

INFRASTRUCTURE ICTORIA



August 2025

Investing in community health infrastructure

About us

Infrastructure Victoria is an independent advisory body with 3 functions:

- preparing a 30-year infrastructure strategy for Victoria, which we review and update every 3 to 5 years
- advising the government on specific infrastructure matters
- publishing research on infrastructure-related issues.

Infrastructure Victoria also helps government departments and agencies develop sectoral infrastructure plans.

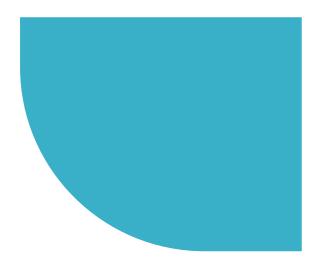
Infrastructure Victoria aims to take a long-term, evidence-based view of infrastructure planning, and we inform community discussion about infrastructure provision.

Infrastructure Victoria does not directly oversee or fund infrastructure projects.



Acknowledgement

Infrastructure Victoria acknowledges the Traditional Owners of Country in Victoria and pays respect to their Elders past and present, as well as Elders of other First Peoples' communities. We recognise that Victoria's infrastructure is built on land that has been managed by Aboriginal people for millennia.





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Summary

Victoria's health system faces high demand from rising health costs and more complicated care. ¹ In 2023—24 there were 546,000 emergency department visits in Victoria that could have been avoided if they were managed in the primary and community health sectors. ² This would have saved Victoria's public hospitals an estimated \$554 million per annum in expenditure in emergency departments. ³ With the right infrastructure and service planning, community health organisations can help ease demand on hospitals by efficiently managing some of these cases in the community. Continued under-investment in community health infrastructure leads to higher costs for the Victorian and Australian governments, and poorer community outcomes.

Victorians experiencing disadvantage are more likely to end up in hospital for health problems that could have been prevented or treated earlier. ⁴ Often people experiencing disadvantage cannot easily access primary care such as GP services or dental care because it is too expensive, or their health issues are too complicated. ⁵

Primary health care, social support services and health promotion programs keep people well, manage chronic health conditions, and prevent people developing acute conditions that need hospital care. Early intervention can prevent more expensive services later.

Community health organisations deliver these services for free or low-cost. They also provide social services like aged care, housing and homelessness services, family violence programs, youth support and mental health services. They target people experiencing disadvantage, who have few other options to access these services. They operate alongside other parts of the primary care and broader health system.

But low quality and deteriorating infrastructure reduce the quality and effectiveness of their care and means community health organisations help fewer people.

Victoria has 2 main types of community health organisations:

- **Registered** community health organisations are independently managed non-profit organisations, which the Victorian Government regulates.
- **Integrated** community health organisations operate as part of Victoria's rural and metropolitan government health services, which also typically run public hospitals.

The Victorian Government funds these organisations to deliver health and social care services through a range of programs. But it does not have good information about their infrastructure. Registered community health organisations cannot access enough funding to maintain, upgrade or expand their infrastructure. Integrated community health organisations are included in infrastructure planning by Victoria's rural and metropolitan government health services. Registered organisations are not.

We surveyed Victoria's 24 registered community health organisations to document the condition of their buildings. ⁶ Our infrastructure survey found:

- One in 5 buildings used by registered community health organisations are in poor condition. They report this is affecting their services.
- Of all buildings used by registered community health organisations, 40% have an infrastructure problem that affects the delivery of services or the number of people that they can serve. 8

Registered community health organisations currently receive a small portion of the funds available in health infrastructure funding programs. In their 2023–2024 funding allocations, they received just 0.3% of the \$2 billion the Victorian Government spends on heath infrastructure each year.

Our recommendations to the Victorian Government would increase funding to between 1.5% and 3% of the \$2 billion the government spends on average each year on health infrastructure. ⁹ This means community health organisations could help more people with better quality and more effective care.

The organisations would be able to co-locate more services on the one site, allowing people to seamlessly access the right services. They would help keep more people healthy and out of hospital, potentially saving the Victorian Government hundreds of millions in health system costs.

Recommendations

Government planning for community health should consider both registered and integrated organisations. Some parts of Victoria are only serviced by one or the other type of organisation, and together they form a network of community health facilities across the state.

This report makes 3 recommendations to the Victorian Government. They are based on our research, and engagement with the Victorian Government and the registered community health sector.

Recommendation

Conduct an asset assessment of all community health facilities in Victoria, including integrated and registered community health organisations.

The Victorian Government should conduct a detailed assessment of the condition of community health facilities. The assessment would help the government determine whether the facilities are suitable for services they deliver now and in the future. This information would help the government understand where it can make the best infrastructure investments. Integrated community health organisations are part of Victorian Government health services, and so those services already hold some information about their infrastructure.

The Victorian Government should carry out an asset assessment of all community health facilities used by both integrated and registered community health organisations. The assessment should look at the condition of the buildings, how many services they can provide, and whether the buildings could offer more services if they were better maintained or expanded. It should also look at who owns the buildings and how urgent or severe the need for repairs is. This would provide the government with the information it needs to adequately plan for community health infrastructure.

We estimate undertaking an asset assessment of community health facilities will cost \$2 million to \$3 million over 1–2 years.

Recommendation

Undertake long-term infrastructure planning in consultation with community health organisations and use this to develop community health infrastructure investment priorities.

The Victorian Government should carry out detailed analysis to identify investment priorities for community health organisations, starting with infrastructure planning. This planning would compare the asset assessment with the future services the government expects them to deliver. This would highlight any mismatch between the asset assessment and expected service delivery.

The Victorian Government can use this information to identify community health infrastructure investment priorities for at least the next 5 years. This can include both registered and integrated organisations. The government can consider different factors in determining the priorities, including the condition of infrastructure, the return on investment for infrastructure improvements, the expected demand for future services, and the geographic accessibility of the facilities.

