



## State Budget Submission 2025

Fixing the Foundations

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VAADA acknowledges the Traditional Owners of the land on which our work is undertaken. Our office stands on the country of the Wurundjeri people of the Kulin Nation. We pay our respects to all Elders past and present and acknowledge their continuing and ongoing connection to land, waters and sky.



## About VAADA

The Victorian Alcohol & Drug Association (VAADA) is a member-based peak body and health promotion charity representing organisations and individuals involved in prevention, treatment, rehabilitation, harm reduction or research related to alcohol or drugs. VAADA aims to support and promote strategies that prevent and reduce the harms associated with alcohol and other drug (AOD) use across the Victorian community. Our vision is a Victorian community in which AOD-related harms are reduced and well-being is promoted to support people to reach their potential.

VAADA seeks to achieve this through:

- Engaging in policy development
- Advocating for systemic change
- Representing issues our members identify
- Providing leadership on priority issues
- Creating a space for collaboration within the AOD sector
- Keeping our members and stakeholders informed about issues relevant to the sector
- Supporting evidence-based practice that maintains the dignity of those who use alcohol and other drugs and related services

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*VAADA acknowledges and celebrates people and their families and supporters who have a lived and living experience of alcohol, medication and other drug use. We value your courage, wisdom and experience, and recognise the important contribution that you make to the AOD sector in Victoria.*

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# Executive Summary

The foundations of Victoria's Alcohol and Other Drug (**AOD**) sector are fractured and need urgent attention to address escalating AOD harms in the community. Core elements of the AOD system are no longer fit for purpose, as services today struggle to provide supports in a timely and sustainable manner.

The Victorian Coroner's Court 2023-24 Annual Report revealed that a staggering 601 people died of fatal overdose. This is the highest annual figure on record for Victoria, 15% higher than the previous financial year and two times higher than Victoria's annual road toll.<sup>1</sup> For the past six years, the number of annual fatal overdoses has exceeded 500. These deaths were preventable, each is a tragedy.

At the same time, VAADA's 2024 sector demand survey shows that at least 4,615 people are waiting for treatment on any given day.<sup>2</sup> This is almost double the number since 2020. Timely access to treatment, where and when it is needed, is cost-effective and saves lives.<sup>3</sup> For every \$1 invested, treatment provides a return of \$7.<sup>4</sup>

For too long, Victoria's AOD sector has been underfunded and overstretched, leaving thousands of people without the comprehensive support they need. Funding for AOD treatment has not kept pace with growing demand, the rising cost of doing business, and the increasing complexity of AOD work. Decades of underinvestment and ad hoc fixes have created critical gaps in service availability, capacity and quality. We need immediate action to address these issues and longer-term reforms that guarantee the AOD sector's ability to respond to growing AOD use and harms across Victoria.

VAADA's 2025 State Budget Submission is a call to **Fix the Foundations** of Victoria's AOD service system. Pleasingly, the Victorian Government, through its *Statewide Action Plan* and the development of an AOD Strategy, is creating mechanisms through which these challenges can be remedied.<sup>5</sup> Despite the current tight budget environment, now is the time to invest – especially when the AOD Strategy is proposed to have a 10-year vision. We urge that vision to be broad and bold.

Our consultations for this submission highlighted the important intersections the AOD sector has with Domestic, Family and Sexual Violence (**DFSV**), Mental Health (**MH**) and Primary Health. Yet funding for AOD activity to strengthen and support the integration of these domains is diminishing. This is despite AOD being involved in 60% of family violence homicides and up to 76% of people who seek AOD treatment meeting diagnostic criteria for at least one comorbid mental illness.<sup>6 7</sup>

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<sup>1</sup> CCOV (2024) *Annual Report*, Coroners Court of Victoria, Victorian Government.

<sup>2</sup> VAADA (2024) *Treatment Delayed is Treatment Denied*, Victorian Alcohol and Drug Association: <https://www.vaada.org.au/treatment-delayed-is-treatment-denied/>

<sup>3</sup> Ritter et al (2014) *New Horizons: The review of alcohol and other drug treatment services in Australia*, National Drug & Alcohol Research Centre (NDARC), UNSW.

<sup>4</sup> NIDA (2014) *Principles of Drug Addiction Treatment: A Research-based Guide (Third Edition)*, National Institute on Drug Abuse.

<sup>5</sup> Department of Health, *Statewide Action Plan to reduce drug harms*, Victorian Government:

<https://www.health.vic.gov.au/aod-treatment-services/statewide-action-plan-to-reduce-drug-harms>

<sup>6</sup> Humphries, Kertez and Callaly (2024) 'How perpetrators of domestic violence use drugs and alcohol to control their victims', *The Conversation*.

