

25 November 2020

State budget 2020-21: Community Health Services Snapshot

The Victorian Budget 2020-21 'Putting People First' outlines the Andrews Government's short-term fiscal response to the needs of Victorians during the COVID-19 pandemic. The budget addresses the effects of a tumultuous six months during a unique and challenging lockdown period directly following devastating bushfires across the state with increased investment in health.

Recognising the impact of the social determinants of health, the projected high unemployment rate, the impact of housing insecurity and low wage growth, the budget includes significant investment across all facets of the health system. This includes initiative funding for areas of community health care delivery.

While a lot of media attention has been focused on hospital capital expenditure, this budget also includes important capital investment opportunities for community health services. Increased funding of \$120 million for the Regional Health Infrastructure Fund and the establishment of the \$200 million Metropolitan Health Infrastructure Fund will facilitate access to capital funding for registered community health services across the state. Community health services will also be able to apply for funding through the Mental Health and Alcohol and Other Drugs Facilities Renewal Fund which received an additional \$20 million as part of a record mental health funding package.

The response to urgent and increased pandemic-related demand is reflected in substantial investments in priority areas for community health such as a 15.3 per cent increase in drug treatment and rehabilitation, a 63.7 per cent increase in family violence services and a 23.6 per cent increase in primary, community and dental health. This represents a shift in priorities from the previous budget which saw decreased investment in primary, community and dental health, child protection and family services and disability services. These considerable funding commitments are responsive to the inequalities highlighted by the pandemic, and the articulated need for additional supports for Victorians, where community health services play an integral role.

The budget also acknowledges the essential role that community health has played this year. The 2019-20 community health care outcome spending of \$334.4 million is higher than the 2019-20 target, reflecting increases in government policy initiatives related to the pandemic response, of which community health services were a key part. The total output cost for community health care will increase to \$353.8 million for 2020-21.

There were also some smaller, but vital, funding commitments in the budget for community health. For instance, \$5.4 million has been provided over two years to support the implementation of a supervised injecting room trial, including the establishment of a second supervised injecting room in the City of Melbourne. We also welcome the modest increase in dental funding and importantly the Government's commitment to not recall funding for dental services not delivered for the period, as the health system recovers from the pandemic.

While community health is not singled out in this budget, it is overall, a positive budget for the sector. There are increased capital funding opportunities, increased funding across all healthcare policy areas, and there have been important funding announcements in mental health, social housing, and the broader pandemic response. This short-term budget supports the sector in the immediate future and indicates opportunities for community health to advocate for a strengthened role prior to the 2021-22 state budget.

Key funding commitments related to community health

Community health services have an established role in delivering services and responding to high levels of social complexity. The following funding commitments present an opportunity for community health services to expand and leverage their existing work and implement service and system enhancements to better meet the needs of communities.

Drug treatment and rehabilitation

- Drug treatment and rehabilitation will see a 15.3 per cent funding increase in the next financial year.
- \$5.4 million over two years to support the implementation of responses to the review of the supervised injecting room trial, including the establishment of a second supervised injecting room in the City of Melbourne.
- \$25.6 million over two years to fund new specialist alcohol and other drug (AOD) response positions to support clients facing extended time on wait lists for residential AOD services and provide targeted services for at-risk cohorts.

Mental health

- Major investment in initiatives to contribute to the Government's response to the Royal Commission into Victoria's Mental Health System interim report. This includes:
 - \$21.4 million this year to expand suicide prevention and follow-up care for adults and to support a new child and youth program, including the Hospital Outreach Post-Suicidal Engagement program.
 - \$16 million over three years to define, promote and support lived experience workforces in Victoria's mental health system, along with establishing the pathways for growth in their size and reach.
 - \$7.7 million over two years to address workforce shortages in the mental health sector, supporting future expansion of the workforce. This includes funding to increase the annual number of graduate nurses and postgraduate mental health nurse scholarships.
 - \$20 million in funding for the Mental Health and Alcohol and Other Drugs Facilities Renewal Fund.
 - \$25.9 million to operationalise facilities to meet critical demand pressures, including increased access to community mental health services in Victoria.
 - \$152.5 million dollars to support the ongoing COVID-19 mental health response to increased demand for mental health and AOD services, including additional infection prevention training, increased cleaning and the extension of service operating hours.
 - \$12.7 million over two years for additional job training opportunities to support students and job seekers looking to pursue a career in the mental health sector.

Primary, community and dental

- Primary, community and dental will see a headline increase of 23.6 per cent, up to \$797.4 million.
 - Total output cost for community health care has increased from \$294 million in 2019-20 to \$353.8 million for 2020-21.
 - Total output costs for dental services has increased from \$235.9 million in 2019-20 to \$319 million in 2020-21.
- \$20.6 million has also been allocated over four years to continue the expansion of the Healthy Mothers, Healthy Babies program to rural and regional areas.

Child protection and family services

- \$240 million investment in social services to respond to COVID-19 to help address increased demand for services such as family violence, homelessness, and food relief.
- \$21.2 million for family violence therapeutic interventions, which will provide flexible support packages for children, young people and adults impacted by family violence.

Capital infrastructure

- \$120 million in additional funding for the rural and regional health infrastructure fund.
- \$200 million in funding for a new Metropolitan Health Infrastructure Fund.
 - Both funds are open to registered community health services.

Public Health

- 202.9 per cent increase in investment in public health, with a total spend of over \$2.9 billion to bolster the COVID-19 response and allow health workers and services to meet pandemic-induced demand for care.
 - This package includes funding to create a single digital reporting platform containing whole of government COVID-19 data to increase the Government's responsiveness during the pandemic.

Disability services

- 4.7 per cent funding increase for disability services.
- \$198.5 million spent over the four years to support a range of services outside the scope of the National Disability Insurance Scheme (NDIS) to assist people with disability in Victoria.
- \$6.7 million has been allocated to the Disability Worker Regulation Scheme towards the regulation of disability workers to support improved quality of care and service standards across the disability workforce.

Empowering individuals and communities

- \$11.7 million over the forward estimates for the State Disability Plan and support for the impact of the coronavirus pandemic on people with disability.



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