

# Review of the PHN Business Model & Mental Health Flexible Funding Stream Submission

22 JANUARY 2025



Leadership



Collaboration



Respect



Accountability



Innovation



Murray PHN acknowledges its catchment crosses over many unceded First Nations Countries following the Dhelkunya Yaluk (Healing River).

We pay our respects and give thanks to the Ancestors, Elders and Young People for their nurturing, protection and caregiving of these sacred lands and waterways, acknowledging their continuation of cultural, spiritual and educational practices.

We are grateful for the sharing of Country and the renewal that Country gives us.

We acknowledge and express our sorrow that this sharing has come at a personal, spiritual and cultural cost to the wellbeing of First Nations Peoples.

We commit to addressing the injustices of colonisation across our catchment, and to listen to the wisdom of First Nations communities who hold the knowledge to enable healing.

We extend that respect to all Aboriginal and Torres Strait Islander Peoples.

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Murray PHN appreciates the opportunity to provide a submission to the Review of the PHN Business Model & Mental Health Flexible Funding Stream. For further information, please contact Matt Jones CEO at [mjones@murrayphn.org.au](mailto:mjones@murrayphn.org.au).

# About Murray PHN

As one of 31 Primary Health Networks (PHNs) across Australia, Murray PHN's role is to increase the efficiency and effectiveness of primary healthcare at the community level. Our goal is to ensure the people in our region can access the right care, in the right place, at the right time, delivering equitable health outcomes for all.

Since 2015, Murray PHN has played a pivotal role in aligning primary healthcare services to meet the diverse needs of rural and regional communities, working with local providers to help keep people well and out of hospital. We connect health services to community needs through strategic regional planning and local engagement, ensuring the health system is accessible, responsive, and delivers better outcomes where they're needed most.

## Our region



### Chronic disease

Residents in the Murray PHN catchment more likely to have three or more long-term health conditions compared with the national average (3.4 vs. 3.0 per 100 people)



### Low socio-economic status

14 LGAs (64%) have a lower economic status than the national average, including the entire North West region.



### First Nations Peoples

First Nations Peoples in our region are more likely to have three or more long-term health conditions compared with the national rate (5.5 vs 4.0 per 100 people)



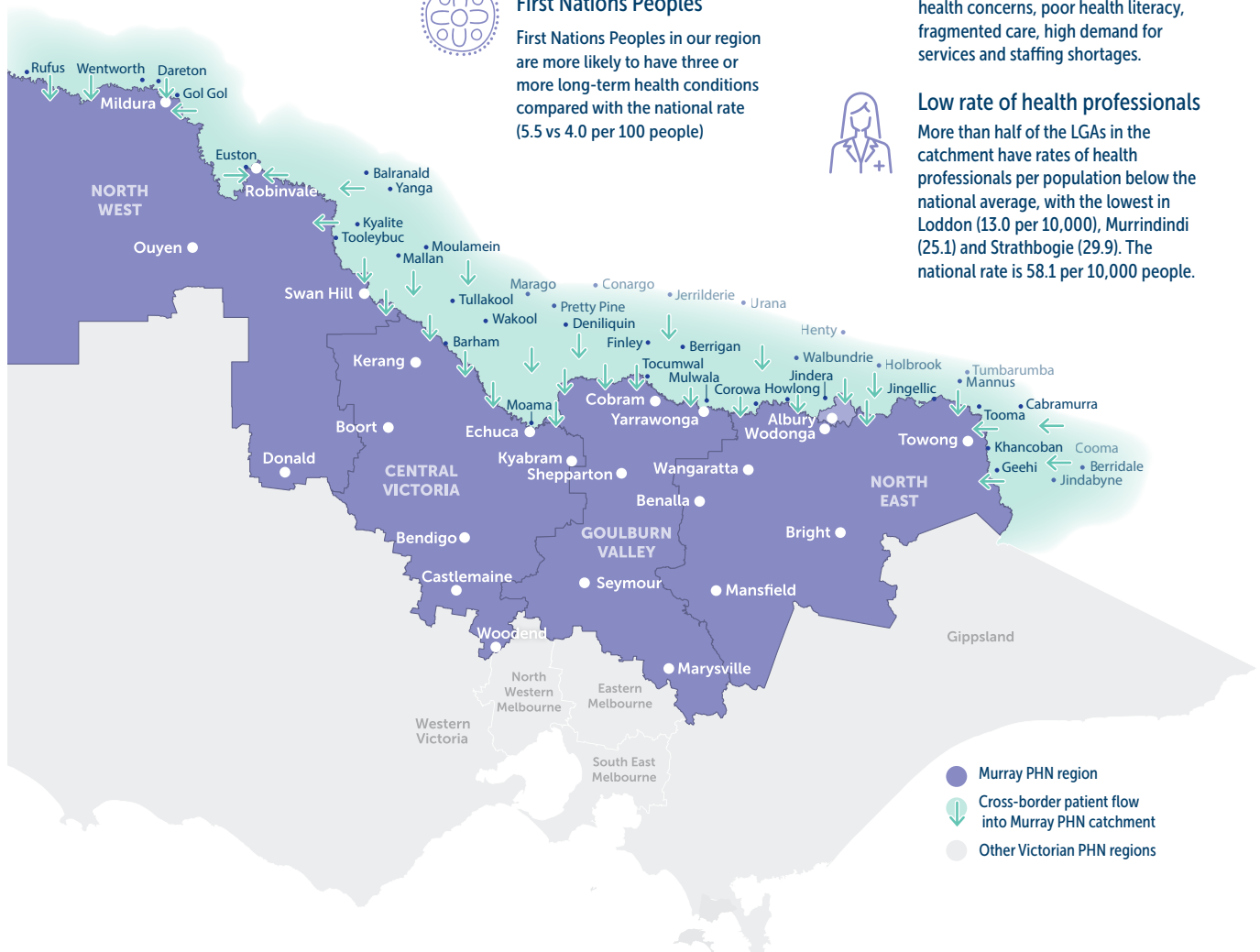
### Barriers to access and improved health outcomes