<sup>7</sup> AIHW (2024) 'Snapshots: Mental health and substance use', Australian Institute of Health and Welfare: <https://www.aihw.gov.au/mental-health/snapshots/mental-illness-and-substance-use>

Our submission asks the Victorian Government to address these structural problems by ensuring that the significant amount of unfunded work our sector undertakes, whether in DFSV or mental health, be recognised and resourced appropriately.<sup>8</sup>

Notwithstanding the need to address resourcing that effectively supports system integration, there remain other areas of foundational AOD activity that are a patchwork of problems. These include the forensic treatment system, chronic workforce challenges, dysfunctional data systems, intake issues across Victoria, and poorly serviced communities.

This submission has been informed by in-depth consultation with the AOD sector. These not only highlighted challenges that the AOD sector faces but also the compassion, strength and commitment of the AOD workforce to rise and meet these challenges. The AOD sector has the knowledge, skills and passion to make a difference, now we need the support.

The recommendations in this submission are not exhaustive; they address immediate needs in the short term and help to inform the development of Victoria's AOD Strategy. Recommendations for broader reforms that VAADA supports, such as the necessary removal of criminal penalties for low-level drug possession and use, are articulated elsewhere.<sup>9</sup>

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<sup>8</sup> VAADA has commissioned a report into the amount of MH work undertaken in the Victorian AOD sector. While the report is not yet available publicly, it showed treating MH issues in AOD service delivery is very common.

<sup>9</sup> VAADA (2024) *Submission to the Standing Committee on Health, Aged Care and Sport: Inquiry into the health impacts of alcohol and other drugs in Australia*, Victorian Alcohol and Drug Association.

## Summary of recommendations

**Recommendation 1:** That actions arising from the Victorian AOD Strategy are supported and funded via an Implementation Plan developed in partnership with the AOD sector, with agreed targets and measures.

**Recommendation 2:** Address immediate funding shortfalls by increasing the DTAU rate for all AOD services by 20% while a new pricing model is developed. A new pricing model must include a base funding amount to organisations that supports core business in addition to any service provision.

**Recommendation 3:** Ensure that the new community services indexation formula is applied to all AOD services, including when the consortium lead is a hospital.

**Recommendation 4:** \$30M over three years for an AOD capital infrastructure grants program to address critical infrastructure gaps. As part of the AOD Strategy, develop a long-term AOD infrastructure plan, guided by the government's Victoria in Future population growth projections.

**Recommendation 5:** \$25M over three years to fund a grants program focused on AOD service innovation.

**Recommendation 6:** Develop and implement an AOD Workforce Industry Plan as a core component of the Victorian AOD Strategy, to provide strategic direction and ensure the AOD workforce of the future is in place to support medium and long-term service delivery.

**Recommendation 7:** \$10M over the next two years to fund additional traineeship positions via the AOD Traineeship Program and to support the transition of current AOD Trainees into ongoing roles in our sector.

**Recommendation 8:** Grow Lived and Living Experience employment pathways in the AOD sector via the expansion of the Lived Experience Workforce Learning Collaborative.

**Recommendation 9:** \$10M over four years to support and expand programs training General Practitioners and Nurse Practitioners in addiction medicine. Ensure the AOD Workforce Industry Plan includes funded initiatives to expand training in Addiction Medicine.

**Recommendation 10:** \$2M for a grants program for AOD agencies to support nurses to undertake the Masters in Advanced Nursing Practice with priority access for regional agencies.

**Recommendation 11:** \$1.5m over three years to extend and expand the Elevate! training program, including continuing to subsidise travel and accommodation for regional AOD staff to attend training opportunities in Melbourne.

**Recommendation 12:** Apply a further 10% loading on the DTAU for rural and regional AOD agencies in addition to any service price increases to both incentivise recruitment to the AOD sector and support agencies meet the additional costs of providing services in country Victoria.

**Recommendation 13:** Expand the number of withdrawal beds in regional areas immediately, guided by the latest Victorian Infrastructure Strategy recommendations on regions with low coverage and acute need.

**Recommendation 14:** As part of the Victorian AOD Strategy, develop a Harm Reduction Framework to provide systemic coherence and policy and practice guidance for evidence-based harm reduction measures that are costed, funded and sustained.

**Recommendation 15:** Under the leadership of the Chief Addiction Medicine Advisor, develop and implement a Potent Synthetic Opioids Preparedness Plan.

**Recommendation 16:** Develop a readiness plan with Community Health services to rapidly roll out access to overdose prevention centres in response to an increased risk of drug related harms.

**Recommendation 17:** Establish Our Agency, the independent Consumer Leadership Agency to strengthen leadership and capability in the peer workforce across the Mental Health & Wellbeing System.

**Recommendation 18:** Address shortcomings in funding for forensic services as a priority in the DTAU pricing review, while also addressing inconsistencies in how the Department of Health defines a forensic client.

**Recommendation 19:** \$125M over ten years to establish multidisciplinary transitional support programs for people leaving prison who use AOD.

**Recommendation 20:** Increase the Bail Support Program to \$15M per annum, making it available to all Magistrates' Courts in Victoria.

**Recommendation 21:** \$5M over three years to support cross-sector integration and collaboration initiatives led by peak bodies in the health services sector.

