



# Victorian Health Investment Strategy

Investing in the future of Victoria's  
public healthcare sector

Prepared by

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The VHA acknowledges the Traditional Custodians of unceded lands throughout Australia. We recognise their continuing connection to land, waters and culture, and we pay our respects to their Elders past and present. Our offices are located on the lands of the Wurundjeri Woi Wurrung people.



# About the Victorian Healthcare Association

The Victorian Healthcare Association (VHA) is the industry body supporting Victoria's diverse publicly funded healthcare sector. Established in 1938, the VHA elevates a unified member voice to government, influences policy on sector critical issues, and presents forward-thinking solutions to achieve a strong healthcare system that meets the needs of all Victorians.

VHA members represent 85% of Victoria's publicly funded healthcare sector and span a range of healthcare organisations. VHA members include Hospitals and Health Services, Community Health Services, Bush Nursing Centres, Specialist Care Services, Public Sector Residential Aged Care Services and non-bed-based services, such as Early Parenting Centres and patient transport services. Working from metropolitan through to rural areas, VHA members deliver accessible healthcare services in line with the needs of the Victorian community.

# Snapshot of the Sector

More than 7 million people rely upon the Victorian public healthcare sector to provide timely, accessible and high-quality care. This diverse and unique sector spans across acute care, emergency care, general surgery, specialist services, aged care, health promotion, primary care and health prevention.

Across the sector there are more than 200 healthcare organisations that are publicly funded, this includes:

- 76 Hospitals and Health Services, located across metropolitan, regional and rural areas. These Hospitals and Health Services vary in size and function, many with unique and specialised offerings, such as Early Parenting Centres and Multi-Purpose Centres.
- 171 Public Sector Residential Aged Care Services – a unique feature of the Victorian health system, embedded within Hospitals and Health Services, with 5 of these standalone and independently governed.
- 22 Registered Community Health Services – which deliver a range of comprehensive services, including primary care, allied health, counselling and mental health, chronic disease management and community nursing centres, focused on providing accessible and affordable social care.
- 15 Bush Nursing Centres – community-owned and governed organisations that deliver care to the most rural areas of Victoria, providing onsite nursing care, coordinating incoming health services, managing patient and script transport and providing at-home care for rural communities.
- Other critical services include – Palliative Care Services, Maternal and Child Health Centres, Women’s Health Services and other non-bed-based organisations, such as patient transport.

# Introduction

Victoria's public healthcare sector includes many distinct types of healthcare organisations, some more widely understood and visible than others. Many healthcare organisations provide a mix of service types, with more than 200 publicly funded healthcare organisations in Victoria (see snapshot of the sector). They are leading the way in acute and specialist health responses, targeted primary care, community health, aged care and other holistic services that address the social determinants of health. With the right level of systems planning and investment, the sector can deliver better health outcomes and build capacity to meet Victoria's healthcare needs into the future.

Over the course of the 60th Victorian Parliament, the VHA has been advocating for a stronger and better public healthcare system that meets the needs of all Victorians. We have emphasised the need for sustainable funding models, fit-for-purpose infrastructure and expanded workforce models that meet increasing demand for care and services across Victorian communities.

The past four years have been shaped by increasingly challenging domestic and economic conditions – these are not unique to Victoria; they are occurring right across the country and will require joint solutions between State and Federal Governments. Despite the challenges, we are pleased to see government and policymakers have provided more certainty across the sector to deliver timely and accessible healthcare. Positives included a significant \$31 billion investment in healthcare that will go some way to addressing a structural deficit within hospital funding; the development and implementation of the Victorian Health Services Plan to increase collaboration and care pathways across the acute sector; investment in virtual models of care; and reforms to mental health, alcohol and other drugs (AOD) and aged care.

The challenges ahead are complex and will require considered investment, allocated strategically across the system. All levels of Government must commit to investing in the measures that support the long-term future of our public healthcare system.

Right across Victoria, demand for care and services is growing, and expectations of the public healthcare system are changing. As the VHA's inaugural [State of the Health Sector Report](#) found, growing health complexity and longer life spans have had significant implications for healthcare services, with the proportion of people with no chronic condition decreasing significantly over the past decade. This is placing greater pressure on healthcare organisations as people are requiring a more diverse and comprehensive mix of services.

Investing in the future of the Victorian public health system will ensure communities remain healthy, improve economic growth and productivity, to deliver for all Victorians. In 2025-26, health represents \$31.8 billion – 25.7% of Victoria’s entire state budget. This is on par with NSW (\$33.3 billion; 26.1%) and Queensland (\$33.1 billion; 33.1%) underscoring the importance of healthcare to the state’s priorities and the health and wellbeing of Victorian communities. Across the Federal Government, health amounts to 15.9% of total spending.

The VHA is proud to launch its Victorian Health Investment Strategy, with priorities centred around 5 themes: Fund the true cost of care; Connect the system; Improve access to care; Attract and retain our workforce; and Future-proof health infrastructure. These themes reflect many discussions had with VHA members, including through our rural and regional member engagement tours, metropolitan member visits, numerous forums and online drop-in sessions. The priorities call for cost-effective and timely commitments across Federal and Victorian Governments that will maximise outcomes from investment, deliver gains in productivity and invest in the places that need the most attention. Investment will enable the sector to innovate, meet the growth in demand, improve workforce stability and deliver new and improved services, providing the care Victorians expect, now and into the future.

The Victorian Health Investment Strategy (the ‘Strategy’) is an overarching call for long-term investment into Victoria’s public health system. Looking across Victorian and Federal Government investments, it provides a considered view on what the system needs to move sustainably into the future. It is in no way exhaustive or expansive, prioritising the areas which require more immediate investment to meet the healthcare needs of Victorians.

Out of this Strategy comes the VHA’s Victorian and Federal Budget Submissions for the 2026-27 year, highlighting current priorities, quick wins and paving the way forward for investment.

# Summary of priorities

## 1. Fund the true cost of care

- Enable the health workforce to focus on clinical care
- Investment to meet the growing demand for health prevention and promotion
- Fund the National Health Reform Agreement 2026-2030 to meet the rising demand for care in Hospitals and Health Services.

## 2. Connect the system

- Improve clinical decision-making with coordinated patient records
- Invest in digital infrastructure that supports improved service delivery
- Realise the benefits of the Local Health Service Networks.

## 3. Improve access to care for all Victorians

- Improve access and patient experience in navigating the health system
- Invest in health-led alcohol and other drug programs and supports
- Embed culturally safe care across all services
- Support improved outcomes across women's and men's health
- Improve chronic disease outcomes where general practice is limited
- Strengthen climate resilience through strategic investment.

## 4. Attract and retain our workforce

- Invest statewide in proven and scalable workforce models
- Enable rural health services to attract a skilled workforce
- Improve the workforce pipeline in rural and regional areas
- Sustain disaster recovery and resilience capability
- Assist to Close the Gap by investing in culturally safe working environments.

## 5. Future-proof health infrastructure

- Support timely maintenance and repair of ageing infrastructure, whilst enabling strategic investment in new infrastructure
- Invest in capital improvements to strengthen the quality of aged care.

# 1. Fund the the true cost of care

Victoria is experiencing significant economic pressures, as is Australia and the world. The cost of delivering healthcare is rising and care needs are becoming more complex.

Over the past few years, the gap between investment and the true cost of delivering healthcare has been widening – leading to a structural deficit across all health services. Medical supplies and equipment, insurance premiums and workforce-related costs are some of the many areas that have increased due to inflationary pressures.

The past two Victorian budgets have sought to correct this – a significant \$31 billion investment has enabled sustainable funding arrangements for some healthcare organisations, but this is not a reality for all. Rising costs continue to outstrip the funding provided to deliver public healthcare, including across Hospitals and Health Services, Community Health Services, and Bush Nursing Centres. In addition to the rising cost, funding remains insufficient to meet growth in demand, strategically invest for future needs, and to bolster the workforce.

