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PERSPECTIVES

Strengthening the Commissioning Capacity of Primary Health Networks: A Framework and Strategies for Development

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Abstract: Primary Health Networks (PHNs) play a pivotal role in improving the efficiency, effectiveness, and equity of primary health care in Australia. As regional commissioners, PHNs assess community health needs, design service models, and contract providers to deliver integrated, locally responsive health and social care. However, variability in commissioning practices and the absence of a nationally informed model for developing commissioning capability continue to limit consistency, sustainability, and system impact. This Perspectives article synthesises organisational capacity-building theory alongside recent empirical evidence from research conducted across multiple PHNs to articulate a conceptual framework for strengthening commissioning capability at national, regional, and organisational levels. The framework addresses a gap in current practice by outlining the system enablers, governance mechanisms, and workforce development strategies required to support effective and sustainable commissioning. It highlights the interconnected roles of the PHN Cooperative, the Commonwealth Department of Health, State-funded health services, and individual PHNs in fostering a coordinated and learning-oriented commissioning environment. By articulating these system and organisational requirements, the article offers a conceptual contribution intended to guide policy alignment, collaborative practice, and capability development across Australia's PHN network.

Keywords: commissioning, primary care, primary health networks, capacity building, community, social care

Introduction

Established in Australia in 2015, Primary Health Networks (PHNs) were created to enhance the efficiency and effectiveness of Australia's primary health care system, particularly for communities at risk of poor health outcomes.[1] Operating as independent, regionally based organisations, funded by the Australian Commonwealth Government, PHNs play a strategic role in commissioning health and social care services, coordinating care across sectors, building the capacity of primary care practices, and working with state health agencies and local stakeholders to ensure Australians receive the right care, in the right place, at the right time [2,3] as illustrated in Figure 1. Australia's unique commissioning role enables PHNs to bridge the gaps within Australia's federated funding structure in meeting specific health needs of local populations.[4,5] PHNs also act as catalysts for system transformation, leveraging data, research, digital health tools, and workforce initiatives to drive integration, support multidisciplinary care, and implement national health priorities at the local level.[6–8]

Within Australia's federated health system, responsibilities for health care are shared between the Commonwealth Government—which funds primary care and Primary Health Networks (PHNs)—and State and Territory governments, which manage public hospitals and acute care services. In this structure, PHNs operate as commissioners of publicly funded services. Rather than delivering services directly, PHNs assess population health needs, design service models, procure providers, and facilitate integration across sectors.[9] This intermediary role enables PHNs to bridge fragmentation

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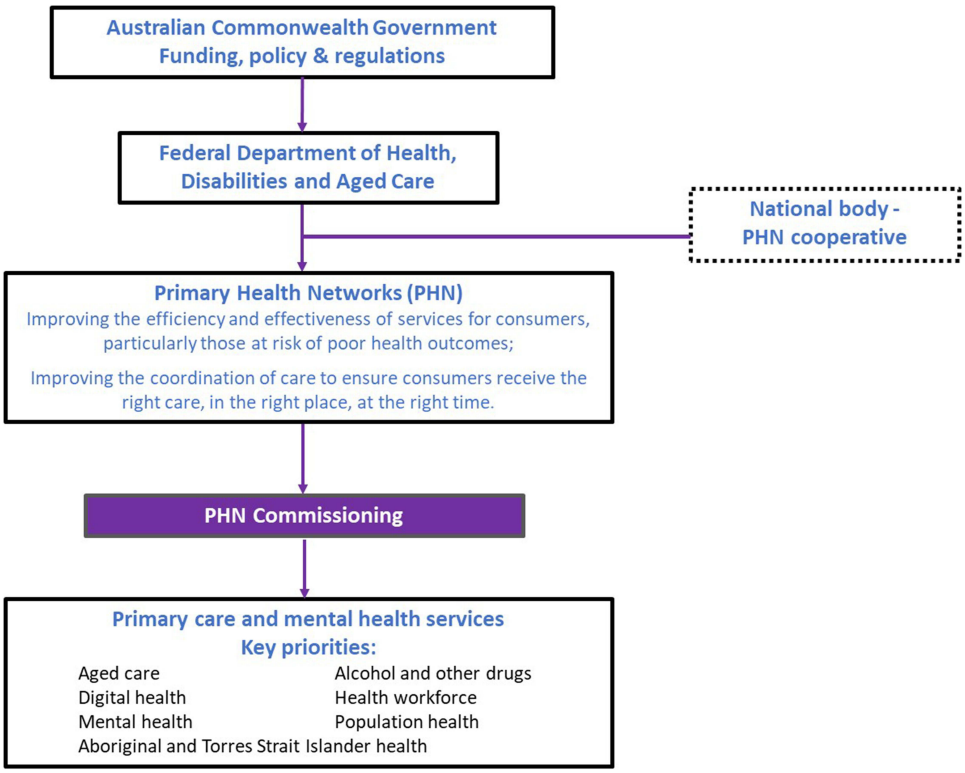