Barriers to access and improved health outcomes include cost of living pressures, access to GPs and bulk-billed services, transport, stigma, co-occurring mental health concerns, poor health literacy, fragmented care, high demand for services and staffing shortages.



### Low rate of health professionals

More than half of the LGAs in the catchment have rates of health professionals per population below the national average, with the lowest in Loddon (13.0 per 10,000), Murrindindi (25.1) and Strathbogie (29.9). The national rate is 58.1 per 10,000 people.



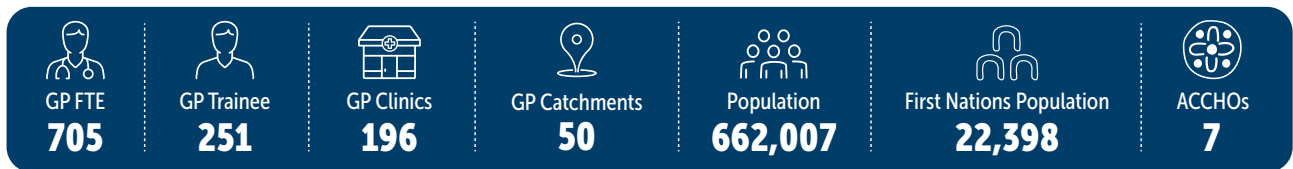
# Characteristics of Murray PHN's catchment

Our catchment spans 22 local government areas across northern Victoria and into Albury, New South Wales, with 36 local hospital networks serving an estimated 660,000 people.

The population of Murray PHN's catchment is spread across a dispersed area of almost 100,000 square kilometres – 44 per cent of the entire state of Victoria. While we service some areas of high population density and proximity, in comparison with other PHNs, our communities are smaller and spread across further distances, which presents challenges for coordination, capacity building

and collaboration. These include ensuring equitable access to care, challenges in recruiting and retaining a skilled workforce – particularly in rural and remote areas – and ensuring the appropriate integration and coordination of services so that communities can receive tailored approaches that are in line with the healthcare they need.

Our catchment includes the cross-border towns of Albury and Wodonga, making Murray PHN the only dual-state PHN in Australia. This unique position presents opportunities in coordinating state health services with federal programs.




July 2024

Our region has


**36\***

local hospital networks




ALMOST **100,000km<sup>2</sup>**

Murray PHN's catchment: **44% of Victoria**



Murray PHN is the only **dual-state PHN** in Australia




\* <https://www.aihw.gov.au/reports-data/myhospitals/my-local-area?type=lhns>  
Under Victoria's devolved governance model, Murray PHN has to engage directly with 36 distinct LHNs. There are 119 LHNs nationally.

ALMOST  
**1/3**

of Victorian First Nations Peoples **live in our region**



**12%**

of our population were **born overseas**



**2/3** from non-English speaking backgrounds



By 2030  
**1/4**

of our population are projected to be **aged 65 years+**



Between  
**4-8%**

of our population are living with a **profound disability**



**9%**

Intentional self-harm injuries **higher than the national average**

**35%**

Suicide or death from self-inflicted injury **higher than the national average**

## First Nations Communities

- Within our catchment there are seven Aboriginal Community Controlled Health Organisations (ACCHOs) providing a range of care and a breadth of services for Aboriginal and non-Aboriginal clients across large geographical areas, with clients travelling long distances to access their culturally respectful services.

## Cultural diversity

- While many migrants in the Murray PHN region have, or achieve, fluency in English, others struggle with healthcare information that is not in their native languages, or come from places where they did not have access to a universal health system, which has an impact on health equity.

## Rapidly ageing population

- Our rapidly ageing population live in distributed rural communities and have complex health and social needs
- Eligibility for health programs does not guarantee access, because of both a physical inability to get to allied health services nearby, and limited availability of staff.

## People with a disability

- Between 4.3-8.1 per cent of residents in Murray PHN's catchment are living with a profound disability, and a similar number are living with a less severe impairment.
- A higher-than-average proportion of older people in the Murray PHN catchment are living with at least one disability.
- In some LGAs, more than 10 per cent of residents are on a disability pension.