The true cost of care will not be met by Victorian funding alone. National Cabinet, in December 2023, agreed that the Federal Government would fund 42.5% of public hospital costs by 2030, and 45% by 2035. Negotiations have stalled and been challenged by a multitude of reforms occurring in tandem. To alleviate the pressures facing hospitals and support long-term planning across the workforce, infrastructure and care delivery, the Federal, state and territory Governments must push forward on negotiations of the National Health Reform Agreement for 2025-2030.

Fully funding the true cost of care will better enable Victorian public health services to focus on patient care, improve workforce stability, and boost capacity right across the system. When invested into community-based services, such as Community Health Services, core funding will deliver cost-effective preventative healthcare that will improve health outcomes and stem the flow of patients into emergency departments and hospitals. Additionally, primary care funding will enable Community Health Services to deliver sustainable GP services to the most vulnerable and those with complex needs.

## **The Victorian Government is called to fund the true cost of care through investment in:**

- the administrative and operational workforce, resources and efficiencies, to support the healthcare workforce to focus on clinical care.
- insurance requirements, inclusive of all insurances required for, and necessary to deliver, Victorian public health services.
- sustainable, multi-year funding for Community Health Services.

## **The Federal Government must fund the true cost of care by:**

- funding a supplement to the Medicare Benefits Scheme, through a blended funding model, to ensure the most vulnerable patients can access primary care.
- funding an extra \$24.29 billion over four years in the NHRA, equating to 42.5% of the funding of public Hospitals and Health Services.

## Fund the workforce to focus on clinical care

Demand pressures on the health sector are increasing, along with compliance obligations. Clinicians must be supported to focus on the volume of clinical work required to meet demand. Patient experience, delivery of care and prioritisation of services are central functions of our health services. To enable these functions to work effectively, workforce investment for administrative and operational functions must be provided.



**Commitment:** The Victorian Government to invest \$300 million per year for three years to enable the health workforce to focus on clinical care. Investment will support delivery of the administrative and operational workforce.

Fully funding the workforce will enable all Hospitals and Health Services, including Community Health Services, to focus on clinical need, patient experience and increasing demand. This will improve workforce stability and productivity, and enable clinicians to work to their 'top of scope' supporting the delivery of high-quality care and patient support.

## Cover insurance requirements needed to deliver healthcare

Insurance costs have risen across the sector, placing increased financial pressure on health services. Essential insurance such as WorkCover, cybersecurity and other insurances are costing more and often delivering less, creating a budget burden for health services. Since 2023, Victorian healthcare services have paid over 40 per cent more in WorkCover premiums compared to the previous year. This equates to an average of 1.8 per cent of remuneration, exceeding the premiums in both New South Wales (an average of 1.48 per cent) and Queensland (1.23 per cent). Additionally, some services who operate under multiple WorkCover Industry Classifications are paying up to 45 per cent more as a result of amendments to the annual premium capping arrangement.



**Commitment:** The Victorian Government to invest \$160 million over four years to cover insurance requirements for all publicly funded healthcare services, inclusive of all insurances required for, and necessary to deliver, Victorian healthcare services.

Victorian healthcare services will be funded to access adequate insurance coverage across all aspects of their operations, including workforce and cybersecurity.

## Increase funding to meet growing demand for Community Health Services

Funding for the core Community Health program funding has not kept pace with rising demand. Funding is currently less than 0.5% of the total Victorian Budget. Indexation funding has failed to reflect true costs, and historic activity targets don't correspond with complexity or community need.

This impacts on the sustainability of services, particularly with rising rates of chronic disease and increasing demand for accessible and affordable public healthcare. This leaves services under financial strain and creates a structural deficit, with many covering the extra costs themselves.

A lack of sustainable funding impacts Community Health Services' capacity to deliver cost-effective primary care, allied health, health prevention, promotion, and therefore stem the flow of demand into hospitals and emergency departments.



**Commitment:** The Victorian Government to invest \$25 million per year over four years to uplift core Community Health program funding. This will address the structural deficit that has occurred over time.

**Commitment:** The Victorian Government to invest in annual indexation of core Community Health program funding in line with Consumer Price Index to prevent recurrence of the structural deficit.

A sustainable and growth approach to core Community Health program funding will provide greater accessibility for Victorians when and where they need it, by increasing access to Community Health Services. Early access to preventative healthcare will support improved health outcomes and stem the flow on to hospitals and emergency departments.



## Fund the cost of GP services to vulnerable people

The Medicare Benefits Scheme (MBS) provides funding for GP services, modelled on a 6-minute appointment time, to be delivered either bulk billed or with a fee for service cost to the patient. Yet, with an increase in comorbidities and complexity in health needs, the standard appointment funding does not deliver for patients who are vulnerable and for those with complex needs.

In Victoria, Community Health Services work with vulnerable communities, spanning across a range of health services, including GP services, to deliver a multidisciplinary and joined up approach to delivering healthcare. They prioritise having no or low costs to their services so that they are accessible across the community, supporting the most vulnerable.

Even with the Federal Government's increase to bulk billing arrangements, the costs to provide GP services to vulnerable communities is not met. A blended MBS model that adjusts for disadvantage and complexity must be established to ensure coverage of the full cost to deliver care and maintaining access to primary care for those who are most vulnerable and people with complex needs.



**Commitment:** The Federal Government to invest \$300 million a year to establish supplement funding to the existing and enhanced bulk billing arrangements for people who are vulnerable or with complex care needs.

Investment will ensure that Community Health Services and not-for-profit health services are able to deliver GP services for the communities they work with. This will ensure that vulnerable communities build lasting connections with health services, are supported to manage conditions, seek treatment early and have access to follow up on their healthcare on a more regular basis. In turn, this will reduce burden across the health sector, particularly minimising the impact of delayed care or high-cost presentations to hospital and emergency departments.

## Deliver on NHRA commitments for hospitals and health service funding

Negotiations are underway for a new National Health Reform Agreement (NHRA), 2026-2030. A renewed agreement must deliver sustainable funding into public hospitals and health services to deliver on the growing demand and complexity of healthcare. Looking both at acute and care which is of high value to the community, including aged, primary and community care.



**Commitment:** The Federal Government to invest an extra \$24.29 billion over four years in the NHRA, equating to 42.5% of the funding of public hospitals and health services.

Investment will support hospitals to provide high-quality care and keep people healthier for longer. A commitment to increasing hospital funding will support the Federal Government's intent to reduce hospital waiting lists and wait times in emergency services, keeping pace with the growing demand for healthcare.



## 2. Connect the system

Victoria's public health system is fragmented; with many component parts to the complex and diverse structure that do not work seamlessly hand in hand. The health environment is shaped by an ageing population and increasing patient comorbidity. Without stronger connections between services, patients will struggle to navigate disconnected care pathways, moving between services with gaps, delays and repeated handovers.

Currently numerous reforms are underway, each making a significant contribution to Victoria's public health system - enhance service provision, create additional points to access the care; integrate system components and to deliver care across the continuum. Reforms such as the Victorian Health Services Plan aim to improve patient access to the healthcare system by enhancing clinical service provision, shared workforce and quality and safety. Investment in innovative, virtual models of care such as the Victorian Virtual Emergency Department (VVED) are improving patient flow, and are enhancing access to care particularly in rural locations and hospital admissions. Additionally, the Federal Government's new right-based Aged Care Act intends to integrate system connections through consistent national standards and improved coordination between providers, ensuring older Australians receive person-centred care across all regions.

To meet the challenges ahead and maximise all reform opportunities, the system needs to adapt. IT systems need to be digitised and interoperable, enabling patient information to be shared seamlessly across hospitals and health services. Systems must prioritise pathways for patients to move smoothly across the healthcare system between complex care and care closer to home. Likewise, aged care providers must have reliable ICT to better deliver on patient need, as they transition to the new Support at Home program under the Aged Care Act.

Improving system connectivity will take time and focused investment to ensure Victorians can better access the care they need.

### **The Victorian Government must connect the system by:**

- funding Local Health Service Networks to fully realise the benefits across clinical service delivery, shared workforce and quality and safety.
- funding interoperable Electronic Medical Record (EMR) systems for all hospitals and health services.
- improving the ability of rural healthcare services to access the VVED through improved connectivity, technology and accessibility, and community education programs.