**Recommendation 22:** : Fund VAADA to continue supporting the Victorian AOD sector to effectively identify, respond to, and report on DFSV in partnership with the specialist family violence sector.

**Recommendation 23:** \$3m over three years for the AOD sector to maximise current opportunities for co-design and implementation of recommendations from the Mental Health Royal Commission, including the Victorian Eating Disorders Strategy, Victorian Suicide Prevention Strategy and Statewide Mental Health and Wellbeing Service and Capital Plan.

**Recommendation 24:** As part of a Victorian AOD Strategy, prioritise addressing the quality and utility of AOD data systems to support greater client outcomes, better service evaluation and more effective placed based planning, drawing on initiatives like VAADABase to inform its redesign.

**Recommendation 25:** \$10M over three years to expand support for AOD-focused research in Victoria. As part of the AOD Strategy, commit to developing an AOD Research Plan to support a learning culture in AOD practice.

**Recommendation 26:** Ensure priority populations are central to the development of the AOD Strategy, with clear targets for priority groups like LGBTIQ+ communities, with funded evidence-based interventions that are community-led.

**Recommendation 27:** \$20M over three years to establish an interagency partnership program between multicultural and AOD services to support and pilot accessible and culturally responsive services for priority CALD communities.



**Recommendation 28:** \$30M over three years to support prevention and early intervention activities targeting youth and young people, including establishing place-based, integrated youth AOD service models.

**Recommendation 29:** Fund specialist mature-aged AOD outreach through two additional teams that can support older people who use drugs in their homes.

**Recommendation 30:** \$10M over three years to resource 20 family therapists across Victoria to support escalating AOD use and harms in families via family-centred practice.

**Recommendation 31:** Urgently fund additional Aboriginal women's treatment services, as the 8-bed Winja Ulupna service is the only AOD treatment centre for First Nations women in the whole of Victoria.

**Recommendation 32:** \$2.5M over five years for VACCHO to deliver cultural safety training to the Victorian AOD workforce in preparation for Treaty.

**Recommendation 33:** The Victorian Government supports self-determination for First Peoples in Victoria by committing to accept and implement all recommendations made by the Yoorrook Justice Commission on the health and wellbeing system.

**Recommendation 34:** Apply a gender lens to the development of Victoria's AOD Strategy and commit to gender-specific actions in the Implementation Plan that meet the needs of women.

**Recommendation 35:** Double the size of the Specialist Family Violence Advisor program across AOD and MH services in Victoria.

**Recommendation 36:** Draw on the expertise of the AOD sector to support the implementation of Men's Behaviour Change Programs across Victoria.

**Recommendation 37:** Establish a Victorian Alcohol Taskforce to monitor alcohol-related harms, advise government and inform policy development as part of Victoria's commitment to take action on alcohol through enhanced family violence prevention approaches.

**Recommendation 38:** Recognise AOD carers within the Department of Families, Fairness and Housing home-based carers framework to support those providing care to family members affected by AOD-related harms.

**Recommendation 39:** Implement the recommendations from Harm Reduction Victoria's Opioid Pharmacotherapy Access Boost plan.

# Fixing the Structures

## The Victorian AOD Strategy

Victoria's AOD service system is at a critical juncture. The sector has faced funding cuts this financial year, with a range of core activities and projects either reduced or no longer funded. This has occurred at a time when there is increasing complexity in AOD needs within the community and rising rates of harm.

The Victorian Government's commitment to develop an AOD Strategy for Victoria is a timely opportunity to address the long-standing challenges faced by our sector. Lasting solutions will require more than quick fixes. With thoughtful planning, secure and sustainable investment, and a long-term strategic vision, the Victorian Government can create an AOD service system that is accessible, innovative, and evidence-based. This is a chance to build a robust foundation for the future of AOD service delivery in Victoria, ensuring that services are equipped to meet growing and changing needs in the community.

While there is an immediate need to fix the foundations to ensure that more Victorians can get help when they need it, this must align with plans in the AOD Strategy to ensure that the changes we make now support agreed targets and measures in the medium to long term.

***Recommendation 1:*** *That actions arising from the Victorian AOD Strategy are supported and funded via an Implementation Plan developed in partnership with the AOD sector, with agreed targets and measures.*

## Funding – Drug Treatment Activity Unit (DTAU)

The current funding model for the AOD sector falls short of providing the strong foundations that services need. People seeking treatment are funded for specific types of activities which do not provide the flexibility to meet increasingly complex needs in the community. Services like harm reduction and prevention are funded through their own grants, with little coherence to ensure that an individual's journey into AOD support can be built around person-centred needs.

The Drug Treatment Activity Unit (DTAU) has been the central mechanism used to allocate funding for AOD treatment services for more than a decade. In that time there has been no review of prices. Evidence collected by VAADA highlights that the way that pricing for services is accounted for can vary from organisation to organisation. The allocation of funding is not guided by an overarching industry approach or through the evaluation of data, meaning allocation of resources is often misaligned with place-based demand. The DTAU is inadequate to meet the complexity of AOD needs today.

