

3 May 2022

## Member briefing: Victorian State Budget 2022-23

### Budget snapshot

The theme for this year's State Budget is 'Putting Patients First', with an emphasis on health and wellbeing. Key investments in health workforce and infrastructure are featured in the Budget, highlighting what the Premier called the Victorian Government's 'care agenda' to lead the recovery of the health system.

The Victorian Government has set a multi-year target to recruit 7,000 healthcare workers by supporting undergraduate places and training opportunities in the health system. This boost in capacity will be critical as the Victorian health sector recovers from the pandemic response and starts addressing the increased demand for care, including the elective surgery waiting list.

Funding has been distributed across the state; rural and regional services featured heavily in the approximate \$2.9 billion included for health infrastructure. Acute services will also see increased funding for emergency department expansions.

While we welcome some new investments in the community health sector, we believe there should be much stronger recognition of the contribution that community health services have made to Victoria's pandemic response, their efforts to keep Victorians well and out of hospital, and their role in the recovery and future of our system.

The VHA will continue to advocate for members through the upcoming federal and state elections, focusing on these important issues and other initiatives that support and lift the entire Victorian health system.

What the VHA asked for	State budget outcomes
Addressing workforce shortages	<ul style="list-style-type: none"> <li>Initiatives to support 7,000 extra trained healthcare workers, including 5,000 nurses and midwives, and attract 2,000 overseas professionals</li> <li>\$363.7 million in initiatives for the Mental Health and Wellbeing Workforce Strategy</li> </ul>
Strengthening our whole-of-health-system approach	<ul style="list-style-type: none"> <li>Major increase in funding for out-of-hospital care under the 'Better At Home' program</li> <li>Further leveraging of local public health units</li> <li>Targeted funding of initiatives for community health</li> </ul>
Outreach to vulnerable communities	<ul style="list-style-type: none"> <li>Small funding amount for at-risk communities</li> </ul>

## Workforce

### Funding to train or upskill over 7,000 extra healthcare workers

This is a vital boost to the health system, strengthening the domestic workforce pipeline at a time when the sector is under enormous and sustained pressure. This includes an additional 1,125 trainee nurses joining the workforce earlier as part of a Registered Undergraduate Student of Nursing (RUSON) pilot program each year, as well as \$9.8 million to support the midwifery workforce. A review into current clinical placement activity will be undertaken to support this process, improving the quantity and quality of clinical placement utilisation across the system.

There is also a range of initiatives and funding to improve workforce capability and capacity in the wider health system, such as 90 additional paramedics, funding to support newly graduated enrolled nurses to become skilled professionals within their first year of practice, and upskilling 1,000 nurses as part of the elective surgery catch-up plan. There is significant investment, \$363.7 million, to deliver on the Mental Health and Wellbeing Workforce Strategy, such as new allied health and nursing graduate and transition positions, postgraduate scholarships, piloting new 'earn and learn' models for navigation and wellbeing support roles and supporting Victoria's psychiatry and psychology training pipelines.

### Next steps

We are pleased to see the focus on the domestic health workforce in the Budget, in addition to the increased incentives to attract 2,000 foreign healthcare professionals as part of the COVID catch-up plan, but it is important to note that these domestic pipeline policies will take time to see their impact – while the health system is combating immediate workforce shortages. This means the VHA will continue to advocate for a health workforce plan at a national level, including supporting easier immigration for healthcare workers.

## Rural/regional health and aged care

### There is a major investment in regional health infrastructure.

The VHA particularly welcomes the \$300-million, four-year extension of the Regional Health Infrastructure Fund (RHIF), with \$75 million available for services to apply for in each of the next four years.

There is further specific regional and rural infrastructure funding, including \$146 million to develop three public sector residential aged care services (PSRACs) in Camperdown, Orbost and Mansfield; \$36 million for alcohol and other drugs (AOD) services in Mildura; and over half a billion dollars to develop the Barwon Women's and Children's Hospital.

However, acute health funding for small rural health services has seen a \$2-million decline (0.5 per cent) compared to last year. Based on the VHA's inquiries with the Victorian Government, this is due to reduced activity, but this remains a point of concern – the Victorian health system is under pressure, and small rural hospitals need continued support.

### Next steps

Workforce remains the number one issue impacting our rural and regional members, with compounding challenges such as accommodation for workers, due to geographical location and a tight rental market. The vital investment in the domestic workforce pipelines is welcomed and we will continue to advocate to ensure the investment includes localised regional and rural pathways. We will also continue to monitor the shortfall in funding for small rural health services, at a time of great stress on services.

## Acute care

### The Victorian Government has committed to a nearly six-fold increase in funding for the Better at Home program.

The boost in funding is part of an emphasis on out-of-hospital care as a component of the Pandemic Repair Plan, with \$698 million to expand the program over the next four years. This follows the program's initial success during the pandemic, allowing patients to be treated at home. This should help to reduce some of the pressures on the Victorian hospital system, at a time of increased demand for acute care. To support this, there is a further \$1.9 billion across the forward estimates to support emergency care in Victoria's hospitals, including an additional \$500 million in funding

this year, which will support a wide range of initiatives such as more emergency department staff and new wards. At this stage, information on the breakdown of this investment is extremely limited.