### **The Federal Government must connect the system by;**

- investing in aged care ICT upgrades to deliver the new Support at Home program.

## Fund the Local Health Service Networks to fully realise the benefits

Local Health Service Networks have clear priorities, expectations and projects for delivery. This includes both common and local Network initiatives such as a shared workforce and sharing of services, improving clinical service delivery, and rolling out quality and safety programs. However, much of these responsibilities do not have adequate funding for delivery. This will impact the ability of services and Networks to deliver on what is required within their Statement of Expectations.

Beyond the human resources required to fully realise the benefits of the Networks, there is a need to bring Hospitals and Health Services into alignment on their digital systems. For example, health services utilise differing ICT systems across their Network, which limits both patient flow and operations. There is a priority need to shift system utilisation in order to realise the aims of the Health Services Plan.



**Commitment:** The Victorian Government to invest \$25 million each year for two years to support the Networks in delivering upon their shared priorities, delivered direct to services as locally placed based funding, to ensure all services can meaningfully engage in Network priorities.

**Commitment:** The Victorian Government to invest \$30 million over three years to connect the differing systems within a Network, enabling health services to transition systems, aligning to that of their Network.

Adequate investment to enable the work of the Networks will ensure the focus on building sector collaboration, improving clinical service delivery, quality/safety, and sharing of workforce and shared services is fully realised. It will also support step-up and step-down care. This will build upon the funding Networks have received to deliver upon the Victorian Government's four priority areas: access equity and flow; workforce; safety and quality; and shared services.

## Fund interoperable and connected EMR for all hospitals and health services

30% of public hospital beds are not covered through an EMR but instead use a paper-based system for patient notes and records. These gaps are most pressing in rural and regional areas. Victoria is lagging behind other states in Australia - a clinical management system which carries across the entire health system is urgently needed. The implementation of EMRs across all health services will bring equity and consistency to the approach for managing patient records.

Current systems are not interoperable – which can lead to delays in diagnosis and treatment, repeated tests and critical information being missed. All of which leads to inefficiencies in the health system and can negatively impact patient outcomes.

By 2028, the Victorian Government intends to transition all hospitals and health services to the statewide digital health information platform CareSync Exchange – which will provide a consolidated view of a patient’s health records and enable interoperability across systems. For this investment to yield maximum outcome, all hospitals and health services need to transition to an interoperable EMR over the coming years.

Noting that full roll out of interoperable EMRs for Victorian public health services will cost hundreds of millions of dollars, a starting point is to ensure a longer-term vision and strategy. The strategy must encompass all hospitals and health services, focusing on smaller regional and rural services who do not currently have access to an EMR.



**Commitment:** The Victorian Government to invest \$50 million a year in the delivery of fit-for-purpose EMR(s) to all Hospitals and Health Services, contributing investment towards the longer-term vision and strategy. This will ensure that by 2028, a greater number of Hospitals and Health Services will have an EMR that is able to engage with CareSync exchange.

Completing the EMR rollout will reduce the reliance on paper-based records and duplication; it will support coordinated care, improve the efficiency of care, improve clinical decision-making and productivity and improve patient safety across Victoria. It will enable all hospitals to transition to CareSync Exchange by 2028 – which will support interoperable systems that allow hospitals and local health service networks to share information seamlessly.

## Improve the ability of rural healthcare access the VVED

Many regional and rural services are increasing use of the Victorian Virtual Emergency Department (VVED), including Small Rural Health Services and Bush Nursing Centres. These services rely upon the VVED for non-urgent care, which ensures care is provided close to home. Subsequently this reduces the use of patient transport and hospital admissions. But connectivity, technology and accessibility remain a challenge – with many rural services and centres reliant on mobile phones and outdated equipment.

Additionally, some Victorians lack the confidence to access and use the VVED, and therefore the VVED's potential is not fully realised. This is particularly true in rural and farming communities where the people are often older and do not typically have proactive health seeking behaviours.



**Commitment:** The Victorian Government to invest \$6 million over 3 years to enhance the connectivity, technology and accessibility for rural health services to connect to the VVED.

**Commitment:** The Victorian Government to invest \$5 million to enable health services to deliver community education programs on how to use and access the VVED.

Bridging the gap between connectivity, technology and accessibility will enable Victorians in rural communities to more easily access the VVED, either on their own, or through their local health service. This will maximise the Victorian Government's investment to triple the capacity of the VVED.



## Support aged care providers to meet obligations under the new Support at Home Program

Implementation of the new Support at Home program has required established providers of Home Care Packages to undertake extensive ICT system upgrades, including integration with the Services Australia provider platform. The \$10,000 transition grant provided by the Federal Government has fallen well short of the actual cost to transition systems, which in some cases has exceeded \$40,000.

Ongoing implementation of aged care reforms, including the transition of the Commonwealth Home Support Program (CHSP) after 1 July 2027 and the introduction of pricing caps for Support at Home (SAH) in July 2026, will require additional ICT development and maintenance. Without targeted investment, the cost of compliance and digital transition risks diverting resources away from direct care delivery. This may also lead to provider attrition over time, with providers either declining to transition from CHSP to SAH or exiting the SAH program due to unsustainable compliance and operational costs, ultimately reducing service access.



**Commitment:** The Federal Government to invest \$240 million to assist Support at Home providers to meet the requirements of the program, including ICT upgrades, integration with the Services Australia platform.

Enabling aged care providers to upgrade ICT to meet requirements under the new Support at Home program will ensure providers can meet legislative requirements in a timely manner and promote the entry of providers to the Support at Home Program. Reliable ICT systems will improve reporting, compliance, and patient experience, supporting a more sustainable and transparent aged care system.

### 3. Improve access to care for all Victorians

The needs of Victorians are changing. Increasing prevalence and complexity of chronic disease requires expanded service models. Demand is growing right across the health system, particularly in primary and aged care, and services that deliver care in the community.

Both Victorian and Federal Governments have sought to address the growing demand by increasing the breadth and diversity of services across aged care, mental health and the NDIS, whilst investing in walk-in, non-emergency care, such as the WVED and Urgent Care Clinics. Ongoing responses to Royal Commissions are influencing and shaping policy that prioritises care in the community across mental health, alcohol and other drug services (AOD) and family violence. This prioritisation to deliver non-urgent care in the community reflects the increasing intersection between social and health services, responding to the social determinants of health, such as income, education, and housing.

Demand is growing in Victoria across mental health, AOD and family violence services. Where disadvantage is greatest, services are experiencing sharp increases in demand. Mental health support is seeing rising demand in both metropolitan and regional areas, across acute and community services, driven by greater population needs and increasing awareness of mental health issues. AOD services are reporting increasing treatment episodes, with regional areas often facing longer wait times due to limited coverage. These trends demonstrate the urgency of expanded service models that address community need. Without action, existing services will be overwhelmed, and Victorians may delay or avoid seeking vital care and treatment.

The Federal Government's Strengthening Medicare reforms have demonstrated serious efforts to address gaps in healthcare and improve system access, including reviews into workforce supply and distribution and workforce scope of practice. Enabling healthcare practitioners to work at the top of their scope of practice through innovative, team-based models of care, will improve access to care and result in improved health outcomes in communities. This is particularly true for people with limited access to GPs and other healthcare professionals.

Demand for these services is exploding as the community becomes more aware and accepting of the issues. Additionally, new light has been shone across issues such as men's and women's health, adding to the pressure of providing high quality and accessible services. Addressing the evolving health needs of Victorians will require targeted action, supported by appropriate planning and investment. This will improve access to care and close the gap between available services and community needs, and in turn reduce waitlists and unnecessary hospital presentations. It remains critical that there is investment in the initiatives that ensure people can get access to care when and where they need it.

This investment must also have a focus on reducing health inequities and limiting the avoidable differences in health status that are often driven by social determinants of health.