Notwithstanding the current review of DTAU pricing by the Department of Health, our consultations have highlighted several other concerns with the DTAU: <sup>10</sup>

- Rigid and inflexible.
- Fails to account for the reality of client work.
- Does not support staff training, education and organisational capability building.

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<sup>10</sup> Department of Health (2024) *Development of a Victorian Alcohol and other Drug Strategy: Discussion Paper*, Victorian Government.

The DTAU hinders the efficacy, flexibility, and sustainability of AOD services, impedes effective service planning and creates funding gaps across the state and needs to be prioritised for resolution.

**Recommendation 2:** *Address immediate funding shortfalls by increasing the DTAU rate for all AOD services by 20% while a new pricing model is developed. A new pricing model must include a base funding amount to organisations that supports core business in addition to any service provision.*

## Service Sustainability

Aside from the insufficient rate of the DTAU, Victoria's AOD sector faces additional challenges that hinder its ability to provide effective and sustainable services. These include:

- **Challenges with meeting the cost of business:** The AOD sector is struggling with increases in the cost of providing treatment and support services. Increases to award wages, inflation and overhead costs have significantly outstripped the limited relief that indexation adjustments have provided.
- **Lack of Capital Renewal Funding:** There is insufficient funding available for capital renewal to maintain and upgrade existing infrastructure in AOD services. As facilities age and become outdated, the lack of investment in infrastructure puts additional strain on service delivery and limits the capacity to provide safe, modern care environments. As per recommendations in Victoria's *Infrastructure Strategy*, investment in health and social services infrastructure and facilities needs to be increased, well-coordinated and guided by long-term planning strategies.<sup>11</sup>
- **Lack of Funding for Service Innovation:** The sector lacks adequate funding to pilot and trial innovative program models and initiatives. The grants that are available tend to be short-term and have limited scope to scale up and sustain proven solutions. This restricts the ability to explore new approaches that could lead to more effective and efficient AOD treatment solutions, particularly for underserved Victorians.

**Recommendation 3:** *Ensure that the new community services indexation formula is applied to all AOD services, including when the consortium lead is a hospital.*

**Recommendation 4:** *\$30M over three years for an AOD capital infrastructure grants program to address critical infrastructure gaps. As part of the AOD Strategy, develop a long-term AOD infrastructure plan, guided by the government's Victoria in Future population growth projections.<sup>12</sup>*

**Recommendation 5:** *\$25M over three years to fund a grants program focused on AOD service innovation.*

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<sup>11</sup> Infrastructure Victoria (2021) *Victoria's Infrastructure Strategy 2021-2051*, Infrastructure Victoria.

<sup>12</sup> Department of Transport and planning (2023) *Victoria in Future 2023: population and household projections to 2051*, Victorian Government.

# Fixing the Systems

## Workforce

### *AOD Workforce Industry Plan*

Victoria's AOD sector faces significant workforce challenges that undermine its ability to provide high-quality care to those in need. This includes attracting and retaining staff in a competitive market. These challenges are driven by a combination of factors, including a lack of career pathways, short-term contracts, high rates of burnout and competition with better funded sectors in the care economy. Data from VAADA's *AOD Workforce Development Survey* highlight some of the issues:

- 20% of the AOD workforce report poor health and wellbeing.
- The recruitment and retention of staff were identified as either Very or Extremely challenging by 55% and 38% of respondents respectively.
- Half (50.1%) of respondents reported low salary and poor employment benefits as the main reason they would consider leaving the sector.
- Fewer than half of AOD workers report being provided with high-quality clinical supervision within their organisation.<sup>13</sup>

Without targeted strategies to address these challenges, the challenges currently faced by AOD service providers to sustain a skilled and motivated workforce will worsen. By investing in initiatives that focus on building a robust pipeline of qualified professionals, like guaranteed trainee placements and supported career progression, the government can create a more stable and resilient AOD sector that provides better solutions to Victorians.

An AOD Workforce Industry Plan should also consider expanding recruitment and development of priority cohorts that are underrepresented in the workforce and further invest in initiatives that meet workforce needs such as education, training and supervision. This should include building on the success of the AOD Traineeship Program by embedding AOD trainees at all service providers across Victoria.

***Recommendation 6:*** *Develop and implement an AOD Workforce Industry Plan as a core component of the Victorian AOD Strategy, to provide strategic direction and ensure the AOD workforce of the future is in place to support medium and long-term service delivery.*

***Recommendation 7:*** *\$10M over the next two years to fund additional traineeship positions via the AOD Traineeship Program and to support the transition of current AOD Trainees into ongoing roles in our sector.*

***Recommendation 8:*** *Grow Lived and Living Experience employment pathways in the AOD sector via the expansion of the Lived Experience Workforce Learning Collaborative.*

### *Training in Addiction Medicine*

A critical shortage of medical clinicians – General Practitioners (GPs), registrars, psychiatrists and Nurse Practitioners (NPs) – trained in addiction medicine is exacerbating the challenges faced by Victoria's AOD sector. Currently, there are not enough medical

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<sup>13</sup> VAADA (2023) *Victorian Alcohol and other Drugs Workforce Development Survey*, Trezona Consulting Group and Victorian Alcohol and Drug Association.

professionals trained to address the complex needs of individuals struggling with substance use.