Figure 1 Primary Health Networks as Commissioners.

across funding and service delivery systems and represents a defining feature of Australia's primary care governance model.

Compared to international contexts, PHNs occupy a particularly autonomous commissioning position. In the United Kingdom and parts of Europe, commissioning functions are increasingly organised through collaborative planning partnerships with shared authority, offering less discretion to regional organisations than the Australian model.[10,11] International evidence also demonstrates that commissioning capability is strengthened when primary care organisations invest in digital infrastructure, integrated care models, and workforce development. Across Europe, digital public health initiatives have enhanced regional organisations' ability to use data for planning and commissioning, improving coordination and decision-making across health systems.[10,11] Italy's integrated care reforms similarly show that commissioning capacity expands when organisations collaborate across sectors to support complex populations through shared information systems and joint governance arrangements.[12] In the United States, structured care-coordination models, strong community engagement, and system-level processes have likewise been shown to strengthen the capacity of regional primary care organisations to commission responsive services.[13,14]

Together, these international experiences indicate that commissioning capability is enhanced when health system intermediaries—whether PHNs or equivalent organisations—invest in digital capability, cross-sector partnerships, and governance models that centre local population needs. This broader evidence base reinforces the importance of strengthening PHNs' commissioning capacity within Australia's unique federated environment.

Delivering system transformation is a core function of PHNs, and this has been clearly demonstrated through several key achievements in the decade since their establishment. For example, PHNs have played a pivotal role in supporting the national mental health reform by commissioning regionally tailored stepped-care models that align with broader mental health strategies.[15–17] During the COVID-19 pandemic, PHNs were central to the national response, rapidly commissioning local respiratory clinics and providing critical support to general medical practices through the adoption of telehealth, the distribution of personal protective equipment (PPE), and the rollout of vaccination programs.[18,19] Additionally, PHNs have driven digital health enablement across the primary care sector by supporting the widespread

uptake of My Health Record, secure messaging systems, and virtual care platforms, and in helping to modernise and streamline service delivery.[20,21] They have been instrumental in coordinating after-hours general practice services and have led to the establishment of Medicare Urgent Care Clinics, contributing to timely access to care and reducing unnecessary demand on hospital emergency departments.[22,23] These achievements highlight the vital role PHNs play in transforming the health system to be more integrated, responsive, and locally focused.

At a national level, coordination of PHN efforts is supported by a PHN Cooperative, which functions on an opt in collaborative basis. However, as the 31 PHNs largely operate as an independent organisation, there is variability in commissioning practices that affects the efficiency of their operations and impacts their ability to respond to local needs effectively.[24,25] Between 2023 and 2024, PHNs and the Department of Health, Disabilities and Ageing[22] jointly undertook the National Commissioning Review in order to strengthen commissioning practices and improve consistency across regions. This comprehensive review assessed commissioning activities across Australia's six states and two territories to identify strengths and opportunities for improvement. Amongst a range of recommendations, the review suggests the establishment of four Communities of Practice (CoPs) to provide opportunities for PHNs to share, connect, grow, and unite.