**The Victorian Government must improve access to care for all Victorians by:**

- improving care navigation across public healthcare to support the transition into, and across, the complex mix of health and social services.
- investing in an evidence-based, health-led response to reducing the harms associated with substance abuse.
- ensuring adequate representation of the First Nations health workforce to embed culturally safe care across Victorian communities, strengthening engagement with First Nations communities.
- enhancing the Mental Health workforce to provide earlier access to support and treatment for Victorians.
- enabling women to get greater care closer to home through virtual models of care, whilst also investing in women's health clinics that reduce delays in diagnosis and treatment.
- funding targeted men's mental health promotion, preventative care and early intervention for family violence, addressing mental health risks earlier and supporting safer family relationship.
- funding for health system research to evidence the quality of care available in Victoria's public health system.

**The Federal Government must improve access to care for all Victorians by:**

- expanding access to proven models of care, reducing reliance on hospital care and improving outcomes for communities with limited access to general practice.
- fund the National Health and Climate Change Strategy and recognise the role of Community Health Services in delivering primary care and recovery support for families impacted by disaster.



## Improve care navigation across public healthcare

Growing health complexity and longer life spans have had significant implications for healthcare services, with the proportion of people with no chronic condition decreasing significantly over the past decade. This is increasing demand for community care, allied health, health prevention and promotion, and making it increasingly challenging for Victorians to navigate the health system.

Without stronger connections between services, patients will struggle to navigate disconnected care pathways, moving between services with gaps, delays and repeated handovers.



**Commitment:** The Victorian Government to invest \$5 million per year over 3 years in 'care navigators' embedded in Community Health Services to help Victorians navigate the health system, and to be referred onto services across health and social services, allied health, mental health, disability and aged care.

Care navigators would support Victorians to receive the care when and where they need it, reducing delay to access care, while supporting improved connection and efficiency across the health system. This will ensure the community is supported to navigate the healthcare system, people get the care they need and can be transitioned into the complex mix and breadth of health and social services, such as aged care in-home services, mental health and wellbeing services, and the NDIS.

## Invest in evidence-based, health-led response to drug harm reduction

Pharmacotherapy is an evidence-based treatment for opioid dependence which has previously only been available to GPs, nurse practitioners and state funded clinics. The Victorian Government expanded access across both registered and integrated Community Health Services, enabling the health-led response to reduce the harms associated with substance abuse.

However, access to pharmacotherapy remains limited, particularly in rural areas, due to too few prescribers. Current grant funding to expand service access, the Community Health Pharmacotherapy Grants 2024-2027 announced to establish or expand services, are due to lapse after FY27/28. This is creating uncertainty and risking loss of prescriber capacity. Without sustained investment, patients in need of pharmacotherapy services will face long waits or be unable to access treatment.



**Commitment:** The Victorian Government to invest \$15 million a year for 3 years to extend and scale up the existing pharmacotherapy program, which includes the training of prescribers, in particular through Community Health Services.

Greater access to pharmacotherapy supports in the community will provide better health and social outcomes for Victorians and stem the flow into hospitals and emergency departments.

## Embed culturally safe care across mainstream services

The proportion of First Nations staff in mainstream health services remains significantly lower than the proportion of First Nations population. First Nations people are substantially underrepresented in Victoria's healthcare workforce. This underrepresentation impacts both workforce sustainability and patient outcomes. The system lacks sustained investment in pathways, incentives, and support for Aboriginal staff.



**Commitment:** The Victorian Government to invest \$10 million per year for 3 years into initiatives to support the First Nations workforce across health services in Victoria. This should include support for liaison roles such as Aboriginal Health Liaison Officers (ALHOs), Koori Mental Health Liaison Officers (KMHLOs), and other similarly titled roles, funding to ensure mainstream healthcare services can create culturally safe environments and recruitment/retention practices, new positions (identified and other) across a range of health professions, and pathways for training and career development.

A representative and supported First Nations health workforce will help embed culturally safe care across mainstream health services, building trust, improving health outcomes, and strengthening engagement with First Nations communities.

## Improve access to mental health services

Demand for mental health services has grown with steady pace over the past decade. As such, programs and funding for mental health care have been made available, addressing some of the need. The workforce which delivers mental health care is stretched and under resourced. As such, Victoria has committed to doubling the mental health workforce by 2031, but current investment is inadequate. Staff retention, diversification and safety remain major challenges. Investment in the recruitment and upskilling of GPs and community workforce in mental health and AOD practice will enhance the response. Roles including dual diagnosis workers are critical to enabling quality service provision across mental health and AOD, as is access to a peer workforce and system wide skill development.



**Commitment:** The Victorian Government to invest \$120 million over four years to retain, support, and diversify the mental health and AOD workforce, including rural incentives and new training pathways.

**Commitment:** The Victorian Government to invest \$50 million over 4 years in capacity building for new leaders in the mental health workforce, with a focus on lived and living experience.

An enhanced mental health and AOD workforce will provide better, earlier access to support and treatment for Victorians, in the community, when they need it.

## Extend access to clinical expertise in women's health

Women across the state require greater access to early, quality care that is close to home and easily accessible. Yet women, particularly in regional and rural areas, are not always able to access the support they need, when they need it.

Access to greater care is needed for women and for their health practitioners. When pregnant, women need quality support that they can rely on, in a setting that is comfortable and familiar. Traveling for care becomes more challenging, especially for those living in regional and rural locations. Embedded in hospitals with a focus on women, virtual care could provide direct and timely access to care and monitoring for women who are pregnant.

Additionally, there is a strong need to uplift clinical expertise of health practitioners across medical abortion and contraception care. Creating a direct link between health professionals and experts in the field will enhance the delivery of care when and where women need it. Enabled through partnerships with hospitals with a focus on women, health professionals including doctors, nurse practitioners and endorsed midwives across the state can be supported through specialist advice, professional development and clinical consults.



**Commitment:** The Victorian Government to invest \$20 million over three years to establish and deliver a virtual women's pregnancy service, enhancing access to pregnancy support and monitoring directly in the home. Secondly, it will enable the provision of specialist advice to health professionals to deliver medical abortion and contraception services.

A virtual women's pregnancy service will bring clinical expertise to the women who most need it. It will enable women to stay close to home and loved ones, while accessing the best possible care. A women's pregnancy service can be modelled off the VVED and other virtual care programs currently being delivered. Additionally, a health professional to specialist consult program will grow capability across the sector through training, professional development, placements, connection, and peer mentoring.



## Support the response to the Inquiry into Women's Pain

The Inquiry into Women's Pain highlighted that women often face long delays, fragmented care, and dismissal of their symptoms when seeking help for conditions such as endometriosis, pelvic pain and other chronic health issues.

While pain, particularly chronic pain, can be difficult to assess, treat and manage, there are barriers effecting women and girls when attempting to access treatment and support. Often stigma and discrimination and a culture of systemic gender bias prevents women and girls from seeking care for their pain.

The establishment of women's health clinics directly respond to these issues by providing a single point of access to specialised, multidisciplinary care, designed to meet women's health needs. The Victorian Government intends to open 20 women's health clinics over the next four years, which will require funding to ensure these clinics are accessible and adequately staffed to meet growing demand.



**Commitment:** The Victorian Government to invest \$14 million to support the roll-out of the 20 women's health clinics over the next four years, including ongoing funding for those already established.

The roll-out of women's health clinics will reduce delays in diagnosis and treatment for conditions like endometriosis, pelvic pain, and menopause, helping women get the care they need faster, while directly addressing the systemic gaps identified in the Inquiry into Women's Pain. Funding will ensure the clinics are fully staffed with skilled healthcare professionals, including nurse practitioners, and equipped with the necessary facilities, equipment and resources to deliver timely, high-quality care.

## Invest in men’s mental health promotion, prevention and early intervention

Men have higher risk factors for poorer mental health outcomes. They are more likely to delay care than women, less likely to engage in preventative health measures due to stigma, norms around masculinity and cultural expectations. In Australia, men account for around three quarters of the deaths by suicide.

In rural areas, including farming communities, geographic isolation, limited access to healthcare and social stigma worsens these risks, leading to delayed diagnosis and poorer outcomes.

Rising mental health concerns and suicide rates are further complicated by exposure to, or involvement in, family and sexual violence, highlighting the complex psychosocial needs. There is a gap in health services that are specifically tailored to men, particularly in providing early intervention, preventative care and trauma-informed support.