We estimate undertaking infrastructure planning and developing infrastructure investment priorities will cost \$2 million to \$3 million over 1–2 years.

Recommendation

Invest in community health facilities to support the delivery of local, high-quality community health services over the next 5 years.

Once the Victorian Government has identified infrastructure priorities for community health organisations, it should commit funding for the first 5 years of these priorities. This should include funding for maintenance and minor works, upgrades and expansions of existing sites, consolidation of existing sites and the development of new facilities. Funding should also support capital planning including business case development for major new projects.

Victoria's rural and metropolitan government health services already plan for the infrastructure of integrated community health organisations. We recommend that the government initially prioritise infrastructure funding for registered community health organisations. Our research shows that registered community health organisations face significant infrastructure problems and do not have access to enough infrastructure funding.

We estimate that investing in registered community health facilities will cost \$150 million to \$300 million, with funding committed and works commenced within 5 years. This estimate only includes investments in registered community health organisations' infrastructure and is based on the results of our infrastructure survey. We have not included the cost of upgrading integrated community health infrastructure because we have not surveyed the condition of their facilities. The government can determine the needs and upgrade costs of integrated community health facilities when it undertakes infrastructure planning and develops investment priorities. Our cost estimate includes funding to address maintenance problems and funding to upgrade or expand facilities where registered community health organisations have identified the need for more capacity.

Many registered community health organisations are using buildings owned by the Victorian Government, local governments or other not-for-profit organisations. Registered community health organisations receive about half of their service funding from the Victorian Government and 28% from the Australian Government. ¹⁰ The Victorian Government can seek co-funding for community health infrastructure from the Australian Government at a level that better reflects the proportion of services it funds those organisations to deliver. The Victorian Government can also seek co-funding from other organisations where possible.



Primary care nurse, Kerryn

Community health services help Victoria's health system work better

As Victoria's population gets older, more Victorians are likely to be living with a chronic health condition. ¹¹ These conditions include cancer, diabetes, dementia and heart disease. ¹² Almost half of Victorians, 3.2 million people, live with at least one chronic health condition. ¹³ In Australia, chronic health conditions contribute 85% of the total disease burden each year. ¹⁴ Research suggests that chronic conditions could cost Australians \$20.5 billion in lost income every year by 2030. ¹⁵

These complex, long-term chronic conditions are expensive to treat. People with these conditions typically go to hospital more often. ¹⁶ Australian governments spend \$82 billion per year treating chronic conditions, just under half of all disease spending. ¹⁷

In Victoria in 2023–24, around 546,000 people could have avoided visiting a hospital emergency department if a primary care or community health service had been managing their health condition. ¹⁸ This would have saved Victoria's public hospitals about \$554 million per annum in expenditure in emergency departments. ¹⁹ Many of these people had a chronic condition like cancer, diabetes, dementia and heart disease. ²⁰ Victorians experiencing disadvantage are more likely to have these conditions. ²¹

Victorians experiencing disadvantage are more likely to be treated in hospital for health problems that could be managed with preventive care or early disease management. ²² Research shows that high-quality primary care and community case management reduces hospital visits for people living with chronic conditions like diabetes and heart disease. ²³ One pilot program run by community health organisations in Melbourne's east used dedicated nurse care coordinators to identify and support patients with complex or chronic conditions. ²⁴ The pilot supported 300 patients and reduced their use of hospital services, avoiding 57 unplanned emergency department visits. ²⁵

Community-based care also reduces emergency department visits for patients with more than one chronic condition. ²⁶ Patients with multiple conditions can cost 1.6 to 2.9 times more for hospitals to treat than other patients. ²⁷

The services offered by community health organisations can reduce demand on public hospitals by treating people early and managing chronic conditions before they get worse. ²⁸ But if people cannot access these services, they will end up going to hospital more often than they need to. ²⁹ For example, in 2021–22 there were around 15,400 potentially preventable hospitalisations for diabetes complications in Victoria that used about 78,300 bed days in public hospitals. ³⁰ Managing a patient's diabetes in a community-based program can save \$365 per patient compared with treating them in a hospital setting. ³¹ Community health programs like the Integrated Diabetes Education and Assessment Service help people manage their type 2 diabetes and avoid hospital visits. ³²



Counselling rooms at Sunbury and Cobaw Community health facilities in Kyneton

Dental problems cause one in 10 preventable hospital visits in Australia. ³³ People experiencing disadvantage are more likely to go to hospital for dental problems. ³⁴ Better access to dental care can help prevent these dental problems getting worse. This can also reduce expensive hospital visits, potentially saving the health system money. ³⁵ The Victorian Government funds community health organisations to provide public dental care to people experiencing disadvantage. ³⁶

Community-based primary and preventive health services, which community health organisations typically offer, have significant benefits. For example:

- Preventing and treating heart disease and diabetes can return at least \$9 in economic and social benefits for every \$1 invested.³⁷
- Some preventive public health interventions return over \$14 in benefits for every \$1 invested. 38 This includes programs like home blood pressure monitoring, family planning services, HIV counselling and testing, vaccinations and smoking reduction programs. 39
- Reducing lifestyle factors like smoking, obesity, poor diet, high blood pressure and high alcohol use might prevent up to 38% of disease.⁴⁰



Community health services in Edithvale

Community health organisations support vulnerable Victorians

The way people live and work affects their health and wellbeing. ⁴¹ A person's income, education, employment, housing status and social relationships can help or harm their health. ⁴² For example, being unable to afford nutritious food, living in low quality housing, or having few social connections makes people more susceptible to disease and makes it harder for them to recover from illness.

People experiencing social and economic disadvantage are at higher risk of poor health. ⁴³ They are more likely to have complex health needs or chronic conditions like heart disease, kidney disease and type 2 diabetes. ⁴⁴ They also can have trouble accessing everyday healthcare services like general practitioners or dentists. ⁴⁵ This means they might wait for health problems to worsen, until they must go to a hospital emergency department.

