Mental Health Australia

Mental health sector guidance on innovative models of care

December 2025

This paper presents guidance from the mental health sector to governments on how to best support implementation of Action 1.1.2 of the **National Mental Health Workforce Strategy 2022-2032** on "examining innovative service delivery models."

Key messages and recommendations:

There are significant opportunities to embed innovation across the mental health system. These opportunities should be delivered together with actions that improve the sustainability, overall operations and impact of our mental health system.

The National Mental Health Workforce Sector Advisory Group and Network stressed the importance of **innovation being deliberate and purposeful** about the goals it is trying to reach. Members identified **workforce support and training** that should be prioritised to support innovation. They also identified that **collaboration** is a critical element that should be funded and incentivised through contractual arrangements. Collaboration is needed within and through multidisciplinary teams, between services, between commissioning bodies and across jurisdictions.

In addition, the Sector Advisory Group and Network advised that the **right funding models** need to be in place to support innovation. The sector needs to be supported to better leverage **digital transformation** backed by appropriate risk management and mitigation. **Co-design** is a critical underpinning element for innovation to occur, alongside the need for **accurate data, research and evaluation** and the right supporting physical, digital and social infrastructure.

There is a need for the National Mental Health Workforce Working Group to **consider how to support innovation in the context of the next National Mental Health and Suicide Prevention Agreement** ('the National Agreement'), particularly by addressing system fragmentation through supporting collaboration. In relation to the National Mental Health Workforce Strategy 2022-2032, the Productivity Commission recommended the next National Agreement should include an explicit delineation of responsibility and funding for workforce development initiatives (see recommendation 4.6).[1] This should include specific actions and funding to support innovation, which should be informed by this guidance.

[1] Productivity Commission (2025) **Mental Health and Suicide Prevention Agreement Review**

Given the likely delay of the next Agreement and the urgency of workforce reform, there are also actions governments should take sooner to start to encourage innovation before commencement of the next National Agreement. With this in mind, below are immediate actions that the Working Group could recommend to the Mental Health and Suicide Prevention Senior Officials (MHSPSO) Group, based on advice provided by the Sector Advisory Group:

1. MHSPSO should explore options with the Australian Government and training and education providers to develop **training modules that specifically support innovation** within the mental health and wellbeing workforce. This should start with training focused on integrated and multidisciplinary care and digital readiness (as per National Mental Health Workforce Strategy Actions 1.5.1, 4.5.1 and 4.5.2).

2. MHSPSO should encourage Australian and State and Territory Governments to adopt **funding models that explicitly support innovation**. This includes, but is not limited to:
    a. routinely increasing funding agreements to 5 years and including funding for establishment phases (including co-production with people with lived experience of mental health challenges, family, carers and kin)
    b. adequate collection and use of data to inform continuous improvement activities and the adaptation of programs during implementation, and
    c. allocated funding to support better collaboration and integration across services.

    These key elements are also important in setting up pilot programs for success.

3. MHSPSO should request that the Australian Government **release detailed national guidelines on regional planning and commissioning** that meet the needs of Primary Health Networks and Local Hospital Networks, as recommended by the Productivity Commission (see recommendation 2.3).[2]

4. To support **multidisciplinary care**, MHSPSO should prioritise implementation of actions to support multidisciplinary service models committed to in the National Mental Health Workforce Strategy 2022-2032, in partnership with the sector (for example see actions 1.5.1, 2.1.1, 2.1.3, 2.2.1, 2.2.2). In addition, to assist with better utilisation of the peer workforce in multidisciplinary teams, MHSPSO should request the Australian Government to task the new professional association for peer workers (once established) to develop a nationally consistent scope of practice for the peer workforce. The scope of practice should improve understanding of the peer workforce within the mental health and suicide prevention system and the community as per Productivity Commission recommendation 4.7.[3]

[2] Productivity Commission (2025) **Mental Health and Suicide Prevention Agreement Review**
[3] Productivity Commission (2025) **Mental Health and Suicide Prevention Agreement Review**

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Consultation Process

Examining innovative models of care was identified as a priority through Mental Health Australia's national survey of the mental health sector on National Mental Health Workforce Strategy implementation priorities in May 2025. This was reaffirmed by the National Mental Health Workforce Working Group in October 2025.