**Commitment:** The Victorian Government to invest \$3 million for the expansion of men’s mental health prevention and promotion programs in rural communities. Extend and support existing community programs which provide informal, low stigma support for farmers who may not be able to access traditional healthcare.

**Commitment:** The Victorian Government to invest \$10 million over two years for the Third rolling action plan to end family and sexual violence 2025 to 2027 (Until every Victorian is safe) – in particular Area 3.3 – which includes early intervention programs for men and boys and campaigns that challenge gender stereotypes.

Funding to target men’s mental health promotion, preventative care and early intervention for family violence will directly improve outcomes for men by addressing mental health risks earlier and supporting safer family relationships. This will not only save lives and improve wellbeing but also reduce long-term reliance on emergency and health services, strengthening families and building more resilient communities.



## Invest in health system research

Victoria's publicly funded health services are diverse and complex. Recent reforms, including the Health Services Plan and stand up of the Local Health Service Networks, takes a step forward in evolving the system to leverage collaboration, prioritise patient flow and enhance patient outcomes. Yet there is no approach implemented alongside these reforms to evidence the outcomes and effectiveness.

In line with the learning health systems approach, which has been adopted in Victoria, the Local Health Service Networks continue to grow on clinical trial-based research alone. Embedding Health Policy and Systems research within and across reforms, to evidence how the structural change leads to improved outcomes for patients, will bring great benefit to the sector. There is an opportunity to build the policy evidence across the phases of health service reform and therefore guide future efforts and investment to support the evolution of Victoria's public health system.



**Commitment:** The Victorian Government to invest \$50 Million over four years in the creation of a Health Policy and System Research Centre(s).

Investment will ensure evidence is embedded in the change process and is underpinning work to drive future improvement in patient outcomes. It will provide clarity to the Victorian Government and to the public health system on the results of reform, areas for adaption and future work and highlight the quality of Victorian public healthcare. Further providing confidence to the community that Victorian public health services are delivering quality outcomes, enhancing patient care and experience and are effectively utilising Victorian taxpayer dollars.

## Invest in programs that maximise health professional's skills

In 2024, the Federal Government commissioned independent reviews into scope of practice for health professionals and workforce provision in rural areas, including those in Victoria.

A key recommendation was to incentivise innovative, team-based models of care that enable professionals to work to their top of scope. Community Health Services have already delivered successful initiatives such as the Community Paramedicine Program (often referred to as CP@clinic), which was funded Federally under the Innovative Models of Care (IMOC) Program. This Program employed Paramedics to work outside traditional roles, maximising the skill set of this workforce to meet the needs in preventative care. There remains a gap in preventative healthcare services across Victorian communities, particularly in rural and regional areas – highlighting the opportunity to up preventative programs like the Community Paramedicine Program.



**Commitment:** The Federal Government to invest \$18 million over 3 years for Community Health Services to scale up preventative healthcare services using a more diverse range of healthcare professionals such as nursing, community paramedics and other allied health professionals, maximising the skill sets of these workforces.

Investment in preventative healthcare services that draws upon a mix of skilled health professionals will reduce reliance on hospital care and improve health outcomes in communities with limited access to GPs and other professionals.

## Fund the National Health and Climate Change Strategy and recognise the role of Community Health Services

The Federal Government has committed to a phased implementation of the National Health and Climate Change Strategy Implementation Plan but has not funded the Strategy's actions. This means the health sector continues to rely on short-term and ad-hoc funding for emergency preparedness, response and recovery initiatives. Victoria's registered Community Health Services can play a critical role in supporting the Strategy's actions, given their vital role in delivering of primary care and recovery support for families and communities impacted by disaster.



**Commitment:** The Federal Government to invest \$200 million over three years to implement the actions of the National Health and Climate Strategy, including developing a National Health Adaption Plan and establishing new sustainability and climate resilience standards.

The healthcare sector will be enabled to implement the actions outlined in the National Health and Climate Change Strategy without compromising service delivery. Recognising the role of Victoria's registered Community Health Services will enable the Federal Government to access a network of existing providers to implement the Strategy. This will support the Strategy's goal of strengthening the role of primary care in addressing climate change and break a reliance on insecure funding for preparedness, response and recovery initiatives. Reliable funding will enable Community Health Services to support their communities and conduct key activities such as community recovery and resilience programs.

## 4. Attract and retain our workforce

In Victoria, the health and social services workforce is expected to lead industry growth to 2034 – with high demand for healthcare workers already experienced in regional and rural Victoria. Despite the strong projected growth, workforce shortages remain a sustained challenge for the public healthcare sector. Growth is unlikely to meet the rising demand for care that is driven by increasing rates of chronic disease, an ageing population and changing community demographics. There is a critical need for sustained investment in workforce attraction and retention initiatives to ensure the sector can keep pace with community needs, with multiple policy levers required to address this.

Both Victorian and Federal Governments have taken steps to address the workforce issues through targeted initiatives aimed at increasing workforce capacity and scope, capability, and distribution. Funding is required for the implementation of scalable and flexible workforce models that support both clinical and non-clinical staff to work to their full scope of practice. Models such as nurse practitioners, multidisciplinary team-based care and rural generalist programs, enhance access to the public health system. Strengthening training pathways, expanding multidisciplinary team-based care and improving career pathways will be critical to sustain the workforce over the long-term.

Rural and regional services face many unique challenges which can be supported through attraction of a high-quality and skilled workforce. The ongoing impacts of climate change are more acutely felt in rural and regional areas. This not only has impacts for recovery of people's homes and entire communities, but also significant impacts upon the health and wellbeing of Victorians. A well-supported, trauma-informed, locally trusted workforce will be vital in responding to these challenges.

Ancillary, community services, such as schools and childcare, are essential to engage a quality health workforce. This is particularly pressing in rural communities with housing shortages that prevent healthcare services from attracting and retaining a skilled workforce. Addressing the housing crisis through dedicated health workforce accommodation in these communities would improve workforce stability and contribute to economic growth.

Investing in initiatives that will support the attraction and retention of Victoria's health workforce is not only an investment in equitable care, but also in the future growth and productivity of the state. A strong, skilled and sustainable workforce will support the ongoing delivery of high-quality health services and improve population health outcomes.

**The Victorian Government must attract and retain our workforce by:**

- establishing a statewide Nurse Practitioner Framework to assist in delivering high quality and accessible healthcare in rural and regional communities.
- investing in a future focused disaster recovery and resilience program.
- address challenges in housing and accommodation to support a skilled, local workforce.

**The Federal Government must attract and retain our workforce by:**

- investing in culturally safe working environments.
- improving workforce supply and distribution in rural areas.



## Invest in a statewide nurse practitioner framework

Expansion of workforce models to assist the delivery of healthcare in rural and regional communities is essential. There is a known shortage of GPs in rural and regional areas, limiting the ability to admit, discharge and supervise care. A Statewide Nurse Practitioner Framework is a proven model for addressing gaps in healthcare access, particularly in rural and regional areas where doctor shortages impact timely patient care.