Victoria's community health organisations target their care to people and communities who have the highest economic and social needs. ⁴⁶ Community health organisations offer a range of free or low-cost health and social support services. They are located in many metropolitan and regional communities. Figure 1 shows the locations of community health facilities that offer 3 or more different services.

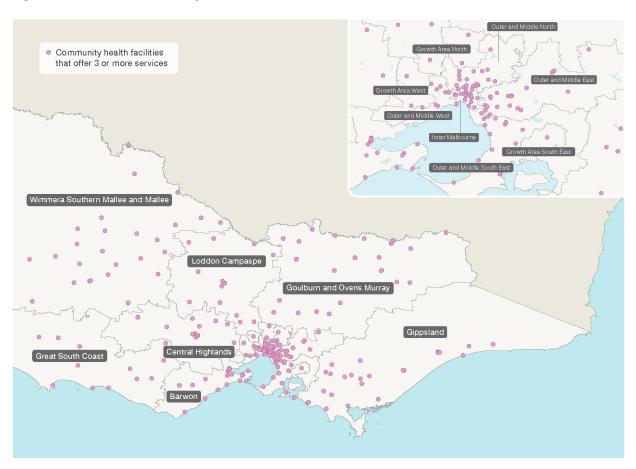


Figure 1: Victorian community health facilities

Figure 1 shows the Victorian regions we used for our accessibility mapping in this report. The map only shows community health facilities that offer 3 or more services and does not include all sites used by community health organisations. Source: Infrastructure Victoria analysis of service information publicly available on community health organisation websites.

Community health organisations deliver the Victorian Government's Community Health Program. They also deliver a range of other services with funding from the Victorian Government, the Australian Government or non-government sources. In January 2025, Victoria had 79 community health organisations.⁴⁷

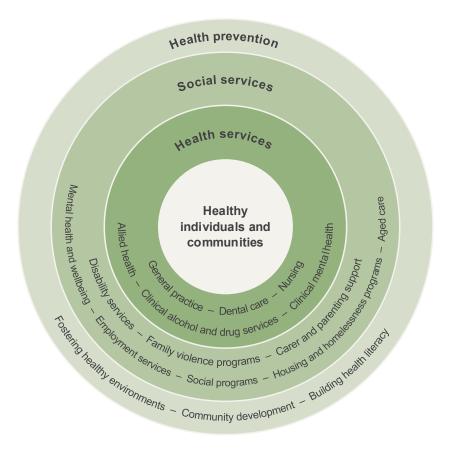
Community-based healthcare in Victoria is delivered through:

- **registered** community health organisations. They are independently managed, non-profit organisations, separate from Victoria's public hospitals. ⁴⁸ The Victorian Department of Health registers and regulates these organisations under the *Health Services Act 1988*. ⁴⁹ They are companies limited by guarantee and follow national rules for the good governance of non-profit organisations. ⁵⁰ In January 2025, Victoria had 24 registered community health organisations. ⁵¹
- **integrated** community health organisations. They operate as part of Victoria's public hospitals. ⁵² Their services are embedded in rural and metropolitan health services, which are regulated according to the *Health Services Act 1988*. ⁵³ In January 2025, Victoria had 55 integrated community health organisations. ⁵⁴

Community health organisations typically provide primary care services. This can include general practice, dental care and allied health services. ⁵⁵ Primary care is often the first place that people interact with the health system. Community health, general practice and privately funded services make up Victoria's primary care sector. ⁵⁶

Community health organisations also offer many other services beyond primary care services. They include social services like aged care, housing and homelessness services, family violence programs, youth support and mental health services. ⁵⁷ They also provide preventive services like health promotion, community development and health literacy programs. ⁵⁸

Figure 2: Registered community health organisations provide many different services



Source: Infrastructure Victoria, adapted from: <u>Strengthening Victoria's health system through community health</u> [pdf], 2023, p 13, accessed 5 June 2025.

Community health organisations receive service funding from different sources. The Victorian Government's Community Health Program is one source. This program funds counselling, allied health and nursing services. ⁵⁹ It targets funded services to people that have higher risks of worse health, complex care needs, or who have limited access to care. ⁶⁰ People eligible to use these services include health care or pensioner concession card holders, people living on low or medium incomes, refugees, people experiencing homelessness, children in care, and Aboriginal and Torres Strait Islander people. ⁶¹ The Victorian Government spent \$429 million on the Community Health Program in 2024–25. ⁶² This is small portion of the \$30.6 billion it spent on health services that year. ⁶³

Other Victorian Government programs also fund community health services. These include services like public dental care, women's health, family planning, refugee health, homeless youth health, chronic disease management and parenting programs. ⁶⁴ Community health organisations also receive funding from the Australian Government from specific health programs, primary health networks and Medicare. ⁶⁵

Registered community health organisations had \$1.2 billion in funding in 2023–24. ⁶⁶ They received about half of their funding from the Victorian Government and 28% from the Australian Government (see box below). ⁶⁷ Another 23% comes from other sources including philanthropic funding and client fees. ⁶⁸ These proportions can vary widely between different registered community health organisations.

Apart from community health organisations, Aboriginal Community-Controlled Organisations (ACCOs) also provide community health and wellbeing services to local Aboriginal and Torres Strait Islander communities in Victoria. These organisations have a unique model of care that provides holistic health and wellbeing services informed by Aboriginal philosophies and culture of care. This report does not examine these services. We have provided separate analysis and recommendations related to Victorian health and wellbeing ACCO infrastructure in the report from Infrastructure Victoria and the Victorian Aboriginal Community Health Organisation *Investing in Aboriginal health and wellbeing infrastructure*. ⁶⁹



Community paramedics help address service gaps and deliver low-acuity care to disadvantaged communities

Why does Victoria have registered community health organisations?