Representatives on the Working Group were invited to contribute questions they would like feedback on from the Sector Advisory Group and Advisory Network. Mental Health Australia consolidated these into the following four questions:

1. **What makes a service model innovative? What examples of new/innovative models of care would you like to see governments adopt more broadly?** (e.g. models integrating clinical, community and peer approaches; models supporting provision of care outside hospital; models drawing on digital developments and AI?)

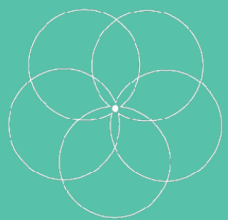
2. **What needs to be in place to effectively scale up innovative models of care across jurisdictions?** (e.g. data, culture, funding, workforce competencies)

3. **What is currently getting in the way of scaling up innovative service models?**

4. **How can the mental health workforce be equipped to deliver innovative models of care, including those delivered via digital and hybrid models?** (e.g. training, infrastructure, workforce readiness, development or expansion of new roles)

The Sector Advisory Group and Network were invited to provide feedback against these questions between 28 October 2025 and 7 November 2025. Fifteen people provided written feedback. Mental Health Australia collated this feedback and presented it for discussion at a meeting of the Sector Advisory Group on 18 November 2025, which included 26 Sector Advisory Group members, including lived experience representatives, service provider representatives, state peak bodies and professional bodies.

Mental Health Australia has since collated all feedback into this guidance.



Sector Advisory Group and Network guidance on innovative models of care

When to innovate

Advisory and Network members were clear that implementation of innovative models of care **should be deliberate and purposeful** and that innovation for innovation's sake could pose a distraction to **ensuring the basics are in place** to ensure service quality and effectiveness. This is explained in the following quote from a Network member:

"Honestly, what would be radical would be a service that actually had a reasonable workload and no waitlist, that hired enough people and provided enough training/supervision/support to them." Sector Advisory Network member

Innovation should not be seen as a means to accommodate a lack of these essential elements. Instead, as a precursor to innovation there should be a **clear understanding of either the problem the innovation is trying to solve or the goals** the innovation is trying to achieve. For example, is the innovation about addressing specific gaps or issues in program design or in available workforces? There should also be clear program and system level logic underpinning how the innovation intends to solve the problem or achieve the goals.

Innovative models should be designed with a view to being implementable, able to improve outcomes at scale, respond to the contemporary service system and to be responsive in filling current service gaps.

Transition out of models that become out-dated and are no-longer fit-for-purpose or best practice should also be a part of the innovation process. Without this, new innovative models can just sit on top of old ones and add complexity rather than value.

Workforce support and training to encourage innovation

The mental health sector is experiencing a range of **workforce challenges** which Sector Advisory Group and Network members tell us get in the way of scaling up innovative models of care. These include workforce shortages, high turnover, limited training funds, poor remuneration, burnout, barriers to multidisciplinary care (attitudinal, legislative and structural) and underutilisation of specific workforces.

While it is outside the scope of this paper to address all these challenges comprehensively, Advisory Group and Network members did call for a range of **specific workforce supports**, to support scaling up innovative models of care, including:

- funding to support workforces to relocate to regional/remote areas
- establishment and support for communities of practice
- workforce capability development in the areas of stigma reduction, digital literacy and confidence using technology

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- clear guidelines for hybrid practice models that include both digital and face to face support
- infrastructure to support shared learning around innovative practices
- support for professional supervision and reflective practice
- defined career pathways
- specific support for early career practitioners
- support for the community mental health workforce and allied health professionals to play a role in alleviating pressure on, and complementing, clinical supports
- support for lived experience workforces in particular, including funding for self-advocacy, peer-led initiatives and training pathways for peer workers
- internships and placements in rural and remote areas.