For the long-term sustainability of the AOD sector, it is essential to secure funding for programs supporting junior and trainee doctors to receive specialized training in addiction medicine. For example, a partnership between Western Health and Innerspace (cohealth) currently trains junior doctors (GPs and registrars) in addiction medicine, despite not being funded.

The Department of Health should draw on this work, as well as the significant addiction medicine expertise and training capacity at St Vincent's and Turning Point to support the expansion of junior doctor and NP training in addiction medicine. This would ensure a steady supply of skilled medical practitioners to provide the comprehensive medical care needed, both within AOD services and adjacent services and sectors.

**Recommendation 9:** *\$10M over four years to support and expand programs training General Practitioners and Nurse Practitioners in addiction medicine. Ensure the AOD Workforce Industry Plan includes funded initiatives to expand training in Addiction Medicine.*

**Recommendation 10:** *\$2M for a grants program for AOD agencies to support nurses to undertake the Masters in Advanced Nursing Practice with priority access for regional agencies.*

### *Education and Training*

Education and training are essential for informing and evolving clinical practice and social support. However, the current grant funding model undermines the ability of agencies to plan how they build the capacity and capability of their workforce to meet evolving community needs.

Training and professional development opportunities for the AOD workforce should be expanded and continue to be planned with the sector.

The *Elevate!* training program – an AOD training platform that brokers an array of dedicated training for the AOD sector has been led by VAADA for the Department of Health since 2021. The continuation and expansion of *Elevate!* beyond December 2025 is vital to ensure that a range of professional development opportunities continue to be provided at low or no cost to AOD practitioners. Supervision training needs to continue to be included in the training offered, to assist agencies provide optimal support to staff as an adjunct to servicing complex needs.

**Recommendation 11:** *\$1.5m over three years to extend and expand the Elevate! training program, including continuing to subsidise travel and accommodation for regional AOD staff to attend training opportunities in Melbourne.*

## Regional Areas

People in regional areas experience a higher risk of mental health distress, greater risk of alcohol-related harm and carry a greater burden of disease compared to people in cities.<sup>14</sup> Despite this, underinvestment in regional AOD is longstanding, significantly impacting the availability of regional services and creating gaps in meeting vital community needs. It leaves many people from regional areas without adequate access to key treatment modalities, such as withdrawal, residential services and pharmacotherapy.

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<sup>14</sup> AIHW (2024) *Rural and remote health*, Australian Institute of Health and Welfare, Australian Government.

A significant challenge for rural and regional services is insufficient funding for outreach and care and recovery coordination roles. These roles assist individuals to navigate a complex and confusing system and help them access comprehensive care.

Additionally, there is a notable shortage of pharmacotherapy prescribers and dispensers in regional Victoria. One of VAADA's regional members has reported using the Royal Flying Doctors Service to deliver pharmacotherapy to clients several times in the last year. The limited availability of pharmacotherapy in regional areas creates major barriers for individuals seeking help. People are required to regularly travel long-distances to access dispensing, risking relapse and overdose by substituting opioid agonist treatment for the illicit drug market. While the availability of Long-Acting Injectable Buprenorphine has reduced reliance on daily dispensing, gaps in access and equity remain unaddressed.

Addressing these issues requires a strategic and sustained investment from the Victorian Government to ensure equitable access to AOD services in regional Victoria.

**Recommendation 12:** *Apply a further 10% loading on the DTAU for rural and regional AOD agencies in addition to any service price increases to both incentivise recruitment to the AOD sector and support agencies meet the additional costs of providing services in country Victoria.*

**Recommendation 13:** *Expand the number of withdrawal beds in regional areas immediately, guided by the latest Victorian Infrastructure Strategy recommendations on regions with low coverage and acute need.*

## Harm Reduction

Harm reduction is the most cost-effective response to addressing the harms associated with AOD use.<sup>15</sup> It also has a substantial evidence base behind it. Despite this, harm reduction remains the least funded of the harm minimisation pillars. This disparity in funding undermines the potential of harm reduction strategies and initiatives to save lives, improve public health and reduce the economic burden of AOD on our healthcare system.

The need for a robust harm reduction strategy has never been more urgent, particularly given the increasing presence of nitazenes, illicit benzodiazepines and other novel psychoactive substances in Victoria's illicit drug supply. These pose a heightened risk of overdose and fatality and have been detected in a range of substances, including amphetamines, MDMA, vapes and cocaine.