Victoria's community health system was initiated by the 1973 Australian Government Community Health Program. ⁷⁰ The program funded community health facilities to reduce health inequality, improve access to healthcare among disadvantaged communities, and help people live in healthier ways that help prevent them getting sick. ⁷¹ Different states and territories applied the flexible program funds in very different ways. ⁷²

In Victoria and South Australia, community groups used the funding to start and run local non-government health centres. ⁷³ They delivered local health services, advocated for local health improvements, and helped people to adopt healthier ways of living. ⁷⁴ They often employed salaried doctors as general practitioners. ⁷⁵ In contrast, the New South Wales Government used the funding to establish or enhance services run by government employees in the existing health system. They did not use the funds to provide as much primary care. ⁷⁶ The South Australian Government eventually merged its community health centres into new regional health districts. ⁷⁷

Victoria is the only state in which many community health organisations stayed independent from government. ⁷⁸ The Australian Government ended its dedicated Community Health Program in 1981, but continued to provide some funding to community health organisations through different programs and sources. After this, the Victorian Government funded community health services by setting up its own community health program. ⁷⁹ Registered community health organisations supplemented this funding by seeking funds from other programs and non-government sources. ⁸⁰

The Victorian Government provides almost half of their funding. ⁸¹ This comes through the Community Health Program and other programs like the public dental program, women's health and youth homelessness services. ⁸² Registered community health organisations receive funding from the Australian Government programs such as general practice and post-acute care programs through Medicare, disability services through the National Disability Insurance Scheme and for specific services like aged care. ⁸³ The Australian Government provides 28% of funding for registered community health organisations. ⁸⁴ Neither government provides a separate, dedicated funding stream for registered community health organisation infrastructure.

Because they are independent, registered community health organisations have flexibility to draw funding from many different sources and offer a wide range of services.⁸⁵

Over time, many small independent community health organisations have merged to form larger, multi-site organisations serving larger populations. For example, Doutta Galla Community Health, North Yarra Community Health and Western Region Health Centre merged in 2014 to form Cohealth. ⁸⁶ In 2024, Cohealth provided more than 45 health and social support services across 34 sites. ⁸⁷

Other community health organisations merged with public hospitals to form integrated community health services. 88 Some public hospitals also began offering their own community health services. 89 This means a mix of independent organisations and services run by the hospital system make up Victoria's community health sector.

There is growing demand for community health services

Our consumer survey of Victorians found that there may be unmet demand for community health services. About 45% of eligible Victorians had not used a community health service in the last 5 years. ⁹⁰ This shows there are eligible people who are not receiving the benefits of community health, including access to a range of free or low fee health and social support services.

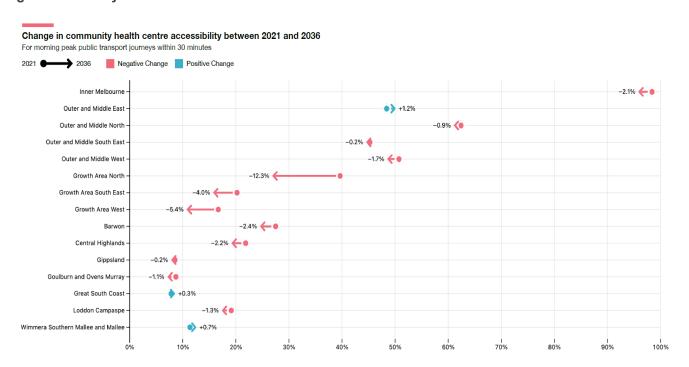
Our consumer survey found that the biggest barrier to accessing community health was long wait times to get an appointment. ⁹¹ People living in Melbourne's middle, outer and growth suburbs were more likely to report long wait times for an appointment, compared to inner Melbourne and regional Victoria. ⁹²

Some growth area suburbs have worse access to community health services than established suburbs. For example, Melbourne's south-eastern growth area has one major community health facility for a population of around 120,000. ⁹³ In comparison, inner Melbourne has one community health facility for every 33,000 people. ⁹⁴ Our research did not investigate the capacity or quality of these facilities to meet growing demand.

Victoria's growing population could result in more people finding it difficult to access community health services. People could wait even longer for appointments in Melbourne's growth areas. By 2036, government forecasts estimate around 1,216,000 people will be living in these suburbs. ⁹⁵ This is 615,000 more residents than in 2021. ⁹⁶ This means that by 2036, community health organisations in growth areas will cater for more than double the number of people living there now.

Figure 3 shows the expected change in public transport accessibility to community health services over time. Our mapping found that Melbourne's growth areas experience the largest declines in accessibility due to high expected population growth. Growth suburbs in Melbourne's north are likely to see the biggest decline in public transport accessibility. ⁹⁷ We estimate they will have a 12% decline between 2021 and 2036. ⁹⁸

Figure 3: Population growth will worsen access to community health organisations in Melbourne's growth areas by 2036



Source: Arup, Social infrastructure mapping: community health centres, report to Infrastructure Victoria, April 2024, p 4, accessed 10 April 2025.

Many community health organisations provide community-based mental health services. Demand for these services is increasing. Victorian Government modelling suggests demand for community-based mental health and wellbeing services will grow significantly over the next decade. ⁹⁹ Demand for community-based services is predicted to grow faster than demand for other types of mental healthcare such as hospital-based services. ¹⁰⁰ The Government predicts demand for community-based mental health and wellbeing services to reach between 3.04 million and 8.9 million service hours in 2036–37. ¹⁰¹

Victoria's mental health system is currently not meeting demand for community-based services. ¹⁰² In 2023–24 Victoria's health services delivered 1.8 million service hours of community-based mental health and wellbeing services. ¹⁰³ The Royal Commission into Victoria's Mental Health System found that historically Victoria's mental health system met less than one third of estimated demand for community services. ¹⁰⁴



Challenges of providing community health services in Melbourne's growth suburbs

Staff at IPC Health told us about the challenges of providing care to a growing population

IPC Health is a community health organisation with a facility at Hoppers Crossing. This facility provides allied health, dental, counselling and refugee health services for those most in need in the local community. The organisation operates from a building provided by the Department of Health under a very low-cost lease, called a 'peppercorn lease'. The building is 25 to 30 years old, and its walls and roof cladding are in disrepair. Heavy rain causes substantial flooding inside the building.

