

## **Withdrawal of the PMHC & AOD Wellbeing Strategy Tender**

### **1. Ensuring Stability for Consumers**

Gippsland PHN is committed to maintaining the continuity of high-quality mental health and AOD services across the region. To support stability for consumers and providers during a period of national and program-level review, we have taken the decision not to proceed with the Primary Mental Health Care and AOD Wellbeing Strategy Tender.

### **2. Alignment With National Review Processes**

The Department of Health, Disability and Ageing (DHD) have recently published a review of the [PHN Business Model and Mental Health Flexible Funding Stream](#) and the [Drugs and Alcohol Program Final Evaluation Report](#). While these reviews have provided important insights into future service models, commissioning expectations, and funding structures, the Department's response to the recommendations from these reviews has yet been announced, creating uncertainty about long-term commissioning arrangements. Withdrawing the tender ensures future commissioning can align with the Department's final funding decisions once they are released in 2026.

### **3. Change in Timing of Funding Advice**

Updated funding information and shifting timelines have caused delays in confirming longer-term funding allocations. To ensure future commissioning is based on accurate and stable advice, Gippsland PHN has withdrawn the tender at this time.

### **4. Continuation of Current Services**

To avoid disruption to consumers, Gippsland PHN will continue with service arrangements for Primary Mental Health Care and AOD services through 2026/27. Gippsland PHN is unable to discuss the individual contracts of service providers. Should any transitions be required, these will be managed carefully and respectfully.

### **5. Respect for All Providers**

Gippsland PHN acknowledges and appreciates the significant investment from all organisations who participated in the tender process and apologise for any inconvenience caused by this necessary change in approach. This decision has not been taken lightly, and reflects system changes and review timelines, not quality or standards of applications.

### **6. Responsible Stewardship**

Withdrawing the tender avoids entering multi-year contracts during uncertain funding and policy settings, protects service quality, and ensures responsible use of public funds.

## **7. Next Steps**

Gippsland PHN have notified tender applicants of the withdrawal and will continue to monitor and ensure continuity of primary mental health care and AOD services in Gippsland.

## **8. Future Plans**

Gippsland PHN continues to update health needs assessment data and community feedback and remains committed to an integrated mental health model. Once funding uncertainty is resolved, Gippsland PHN will progress with a commissioning process that supports the needs of the Gippsland community.