The recent announcement of drug testing services for Victoria is very welcome, though more needs to be done to strengthen harm reduction interventions to protect the community from these incredibly dangerous substances. Key to this is establishing a Potent Synthetic Opioids Preparedness Plan to ensure Victoria can quickly and effectively respond to a major incursion of nitazenes or other potent synthetic opioids into the local drug supply as well as continuing to improve access to naloxone and supporting peer-led harm reduction strategies.

To further improve harm reduction efforts in Victoria, the upcoming AOD Strategy should include a Harm Reduction Framework to provide policy and program guidance for harm reduction initiatives and programs. This should be further supported by the establishment of

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<sup>15</sup> HRI (2020) *Making the Investment Case: Cost-effectiveness evidence for harm reduction*, Harm Reduction International.



an independent Consumer Leadership Agency, as per Recommendation 29 from the Royal Commission into Victoria's Mental Health System.<sup>16</sup>

**Recommendation 14:** *As part of the Victorian AOD Strategy, develop a Harm Reduction Framework to provide systemic coherence and policy and practice guidance for evidence-based harm reduction measures that are costed, funded and sustained.*

**Recommendation 15:** *Under the leadership of the Chief Addiction Medicine Advisor, develop and implement a Potent Synthetic Opioids Preparedness Plan.*

**Recommendation 16:** *Develop a readiness plan with Community Health services to rapidly roll out access to overdose prevention centres in response to an increased risk of drug-related harms.*

**Recommendation 17:** *Establish Our Agency, the independent Consumer Leadership Agency to strengthen leadership and capability in the peer workforce across the Mental Health & Wellbeing System.*

## Forensic System

The forensic AOD treatment system provides treatment to people in contact with the justice system. Forensic clients are defined as people on court orders (including parole) mandated to engage in AOD treatment.

Agencies providing forensic services receive a 15% loading on top of current DTAU rates, intended to reflect the more complex work involved with this cohort as well as the greater administrative and compliance requirements. Unfortunately, this amount falls well short of adequately covering the costs of providing forensic services.

Working with forensic clients requires a significant amount of work that is not covered by the DTAU. For instance, activities which support service user recovery such as helping a client recently released from prison to obtain a driver's license, their birth certificate, or to apply for social housing or Centrelink are essential for effective AOD work, yet are not funded by the DTAU. The non-attendance rate with forensic clients can be as high as 50%, which results in agencies providing unfunded treatment to this vulnerable cohort.

More broadly, the forensic system faces significant challenges. Forensic clients are a vulnerable group at high risk of serious AOD-related harms, including relapse, overdose and reincarceration. Despite this, issues such as difficulty accessing forensic loading for clients who are justice-involved but not on a court order, restricted access to the Bail Support Program, and limited availability of transitional care programs for people leaving prison are widespread. The AOD Strategy needs to present a comprehensive, end-to-end vision for how justice-involved individuals who use AOD are supported and provided with treatment.

An example of a bold initiative is 'The Forest,' a large-scale transitional care program developed by the Burnet Institute in partnership with SHARC, Flat Out and Launch Housing. The Forest aims to reduce the reincarceration of people who use drugs. Economic modelling by Insight Economics estimated a cost-benefit ratio of 1-to-3, translating to \$300M in savings over 10 years.<sup>17</sup>

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<sup>16</sup> RCVMHS (2021) *Final Report: Summary and recommendations*, Royal Commission into Victoria's Mental Health System, Victorian Government.

<sup>17</sup> Insight Economics (2024) *Economic and health cost benefit impacts of The Forest: Final Report to The Burnet Institute*, The Burnet institute.

**Recommendation 18:** Address shortcomings in funding for forensic services as a priority in the DTAU pricing review, while also addressing inconsistencies in how the Department of Health defines a forensic client.

**Recommendation 19:** \$125M over ten years to establish multidisciplinary transitional support programs for people leaving prison who use AOD.

**Recommendation 20:** Increase the Bail Support Program to \$15M per annum, making it available to all Magistrates' Courts in Victoria.

## Adjacent Service Systems

Cross-sector collaboration is crucial for achieving a well-integrated social and community services system. The AOD sector is comparatively small and often operates with limited resources, yet it substantially intersects with several related systems of care.

People experiencing AOD-related harms often face complex and interconnected issues that require a coordinated approach and integrated response. For instance, someone struggling with substance use may also be dealing with mental health challenges, unstable housing, child protection concerns, or domestic and family violence. It is common for clients to experience multiple, overlapping challenges. Without strong cross-sector collaboration, these individuals are at risk of falling through the gaps in a fragmented and difficult-to-navigate service system, leading to greater social and economic costs for both the individual and the community. The peak bodies representing these sectors are well-placed to lead the work on intersectoral collaboration and improve integrated care.

By actively supporting cross-sector partnerships, we can create more efficient and holistic responses to these co-occurring issues. Collaboration enables resource sharing, reduces service duplication, and ensures a more integrated care pathway that addresses the needs of individuals. This not only improves outcomes for people seeking help but also maximises the impact of limited funding by leveraging expertise and services from multiple sectors.