It has had to move some services and community groups to different sites to accommodate for demand and access. Waiting lists continue to grow as cost-of-living pressures impact families who have never had to access community health services previously. Almost 40% of IPC Health clients access more than one service. But with high demand, waiting lists remain long and there is no way to physically expand the service areas

"Hoppers Crossing is central to the growth corridor of Melbourne's expanding western suburbs. Services at IPC Health are in high demand and with inflexible infrastructure that can't grow or flex to meet current demand. IPC Health can't meet the needs of the growing local community. We do the best we can to provide fresh, inviting and culturally safe spaces for staff and clients but we cannot change the structure of a building or increase the size of the building, which would ideally allow for more services that would meet demand and allow for multiple service partners to deliver from the same site," says Jayne Nelson, CEO of IPC Health.

"Partnerships with other organisations are a key focus of successfully enabling access to and delivering services to the community. The dedicated mental health services at Hoppers Crossing, up until recently, were provided by partner organisations onsite at Hoppers Crossing. But we have recently had some key health partners leave due to the state of the building at Hoppers Crossing. This means the local community are now without these health services and they now need to travel further to other suburbs access these services."

Without infrastructure funding, there is a risk that IPC Health will not be able to attract and retain quality staff because of the poor building condition and safety concerns. This will impact service delivery capacity. Staff find it difficult to deliver quality services in old and tired spaces.



Infrastructure is constraining community health organisations

High-quality and safe infrastructure can improve access and help community health organisations provide better services. People living with disability or mobility issues can have difficulties accessing buildings if they are not designed for their needs. Large, flexible rooms allow community health organisations to provide different group support services such as for young people or parents. Mental health services might compromise patient care if consultation rooms are not private or well soundproofed. Some services offered by community health organisations, such as public dental care, require specialised spaces and equipment.

The Victorian Government funds registered community health organisations, but it does not have good information about the infrastructure that the sector uses to provide care. We surveyed Victoria's 24 registered community health organisations to document the condition of their buildings. ¹⁰⁵ We designed and piloted this infrastructure survey in consultation with registered community health organisations. As independent organisations, they manage and maintain their own infrastructure. In contrast, the public hospital system plans infrastructure for integrated community health organisations.

We asked questions about each site that registered community health organisations use. ¹⁰⁶ Our infrastructure survey looked at the services provided at each site, building ownership, rental status, building condition and infrastructure issues related to each site. We also asked about revenue and funding, service planning and electronic records.

Our infrastructure survey found that many registered community health organisations use buildings that are old or not fit for purpose. It found that many need maintenance or upgrades. The quality of infrastructure is affecting the ability of registered community health organisations to deliver health and social support services. It is also restricting the number of services that they can offer and the number of people they can serve.

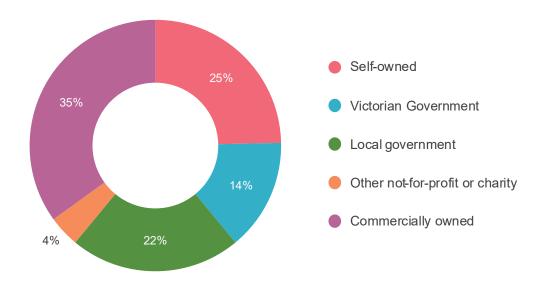


Gippsland Lakes Complete Health in Bairnsdale operates out of several single level buildings that were previously residential homes. One of the buildings on Main St in Bairnsdale is very old and doesn't meet basic staff needs. It only has one toilet and is narrow with steps in and out of the building. This makes it difficult for clients who need mobility support.

Buildings used by community health organisations have a variety of owners

Most registered community health organisations use buildings they do not own. The Victorian Government and local governments own just over a third of the buildings. They rent 35% of their buildings in commercial premises (see Figure 4). The Australian Government did not own any buildings used by registered community health organisations in our survey. They sometimes operate out of old buildings originally intended for other uses like former hospitals or maternal health centres. Our Parkdale case study on the following page is an example.

Figure 4: Many registered community health organisations rent their buildings privately or from government



Source: Infrastructure Victoria survey of registered community health organisations. Figure above only includes currently operating sites where the organisation provided a response. Sites have also been excluded when ownership was not specified. Land and building ownership are mostly, but not always, the same. Total is 223 buildings.



Exercise program leader Elizabeth with a client at an Each community health facility

Case study

Retrofitting sites does not always meet the needs of communities

Better Health Network staff told us about the condition of their facilities at Parkdale.

Better Health Network (BHN) has 23 sites across the south-eastern suburbs of Melbourne. Their Parkdale site is the oldest, opening in 1953 as a community hospital before being retrofitted in the late 1990s to provide community health services. The building is owned by the Victorian Government, but the Better Health Network is responsible for maintaining the infrastructure and ensuring it complies with all regulations.

The buildings that make up the Parkdale site are over 70 years old and have been repurposed over the years to meet the needs of the community and the services they require. Many of their 25,000 clients use multiple services, like a dietitian and podiatrist, and these services may not be next to each other within the same building. Clients find it difficult to make their way to the right place for their appointments meaning they can be late, which causes them distress. For clients who need mobility support, this is difficult, and staff often must walk them to and from reception for their next appointments. This must be factored into appointment times, which affects efficiency and how many services can be provided.

BHN provides dental services at several of its sites. Because the existing Parkdale building is old, it is difficult to retrofit the space to meet new infection control standards. Despite the Victorian Government owning the building and being the primary funder of public dental services, BHN had to invest over \$3 million of its own resources in a modular sterilisation facility to meet government standards for sterilisation. Better Health Network receives no direct infrastructure funding from the government.