Purpose of the Perspective Article

This perspective article draws on a synthesis of organisational capacity-building theory and insights generated through the authors' recent empirical work on PHN commissioning capability conducted across multiple Australian PHNs in 2024 and published in 2025 (study 1 and study 2 as detailed in the next section). The development of the proposed framework was informed by an iterative reflective process involving the research team and senior PHN leaders who contributed to the earlier studies. This process included reviewing key findings from two mixed-methods investigations of PHN staff and service providers, comparing these findings with contemporary policy developments—including the National Commissioning Review—and mapping them against established capacity-building models. Through this integrative and reflective approach, the authors identified common themes, system-level enablers, and organisational requirements that underpin effective commissioning. The resulting framework represents a conceptual synthesis rather than a new empirical model and is intended to guide shared understanding, policy alignment, and practical capability development across the PHN network.

Evidence to Support PHN Commissioning Capacity Building

Insights from PHN Staff (Study 1)

Liang et al[26] identified a consistent set of needs and strategies for enhancing PHN commissioning capability, based on a mixed-methods study undertaken in 2024 involving staff leading or engaged in commissioning activities across eight PHNs. The study demonstrated a positive relationship between the commissioning approaches adopted by PHNs and staff confidence in applying commissioning practices, including their self-perceived competencies and ability to meet commissioning expectations. The findings also showed that PHN staff capability is shaped not only by individual skill development but by organisational supports such as leadership, processes, tools, and opportunities for reflective learning. This aligns with organisational capacity-building theory by Potter & Brough,[27] which maintains that skills alone are insufficient without an enabling environment that allows staff to apply and reinforce those skills in practice. Consistent with broader capacity-building literature,[28–30] the study highlighted the importance of targeted professional development, supportive organisational structures, and systematic efforts to strengthen workforce confidence and performance.

Insights from Service Providers (Study 2)

Complementing staff perspectives, the companion study involving service providers within one PHN region demonstrated that PHN commissioning capability is co-produced through the capacity and engagement of commissioned providers.[9] Providers emphasised the importance of transparent commissioning processes, clear communication, adequate preparation time, and co-design approaches that reflect shared understanding of local priorities. Their insights underscored that commissioning effectiveness depends on PHNs' ability to build and sustain provider capability, support innovation, and foster trust-based relationships. Together, these findings show that PHN commissioning success relies on

a balanced focus on internal workforce capability and the external capacity of service partners to design, implement, and evaluate commissioned services.

Broader Empirical and Policy Context

The wider literature similarly affirms that commissioning effectiveness depends on the engagement of providers with the skills and organisational readiness to deliver high-quality services.[5,24,31] These insights reinforce the need for integrative, partnership-oriented commissioning approaches that incorporate community health priorities, robust population health data, and the operational realities of local service organisations. Meaningful collaboration through co-design and structured engagement with service users and providers is critical to achieving sustained and immediate outcomes in commissioned services.[26,32,33] Developing a cohesive national PHN network further strengthens commissioning capacity by supporting peer learning, enabling systematic sharing of practices, and fostering advanced commissioning capabilities. State- and territory-based commissioning networks, national showcase events, and cross-jurisdictional collaboration provide opportunities for PHNs to learn from one another and embed practical, experience-based improvements in commissioning practice.[9,31] Contemporary research also highlights the value of commissioning models that prioritise stakeholder integration and place-based design, recognising that system-level funding structures and policy settings play a critical role in enabling providers to plan, innovate, and participate effectively in commissioning.[9,26,32,34]

Commissioning is inherently iterative, involving co-design, joint planning, and ongoing evaluation of service implementation and outcomes. Evidence suggests that these processes yield the greatest benefits when strong, trust-based relationships enable commissioners and providers to work as equal partners.[26,32,35] Achieving this requires time, continuity, and intentional engagement by PHNs to understand provider capabilities, align expectations, and tailor commissioning models to local contexts where outcomes may be complex and challenging to measure.[9] PHNs therefore hold a pivotal leadership role in cultivating and sustaining inter-organisational relationships that support high-quality commissioning.