Embedding a cross-sector collaborative approach into the AOD Strategy will help ensure that the AOD sector is part of a broader, well-integrated social and community services system.

**Recommendation 21:** \$5M over three years to support cross-sector integration and collaboration initiatives led by peak bodies in the health services sector.

**Recommendation 22:** Fund VAADA to continue supporting the Victorian AOD sector to effectively identify, respond to, and report on DFSV in partnership with the specialist family violence sector.

**Recommendation 23:** \$3m over three years for the AOD sector to maximise current opportunities for co-design and implementation of recommendations from the Mental Health Royal Commission, including the Victorian Eating Disorders Strategy, Victorian Suicide Prevention Strategy and Statewide Mental Health and Wellbeing Service and Capital Plan.

## AOD Data and Research

Accurate, accessible data and high-quality research are essential for enhancing Victoria's AOD service system. Victoria has never had a comprehensive or effective system for collecting and analysing AOD data. Unfortunately, significant cuts to research funding have also been applied in the 24/25 financial year. Both these factors directly impact the evidence base for the AOD sector, at a time when planning for the future is necessary.



Functional and accessible data systems enhance the effectiveness of health systems by identifying service gaps, shifts in harm patterns or demographic changes, enabling the delivery of tailored, person-centred, and responsive supports and services.

A 2022 report from the Victorian Auditor-General's Office (VAGO) highlighted the shortcomings of the Victorian Alcohol and Drug Collection (VADC), revealing that the sector still lacks an adequate, responsive, and fit-for-purpose system for data collection, access, and analysis.<sup>18</sup> This hinders service delivery and planning as do other efforts to improve the quality of services, such as cuts to research. The AOD Strategy must prioritise data systems and intelligence to support the sector's work.

To empower Victorian AOD treatment services with enhanced access to their data, VAADA has launched VAADABase. A key feature of the project is the development of a series of user-friendly and bespoke data dashboards, offering greater insights and more timely access to data to inform better decision-making for service delivery and treatment planning. Currently, 15 AOD services across Victoria are participating in this pilot. Future consideration of how sector led data management initiatives like VAADABase feature in the reform of data management and reporting are essential to improve system performance.

***Recommendation 24:*** *As part of a Victorian AOD Strategy, prioritise addressing the quality and utility of AOD data systems to support greater client outcomes, better service evaluation and more effective placed based planning, drawing on initiatives like VAADABase to inform its redesign.*

***Recommendation 25:*** *\$10M over three years to expand support for AOD-focused research in Victoria. As part of the AOD Strategy, commit to developing an AOD Research Plan to support a learning culture in AOD practice.*

## Fixing the Specifics

### Priority Populations

Certain populations experience disproportionately high rates of AOD-related harms and face unique barriers to accessing AOD services. These groups require accessible, responsive and tailored supports and services to meet their needs.

These populations include but are not limited to:

- First Peoples (Aboriginal and Torres Strait Islander communities)
- LGBTIQ+ communities
- Culturally and Linguistically Diverse (CALD) communities
- Women and their children
- Older people who use drugs
- Youth and Young People
- Injecting drug users

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<sup>18</sup> VAGO (2022) *Victoria's Alcohol and Other Drug Treatment Data*, Victorian Auditor-General's Office,

To effectively address the unique challenges faced by these communities, priority populations should be central to the development of the Victorian AOD Strategy. The Strategy should aim to promote equity, improve health outcomes, and reduce barriers to engagement and treatment for groups at higher risk of AOD-related harms and/or those who are currently underserved. Solutions should be community-led and co-designed where possible.

**Recommendation 26:** *Ensure priority populations are central to the development of the AOD Strategy, with clear targets for priority groups like LGBTIQ+ communities, with funded evidence-based interventions that are community-led.*

**Recommendation 27:** *\$20M over three years to establish an interagency partnership program between multicultural and AOD services to support and pilot accessible and culturally responsive services for priority CALD communities.*

**Recommendation 28:** *\$30M over three years to support prevention and early intervention activities targeting youth and young people, including establishing place-based, integrated youth AOD service models.*

**Recommendation 29:** *Fund specialist mature-aged AOD outreach through two additional teams that can support older people who use drugs in their homes.*

**Recommendation 30:** *\$10M over three years to resource 20 family therapists across Victoria to support escalating AOD use and harms in families via family-centred practice.*

## First Peoples and AOD

First Peoples in Victoria face significant challenges related to AOD use and its impacts. Aboriginal communities are disproportionately affected by AOD-related harms, experiencing greater risks and higher morbidity and mortality rates.

These challenges derive from colonisation, including ongoing trauma, social and economic disadvantage, racism and discrimination, and barriers to accessing culturally safe and appropriate healthcare. These factors contribute to poorer outcomes in AOD and a higher associated burden of disease in First Peoples communities. The lack of culturally safe and community determined healthcare options for Aboriginal Victorians remains a continuing source of shame.

