



September 2026

Mental Health and Alcohol and Other Drugs Capital Renewal Fund 2026-27

Frequently Asked Questions (FAQs)

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1 General

1.1 What is the Mental Health and Alcohol and Other Drugs Capital Renewal Fund 2026-27?

The Mental Health and Alcohol and Other Drugs Capital Renewal Fund for 2026-27 has been established as part of the Victorian Government's commitment to improve the quality and safety of care for existing mental health facilities.

The key objectives of the Mental Health and Alcohol and Other Drugs Capital Renewal Fund are to support:

- provision of a safe working environment for consumers and staff.
- mitigating the risk of accessibility issues and serious incidences impacting staff and consumers
- improvement of consumer and staff amenities
- replacing end-of-life and near-end-of-life building engineering services
- improving staff areas, systems, and technology to improve staffing conditions, reduce administrative burden, and increase time spent treating consumers.
- address damaged and severely deteriorated building fabric allowing for better service delivery and consequential consumer outcomes
- the effectiveness and efficiency of mental health and alcohol and other drug services including improvements to support consumer flow
- enhanced access for priority populations including Aboriginal and Torres Strait Islanders
- delivery of mental health and alcohol and other drugs system priorities.

The capital funding will result in improving consumer, carer, and staff safety through capital investments that balance safety with the need to provide services in a therapeutic and least restrictive environment in existing mental health facilities.

1.2 What type of projects will be in scope?

The fund is designed to assist public Victorian mental health clinical services, and mental health community support services to complete minor construction, remodelling, and refurbishment capital works.

The fund is designed to assist area mental health services to complete minor construction, remodelling, and refurbishment capital works across the following key areas:



Health and safety risk mitigation works in existing facilities that best mitigate the risk of serious incidents occurring and balance the need to provide safety with service provision in a therapeutic and least restrictive environment.



Compliance: ensuring all facilities are compliant with Disability, Building Regulatory Compliance (BRD), Essential Safety Measures (ESM), and Occupational Health and Safety (OH&S).



Quality: improve treatment service quality and efficiency of facilities.

1.3 What is the pool of funds available?

The Victorian Budget is providing funding of \$10 million for the 2026-27 Mental Health Alcohol and Other Drugs Capital Renewal Fund.

What is the maximum amount we can apply for?

Each project value must fall between a minimum of \$10,000 (excluding GST) and a maximum of \$1,000,000 (excluding GST) for minor refurbishment, repairs, replacement, reconfiguration and upgrade projects.

1.4 What qualifies project basic rules and deliverables?

Consumer and healthcare worker safety

- Funding to prevent and control high-priority hazards and risks in the workplace and remediate these risks with minor capital works such as egress doors, room configuration/equipment (CCTV, duress alarms), appropriate signage and wayfinding that enhance the security and welfare of people in workplaces.

Construction works

- remodelling and refurbishment projects to address aged building fabric, compliance, and demand issues; and meet universal design standards
- need for buildings to be fit for purpose
- need for minor refurbishment / repairs / replacement / reconfiguration and upgrades of ageing facilities that reflect infrastructure risk mitigation strategies
 - kitchen upgrades or equipment
 - assets located underground and reticulation services
 - waiting room configurations (infection control and prevention)
 - tearoom configurations (infection control and prevention)
 - accessible paths and ramps, Changing Places toilets
 - additional consulting rooms.

2 Ineligible and excluded items

- Operational funding
- Fixtures, fittings, and furniture not associated with a refurbishment project. Routine replacement of furniture and fittings that are worn is the responsibility of agencies to manage as part of their existing maintenance and replacement program
- Motor vehicles
- Planning funding for future redevelopment/growth projects
- Projects that are additional stages of previously funded projects will be de-prioritised

2.1 What qualifies as a project?

We are looking for a single project with a defined benefit and outcome clearly linked to your highest risk (not bundling of disparate items). Health Services should focus on the critical risk to be addressed and what funding is required to address this risk.

2.2 Can we have multiple sites in one submission?

Yes. However, there must be a clear link between the additional sites and the outcomes and benefits associated with addressing the highest risk identified in the submission. If you are unsure whether a submission is suitable, please email mentalhealthprograms.vhba@vida.vic.gov.au for guidance.