A recent independent assessment of the condition showed that it would need an ongoing investment of nearly \$3 million over 5 years just to address basic requirements for the Parkdale site. ¹⁰⁷ The age of the building and the construction fabric means it is very expensive to maintain. The building overall is costly to heat, cool, and clean. BHN received \$2.6m from the Metropolitan Health Infrastructure fund (MHIF) for a new multi-purpose room, reception and allied health rooms. But the facility needs more and consistent infrastructure funding to maintain the aging building.

The Parkdale site is located on Nepean Highway, a busy 8-lane road that is not close to public transport. The closest train stations are too far for elderly clients, or those who have additional needs. The organisation has to provide community transport to help people attend appointments.

"Having contemporary, flexible, fit for purpose sites in which our staff and volunteers can deliver the very best of care and support to our community is a strategic priority for Better Health Network. Our facilities need to meet the needs of our clients and consumers and reflect responsible use of public funds to our community," says Better Health Network CEO Andrea McLeod.

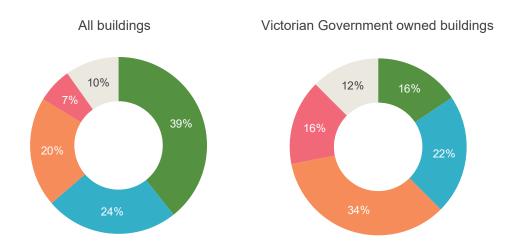


Many community health organisations are using old or inadequate facilities

Registered community health organisations told us that they had many problems with the buildings they use for their services. These include poor or faulty air conditioning, structural issues in old buildings, the need for security upgrades and inadequate privacy in consulting rooms. Many people who use registered community health organisations have high needs. But the facilities might not be built for them. For example, older people or people living with a disability might find it difficult to use a building.

We asked registered community health organisations to rate their building on a scale ranging from 'good' to 'end of life' (see Figure 5). Our infrastructure survey found that 89% of community health organisations rated at least one of their buildings as 'poor' or 'end of life'. ¹⁰⁸ One in 5 buildings were rated in 'poor' condition. ¹⁰⁹ This equates to 47 buildings. ¹¹⁰ Another 15 buildings were close to the end of their useful life and required major upgrades. They might not be usable after the next 2 years. ¹¹¹

Figure 5: Registered community health organisations self-rated building condition



- Good only general maintenance upkeep currently required (<\$25,000)
- Fair minor (\$25,000 to \$100,000) maintenance issues
- Poor greater than \$100,000 in issues. Despite these issues the facility can continue to be used
- **End of life** major upgrade required. Issues are so significant the building cannot continue to be used beyond the next 2 years
- Rating not included in response

Source: Infrastructure Victoria survey of registered community health organisations. Figure only includes currently operating sites where the organisation provided a response. All buildings total 234 sites and includes Victorian Government owned buildings. Victorian Government owned sample includes 32 sites.

Typically, buildings owned by the Victorian Government are in worse condition than those rented commercially. Of all the Victorian Government owned buildings used by registered community health organisations, half are in poor condition or are approaching their end of life. This compares to 10% of commercially owned buildings. 112 Just 16% of Victorian Government owned buildings are in good condition compared to 62% of commercially owned buildings. 113



Locating services together in a fit-for-purpose building can deliver high quality, integrated care

We spoke to staff at Each in Ringwood, who told us about the impact of old infrastructure on service delivery.

Each is a registered community health organisation in Victoria. One of its key sites in Ringwood, in Melbourne's outer east, is an old former hospital. It provides 34,500 appointments a year across child, youth and family wellbeing services; dental services; and alcohol and other drugs counselling.

Services are provided from 4 buildings on site, but it can be difficult for clients to make their way between the buildings – especially in bad weather or for those who have mobility challenges. Steep pathways and uneven ground, along with broken concrete paths, create a barrier for people relying on wheelchairs, crutches, prams or walkers.

Portable buildings that provide dental services were initially supposed to be a short-term solution to provide much needed services. But because of a lack of funding, the portables are still in use and are in very poor condition. Covered walkways are still partly exposed to the elements. The inside of the portable units is not easily accessible, with narrow walkways and steps. A parent coming for a dental appointment with a pram would struggle to access the facilities.

For youth services, the rooms are too clinical and can hinder young people feeling comfortable and opening up. Because of a lack of space, youth services must sometimes be provided from the same building as counselling for alcohol and other drugs.

The mixing of staff space with client space can cause safety issues and makes it harder to swiftly isolate and manage incidents. Managing incidents is also more challenging due to the separate buildings – it is like running four separate sites rather than one cohesively connected site.

The layout of all buildings on the site also means both temperature and noise are difficult to control. Frontline staff have told us, "Without appropriate insulation and double glazing, conversations can be heard outside of the buildings which is a risk of privacy breaches for clients. Acoustics are expensive to address retrospectively. These are things that you can't see but make a huge difference to clients feeling comfortable and safe."



Infrastructure problems are affecting services

The condition of buildings can affect the health and support services that community health organisations can deliver. At least 40% of buildings have at least one infrastructure problem that these organisations report affects their service delivery or capacity. ¹¹⁴ Poor infrastructure is making it harder to provide healthcare or is reducing the number of people who can get that care.

We asked registered community health organisations to report if they were experiencing common infrastructure problems at their buildings (see Figure 6). They reported that at least 90 buildings had one or more infrastructure problem that was negatively affecting their service delivery. ¹¹⁵ This is 38% of all buildings. These infrastructure problems included:

- the condition of 52 buildings made delivery of services inefficient or less effective (for example, rooms could not be adjusted to small or large group sessions).
- inefficient heating or cooling at 59 buildings led to large energy bills or uncomfortable temperatures.
- unsuitable building conditions in 23 buildings resulted in organisations moving services to another site.
- the poor condition of 8 buildings meant they needed to close often (for example, after heavy rain or on hot days).