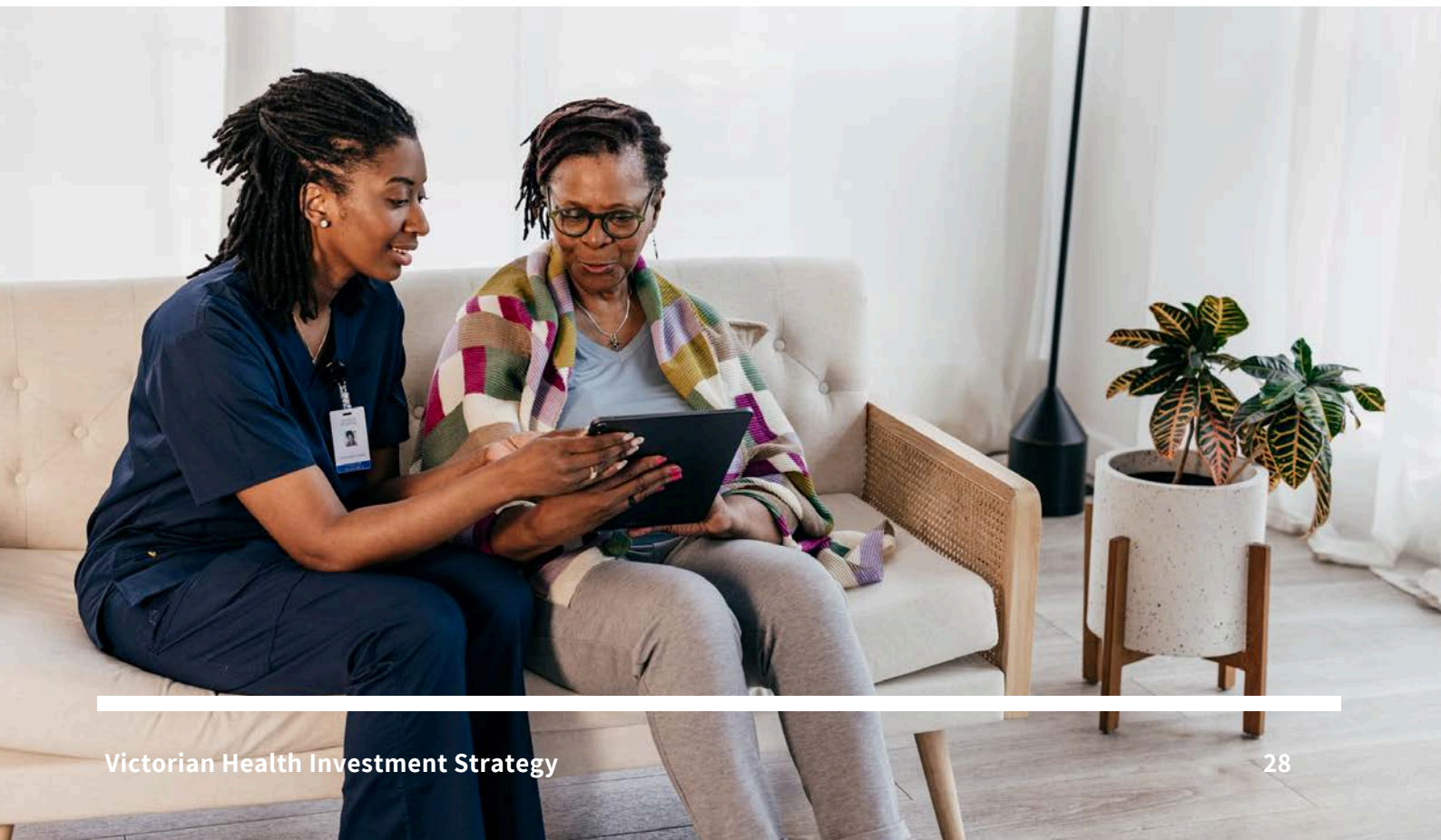
Nurse Practitioners are advanced practice clinicians capable of independently assessing, diagnosing, treatment and prescribing the full course of healthcare treatment, from assessment to follow-up. Nurse practitioners are already being used in pockets across regional and rural Victoria, but funding is inconsistent and ad-hoc. There is significant work across the country on effective Nurse Practitioner models and approaches to enhance health service provision in rural areas.



**Commitment:** The Victorian Government to invest \$60 million over four years to establish a statewide Nurse Practitioner framework. This will include funding for positions in rural and regional areas where demand currently exists and will grow into the future.

Establishing a Statewide Nurse Practitioner framework that allows nurses to work to the top of their scope will assist in filling the gaps which currently exist in healthcare delivery for rural and regional communities. This will support independent assessment, diagnosis and treatment and prescribing of Victorian patients, from assessment to follow-up.

It will reduce delays in treatment, expand service coverage and ensure continuity of care – particularly in rural areas where GP shortages impact timely patient care.



## Maintain support for communities impacted by disaster

Over the past few years, rural communities have continued to face more frequent and significant natural disasters – including bushfires, drought, fire and floods. During the past 10 years, rural and regional health services and registered Community Health Services have supported community recovery from more than 130 disaster events.

Community recovery from these events has been reactive. Funding for initiatives that employ a trauma-informed workforce to support communities recovering from disaster have been time limited. Short-term funding means the expertise of the experienced disaster recovery workforce is lost due to the insecure nature of the employment arrangements. This means that recovery care and support for communities can be fragmented, delayed, or non-existent whilst agencies work to find staff and determine a plan of action.



**Commitment:** The Victorian Government to invest \$38.7 million over four years for a Psychosocial Community Recovery and Resilience Program in rural and regional Victoria, with \$10.2 million in year one.

A long-term program will support impacted communities on an ongoing basis and ensure an immediate response to both large and small local disasters as they occur. It will allow services to build collaborative community partnerships and support Emergency Recovery Victoria and local government to ensure a coordinated response that draws on local community knowledge and effectively mobilises local capability.

This will embed permanent, locally trusted teams in rural and regional Community Health Services, in disaster-affected communities to provide ongoing psychosocial support, build long-term resilience and strengthen local capacity and ensure continuity of care. This investment would build recovery and resilience capability between disasters, support local cross-sector preparedness and resilience networks, and build trust in local communities so people know who to turn to during recovery.



## Address challenges in housing and accommodation for the workforce

In rural and regional communities, the housing crisis has led to challenges in attracting a skilled workforce to the health sector. The lack of availability due to low housing levels, or vacant short-stay housing, has meant health services need to provide or facilitate access to accommodation to attract the workforce they need.

This has significant impact for health services, adding financial and administrative burden in accessing and managing properties. Each health service has set up their own approach provide and maintain the accommodation they need to engage a skilled workforce.



**Commitment:** The Victorian Government to invest \$1 million in development of a statewide health workforce accommodation strategy to ensure worker accommodation solutions are streamlined and investment is targeted.

**Commitment:** The Victorian Government to invest \$40 million into statewide accommodation building programs such as the rural worker accommodation fund and Victoria's Big Housing Build to address immediate and pressing need in rural communities.

With appropriate allocation of investment, health services will be able to secure the workforce they need to deliver healthcare to their community. Accommodation in rural communities will support attraction of a skilled workforce and provide for their families, sustaining the delivery of quality healthcare in rural communities.

A health workforce accommodation strategy will guide resources and investment in the most targeted and efficient manner, reducing duplication across health services and minimising low return investment. The ability to attract a high-quality health workforce is essential to ensuring health services across the state can meet the healthcare needs of their communities. This investment will also improve community life, support economic development and attract families and other skilled workers to rural areas.

## Lift representation of First Nations peoples in the health workforce

In June 2025, the Federal Department of Health, Disability and Ageing released the National Aboriginal and Torres Strait Islander Health Workforce Strategic Framework and Implementation Plan (the 'Plan'). The Plan sets a pathway to achieve full demographic representation of First Nations people in the health workforce in line with the national percentage of Aboriginal and Torres Strait Islander Peoples by 2031. The Plan includes actions to attract, recruit and retain workers, create culturally safe environments, and embed culturally appropriate workforce planning in line with the National Agreement on Closing the Gap. However, while the Plan sets out the priorities and processes required, no dedicated funding has been allocated to support its implementation.



**Commitment:** The Federal Government to invest \$15 million over three years, to the National Aboriginal and Torres Strait Islander Health Workforce Strategic Framework and Implementation Plan for delivery of the priorities set out in the framework.

First Nations Peoples will be able to access the care that they need in ways that work best for them. Assisting in both closing the Gap initiatives for Health Outcomes, and to meet the objectives of the National Aboriginal and Torres Strait Islander Health Workforce Strategic Framework and Implementation Plan.

## Improve workforce supply and distribution in rural areas

The Commonwealth Prac Payment (CPP) is a major incentive for funding student placements. The CPP is critical for rural and regional health services to attract nursing, midwifery and social work students for placements, which in turn seeks to alleviate workforce shortages. The CPP does this by providing direct funding for students' living expenses. However, CPP placement uptake does not often reach Community Health Services and smaller health services who still face long, unpaid placement periods. This means that placement opportunities are not well enough incentivised in rural and regional. These services also experience workforce supply challenges and require investment that will incentivise student placements will also assist in the spread of the workforce.