2.3 Can I apply for projects that may be eligible under other funding sources?

Yes. Health services and agencies can still apply but should identify in their applications that they have submitted proposals to other funding sources. Note that under the conditions of funding, funding is not available for projects previously funded or already approved for funding from another source.

2.4 We currently have a project, funded through other sources, in progress, can we submit this for funding under MHAODCRF 2026-27?

No, there will be no evaluation of projects that have already commenced.

2.5 When does my project need to be completed?

All projects must be completed within 18 months from the grant award date.

2.6 Can funds be sought for projects to leased properties?

Projects that relate to capital works to property not owned or controlled by the State Government will be considered. However, it is preferred that such property should not be mortgaged nor encumbered. In such circumstances the Department will require a legally binding agreement with the mortgagee or charge of the property. Applications should clearly outline the lease term.

3 Applications

3.1 When do applications close?

Applications close at 5:00 pm on Friday, 29 January 2027

3.2 How do I submit an application?

Applications must be submitted through the [SmartyGrants Portal](https://dhhs.smartygrants.com.au/MHAODCRF2026-27) (<https://dhhs.smartygrants.com.au/MHAODCRF2026-27>)

All applications must be:

- from an eligible agency

- endorsed by the Chief Executive Officer of the agency
- submitted via the online portal SmartyGrants application form and include relevant supporting documentation (e.g. business case, design drawings, photos, cost plans, quotations, and other supporting information)
- received no later than the SmartyGrants closing date and time: 5:00 pm on Friday, 29 January 2027. Unless exceptional circumstances apply, applications received after the specified time and date are deemed ineligible for consideration.

The Application Form must be completed in its entirety. Further supporting information is to be provided as attachments.

3.3 Will hard copies be accepted?

No. All submissions must be submitted via the SmartyGrants portal.

3.4 What information should the application include?

Applicants should read the Mental Health and Alcohol and Other Drugs Capital Renewal Fund 2026-27 Guidelines in full before submitting.

Please consider your eligibility and alignment of the proposal with the guidelines and criteria, before submitting your proposal.

The application form and the CEO declaration must be completed for each proposal to the Mental Health and Alcohol and Other Drugs Capital Renewal Fund.

Relevant supporting documentation can be included as attachments to the application.

Applications should include the following information:

- How the proposed changes will improve Mental Health treatment services for Victorian people
- Alignment with and supporting government legislation, commitments, policies, recommendations, and findings will also be viewed favourably, including (but not limited to):
 - Victoria's 10-Year Mental Health Plan
 - The Mental Health Act 2014 (Vic)
 - The Framework for Recovery-oriented Practice
 - Promoting Sexual Safety, Responding to Sexual Activity, and Managing Allegations of Sexual Assault in Adult Acute Inpatient Units
 - Victoria's Ice Action Plan
 - Victorian Charter of Human Rights and Responsibilities Act 2006 (Vic).
 - Community Visitors Annual Report 2016-17
 - Health 2040. A discussion paper on the future of healthcare in Victoria.
 - Victorian Suicide Prevention Framework 2016-25
 - Analysis and evidence for the request e.g. building reports, incident data trends, master and service plans supporting the issue.
 - Interim and Final Reports of the Royal Commission into Victoria's Mental Health System.
- Anticipated key milestones data in accordance with the payment schedule milestones
- How these risks have been identified and mitigation strategies to address these
- Evidence to support the problem / issue / risk or opportunity:
 - Incident data
 - Reports from the Office of Chief Psychiatrist

- Independent reports from specialists detailing current risks and or issues and how the project will address these
- Evidence of how the proposed changes will improve the asset’s environmental sustainability and indoor environmental quality, including completion of the checklist in *Environmental sustainability requirements* and checklist.
- Describe the benefits your project is expected to achieve supported by metrics/ data to measure current performance and targeted outcomes, with timelines based on the successful delivery of the project.

3.5 What file types and naming conventions should be used in applications?

The conventions and file types to be used in the submission are on the Mental Health and Alcohol and Other Drugs Capital Renewal Fund 2026-27 SmartyGrants Application form.