Synthesis and Implications for Capability Development

Together, the findings from the two 2024 studies provide the empirical foundation for this article's framework. They reveal that PHN commissioning capability is shaped by interdependent factors at the staff, organisational, provider, and system levels. The evidence highlights variation in commissioning practices across PHNs, the need for consistent tools and processes, and the importance of investing in both internal workforce capability and external provider readiness. Additionally, the studies underscore organisational and system-level enablers—such as governance structures, coherent policy support, digital infrastructure, and opportunities for peer learning—that are essential for effective commissioning. These insights informed the integrative framework proposed later in this article, which represents the original conceptual contribution of this perspective paper: a synthesis of empirical findings and capacity-building theory to articulate how PHNs can strengthen and sustain commissioning capability across the national network.

Framework for Enhancing PHNs' Commissioning Capacity

Considering the organisation capacity building theory, the PHN commissioning framework and learnings from recent evidence on developing PHN commissioning capacity presented in Liang et al[26] and Liang et al,[9] the authors proposed a preliminary, conceptually informed framework for enhancing the capacity and developing the sustainability of PHNs' commissioning in health and social care as illustrated in Figure 2. The framework includes three core strategies:

1. Strengthening collaborative partnership between PHN Cooperative, Department of Health, Disability and Ageing,
2. Strengthening collaborative partnerships between individual PHNs and their Local Health Districts/Hospital and Health Services.
3. Enhancing individual PHNs' capacity and collectively as part of the PHN networks

The framework reinforces the critical role the PHN Cooperative can play in setting policy directions, ensuring effective and consistent governance, and maximising collaborative partnerships and shared learnings across PHNs. It also highlights the

