

IMPLEMENTATION BRIEF 2025 SERIES

Implementing Sub -Acute residential mental health services in Australia.



Figure 1. Interior of Wellways Yanna Yanna facility

Sub-acute residential mental health services—alternatively referred to as **Prevention and Recovery Care (PARC)** services or **Step-Up/Step-Down (SU/SD)** facilities—represent a growing and innovative component of Australia’s mental health system. These community-based services are designed to support individuals experiencing mental health challenges either as an alternative to hospitalisation or as a transitional step following discharge from inpatient care. These services aim to promote recovery, prevent the escalation of mental health crises, and foster independence through short-term, intensive support in small, homelike, voluntary settings (typically accommodating around 10 guests). Commonly operated through partnerships between clinical mental health services and mental health community support services (MHCSS), sub acute residential mental health services, such as Victoria’s PARCs are staffed by multidisciplinary teams including peer support workers, psychosocial disability support workers, psychologists, social workers, and nurses. They offer a range of recovery-oriented supports such as individual counselling, group programs, peer support, medication management, skills development, and assistance with community connection and reintegration. The model has developed a strong evidence base and continues to evolve, with expansion recommended by both Victoria’s Royal Commission into Mental Health Services and the NSW Parliamentary Inquiry into outpatient and community mental health care. As of July 2025, there are 35 PARC services operating across Victoria, including both adult and Youth PARC (YPARC) facilities.

Implementation Guidelines

Coordinated action is needed in policy, funding, workforce, and community engagement to make sub-acute residential mental health services effective and sustainable.

The NHMRC funded PARC service study in Victoria made the following recommendations regarding the Implementation of sub-acute residential services

System recommendations	<ul style="list-style-type: none"> • Clarification and improvement of policy and processes (including government guidelines) while still allowing flexibility to meet the needs of each local context • Sub acute residential services or PARCs should continue to be embedded as part of the continuum of care in the Australian mental health service system. The potential benefits of these services should be promoted to consumers and their carers and other supporters • Local and regional service guidelines need to be developed and followed to encourage referrals from inpatient or community settings • Implement policy and funding stability, invest in staff training, improve cross-sector integration, and enhance infrastructure.
Service level : Staffing and education	<ul style="list-style-type: none"> • All PARC services need dedicated funding for the Lived Experience workforce and should employ at least one peer worker and a family and carer peer support worker • All staff should have a shared understanding of recovery-oriented service delivery in principle and practice • Enable MHCSS and clinical staff to participate in joint learning activities including supervision
Service level : Service delivery	<ul style="list-style-type: none"> • Incorporate co-design in day to day care, treatment and support to enable lived experience to be valued in all aspects of service innovation and delivery • Improve the degree to which services engage with and support carers, including funding for family and carer peer support
Service level :: Evaluation and monitoring	<ul style="list-style-type: none"> • Provide support for a Community of Practice enabling managers and staff to share challenges and successes. This could foster continuing improvement strategies as well as providing an opportunity for newly established services to learn from the experiences of longer running services. • The Quality Indicator for Rehabilitative Care (QuIRC) is an appropriate monitoring tool and may offer services with the opportunity to benchmark with each other • Routine collection of experience of care surveys from both consumers and carers can help guide services in continual service improvement • The Process of Recovery Questionnaire (QPR) could be considered for services that do not currently include a recovery measure in routine outcome measurement as a way of continuously monitoring personal recovery outcomes for consumers. • There should be ongoing monitoring of service use and recovery outcomes for service users following a PARC service stay to support ongoing evaluation and innovation efforts.
Individual level	<ul style="list-style-type: none"> • Enabling consumer and carer voices to be heard will empower service users to feel more in control of their own care and facilitate service improvement. This could be achieved through more emphasis on experience based co-design



Research evidence regarding implementation

Sub-acute residential mental health services are positively regarded by consumers and carers and have been shown to lead to meaningful recovery outcomes. In NSW, the Bondi PARC Evaluation provides compelling evidence of their effectiveness, reporting improvements in recovery and wellbeing, reduced hospital use, and significant cost efficiency (1). The cost per day at PARC was approximately \$400, compared to \$1,438 for inpatient care.

Despite these benefits, challenges remain in expanding access to sub-acute residential services. The Mental Health Coordinating Council highlighted that NSW lags significantly behind Victoria in per capita access to SUSD services, with only one service per 1.63 million people in NSW compared to one per 260,000 in Victoria (2).

The recent evaluation of Adult SUSD services in Queensland (3) identified further a number of variations in operation t across services, including differences in Hospital and Health Service (HHS) nursing and allied health profiles; hours of clinical coverage; location of medical teams (internal vs in-reach); standard length of stay; availability of individual and group interventions; expectations of attendance at group sessions; and medication management. Variability is both a strength and challenge. It supports the model being adaptable to local factors but there is also an expectation that core features will be maintained.

The evaluation also highlighted factors underpinning successful implementation of the model. These included sufficient staffing capacity; strong health service and non-government organisation leadership; robust partnerships with referring teams and the broader health system; appropriate cohort mix; adequate staff training, supervision and support; appropriate facilities; and a sustainable funding source. Importantly, gaps and areas for improvement were noted across several of these domains, indicating that system-level investment and local adaptation remain critical for consistent service delivery (3).