The Yoorrook Justice Commission commenced hearings into health in late 2023 with the release of its Issues Paper on Health and Healthcare. While the Commission's final reports are not due until mid-2025, the Victorian Government should begin preparing now to support Victorian Aboriginal communities to address AOD-related harms over the long term.

**Recommendation 31:** *Urgently fund additional Aboriginal women's treatment services, as the 8-bed Winja Ulupna service is the only AOD treatment centre for First Nations women in the whole of Victoria.*

**Recommendation 32:** *\$2.5m over five years for VACCHO to deliver cultural safety training to the Victorian AOD workforce in preparation for Treaty.*

**Recommendation 33:** *The Victorian Government supports self-determination for First Peoples in Victoria by committing to accept and implement all recommendations made by the Yoorrook Justice Commission on the health and wellbeing system.*

## Women

Victoria currently lacks a gender-informed framework for responding to the specific AOD needs of women. Women's patterns of substance use and treatment requirements differ significantly from men's. Women can also face additional barriers to accessing supports and services, such as domestic and family violence, caregiving responsibilities, and gender-based stigma. The gap in gender-responsive AOD services in Victoria to meet women's unique needs is yet to be addressed.

Incorporating a gendered lens into the 10-year AOD Strategy is essential to embedding long-term gender-responsive reform to AOD policy, supports and services. However, several initiatives can be implemented in the short term to begin addressing this gap and providing better outcomes for women in need of AOD treatment.

The AOD sector requires ongoing support to continue building capacity in responding to domestic and family violence and using the MARAM framework. While previous funding supported this work, it lapsed in June 2024 leaving a gaping deficit at a critical point in time.

The recent Inquiry into Women's Pain highlighted that women's pain is frequently underdiagnosed which can contribute to the development of substance use issues.<sup>19</sup> Implementing the recommendations VAADA made in its submission to the inquiry will be an important step forward in addressing this significant gap in women's healthcare.<sup>20</sup>

There is also an urgent need for specialist men's behaviour change programs for men who use substances and perpetrate violence. Windana's U-Turn program is the only AOD-responsive men's behaviour change program in Victoria, currently operating in just three catchments.

**Recommendation 34:** *Apply a gender lens to the development of Victoria's AOD Strategy and commit to gender-specific actions in the Implementation Plan that meet the needs of women.*

**Recommendation 35:** *Double the size of the Specialist Family Violence Advisor program across AOD and MH services in Victoria.*

**Recommendation 36:** *Draw on the expertise of the AOD sector to support the implementation of Men's Behaviour Change Programs across Victoria.*

**Recommendation 37:** *Establish a Victorian Alcohol Taskforce to monitor alcohol-related harms, advise government and inform policy development as part of Victoria's commitment to take action on alcohol through enhanced family violence prevention approaches.*

**Recommendation 38:** *Recognise AOD carers within the Department of Families, Fairness and Housing home-based carers framework to support those providing care for family members affected by AOD-related harms.*

## Pharmacotherapy

Victoria's opioid pharmacotherapy system continues to be in crisis, threatening the stability and wellbeing of thousands of individuals who depend on this life-saving treatment. With an

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<sup>19</sup> Department of Health (2024) *Inquiry into Women's Pain Survey*, Victorian Government: <https://engage.vic.gov.au/inquiry-into-womens-pain-survey>

<sup>20</sup> VAADA (2024) 'Submission to Inquiry's into Women's Pain', Victorian Alcohol and Drug Association: <https://www.vaada.org.au/submission-to-inquiry-into-womens-pain/>

estimated 15,000 clients across the state<sup>21</sup> the system is under significant strain and urgently requires repair and reform to guarantee its sustainability and efficacy.

The number of GPs prescribing pharmacotherapy continues to decline, with many managing a large patient load while nearing retirement. This makes the system very fragile and access to treatment increasingly unstable. The situation is further compounded by a shortage of dispensing pharmacies and the inability of community health agencies to offer competitive salaries for doctors and nurse practitioners to prescribe, creating additional barriers to timely access.

The \$8.4M *Community Health Pharmacotherapy Grants Program* is a good start, but much more is needed to ensure equitable access to this life-saving therapy across Victoria.<sup>22</sup>

To address these challenges and stabilise Victoria's opioid pharmacotherapy system, it is essential to implement Harm Reduction Victoria's *Opioid Pharmacotherapy Access Boost* plan.

***Recommendation 39:*** *Implement the recommendations from Harm Reduction Victoria's Opioid Pharmacotherapy Access Boost plan.*

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<sup>21</sup> AIHW (2024) *National Opioid Pharmacotherapy Statistics Annual Data Collection*, Australian Institute of Health and Welfare: <https://www.aihw.gov.au/about-our-data/our-data-collections/nopsad-collection>

<sup>22</sup> Department of Health (2024) *Community Health Pharmacotherapy Grants 2024-2027*, Victorian Government: <https://www.health.vic.gov.au/community-health-pharmacotherapy-grants-2024-2027>