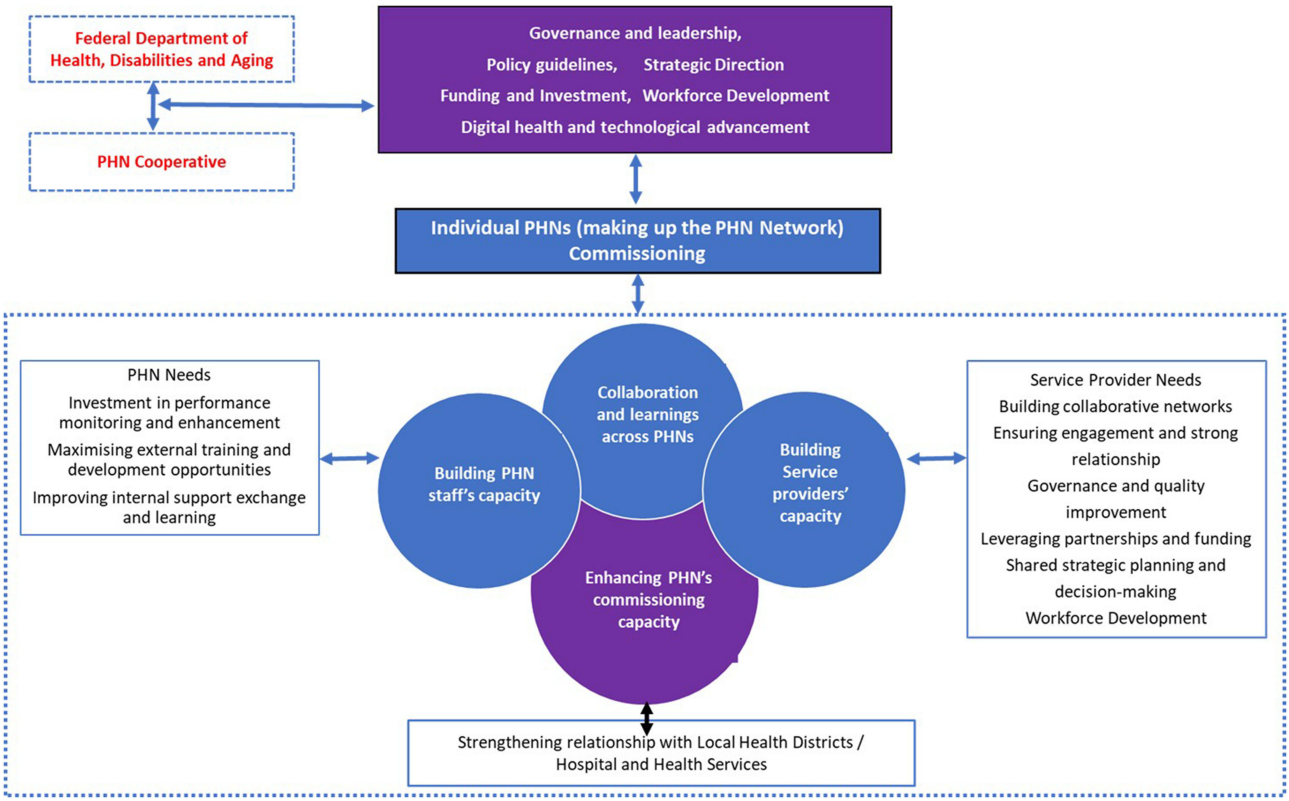

Figure 2 Framework for building PHN's commissioning capacity in health and social care.

interconnected roles of the Commonwealth Department of Health, Disability and Aging, State-funded Local Health Districts or Hospital and Health Services, individual PHNs, and the PHN Cooperative have in enabling co-commissioning. Such collaboration is essential in providing leadership and governance, setting policy and guidelines, supporting digital health innovation, driving technological advancements, and fostering workforce development, all of which are critical to the effective operation of individual PHNs and to strengthening collaborative partnerships with service providers.

Individual PHNs play a vital role in strengthening staff capability and enhancing service provider capacity to plan, implement, and evaluate commissioned services. This is achieved through co-design and co-commissioning approaches that are grounded in robust assessments of local health needs. Equally important is recognising the collective identity and shared responsibility of individual PHNs as part of a broader national network. These organisations contribute to the development of governance structures, leadership capacity, policy frameworks, and investment strategies that underpin effective commissioning. Positioned within an interconnected system, PHNs benefit from coordinated national and regional efforts that support co-commissioning, digital health integration, and workforce development. This alignment empowers PHNs to deliver high-quality, responsive, and sustainable health services through strong partnerships and system-wide collaboration.

The proposed strategies should also be understood in direct relation to the structural variability and system-level constraints that currently shape PHN commissioning practices. By emphasising national governance alignment, shared tools, digital infrastructure, and strengthened cross-sector partnerships, the framework offers targeted responses to the fragmentation, inconsistent processes, and uneven organisational capability identified earlier in the manuscript. Although the framework is designed for national applicability, its implementation will necessarily vary across PHNs due to differences in organisational maturity, regional health needs, commissioning scope, and local system partnerships. The framework should therefore be viewed as a flexible guide rather than a prescriptive model, with its relevance and impact dependent on contextual adaptation and ongoing refinement through application in diverse PHN environments.

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Conclusion

Primary Health Networks (PHNs) have demonstrated their critical role in transforming Australia's primary health care system through strategic commissioning, system leadership, and collaborative partnerships. However, variability in commissioning practices and structural constraints continue to challenge their effectiveness and sustainability. Building on research evidence presented in two recent publications, this paper has presented a framework informed by organisational capacity-building theory and empirical evidence to guide the development of PHNs' commissioning capacity. While the framework is grounded in insights from these studies, we acknowledge that the evidence base is preliminary and derived from a limited number of PHNs; as such, the framework should be interpreted as an early conceptual model that requires further validation. Strengthening both internal capabilities and external system-level enablers is essential to ensure PHNs can respond effectively to local health needs while contributing to national health priorities. Co-design, co-commissioning, and place-based approaches must be supported by robust governance, digital innovation, and workforce development. The collective identity of PHNs as part of a national network, underpinned by the PHN Cooperative and supported by coordinated efforts from the Department of Health, Disabilities and Ageing and state-funded health services, is vital for fostering consistency, shared learning, and strategic alignment. By investing in these interconnected strategies, PHNs may be better positioned to deliver high-quality, responsive, and sustainable health and social care services across diverse communities.

Disclosure

Stephanie Short reports personal fees from HNECC Primary Health Network outside the submitted work. The authors report no other conflicts of interest in this work.

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