## Mental health

- Overt mental health problems occur in the Murray PHN catchment in the context of the need for better access to appropriate clinical staff, including psychiatrist consultants, psychologists, mental health nurses and Aboriginal health workers/practitioners
- Both primary care staff and residents and their representatives report long waiting times for access to specialist mental health staff and there are high rates of emergency department presentations for mental health behavioural disorders in the region.

## A community-centric approach

Murray PHN values the importance of community as the foundation for improving the health system, health services, patient care, and health outcomes for individuals and populations. Our communities access the federated and fragmented Australian health care at a localised level where services happen to be co-located. PHNs can integrate these privately funded and commonwealth and state funded health services through co-ordination to enable the localised systemisation of health care that is responsive to need and accessible to patients.

In rural areas, PHNs build capacity for localised and coordinated healthcare by planning at a regional level. This approach fosters collaboration, scales patient volumes, enhances provider capability, and supports the development of service models that address disparities in equity, access, and care quality.

Communities also provide a vital platform for patient and provider engagement, supporting the design, leadership, and advocacy needed for the successful implementation of localised policies and initiatives.

## Leadership and governance

Murray PHN is a trusted advocate and partner for healthcare providers, driven by strong governance and local accountability. Our five advisory councils – four Community Advisory Councils, and a Clinical Advisory Council – bring invaluable local and clinical expertise to our skills-based Board.

This structure ensures our decisions are informed, transparent and impactful, delivering value for money and measurable outcomes. Every initiative we undertake is guided by our goal of improving patient experience, population health, healthcare costs, provider experiences and equity of care.

## Driving impact

Through commissioning, collaboration and capacity building, Murray PHN transforms fragmented health services into an integrated regional healthcare system. We support providers to deliver efficient, effective and locally relevant care, while driving innovation and long-term solutions.

Our place-based care model ensures we address each community's unique challenges and opportunities, delivering outcomes where they're needed most and reducing barriers to care.

Murray PHN's role is clear: to connect health services to community needs, enabling an equitable, integrated and high-performing primary healthcare system that delivers better health outcomes where they're needed most.

## Murray PHN drives general practice accreditation

Last year, the Australian Government provided funding to support general practice accreditation. Murray PHN received a significant portion of this funding, with 173 practices applying for support. One hundred and thirty-two practices successfully used these funds to maintain or achieve accreditation against the rigorous RACGP Standards.

Murray PHN's dedicated general practice team developed a comprehensive accreditation strategy, setting ambitious goals to improve quality of care across the region. Through proactive support and guidance, the team successfully reduced the number of practices awaiting accreditation from seven to just four - a significant achievement.

Furthermore, seven practices achieved accreditation for the first time, demonstrating the positive impact of our support. As of 30 June 2024, a remarkable 97.94 per cent of practices in the Murray PHN region were accredited or registered for accreditation, surpassing the national average of 83.8 per cent (2019 data) by a significant margin.

This success underscores Murray PHN's commitment to supporting high-quality general practice care in our region. By working to address unique needs of individual practices and empowering them to achieve accreditation, we are ensuring that our communities have access to safe, effective and patient-centred healthcare.



**98%**  
of practices in  
our region were  
accredited or  
registered for  
accreditation

As of June 30 2024

Dear Review of the PHN Business Model & Mental Health Flexible Funding Stream consultation team,

We are pleased to present Murray PHN's response to the Review of the PHN Business Model & Mental Health Flexible Funding Stream. Murray PHN welcome the opportunity to contribute to this review, which we believe is a critical opportunity to strengthen the ability of PHNs to deliver effective, place-based primary healthcare.

PHNs have a very important role and capacity to improve local health care, patient care and communities' health outcomes. The PHN contribution is absolutely vital in regional, rural and remote Australia where populations are older, health needs are greater, yet we have comparatively much less access to health care services and provision than in metropolitan contexts. The vitality of regional Australia is dependent on access to effective health care. The localised decision making capacity of PHNs supported through our platforms of engagement, relationships, knowledge enable the opportunity to develop specific place-based solutions that incorporate the specific enablers in respective regions and communities while also mitigating the varied barriers to effective health care in regional, rural and remote settings.

Our submission strongly advocates for a PHN model that acknowledges this regional context and prioritises place-based care that empowers PHNs to connect local services with those who need them most. A significant challenge facing our primary healthcare system is the capacity of our health system to responsively adapt to changes in care needs and develop models of care that increase access to care, particularly in areas of recognised workforce and service shortage.

To address the inequity that exists in regional Australia, any future PHN model must embed an understanding of regional contexts and actively engage with the voices of local providers and patients. This approach is particularly important for lifting the standard of mental health care, which must be seamlessly integrated into the broader health system to meet the growing and complex needs - especially those of regional Australians.

We view this review as an opportunity to not only address the challenges within our existing PHN model, but also strengthen the PHN capacity to address the inverse equity gap that is growing between need and access to care that exists throughout regional Australia. Our health system is predicated on the concept of universal access to health care partially funded through a 2% Medicare levy paid by all Australian taxpayers. Investing in PHNs will help uphold and strengthen the availability of universal access to healthcare for all Australians, wherever we may live.