Specifically in relation to training, members raised a number of **training priorities** to assist the mental health workforce to deliver innovative models of care including in:

- trauma-informed practice
- cross disciplinary collaboration
- lived experience engagement
- cultural competency
- family violence and sexual violence
- digital literacy
- impacts of physical disability
- the scope of the peer workforce
- telehealth platforms and blended care models
- social enterprises.

Connection and collaboration

Sector Advisory Group and Network Members highlighted increasing connection and collaboration as a key service model innovation – including at the workforce, service and government level:

> *"I think also the crux of the issue is a lack of connection, between individuals and between services. Sometimes being heard, having a safe space, being shown compassion, is the need that isn't met."* Sector Advisory Group member

When asked what was currently getting in the way of scaling up innovative service models, Advisory Group and Network members' most frequent response was **system fragmentation and silos**. Silos between clinical mental health, community mental health, NDIS, primary care and crisis care impede the ability of innovative service models to grow. Feedback stressed the importance of integration across the system, for example, breaking down silos between mental health, disability, alcohol and other drug sectors, addressing physical health (including chronic illness) through mental health services, stretching across the acute and community sectors to help with transition points and smooth referral pathways between systems.

Further, network and advisory group members stressed the importance of integration and/or collaboration **across the social determinants of mental health**. For example, feedback included:

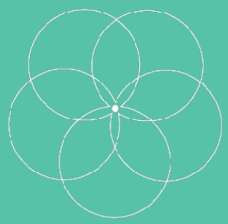
> *"It would be innovative for Government to address the social determinants of health so that people had the resources they needed. Housing stability and financial security cannot be underestimated. We can redesign the mental health treatment services as much as we like but the fundamental issues will remain"* Sector Advisory Group member

There was recognition that specific funding models can encourage integration between service systems, and the consortium model used under the previous Partners in Recovery program was highlighted as a positive example of this. There was an explicit focus in this program on system capacity building, bringing organisations together and trying to build connections between them. To support innovation, **funding models should expressly support collaboration and integration**. Funding models that support innovation are discussed in more detail below.

The Advisory Group and Network also pointed to the need for innovative models of care to **engage the full spectrum of the workforce**, working to the top of their clearly defined scope of practice. This includes peer, community mental health, allied health and clinical workforces.

Clarifying scope of practice across occupations is essential for effective use of multidisciplinary teams, understanding and referrals between stakeholders, and community awareness of the role and value of different health workforces. Reviewing core competencies and aligning practice to scope is vital. Incentives are needed to encourage integrated care and full utilisation of all professional capabilities. There is a particular need to communicate about the scope of practice for the peer workforce, recognised by the Productivity Commission, which recommended that the next National Agreement should task the national professional association for peer workers with developing a nationally consistent scope of practice for the peer workforce, which improves the understanding of the peer workforce within the mental health and suicide prevention system (see recommendation 4.7).[4]

[4] Productivity Commission (2025) **Mental Health and Suicide Prevention Agreement Review**



In addition, Sector Advisory Group and Network members also referred to the need for professions to be enabled to work to their '**lateral scope of practice**' as well. This means operating across the width of their practice to the point where this intersects with other disciplines in a truly collaborative manner. This requires flexibility within program design, scope across multidisciplinary teams and the ability to collaborate across professions.

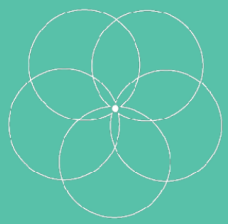
Having such a **multidisciplinary workforce was viewed as a strategic asset** and the Sector Advisory Group and Network acknowledged the need to build bridges between professions to strengthen this approach. Advisory Group and Network members identified **specific skillsets they saw as integral to multidisciplinary care** including in stigma reduction, cultural safety, digital literacy, collaborative care, mediation, and education about the role of the peer workforce in particular. To further support multidisciplinary care, some Sector Advisory Group and Network members raised the ideas of shared training and continual professional development opportunities, paid participation in case reviews and integrated documentation.

