional KPIs will be agreed as part of the grant negotiation process including service-specific KPIs where relevant.

How does this grant redesign process align with the National Drug Strategy?

The draft Program Logic is strongly aligned with the National Drug Strategy (NDS) 2017-2026, sharing core principles of evidence-informed responses, cross-system partnerships (government, sector, individuals), and harm minimisation through coordinated and consistent support.

The department notes the NDS will expire at the end of this year. Any new NDS, or similar national framework, is a matter for agreement by all Australian governments

Questions received after 20 February 2026

To be added here