The Budget also included the previously announced \$1.5 billion funding for the COVID catch-up plan, which will permanently increase Victoria's elective surgery capacity in an attempt to overcome the historically high waiting list, including 40,000 additional procedures over the coming financial year. This will also establish Rapid Access Hubs and transform Frankston Private Hospital into a public surgery centre.

Similarly, \$120.2 million is being invested into Victoria's ambulances to meet the growth in demand, as well as to support Ambulance Victoria to implement recent workplace equality recommendations and deliver innovative strategies to support emergency response. There were also investments in acute health infrastructure, including confirmation of funding for the new \$1-billion Melton Hospital, as well as \$236.4 million for the expansion of the emergency departments at Casey Hospital and Werribee Hospital.

### Next steps

Worryingly, funding for non-admitted services is being cut by one per cent, at a time when Victoria is expected to pass two million separations, while funding stemming from COVID for admitted services is expected to drop over the coming year. The VHA will continue to advocate for a 50:50 health funding split between the State and the Commonwealth, as Victoria continues to face record demand for acute care.

## Community health

### Community health services have not been fully recognised, or adequately funded, for their vital role.

Community health's role in the Victorian healthcare system, as providers of innovative, place-based models of care, is somewhat reflected through the \$244-million investment in the continuation of the COVID Positive Pathways Program (noting that part of this funding also goes to acute health services and primary care providers).

We also welcome the provision of \$7.2 million over two years to support the integration of general practitioners into 20 registered community health services, and to support the design of a new community-based model of care for people diagnosed with Type 2 diabetes. Further, we welcome the acknowledgement of the community health sector's unique ability to engage with vulnerable community members through the government's investment of \$5.7 million to improve health outcomes for refugees and asylum seekers.

Given the incredible success of the community health sector's pandemic response programs focused on place-based immunisation, outbreak control and tailored programs such as the High-Risk Accommodation Response (HRAR) program, it is disappointing not to see a clear commitment of funding for community health to continue and build on these innovative programs in the Budget. Similarly, considering the impact of the COVID-19 pandemic on public dental waitlists, we are concerned at the drop in funding for public dental care delivery, while noting that this has been explained as a result of previous unspent funding. Furthermore, the lack of investment in both digital and physical community health infrastructure is disappointing, although rural and regional services remain eligible for the RHIF.

### Next steps

We will continue to advocate for recognition and investment in community health to support community access to primary care, allied health, dental and tailored, place-based services to keep people well and out of the hospital system wherever possible. Further, we will advocate federally for investments in community health as well as the inclusion of community-based services within the National Health Reform Agreement.

## Mental health

### Continued investment to deliver on Royal Commission vision.

This included a particular emphasis on acute mental health care, such as \$218.4 million to expand bed-based services; \$195.8 million for additional acute mental health beds in regional Victoria, including replacing and expanding the mental health facility at Goulburn Valley Health; a further \$124 million for the redevelopment of the Thomas Embling Hospital; and \$61.1 million to improve safety in intensive mental health care facilities.

There is also a focus on emergency departments, with funding to support mental health and AOD emergency department hubs, including constructing a new hub at the Latrobe Regional Hospital. These hubs should serve to relieve pressure on emergency departments, and there will ultimately be a total of five regional and five metro-based hubs. There is also \$115.6 million in funding for a range of initiatives to reorientate mental healthcare towards community-based treatment, care and support as recommended by the Royal Commission.

The VHA particularly welcomes investment into areas of reform that align with our advocacy. This includes \$64.8 million to improve the system's information architecture, in line with our budget submission, which will develop an electronic, state-wide, mental health and wellbeing record, a mental health information and data exchange, and an online consumer portal. Furthermore, \$29.4 million has been provided to support the implementation of new mental health and wellbeing legislation.

### Next steps

The VHA will continue to advocate on behalf of the sector to inform implementation of the Royal Commission's vision.

## Preventive health

### Investments in the social determinants of health need to be built on.

Overall, the Budget includes significant capital spending on the social determinants of health outside the health budget. These vital investments in job creation, transport infrastructure, education, housing, family violence, women's health and equity are vital for the health and wellbeing of the Victorian community and have positive flow-on effects for community and acute health services in reducing the burden of both acute and chronic diseases.

The Budget includes \$73.2 million for local public health units (LPHUs) and additional public health capacity to support these services, including intelligence, community engagement, digital capability and the design and delivery of Aboriginal-specific initiatives. In addition, funding towards LPHUs supports the establishment of sexual and reproductive health services, increased funding for women's health services, continuing the Healthy Heart Victoria program in the Loddon Mallee region, and increased oversight of Victoria's drinking water supplies.

### Next steps

The VHA will continue to advocate for investments in prevention and health promotion, including funding to increase the capacity of community health services to deliver place-based health promotion programs and initiatives.

## Further information

The initiatives, both assets and outputs, mentioned in this briefing, have been referenced from [Victorian Budget 2022/23: Service Delivery – Budget Paper 3](#). Please contact us if you have any further questions.



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