Sector Advisory Group and Network members also noted the critical role of **community managed organisations** in establishing innovative models for specific communities including but not limited to Aboriginal and Torres Strait Islander communities, the LGBTIQ+ community, people from rural and remote communities and people from culturally and linguistically diverse backgrounds. Community owned and run organisations are critical in driving innovation, as they fundamentally design services to meet the specific needs of their community. They operate as lynchpins in ensuring there is effective collaboration between services that wrap around the person. However, current funding models including grant applications can favour large generalist organisations with greater resources for the application process. Greater collaboration is needed between local community owned organisations and mainstream organisations, to get the benefits of efficiency and tailored local responses.

At a whole of system level, Sector Advisory Group and Network members noted the importance of cross jurisdictional collaboration including between governments, Primary Health Networks, Local Hospital Networks, professional colleges and peaks. This collaboration at the system governance and commissioning level, informed by collaboration with professional colleges and peaks was seen as a critical enabling factor for innovation. This is particularly pertinent in relation to the development and implementation of standards. Some members called for the adoption of service models for systemic quality improvement and noted the Zero Suicide Framework as a key example. In the context of considering whole of system collaboration, it will be important for the Working Group to consider how this can be enabled through negotiations on development of the next National Mental Health and Suicide Prevention Agreement.

Funding models and commissioning

When asked what is needed to effectively support and scale up innovation, the most common response from the Sector Advisory Group and Network was **sustainable funding and longer-term contracts** that enable innovation. This included funding to support



multidisciplinary care (including support for workers across the spectrum of the mental health workforce) and allowing for establishment phases including co-production, adaptation during program implementation and co-evaluation. In addition, Sector Advisory Group and Network members advised there should be the option for mid-point check-ins to consider opportunities to scale up what is working, and align resourcing with demand.

Related to this was a call for **more responsive commissioning models**. One member put forward a suggestion of a model where, rather than identifying a prescriptive service model, governments could articulate a problem to be solved or goal to be reached and then call for solutions from the community and mental health and wellbeing sector. This would enable people with lived experience of mental health challenges, family, carers and kin and the sector to identify innovative solutions to the problems identified by the commissioning body, rather than simply continuing existing approaches.

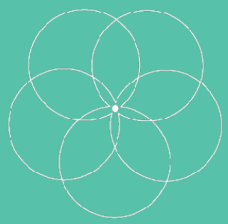
In relation to commissioning, members also reflected on the challenge of ensuring equitable access to services in regional and remote areas. In general, members aligned with the Productivity Commission's **call for the release of National Regional Planning and Commissioning Guidelines**. Members also called for commissioning bodies to work to streamline reporting requirements in order to free up organisational capacity to support innovation.

In relation to innovative pilot programs specifically, Sector Advisory Group and Network members expressed the importance of **ensuring pilots are set up to succeed**. This includes appropriate resourcing and expectations (noting competitive tendering encourages over-commitment), incorporation of funding for co-design, and flexibility to adapt as lessons are learnt during the pilot.

Some funding models were seen as being overly prescriptive in terms of what could be delivered. This stifled innovation as organisations were not able to co-design or co-produce services (as decisions had already been made about program design) or be flexible and adapt services to local needs as they arose and shifted during the pilot or as service gaps were uncovered during implementation. In essence there was no capacity for course-correction as programs were rolled out. They also felt hamstrung by being unable to adapt service delivery parameters as the program evolved and more was learnt about what innovative service delivery could look like for their particular community.

Members gave more specific feedback about changes needed to a range of different funding models to support innovation – across the complexity of funding mechanisms including Medicare items, NDIS individualised funding, state and territory funding for hospital services and contract funding awarded through commissioning bodies like Primary Health Networks. For example, some members:

- identified that Medicare Rebates eligibility is too restrictive, leading to underutlisation of key workforces
- identified a need to investigate pay equity across the mental health workforces
- raised the issue of limited investment in community mental health, and therefore reliance on medically focused services, which are stretched



- stated there was funding model misalignment and administrative overload particularly in relation to the National Disability Insurance Scheme.