Thank you for considering our submission. We look forward to future opportunities to contribute to this review.

Regards,



Leonie Burrows OAM  
Chair  
Murray PHN



Matt Jones  
CEO  
Murray PHN





## Murray PHN's recommendations

This submission outlines Murray PHN's argument for preserving and strengthening regional PHNs and enhancing their ability to address local health disparities, integrate services locally, and respond to the diverse and complex needs of rural and regional Australians.

Rural and regional Australians face far worse health outcomes and inequities than those in metropolitan areas. Our recommendations are therefore focused on strategies to preserve and strengthen the regional PHN model, and emphasise the importance of place-based care that meets the unique needs of rural and regional communities.

This submission outlines the following four recommendations:

-  **Recommendation 1**  
Address unique rural health challenges through regional PHN models that provide place-based solutions
-  **Recommendation 2**  
Empower PHNs to coordinate services to enable localised healthcare systems at a community and regional level.
-  **Recommendation 3**  
Invest in flexible, long-term funding for place-based care
-  **Recommendation 4**  
Build a connected, preventative and community-centred regional mental health system

Murray PHN is well-placed to lead this change, with the governance, partnerships, and expertise to tackle systemic challenges. By investing in smarter policy and funding, we can deliver better health outcomes for the Murray PHN region and regional Australia at large.

We look forward to briefing you further on Murray PHN's work and recommendations.

## Bridging the health gap in Murray PHN's diverse region

Murray PHN serves one of Australia's most diverse regions – spanning peri-urban, regional and rural communities – each with distinct healthcare challenges. With significant Aboriginal and Torres Strait Islander and multicultural populations, aged care recipients, people living with disabilities and those managing complex mental health conditions, the region's needs are broad and urgent.

But there's a critical imbalance: areas with the greatest health needs often have the least access to services. Workforce shortages – particularly GPs, allied health and multidisciplinary providers – are compounded by fragmented governance across state, federal and private sectors, hindering the delivery of cohesive care. Murray PHN's catchment is the most complex in Australia, with 36 local hospital networks. While this

enhances responsiveness at a community level, it makes regional planning and coordination a challenge, especially in acute and primary care.

Adding to this are climate-related emergencies – floods, fires, droughts – that hit the region hard, worsening respiratory health, mental health and substance use issues. The region also faces cross-border healthcare complexities, increasing reliance on telehealth and rigid systems that don't always meet local needs.

At the heart of these challenges is a disconnect – rural communities feel health policies are imposed on them, not created with them. This deepens the divide between city and country care, and underscores the need for place-based solutions that reflect local voices and rebuild trust.

### The path forward

Murray PHN is driving change through community-focused, tailored healthcare solutions, but we can do more. Key opportunities include:

- Regional health system integration to bridge gaps between public and private sectors and improve continuity of care
- Preventative care investment to reduce long-term costs and improve community health outcomes
- Community-driven solutions by engaging local voices to create flexible, place-based care models
- Innovative funding models like rolling three-year funding cycles to enable smarter commissioning and scalable solutions.

## Reducing emergency department pressure and improving access

Murray PHN supports five vital Urgent Care Clinics across the region: Albury, Shepparton, Bendigo, Mildura and Wodonga. These clinics play a crucial role in providing timely access to care for a wide range of urgent health needs.

Last year, these clinics saw a significant volume of patients, with a total of 44,242 presentations. Notably, 28 per cent of these presentations occurred during after hours, demonstrating the critical role these clinics play in providing accessible care outside of traditional GP hours.

Acute respiratory illnesses, urinary tract infections, rashes and fractures/lacerations were among the most common presentations. Thirty-three per cent of patients were under 16 years of age, and six per cent identified as Aboriginal and/or Torres Strait Islander.

Crucially, 82 per cent of patients were successfully referred to their GP for ongoing care, while only five per cent required further treatment at an emergency department. This demonstrates the effectiveness of the urgent care model in providing appropriate and timely care while reducing unnecessary emergency department presentations.

A significant 48 per cent of patients reported that they would have gone directly to the hospital emergency department if the Urgent Care Clinic wasn't available. This underscores the vital role these clinics play in providing accessible and appropriate care in the community.



# MURRAY PHN RECOMMENDATIONS

## Recommendation



R1

Address unique rural health challenges through regional PHN models that provide place-based solutions

### CASE STUDY

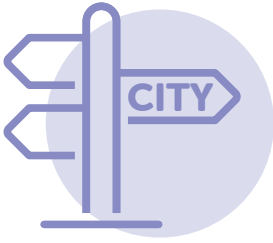
#### **A place-based approach to lymphedema treatment**

Facing long wait times for essential care, patients in the Wodonga region were struggling to access timely lymphedema treatment. Recognising this critical need, Murray PHN and Hospital Street Doctors secured General Practice Investment Strategy funding to establish a dedicated clinic, expanding access to this vital service for their own patients and the wider community.