A further 50 buildings used by registered community health organisations, 21% of all buildings, had their capacity to provide more services restricted due to infrastructure. This included:

- limited space at 23 buildings led to organisations not being able to provide more services, despite having funding to do so.
- limited space at 26 buildings meant they had to forgo funding or involvement in a program.
- lack of suitable facilities at 32 buildings limited the number of services provided, contributing to longer wait times. ¹¹⁷

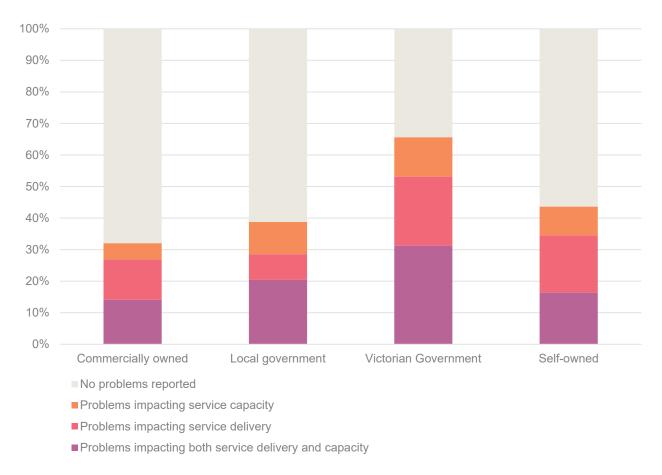
Infrastructure problems more often negatively affect services in buildings owned by the Victorian Government. At least 66% of buildings owned by the Victorian Government had one or more infrastructure issue affecting the delivery or capacity of services (21 buildings). ¹¹⁸ At least 28% of sites in Victorian Government owned buildings had to forgo funding or involvement in a program because they did not have the space or facilities to provide it. ¹¹⁹





Significant structural issues at Cohealth in Collingwood leads to emergency closures of spaces when roofs leak through lighting fixtures.





Source: Infrastructure Victoria survey of registered community health organisations. Figure only includes currently operating sites where the organisation responded to the set of questions within 4 categories of building ownership. Total number of buildings included in this question set was 215.



The internal and external of the portable units housing dental services at Each in Ringwood. These small, cramped spaces are inaccessible, with narrow steps inside leading to the dental surgery.



Old buildings impact Cohealth's ability to provide efficient community health services

Cohealth staff told us about the state of infrastructure at their Collingwood site.

Cohealth's central Melbourne site in Hoddle St, Collingwood is over 50 years old. Cohealth provides medical services, counselling, social work and allied health services. The old building has constant issues that affect services to clients.

Movements in the foundations mean there are cracks in the walls, separating the walls and ceiling and leaving gaps for sound to travel. Doors don't close properly and constantly require sanding and adjusting, and the uneven floor is a hazard to clients who need mobility support.

Significant cracks in the walls in the rehabilitation space forced exercise groups to cancel. Builders advised removing the wall completely because this was easier than repairing the cracks.

Cracks in the ceiling cause leaks in rainy weather. The ceiling tiles collapsed in one room, making it unusable for counselling services until it could be replaced. Staff must use buckets and towels to catch dripping water and are constantly mopping or closing corridors to avoid fall risks to clients.

Thin walls and cramped layouts affect how comfortable and safe clients feels. Clients with trauma or anxiety are startled or scared when they hear loud creaking in the floor, which happens often in the old building with movements in the foundation.

The older building does not support modern technology for telehealth, fast internet or digital systems. Staff have had video consultations drop out repeatedly because of poor internet connection, frustrating both clients and clinicians.



Co-locating services can benefit patients and the health system

Co-location refers to providing many different health and social support services together in well located and fit-for-purpose facilities. Many community health organisations are not able to locate their services together.

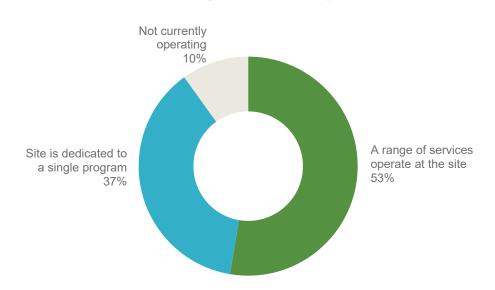
Providing diverse services together in a 'one stop shop' means people can receive more integrated and coordinated care. It means doctors, nurses, allied health professionals and social support workers can work together to keep people healthy and well. For example, workers from culturally and linguistically diverse backgrounds can help people navigate the health system in their preferred language. Clinicians can also more easily refer patients to the services they need, saving time for patients and reducing administration. ¹²⁰

Community health organisations also work with other local healthcare providers to help people access the services they need. For people who cannot access affordable healthcare, community health can provide a single-entry point into the broader healthcare and social support system.

Locating different health professionals and social support workers together in one primary care facility can lead to more specialised and preventive care for people with chronic conditions. ¹²¹ Patient satisfaction is higher when GPs are located together with other health and social care services, particularly for people who frequently use healthcare. ¹²²

Co-locating complementary services together can be beneficial. For example, locating mental health services alongside specialist alcohol and other drug services improves health outcomes for patients, reduces hospital admissions and saves money for the health system. ¹²³ One study found cost savings to the health system of about \$407 per patient per month from this type of service due to fewer hospitalisations and emergency department visits. ¹²⁴ Co-locating services together in a well-placed and visible facility can also raise community awareness of the services and improve access to them. ¹²⁵

Figure 7: Many registered community health facilities only operate a single program



Service mix at registered community health sites

Source: Infrastructure Victoria survey of registered community health organisations. Figure only includes sites in the survey where the organisation provided a response. Total sites included in this question is 262.