**Commitment:** The Federal Government to invest \$8 million over 4 years, to provide extra funding and incentivise 500 students to undertake placements in rural and regional areas, including in Community Health Services.

Investment in CPP will increase the supply and uptake of the health workforce in rural and regional area, including for Community Health Services, alongside all other services. This will provide nursing, midwifery and social work students who currently perform up to 1000 hours of unpaid placement work in 12 months, to be able to perform essential learning across Australia.

## 5. Future-proof health infrastructure

Victoria's population is growing and changing, placing a strain on existing infrastructure, and pushing up demand for healthcare across the state. Many facilities and assets are ageing, with buildings, operating theatres, diagnostic imaging equipment and digital communication systems no longer fit-for-purpose or able to meet the complex and growing needs of Victorians. In sectors such as aged care, where demand is rising and residents present with higher complexity and acuity, modern and purpose-built facilities are essential.

Infrastructure has been a significant priority for Government investment over the past decade, enabling health services to meet rising demand and deliver more innovative and efficient patient-centred models of care. This has included the establishment of the Victorian Metropolitan and Regional Health Infrastructure Funds, which have collectively funded more than 700 projects across Victoria since their establishment. The infrastructure needs of Victorian health services have also been supported by other Government programs such as annual master planning, budget allocations for capital expenditure (CapEx) and Federal grant programs for aged care capital assistance. Many of these programs can involve time consuming applications, or upfront capital, with no guarantee of success. As such, many are limited in their ability to support health services in delivering the infrastructure Victoria needs in a timely and efficient manner.

Funding over the past decade has been insufficient for health services to future-proof health infrastructure, with funding often prioritising new builds, rather than maintaining or redeveloping existing infrastructure. Capital investment in timely maintenance upgrades and strategic expansion of critical infrastructure is needed in health services right across the state. This has been reflected in research by Infrastructure Victoria for Community Health Services – which demonstrates many buildings are in poor condition or close to the end of life and in need of urgent repair. Likewise, ageing buildings requires upgrades to future proof them during extreme weather events.

With forward-looking investment in both existing and new health infrastructure, Governments can maximise the value of their investment, improve access to care and ensure health services are equipped to meet the needs of a growing and changing population.

### **The Victorian Government must future-proof health infrastructure by:**

- increasing capital expenditure within Hospitals and Health Service budgets to support timely maintenance and repair of facilities, while increasing visibility of infrastructure needs and priorities through investment in the infrastructure data program.
- investing in the Victorian Regional and Metropolitan Health Infrastructure Funds.
- funding a dedicated Climate Resilience Fund to support critical upgrades that ensure buildings are safer and more reliable during extreme weather events.
- invest in the Community Health Services infrastructure.

### **Additionally, complementary funding from both the Victorian and Federal Governments is required for:**

- investing in upgrading residential aged care infrastructure.

## Increase capital expenditure to support timely maintenance and repair

Capital Expenditure (CapEx) within Hospital and Health Service budgets, such as Infrastructure Renewal and related funding lines, are not adequate to undertake routine maintenance and repair of infrastructure. For example, many services have CapEx budgets that represent less than 0.5% of their total operating budget.

The low annual capital budget increases the volume of applications into the Metropolitan and Regional Health Infrastructure funds. The Funds are intended for strategic, longer-term investment, not routine maintenance and repair, and have collectively funded more than 700 projects since inception. This underinvestment in health service budgets is limiting the ability of health services to maintain existing infrastructure in a timely manner and is driving services to be investing resources into MHIF and RHIF proposals for routine repairs, and replacements. This increases the administrative burden on services that are investing time and money into grant applications, and the grant administrators who oversee an oversubscribed grant program year on year.



**Commitment:** The Victorian Government to invest \$250 million a year over four years to the Hospital and Health Services capital expenditure budget to support timely maintenance and repair of facilities.

Increasing Capital Expenditure (CapEx) will assist in reducing delays in timely infrastructure maintenance and repair, ensuring service availability for communities and simultaneously reducing administration burden through the competitive grants process.

In increasing CapEx and enabling Hospitals and Health Services to maintain infrastructure effectively, future costs will be reduced, if not prevented.



## Enable services to contribute to the infrastructure data program

Victoria's public health system lacks a comprehensive, centralised view of where infrastructure needs and priorities are greatest, impacting the ability for decision-makers to prioritise strategic investment.

Without consistent, high-quality asset data across Hospitals and Health Services, planning for maintenance and replacement will not be informed by the evidence. The Victorian Health Building Authority undertakes regular health assessments of the condition of infrastructure assets, whilst grant opportunities are often dependant on the ability for services to submit information on the quality of their assets to government. Funding is needed to provide health services with the required resources to systematically audit their assets, providing accurate data to the Victorian Health Building Authority to prioritise evidence-based investment decisions.



**Commitment:** The Victorian Government to invest \$26 million over four years to enable services to contribute to the infrastructure data program, run by Department of Health, to enable clear visibility of infrastructure needs and priorities across hospitals and health services.

With accurate, standardised data on asset condition and performance, Government will be able to allocate capital funding to Hospitals and Health Services where the need is greater. This will reduce the risk of grant funding arrangements not being used for their intended purpose and prioritise strategic investment.

## Re-invest in the Metropolitan and Regional Health Infrastructure Funds

The Regional and Metropolitan Health Infrastructure Funds were established to ensure infrastructure assets could be refurbished and that long-term capital could be allocated to new builds, improving service capacity and supporting high-quality care. The Regional Health Infrastructure Fund (RHIF) was established in 2016, while the Metropolitan Health Infrastructure Fund (MHIF) was established in 2020, with the RHIF delivering more than \$700 million and MHIF delivering more than \$200 million since inception. During this period, the scope has covered Hospitals and Health Services, Community Health Services and Bush Nursing Centres. However, as noted – limited CapEx funding has meant these Funds are not always being allocated in line with their purpose of infrastructure upgrades and significant refurbishments. They are due to run out at the end of the 2025/26 financial year.



**Commitment:** The Victorian Government to invest \$200 million over three years in the Regional and Metropolitan Health Infrastructure Funds to ensure all Hospitals and Health Services, Community Health Services and Bush Nursing Centres can access adequate funding to support infrastructure upgrades and significant refurbishments.

Investing in the Regional and Metropolitan Health Infrastructure Funds will ensure Hospitals and Health Services, Community Health Services and Bush Nursing Centres can access sufficient funding for vital infrastructure upgrades and significant refurbishments. This will ensure continuity of services for Victorians, reducing the risk of service disruptions.



## Assist health services to adapt to a changing climate

Right across the state, climate-related events are occurring more frequently, ranging from extreme heat conditions to more severe weather events. The majority of Victoria's Hospitals and Health Services and registered Community Health Services were not built with consideration of climate-related risks.

Extreme heat poses a risk to critical services such as utilities and supplies, on staff and on the delivery of care through home visits and other outreach activities. Staff often need to start shifts earlier during hot days to carry out home visits safely, posing a risk to staff wellbeing. There are also risks to the health of Victorians, who are more likely to present to the emergency department of a hospital during days of extreme weather, in particularly the elderly and Victorians living with a chronic health condition. Therefore, across extreme weather events, health services are under pressure through an increasing demand, whilst managing the risk to critical utilities, supplies and staff.

Without effective adaptation, all public health services will be increasingly limited in their ability to provide timely and effective care during extreme weather events now and into the future as the impacts of climate change continue.



**Commitment:** The Victorian Government to invest \$100 million over four years in a dedicated Climate Resilience Fund which will support vital investments to de-risk critical utilities and infrastructure, such as backup power systems, flood protection systems and energy efficiency upgrades.

Investment in a dedicated Climate Resilience Fund will break the reliance on ad-hoc funding and will support vital investment that will ensure buildings are safer and more reliable during extreme weather events, improving working conditions for staff and maintaining continuity of service during high-risk periods.