3.6 How will my application be assessed?

Applications will be assessed in a panel arrangement using a defined set of assessment criteria. Submissions should reflect agreed policy objectives and reflect how the proposed works will meet the objectives for contemporary person-centred Mental Health treatment in Victoria.

The following criteria will be used to assess the application and will be considered with the evidence provided.

- Applications that address multiple criteria are at a distinct advantage. It is expected that all design solutions will be consistent with VHBA’s design guidelines and Health Technical Advice.

Criteria	Descriptor	Weighting
1. Project readiness	Organisational readiness to implement the project, including key milestones and the expected timeframe for completion. Relevant supporting documentation as outlined in the submission requirements section of this document must be provided. All project dependencies must be listed including their potential impact on the project cost, schedule, scope, and benefits.	Projects will be assessed as ready, partially ready, or not ready
2. Governance	The degree to which health service/agency governance structures and processes are in place to oversee the proposed project development, implementation, monitoring & reporting. This relates to the governance framework supporting transparency, probity, and accountability relating to the delivery of this proposal.	Project governance will be assessed as strong, good, or inadequate
3. Strategic alignment	Alignment with government commitments and policies including the Interim and Final Reports of the <i>Royal Commission into Victoria’s Mental Health System</i>. Alignment with health service: • strategic plan • statement of priorities • service plan and master plan (where relevant).	20%

	AOD Alignment: Alignment with provider's service agreement and the AOD program guidelines.	
4. Healthcare quality and safety improvement	Addresses one or more of the following: • regulatory compliance • standards compliance • patient and staff amenities • safety, quality • risk.	50%
5. Service capacity efficiency and demand pressure	Addresses one or more of the following: • service access and capacity (for example, bed access, improved service options, reduced service fragmentation, improved consumer flow) • demand pressure • models of care (for example, contemporary models of care/improved services closer to home) • service efficiency of targeted services • efficiency (for example, new infrastructure, equipment and technology) • health care improvement to your health service. • enhanced access to culturally safe mental health, social and emotional wellbeing, and AOD services for priority populations including Aboriginal and Torres Strait Islander peoples • contribution to future infrastructure upgrades	30%

Assessment of Applications will be assessed in three phases:

- Initial review of application for compliance, eligibility and buildability readiness
- Internal departmental Program review
- Prioritisation and recommendations to the Minister for Health for endorsement.

3.7 Will VIDA Health amend the assessment criteria?

VHBA reserves the right to amend the assessment criteria as required to reflect strategic or operational priorities and will notify health services of any significant changes.

3.8 Can I make changes to my application after it has been submitted?

Applications cannot be amended after submission. If you need to amend a submitted application before the application period closes, please contact the program team at mentalhealthprograms.vhba@vida.vic.gov.au. Round closes at 5:00 pm on Friday, 29 January 2027.

3.9 When will I know the outcome of my submission?

All applicants will be notified in writing once the assessment process is complete. Successful projects will also be published on the [Mental Health and Alcohol and Other Drugs Capital Renewal Fund 2026-27 webpage](#).

3.10 Can I submit an application which will seek multiple funding resources including this grant?

No. Funding cannot be sought for a project that has already been approved or funded through another source.

3.11 Can I submit the same application which was rejected last year?

Yes. However, you must provide updated supporting documentation, such as current cost plans, quotes and project plans.

3.12 Where can I locate the Environmental Sustainability Checklist?

The checklist is available on the [Mental Health and Alcohol and Other Drugs Capital Renewal Fund VHBA website](#).

3.13 Where do I upload the Environmental Sustainability Checklist in my application?

You can upload the Environmental Sustainability Checklist under Supporting Documentation in the Project Details section.

4 Further Information

4.1 Where can I get further information or assistance?

For further information or assistance with the MHAODCRF 2026-27 requirements, please contact us by email at mentalhealthprograms.vhba@vida.vic.gov.au.

To receive this publication in an accessible format email Mental Health and Alcohol and Other Drugs Capital Renewal Fund mentalhealthprograms.vhba@vida.vic.gov.au

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