Digital innovation

Sector Advisory Group and Network members reflected on the opportunities of both digital mental health and the use of AI in innovative models of care, acknowledging the need to improve digital readiness across the workforce, and ensuring digital services complement rather than replace face-to-face services.

Advisory and Network Group members saw particular opportunities in relation to digital mental health services, which are integrated with more traditional face-to-face care and AI assistance with personalising care, triaging and monitoring wellbeing. The sector is looking to make the most appropriate use of AI and other digitally based tools to enhance practice and outcomes, while also ensuring appropriate safety and privacy protections, and risk management and mitigation.

Despite this eagerness to embrace the innovation possibilities presented by digital mental health services and AI, the Sector Advisory Group and Network acknowledged a certain lack of **digital confidence and capability** amongst the sector noting both government and the sector are slow to adopt digital approaches potentially due to regulatory uncertainty, a current lack of digital interoperability, and a lack of funding that prohibits investment in the transformation that is required to embed these services across organisations and systems.

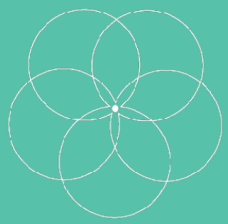
The Sector Advisory Group and Network identified the need to **improve digital readiness and capabilities**, including training for staff in digital/hybrid competencies, as a core part of delivering care, not as an add on. This also includes ensuring there was space within existing facilities for hybrid models of care to allow remote care from a mixed team of clinical medical and lived experience workers. A space that prioritises connection was seen as integral.

One member raised the idea of mental health champions, a role designed to bridge clinical, technical and community expertise. Another suggested the idea of a digital model to integrate peer support, psychosocial support, psychological interventions and longer-term trauma counselling.

It is important to note that members were clear that digital solutions are an important form of innovation but not the only way to innovate. **Digital options should not replace face-to-face options**, which Advisory Group and Network members saw as integral to effective service delivery. There must also be alignment between community needs and expectations, and the mode of service delivery:

> *"There's lots of digital and phone based services but consumers largely want face to face services. We need them to be affordable and accessible."* Sector Advisory Group member

Further, Advisory Group and Network members pointed out that digital options can exacerbate current inequalities due, for example, to lack of access to digital platforms through living in a location without adequate coverage, not having the means to own digital



devices, sharing digital devices with family members or low digital literacy. As the sector explores potential innovations supported by digital mental health and/or AI, it is imperative that these innovations are informed by people with lived experience of mental health challenges, carers, family and kin, and improve access and equity of the supports available.

Other enabling elements

Members told us about other elements that enable innovation to occur, including co-design with people with lived experience of mental health challenges, family, carers and kin; improving the collection, analysis and use of data, research and evaluation; and ensuring the appropriate infrastructure is in place.

Co-design

Co-design is a fundamental component to encourage innovative models of care. This should occur with people with lived experience of mental health challenges, carers, family and kin and specific priority populations such as Aboriginal and Torres Strait Islander people, people from LGBTIQ+ communities, people from culturally and linguistically diverse backgrounds and people from rural and remote communities.

This includes **co-design of facilities, service models, systems and evaluation**. It includes engagement of people with lived experience, family, carers and kin in leadership, governance and service design positions looking at planning, designing, delivery and evaluation of innovative models with tangible decision-making power.

In this context, Sector Advisory Group and Network members noted the value of co-design in testing the assumption that what is needed is more of the same services. **Engagement with people with lived experience from the start** can shift this thinking to new and more innovative approaches, and encourage not just increased efficiency of current models but novel and more effective approaches.

Related to this is the establishment of appropriate feedback loops, whereby people with lived experience, carers, family and kin can provide feedback that directly informs service quality improvement and ensures there is a continuous improvement approach to innovative service delivery.