The clinic quickly became a lifeline for patients, offering significantly reduced wait times compared with the public health system – down from eight weeks to just one or two. A dedicated referral portal and regular feedback mechanisms ensured efficient service delivery and continuous quality improvement.

Recognising the financial burden of compression garments, the clinic partnered with a local provider to offer affordable options on-site. This innovative approach addressed a major barrier to care and improved patient access to essential resources.

In just 12 months, the clinic successfully assisted 57 cancer patients, expanding the scope of practice for both the nurse and GP. The addition of a palliative care registrar further enhanced the level of care provided to patients.



## People die from potentially avoidable causes at higher rates the further away they live from major cities<sup>1</sup>

### Why it matters

Rural and regional Australians face far worse health outcomes than those in metro areas. A PHN model that does not respond to the varied and specific enablers and barriers in regional, rural and remote Australia would:

- limit local health systems' ability to respond to community needs
- reduce access to care and outcomes for rural, regional and peri-urban communities
- undermine trust and community engagement
- leave the workforce unsupported and unable to deliver place-based care.

### Rationale

Australia's vast geographic and demographic diversity shapes the healthcare landscape, particularly in regional and rural areas. The challenges faced by these communities – such as workforce shortages, geographic dispersion, aging populations and the fragmented nature of regional health systems – are distinct from those in metropolitan areas.

A one-size-fits-all state-based PHN model cannot address these disparities effectively. Instead, strategies must adapt to the unique characteristics of each region. The current PHN strategy empowers regional PHNs to develop place-based solutions that address these local variations. Maintaining this regional focus is critical to ensuring equitable access, effective service delivery and sustainable healthcare outcomes.

### Proposed actions

<p><b>1. Retain regional PHN presence and capability in Victoria</b></p>	<ul style="list-style-type: none"> <li>• Recognise that the regional context of PHN operations is essential to preserving the adaptability and effectiveness of Australia's primary healthcare system</li> <li>• Preserve regional PHN model(s) and recognise it as a critical mechanism for maintaining access to primary healthcare services, which play a key role in reducing the health care outcomes gap between regional and metropolitan areas.</li> <li>• Recognise the complexity and emergence of Local Health Service Networks (LHSNs).</li> </ul>
<p><b>2. Continue empowering PHNs through localised strategies</b></p>	<ul style="list-style-type: none"> <li>• Maintain and invest in the flexibility and capability of the PHN strategy to develop tailored, place-based solutions</li> <li>• Address regional challenges, including workforce shortages, time and distance barriers, and the need for integrated care through targeted, flexible application of policy.</li> </ul>

<sup>1</sup> [https://www.ruralhealth.org.au/sites/default/files/NRHA\\_rural\\_health\\_in\\_Australia\\_snapshot\\_2023.pdf](https://www.ruralhealth.org.au/sites/default/files/NRHA_rural_health_in_Australia_snapshot_2023.pdf)

<p><b>3. Strengthen governance for local leadership through targeted, flexible application of policy</b></p>	<ul style="list-style-type: none"> <li>• To fulfil the intention of the National Health Reform Agreement, establish stronger governance structures and planning processes between PHNs, LHSNs and Mental Health Regional Commissioning Authorities</li> <li>• Formalise mechanisms for community advisory councils that facilitate community and provider contributions</li> <li>• Enable flexibility in funding to enhance capacity to deliver localised solutions</li> <li>• Establish clear and consistent corporate, regulatory and departmental standards for independent healthcare entities to ensure alignment with national health priorities</li> <li>• Provide tailored guidance and streamlined compliance processes to reduce administrative burden and promote efficiency for independent providers</li> <li>• Foster accountability and transparency by setting baseline quality and safety benchmarks for all independent healthcare entities</li> <li>• Incorporate mechanisms for regular review and stakeholder feedback, to refine standards and address evolving healthcare needs.</li> </ul>
<p><b>4. Invest in regional capacity building</b></p>	<ul style="list-style-type: none"> <li>• Provide targeted funding for workforce development, training and retention strategies to address shortages in GPs, allied health professionals and other critical roles</li> <li>• Allocate resources to build infrastructure, and expand and create service delivery capabilities in under-resourced areas.</li> </ul>
<p><b>5. Innovate through coordination and workplace systems approaches</b></p>	<ul style="list-style-type: none"> <li>• Develop and pilot multidisciplinary care teams to enhance service coordination, and address workforce maldistribution and fragmentation</li> <li>• Pilot team-based approaches to care delivery, focusing on innovative solutions that address regional workplace challenges.</li> </ul>

Australia’s primary healthcare system must recognise the regional context of PHN operations to keep the system adaptable and effective. PHNs must deliver place-based solutions, build local capacity and embed strong governance to ensure regional healthcare systems meet community needs. By committing fully to regional health, a more equitable, accessible and sustainable healthcare system will be created for all Australians.

## Recommendation



Empower PHNs to coordinate services to enable localised healthcare systems at a community and regional level.