Fletcher et al. identified several implementation challenges in Victoria's PARC services (4). These included substantial variation in infrastructure, staffing models, and program delivery, leading to inconsistencies in service quality. Workforce shortages and limited resources hindered the full implementation of recovery-oriented care. The partnership model between clinical services and non-government organisations also presented coordination challenges, with unclear role boundaries contributing to gaps in care. Regional services faced additional difficulties, including limited access to specialist support and greater reliance on local adaptations. Furthermore, the limited evidence base made it difficult to assess long-term effectiveness and system-wide impact.

The length of stay in sub-acute residential mental health services is typically determined collaboratively by consumers, clinical staff, and psychosocial support workers, guided by state operational guidelines. Most PARC services offer short-term care, averaging 7 to 14 days, with a maximum of 28 days. However, some consumers and carers have reported that this duration is too short to achieve recovery goals, and in some cases, length of stay is influenced more by system throughput demands than individual needs. This raises important questions about what constitutes an optimal length of stay and how it can be better aligned with recovery outcomes.



Importantly, sub-acute residential services are not always a substitute for inpatient admission. Research suggests that Victoria's PARC services often support a distinct group of consumers who may not be on a trajectory toward hospitalisation but still require structured, residential support. Sutherland et al. found that PARC services "may serve an overlapping but distinguishably different consumer group than inpatient psychiatric units," highlighting their unique role within the broader mental health service network (5).

The Bondi PARC evaluation demonstrated that consumers represented a diverse population in terms of age, gender, culture, and First Nations identity, with schizophrenia and schizoaffective disorder being the most common diagnoses (1). However, Farhall et al. found that certain groups—particularly males and young people under 20—were significantly less likely to access adult PARC services (6). Their analysis of over 78,000 admissions also revealed that PARC service consumers tended to have lower HoNOS scores, indicating less severe symptoms or functional impairment. Individuals with higher scores related to aggression, self-harm, or acute psychiatric symptoms were less likely to be admitted, suggesting that PARC services are likely to be accessed by those with moderate needs.

This potential gap in service provision warrants attention in future implementation strategies to ensure equitable access and appropriate targeting of services.

Finally, Brophy et al. found that while PARC services are effective in promoting recovery, sustaining these outcomes over time can be challenging (4). Their longitudinal study showed that improvements in personal recovery, mental health, and quality of life were generally maintained at six and twelve months post-discharge. However, they emphasized that long-term recovery depends on continued support, particularly in areas such as community inclusion, continuity of care, and access to appropriate services. These findings reinforce the importance of integrating PARC services within a broader, well-coordinated mental health system.



Figure 3. Interior of Wellways Yanna Yanna facility



Lived Experience Perspective

Consumers have consistently expressed positive experiences with sub-acute residential services. Across multiple evaluations, they have highlighted the value of peer support, being part of a community, and the opportunity to work towards individual recovery goals while developing skills and confidence. Staff support was frequently cited as one of the most appreciated aspects of the service.

In Victoria, Waks et al. explored the lived experiences of consumers across 19 PARC sites and found high levels of satisfaction and significant improvements in personal recovery (7). Key themes included feeling connected, finding meaning and purpose, and experiencing self-empowerment—all strongly associated with recovery-oriented care. The study also found a moderate to strong correlation between personal recovery scores and satisfaction with the service. While feedback was overwhelmingly positive, consumers suggested improvements in discharge planning and consistency of support, reinforcing the need for ongoing evaluation and refinement.

In New South Wales, individual stories like Jianna's have been shared to illustrate the transformative impact of PARC services. She explained : "My clinician from community mental health suggested PARC to me, and it has made a huge difference in my life." Her experience reflects broader findings from NSW evaluations that highlight the importance of timely access to community-based support (2)

In Western Australia, consumer feedback gathered through a national evaluation by Mind Australia further reinforces the value of these services (8). Among 162 WA residents surveyed, consumers reported high levels of satisfaction, with many appreciating the safe, respectful, and supportive environment. Peer support and staff relationships were central to their recovery experience. Consumers also valued having a voice in service delivery, and younger and gender-diverse participants noted particularly strong benefits, despite entering with higher levels of distress. Across all sites, including WA, there was consistent reduction in psychological distress between entry and exit, indicating meaningful improvements in wellbeing.

In Queensland, the same national evaluation captured feedback from 393 residents across multiple sites (8). Consumers reported significant improvements in recovery, wellbeing, and psychological distress, with many expressing that they felt listened to, respected, and had a say in how the service was run. The evaluation also included a Virtual step up step down program in Caboolture and Logan, which was well received and functioned effectively as a waitlist alternative, post-discharge support, or substitute for residential care when needed. These findings highlight the flexibility and responsiveness of Queensland's approach to sub-acute care.

Together, these findings from Victoria, NSW, Queensland, and WA affirm that sub-acute residential services offer a supportive, recovery-oriented environment that is highly valued by consumers. They also highlight the importance of peer involvement, staff engagement, and individualised care, while pointing to areas for continued improvement such as discharge planning, service accessibility, and consumer involvement in service design.



Figure 2: Interior Mind Australia PARC

Scalability Targets

The MhIND-T model (9) found that scaling up step up/step beds (600–800 additional beds) over 15 years would:

- Increase hospital discharge rates, freeing up acute care capacity.
- Reduce demand on community mental health services.
- Generate significant cost savings to the health system, especially through reduced inpatient stays and emergency department presentations.

The model estimated diminishing returns in NSW beyond 800 beds, suggesting that 600–800 beds is the optimal investment range (9)

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