Data, research and evaluation

Members highlighted the importance of data, research and evaluation for innovation - pointing to gaps in quality research, the need to better fund data collection and evaluation, and the need to measure outcomes not just outputs.

In relation to data, members identified the need for better use of government data that identifies successful and innovative models; improved data sharing; and interoperable data systems between organisations.

In relation to research and evaluation, members called for strong shared evaluation frameworks and more research of innovative models of care.

Sector Advisory Group and Network members stressed the importance of innovative models of care drawing on an evidence base of tailoring these models for specific priority groups including Aboriginal and Torres Strait Islander people, people from the LGBTIQ+ community, people from culturally and linguistically diverse backgrounds and rural and remote communities.

Infrastructure

Sector Advisory Group and Network members noted there was a lack of **infrastructure** for innovation - including physical, digital and social infrastructure - particularly in regional and remote areas. Members emphasised the need to ensure spaces within existing facilities promote connection and support hybrid models of care. In addition, Sector Advisory Group and Network members called for the establishment of **infrastructure to share learnings across the sector about innovative models of care**.

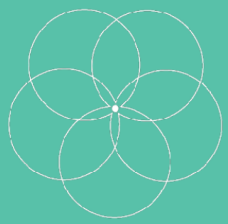
Sector Advisory Group and Network members impressed the importance of **innovation in the form of knowledge transfer** rather than just geographical expansion; the idea being that innovative service models can be shared and then local providers can adapt models to suit different local environments. For example, members noted that cost effective models from regional and remote areas that use the existing community mental health workforce can relieve pressure on acute services and knowledge sharing about these services with their metropolitan counterparts would be useful.

Examples of innovative models of care and key elements of innovative practices

The Sector Advisory Group and Network provided **many examples of existing innovative approaches** that could be scaled up or inspire further developments, including:

- Nationally coordinated hybrid programs (like eMHPrac's training in using MindSpot, THIS WAY UP, and Medicare Mental Health)
- Culturally informed digital hubs like WellMob
- Digital navigation and referral support models like eMHPrac's clinician-facing resource library
- AI assisted screening and triage tools
- The Individual Placement and Support program supporting people with mental health challenges into employment
- An integrated NDIS/non-NDIS service delivery model in which small teams support people with psychosocial disability through a community/clinician integrated care coordination model with recovery-oriented crisis supports using a digital/face to face hybrid model.

Advisory and network members highlighted **key elements** they would like to see in innovative models of care including:



- a holistic model of person centred care
- family-centred care
- care focused on equity, accessibility, stigma reduction and human rights
- flexible care
- multidisciplinary teams
- prevention and early intervention
- care focused on long term outcomes
- hybrid digital and face to face models
- AI assistance with service navigation, eligibility, cost and stability of service identifying and tailoring approaches for individuals to ensure they receive the most appropriate care at the right time.

Conclusion

This guidance from the Workforce Sector Advisory Group and Network articulates a range of issues and actions the Working Group should consider when making decisions about implementation of National Mental Health Workforce Strategy Action 1.1.2.

Careful consideration of when to support innovation and for what purpose should be accompanied by implementation of appropriate workforce support and training. Enabling greater collaboration and connection between workers, services and governments is key to innovation.

The opportunities presented by digital innovation should be considered carefully, reflect appropriate risk management and mitigation, and prioritisation of equitable access to supports. Funding and commissioning models should be cognisant of support for innovation, and funders should consider support for co-design, data, research and evaluation. Appropriate physical, digital and social infrastructure is foundational to enabling innovation.

It is clear that supporting innovation is a complex and multifaceted task. But it is also necessary to improve outcomes for people with lived experience of mental health challenges, family, carers and kin. This guidance from the sector offers advice on the path governments can take to enabling innovation in the mental health and wellbeing sector.

Mental Health Australia would be pleased to provide any further information and detail on this advice and examples from the Sector Advisory Group and Network.