### CASE STUDY

#### **Bridging the rural health gap: The nurse practitioner success story**

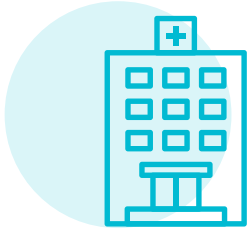
Buloke, Loddon and Gannawarra local government areas faced a critical shortage of GPs. To address this, the Nurse Practitioner Rural Outreach Model (NPROM) was launched. This innovative program, running from January 2023 to April 2024, aimed to improve primary healthcare access for the region's 25,000 residents.



The NPROM leveraged existing nurse practitioner talent within the region, delivering care at five strategic sites. Two nurse practitioners and three care coordinators provided essential services, including one-day-per-fortnight clinics at both GP practices and community health centres. A total of 673 patient consultations were provided across these sites.

Despite limited resources, the NPROM achieved remarkable results. Patient outcomes were excellent, and both patients and providers reported high satisfaction. The program also demonstrated cost-effectiveness and improved equity in rural healthcare.

Recognising the NPROM's success, the model has transitioned into a sustainable, mixed-billing, not-for-profit service. This model now provides a minimum of 10 and a target of 14 patient consultations per day. Building on this momentum, Australian Government funding has been secured to expand the program. This expansion will include integration with allied health professionals, creating a comprehensive multidisciplinary team and increasing access to care for even more rural residents.



## 36 of Victoria's 76 local hospital networks are in the Murray PHN catchment, with 43 LHNs covering the rest of Australia.<sup>2</sup>

### Why it matters

Australia's healthcare system is fragmented and siloed. This is worse in regional and rural areas, where resource constraints, workforce shortages and geographic barriers exacerbate health inequities.

To meet the complex and diverse needs of local communities, PHNs bridge service gaps and build connected placed-based healthcare systems with federal, state and private providers.

PHNs drive collaboration and innovation, and transform local healthcare to better address unique local health needs.

They also implement national health reforms by integrating services and aligning funding structures with local priorities.

Without rural and regionally focused PHNs, the health of more rural and regional Australians will fall through the cracks.

### Rationale

Australia's healthcare system is often characterised by siloed service delivery, limiting its ability to meet the complex and diverse needs of local communities. This fragmentation is particularly pronounced in regional and rural areas, where resource constraints, workforce shortages and geographic barriers exacerbate health inequities.

PHNs bridge these gaps and build a connected healthcare system. Their ability to engage with providers and communities at a local level:

- fosters collaboration across healthcare sectors to align services and improve continuity of care
- drives the development of tailored, place-based solutions that respond to unique local needs
- supports the implementation of national health reforms by integrating services and aligning funding structures with local priorities.

However, PHNs require appropriate tools and support to achieve these goals. This includes flexible funding models, strengthened governance, and a commitment to capacity building to ensure providers can work collaboratively and effectively.

<sup>2</sup> <https://www.aihw.gov.au/reports-data/myhospitals/my-local-area?type=lhns>



## Proposed actions

To strengthen integration and enhance the local healthcare system, we recommend:

<b>1. Strengthened cross-sector collaboration</b>	<ul style="list-style-type: none"><li>• Strengthen and implement the Commonwealth and State bilateral agreements to support better system integration</li><li>• Bring together primary, acute, mental health and aged care providers to identify agreed targeted areas for joint planning and action across the care continuum</li><li>• Develop training programs to enhance workforce development, collaboration, innovation and system-wide thinking.</li></ul>
<b>2. Greater flexibility in funding and planning</b>	<ul style="list-style-type: none"><li>• Deliver flexible funding models that allow PHNs to reallocate resources based on local priorities and emerging opportunities and challenges</li><li>• Pilot and fund initiatives that test innovative integration models and scalable solutions, supported by adaptable funding streams. For example, the Thin Markets Solution Initiative at Swan Hill</li><li>• Provide targeted investment in capacity-building efforts to address workforce challenges, redesign and enhance service coordination.</li></ul>
<b>3. Embedding robust governance and accountability reporting</b>	<ul style="list-style-type: none"><li>• Introduce mandatory annual impact reports for community</li><li>• Strengthen governance mechanisms within PHNs to ensure integration efforts are transparent, accountable and aligned with community needs</li><li>• Introduce performance reporting for funders and government.</li></ul>

PHNs are vital to transforming Australia's healthcare system into a connected, responsive and equitable model of care. By fostering integration through collaboration, flexible funding and strong governance, PHNs can address local health disparities, empower providers and deliver improved outcomes for the communities they serve.

## Recommendation



Invest in flexible, long-term funding for place-based care

### CASE STUDY

#### Funding to improve aged care

Recognising a critical gap in aged care, Murray PHN identified alarmingly low GP attendance rates among residents in our region. This issue, compounded by fragmented care and communication challenges, threatened the quality of life for vulnerable older adults.

To address this, Murray PHN successfully secured nearly \$2 million in federal funding to improve access to quality primary care for aged care residents in high-need areas.

In Greater Shepparton, the funding will ensure the continuation of a vital program, preventing 250 residents from losing essential care. In Mildura, where GP shortages are profoundly concerning, the funding will bolster workforce capacity and improve access to care, addressing the critical issue of delayed admissions and empty beds.