## Invest in the Community Health Services infrastructure

Health services across Victoria, including Community Health Services, are operating in ageing facilities that are costly and inefficient. Without capital funding, services will experience greater inefficiency and additional challenges in delivering quality healthcare for their community.

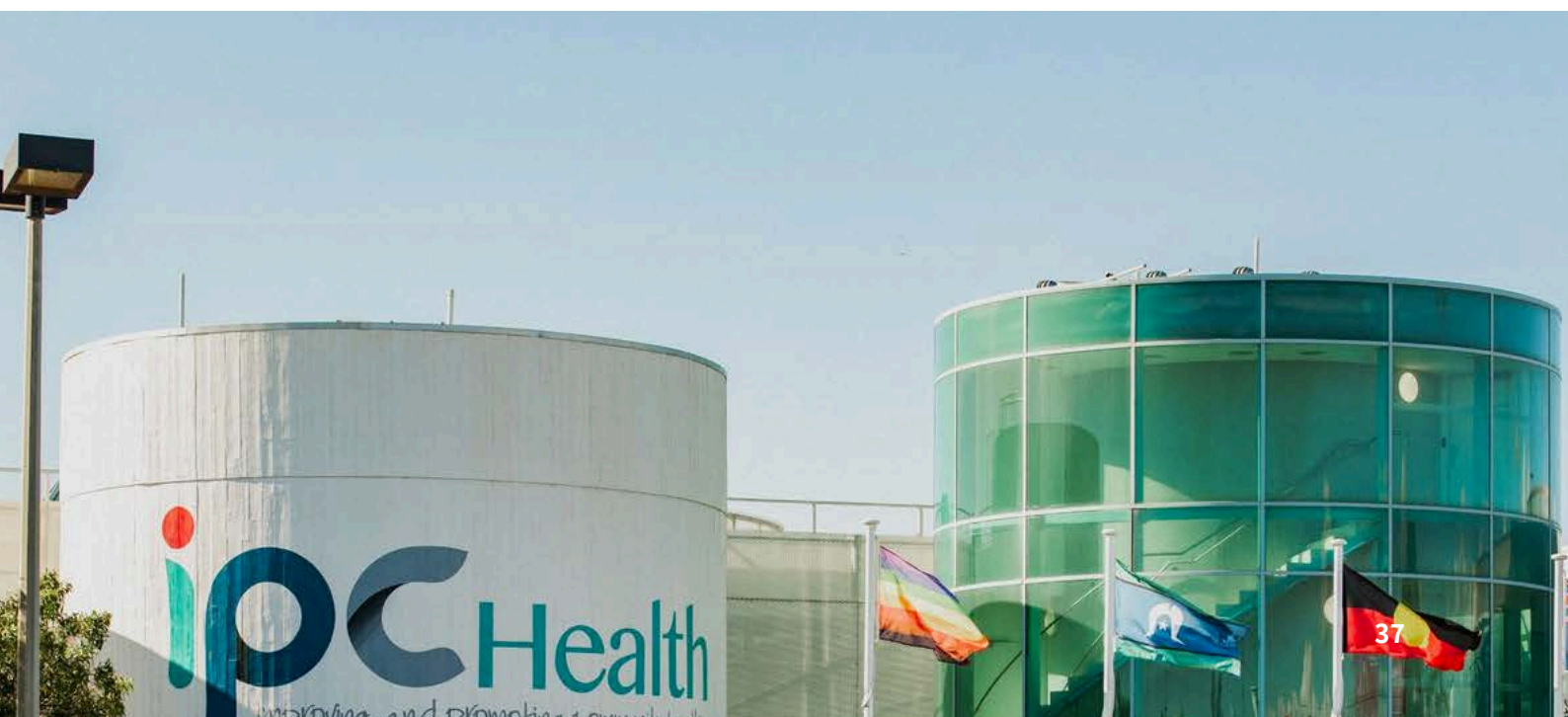
Registered Community Health Services currently rely on the competitive programs of the Regional and Metropolitan Health Infrastructure Funds to access infrastructure funding. However, the scale of investment required is significant and indicates that a targeted and strategic investment in Registered Community Health Services infrastructure is needed, as outlined in the recent Infrastructure Victoria report into Investing in community health infrastructure.



**Commitment:** The Victorian Government to invest \$45 million per year over five years Registered Community Health Service infrastructure.

Quality buildings and accessible capital infrastructure will enhance the quality and quantity of healthcare able to be provided across Victoria's Community Health Services. Further it will assist in attracting and retaining a high-quality workforce.

This investment will support Infrastructure Victoria's recommendation to invest in Community Health Services to support the delivery of local, high-quality community health services over the next 5 years. It will also pave the way for further recommendations undertaking long-term infrastructure planning with Community Health Services and conducting an asset management of all Community Health Services.





## Invest in upgrading public sector residential aged care

Safe, modern facilities and equipment are fundamental to ensuring quality and dignity in aged care. Many public sector residential aged care services need to upgrade or replace ageing or unsuitable infrastructure. In some instances, the lack of suitable infrastructure means that high acuity residents are being admitted to services in neighbouring communities that require travel and miss an opportunity to provide care within their community. Unfortunately, most services do not have sufficient budget to undertake major building works, replace essential equipment or carry out needed refurbishments on their own, and therefore must pursue grant opportunities through the highly competitive Regional and Metropolitan Health Infrastructure Funds.



**Commitment:** The Victorian Government to invest \$120 million over three years to support adequate infrastructure works for public sector residential aged care services. Investment should take into consideration federal aged care infrastructure funding and co-contribution requirements.

**Commitment:** The Federal Government to invest \$200 million in the Aged Care Capital Assistance Program grant opportunity to upgrade infrastructure across residential aged care services.

Quality, accessible and fit-for-purpose aged care buildings will enable an increase in the quality of aged care service provision and enhance attractiveness of residential aged care services to ageing Victorians. Safer, modern infrastructure will improve the quality of care for residents and ensure residents can remain close to home.

## Future directions

Victoria's public healthcare sector is at a pivotal moment of transformation for service delivery across the state, including the establishment of Local Health Service Networks, integration of the broader system including Community Health Services, and ongoing efforts to reform the system across key areas such as aged care, mental health, and primary care.

The reforms underway to the healthcare system are significant and funding over the coming years must support their ongoing progress. This includes the implementation of the new right-based Federal Aged Care Act, Strengthening Medicare Taskforce and the implementation of the recommendations of the Royal Commission into Mental Health, and the stand-up of Local Health Service Networks.

Funding sustainability is both a state and Federal responsibility and should be supported by long-term policy planning that anticipates demographic shifts and extends beyond electoral cycles. With an extension of funding to the National Health Reform Agreement due to expire on 1 July 2026, the next agreement must be sufficient to support hospital budget planning across workforce, infrastructure and service delivery. This means committing to what was first agreed to in principle at national cabinet in December 2023 – that the Federal Government increase its share of funding to 42.5% by 2030, with a path to reaching 45% over the next 10 years.

The Victorian Government is however, the primary funder of publicly funded healthcare in the state. It therefore must ensure that the system is well resourced and supported to meet both current and future community needs.

What matters to patients is receiving the care they need, not who delivers it – all levels of government need to work together to ensure the system has the right level of funding, service capacity, workforce and infrastructure need to meet the needs of Victorians. Beyond funding and investment, governments must also work together to achieve greater harmonisation of regulation and compliance and ensure resources are maximised and duplication minimised. This will enhance sector capacity and enable sector funding to be directed at innovation and delivering high-quality care, and infrastructure planning that aligns with long-term population needs and system demand.

The Victorian Health Investment Strategy provides a comprehensive plan for strategic investment across provider of acute care and emergency services, primary and community care, and health prevention and promotion. By investing strategically and with foresight, we can strengthen the Victorian health system and improve outcomes for all communities.

The VHA looks forward to working with all sides of Government on the future needs of Victoria's public healthcare sector. The opportunities and potential that exist within our health system are endless.

We extend our thanks to our members for informing this work and look forward to engaging constructively with policy makers, the Victorian and Federal Government, Opposition and the crossbench over the coming years.

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