This initiative will support at least 270 residents across 15 aged care homes, providing more than 2200 occasions of service. By improving access to proactive care, enhancing care planning and strengthening workforce capacity, we aim to improve the health outcomes of older adults while reducing the risk of unnecessary hospitalisations.

This funding success underscores Murray PHN's commitment to improving the quality of life for older adults in our region. By addressing the unique challenges faced by aged care residents, we are working with healthcare providers to build a more robust and responsive healthcare system for all.





**Up to 30% of Murray PHN's service delivery revenue for a financial year may remain unapproved until after the financial year begins, with delays of up to six months.**

**This lack of certainty makes it difficult for providers to secure and retain skilled professionals to address local population health needs effectively.**

**As a result, unspent funds often remain in a "carry-forward" state at the end of the financial year, perpetuating a cycle of delayed approvals.**

## Why it matters

Rigid, siloed and short-term funding limits PHNs and locks rural communities into a cycle of ineffective, piecemeal healthcare. PHNs need the freedom and flexibility to truly address local health needs. They need the autonomy to design and implement programs that work for their communities. This requires long-term, sustainable funding that provides the certainty needed for lasting impact.

Short-term funding cycles not only hinder program development but also create significant challenges in attracting and retaining skilled health professionals. In areas already struggling with workforce shortages, the inability to offer ongoing employment further undermines the capacity of primary care providers to deliver consistent and effective care. This is particularly critical in rural and regional settings, where filling health professional roles is already difficult.

Business as usual means more of the same. Continuing with short-term fixes will only deepen the healthcare divide and leave rural communities further behind. We need bold action – a shift towards flexible funding

models that empower PHNs to deliver truly integrated, preventative and community-driven care.

Investing in the future of rural health means empowering PHNs with the resources and flexibility to address the unique challenges faced by peri-urban, regional and rural communities. This includes fostering better service integration, prioritising preventative care and ensuring efficient resource allocation at the regional level.

PHNs are well positioned and are increasingly being called upon to address instances of market failure and respond to the market fragility that exists in small regional communities. PHNs have capacity to build scale in patient volume and provider capability through platforms of collaboration, engagement and knowledge to support workforce and service redesign at regional and community levels. Investment in PHN capability supported by longer term and flexible funding will help enable place-based solutions to increase access, equity and quality of health care in instances where market fragility inhibits sustainable and responsive health care.

## Rationale

Facing significant health disparities and grappling with limited resources, regional PHNs operate in a challenging environment. A shortage of primary care providers, coupled with fragmented funding streams, create a constant struggle to meet the diverse needs of our communities.

Rigid funding models leave PHNs handcuffed, hindering their ability to tailor solutions to the unique needs of their regions. We need funding flexibility to truly empower local communities and address their health priorities.

Place-based care is the answer. By fostering strong regional partnerships and prioritising local voices, Murray PHN has successfully connected communities with healthcare planning and delivery. However, short-term funding cycles constantly threaten to derail these efforts.

We need funding models that support long-term planning, enable sustainable solutions, and empower Murray PHN to truly make a difference in the health and wellbeing of our communities.

## Proposed actions

<b>1. Flexible funding structures</b>	<ul style="list-style-type: none"><li>• Allow PHNs greater autonomy to allocate funding across programs and services based on local priorities, reducing the constraints of siloed funding streams</li><li>• Enable flexibility to reallocate resources in response to emergent health challenges, such as climate-related emergencies or cross-border care issues</li><li>• Invest in PHN capacity to develop localised and regional solutions to proactively address workforce and service shortages due to market failure and market fragility.</li></ul>
<b>2. Longer-term funding cycles</b>	<ul style="list-style-type: none"><li>• Introduce rolling three-year funding cycles to provide stability and allow for strategic planning and implementation of capacity-building initiatives</li><li>• Ensure funding horizons extend at least two years beyond the current period, allowing for proactive planning and engagement with communities and providers.</li></ul>
<b>3. Policy and funding for prevention</b>	<ul style="list-style-type: none"><li>• Prioritise prevention-focused care by allocating resources specifically for initiatives that address the root causes of health disparities, reducing long-term demand on acute care services</li><li>• Adopt a regional focus to prevention funding, recognising the diverse health challenges faced by rural and peri-urban communities</li><li>• Prioritise prevention-focused care by allocating resources specifically for initiatives that address vulnerable populations, including First Nations communities.</li></ul>

By embedding flexibility and longevity into funding structures, the government will empower PHNs to deliver sustainable, place-based care that meets the evolving needs of regional communities while addressing long-term health system challenges.

## Recommendation



Build a connected, preventative and community-centred regional mental health system

### CASE STUDY

#### Building resilience in rural mental health

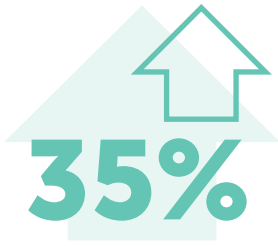
Living with untreated schizophrenia in a remote area, Frank felt isolated and overwhelmed. Despite limited access to mental health support, he reached out to his local Aboriginal Community Controlled Health Organisation (ACCHO) seeking support.

Recognising Frank's reluctance to engage with traditional services, the ACCHO team prioritised building trust and empowering him to make his own choices. Through fortnightly home visits, a compassionate support worker guided Frank in developing coping strategies for his hallucinations and setting personal goals.

Despite facing setbacks, such as unsuccessful NDIS applications, the team remained dedicated to supporting Frank's wellbeing. They secured a much-needed hospital bed to address his physical health needs and encouraged him to join a local exercise program, where he excitedly remarked, "Finally, I am going to be doing something!"

Addressing Frank's concerns about anti-psychotic medication side effects, the support worker encouraged him to trial and document the positive impact of his medication. Simple strategies like setting phone reminders ensured medication adherence. Three-and-a-half months into his medication trial, Frank is experiencing a noticeable reduction in his distress. This remarkable achievement, as described by the Area Mental Health Service, underscores the power of empowering individuals in their own recovery journeys.

Frank's positive engagement was evident throughout his journey. He consistently attended appointments, expressing gratitude for the support and actively participating in his care. These small victories, like sharing a cup of tea and demonstrating genuine interest in all aspects of his life, showcased the profound impact of personalised care.



**In the Murray PHN catchment, the rate of deaths from suicide or self-inflicted injuries is 35 per cent higher than the national average.**

### **Why it matters**

Mental health strains the foundations of Australia's healthcare system and leaves cracks in access, support and outcomes for people in need.

Australia's mental health system is highly siloed and is focused on acute, crisis-driven care, rather than preventative and early intervention measures.

Flexible funding is needed to avoid duplication and drive placed-based solutions in rural and regional communities.

A shift is required – from acute-focused care to a holistic, integrated model that emphasises prevention, early intervention and connectivity across service areas.

### **Rationale**

Murray PHN provides primary mental health, psychosocial recovery, and alcohol and other drug services across our diverse catchment. However, Australia's mental health system faces significant hurdles, plagued by a siloed approach and an over-reliance on crisis care.

Victoria's unique role in mental healthcare underscores the complexity of delivering effective services within a fragmented system. The 2021 Royal Commission highlighted the critical need for better integration between primary care and mental health, emphasising the importance of social prescribing and community-based approaches.

It's time for a shift. We need a system that prioritises prevention, early intervention and a holistic approach to care. This means addressing the social determinants of mental health and breaking down the barriers that currently hinder access to care.

As a key player in the health landscape, Murray PHN is uniquely positioned to drive this transformation. We will leverage our local knowledge and strong community connections to foster a more integrated and responsive mental health system for our region.

## Proposed actions

<p><b>1. Coordinate of mental health services</b></p>	<ul style="list-style-type: none"> <li>• Support PHNs to collaborate with state and territory governments to align primary mental health services with local, regional and state-level responsibilities, ensuring a seamless transition between care levels</li> <li>• Develop shared care models that integrate mental health with other sectors, including disability, aged care and general health services, to address complex and overlapping needs.</li> </ul>
<p><b>2. Give more focus to prevention and early intervention</b></p>	<ul style="list-style-type: none"> <li>• Expand funding and resources for programs that prioritise early intervention, suicide prevention and preventative care, reducing reliance on crisis-driven acute services</li> <li>• Promote community-based mental health initiatives that are accessible and responsive to local needs, particularly in rural and regional areas.</li> </ul>
<p><b>3. Enhance governance and local leadership</b></p>	<ul style="list-style-type: none"> <li>• Require PHNs to engage with local mental health stakeholders, ensuring that community voices are embedded in decision-making processes</li> <li>• Strengthen the role of PHNs in coordinating mental health services, particularly in areas with high levels of need or service gaps.</li> </ul>
<p><b>4. Invest in workforce and capacity building</b></p>	<ul style="list-style-type: none"> <li>• Fund initiatives that grow the number and capability of mental health practitioners and providers, including those with lived experience</li> <li>• Provide targeted funding for training and retaining mental health professionals, with a focus on addressing workforce shortages in regional and remote areas</li> <li>• Pilot team-based, multidisciplinary care approaches to improve service delivery and reduce fragmented care.</li> </ul>
<p><b>5. Develop a systems approach to mental health</b></p>	<ul style="list-style-type: none"> <li>• Require collaboration between PHNs, state governments and other stakeholders to create a unified vision for mental healthcare that is adaptable to local contexts</li> <li>• Use data and evidence to identify gaps, track outcomes and refine services to better meet population needs.</li> </ul>

By reimagining Australia’s mental health system through a connected, regional approach, PHNs can play a pivotal role in driving better outcomes. Aligning all levels of care – while addressing workforce, funding and governance challenges – will create a more equitable and sustainable mental health system for all Australians.



## Conclusion

This submission outlines Murray PHN's approach to delivering place-based care for regional communities. For further information or to discuss this submission, please contact Matt Jones, Murray PHN CEO at [MJones@murrayphn.org.au](mailto:MJones@murrayphn.org.au).



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