Many people who use community health facilities are using multiple services. Our consumer survey of Victorians found that people who used these services in the past 5 years used an average of 1.8 services. ¹²⁶ About two-thirds of surveyed community health users believed that it was important to be able to access multiple services in a single location. ¹²⁷ People living in regional Victoria and Melbourne's growth areas were more likely to think locating multiple services together was important. ¹²⁸

But community health organisations are not always able to co-locate their services in fit-for-purpose facilities. This means they cannot provide easy access to their different services. Our infrastructure survey of registered community health organisations found that more than a third of their sites are dedicated to a single program (see Figure 7). ¹²⁹ Delivering services from many different buildings means they must manage more facilities and sometimes duplicate administration. Clients might need to travel to multiple sites to use different services. In some cases, single purpose or specialised facilities are appropriate, such as for residential alcohol and drug rehabilitation.

In the past, the Victorian Government has funded some registered community health organisations to colocate to improve access. In 2017, the government awarded a \$9.7 million grant to Sunbury and Cobaw Community Health to build a multi-purpose hub in Kyneton. ¹³⁰ This funding came from the Regional Health Infrastructure Fund. ¹³¹ The new facility allowed the registered community health organisation to provide different health and social services out of a purpose-built 'one stop shop'. ¹³² The site is located next to Central Highlands Rural Health's Kyneton hospital site and includes 13 consulting rooms for adult and children's allied health, counselling, housing support and family and parenting services. ¹³³ The facility includes dedicated spaces for youth and children's services and a flexible meeting room and kitchen for the local community. ¹³⁴

New purpose-built facilities can include digital infrastructure to allow people to use telehealth more often. Sunbury and Cobaw Community Health's new Kyneton facility includes rooms set up for telehealth consultations. This allows patients living in remote areas of the Macedon Ranges to use more virtual health services. ¹³⁵ As shown in Figure 8, nearly one-third of people in our survey reported using telehealth services to access their local community health facility at some point. ¹³⁶ Digital healthcare can make it easier for people living in remote areas to access services without having to travel long distances.

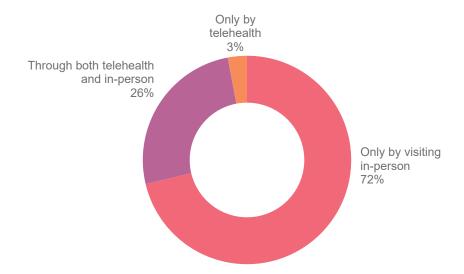


Figure 8: Some people use telehealth to attend community health appointments

Source: Quantum Market Research, *Access to social infrastructure consumer research: community health*, report to Infrastructure Victoria, May 2024, p 28. Figure only includes respondents who have personally used a local community health service, for a total of 1,041 respondents.

The impacts of poor infrastructure on community health services in regional Victoria

Gippsland Lakes Complete Health staff told us about the impact of poor infrastructure on service delivery.

For 50 years, Gippsland Lakes Complete Health (GLCH) has provided community health services for East Gippsland. Operating out of 9 sites they provide family counselling, youth and children's services, ageing in the home services, disability support in the home, as well as occupational therapy, speech therapy and physiotherapy.

With approximately 20,000 interactions with clients every year, GLCH's Bairnsdale site operates out of 3 separate adjoining houses. The organisation bought these houses as it grew and needed to increase its service offering to the community.

Frontline staff members say, "Accessing client facing treatment space is a real challenge. We have to book rooms in advance as the number of services we provide are more than the useable spaces available. This means we need to place a limit on the available services to the community and some clients receive less than they need."

GLCH has a room booking system that is based on a first-come, first serve basis. But if there isn't space in the Bairnsdale site, staff are forced to book a counselling room at Lakes Entrance, a 45-minute drive away. For clients, this means they must either have a car or make a significantly longer journey by public transport to Lakes Entrance. People are less likely to make the journey or need to wait longer between appointments.

One of the buildings on Main St in Bairnsdale is very old and doesn't meet basic staff needs. It only has one toilet, and the building is too small to allow enough desks for staff. GLCH has prioritised space for client-facing services, so staff have had to work from to other sites. Collaboration and engagement between staff is suffering as a result.

"Gippsland Lakes Complete Health has outgrown our current sites, and demand for services is increasing as our population grows and ages. While we are grateful for the modest Regional Health Infrastructure Fund (RHIF) grants received, they are inadequate to address our aging infrastructure. Current funding models do not meet the true cost of service delivery, and the lack of indexation has effectively reduced our operating budgets. We have limited capacity to generate a surplus, and our reserves are insufficient to meet the infrastructure needs of a modern community health service, limiting our ability to provide quality, cost-effective services that keep people out of hospitals and improve community health," CEO Anne-Maree Kaser says.



Community health organisations cannot access enough infrastructure funding

Infrastructure funding for registered community health organisations in Victoria is fragmented and comes from many different sources. Organisations sometimes use one-off government grants or annual surpluses to fund property or asset expenses. ¹³⁷ This approach to funding does not easily support long-term infrastructure planning or larger investments to upgrade ageing facilities or build new facilities. ¹³⁸ Our infrastructure survey found that 79% of registered community health organisations had unfunded maintenance issues. ¹³⁹

Victorian registered community health organisations can access infrastructure funding from 4 Victorian Government grants programs:

- · Mental Health and Alcohol and Other Drugs Facilities Renewal Fund
- Mental Health Capital Renewal Fund
- Metropolitan Health Infrastructure Fund
- · Regional Health Infrastructure Fund.

These 4 programs have awarded 89 capital grants, a total of \$51.2 million to registered community health organisations over the 8 years they have been active.

Table 1 shows the total amount of money and projects granted to these organisations for each fund.

Registered community health organisations receive a small portion of the funds available in these programs. In their 2023–2024 funding allocations, they received around 4% of the Metropolitan Health Infrastructure Fund and 4.5% of the Regional Health Infrastructure Fund. ¹⁴⁰ This is \$5.2 million out of \$122.6 million in health infrastructure grants across the 2 funds for that year. ¹⁴¹ This is just 0.26% of the approximately \$2 billion the Victorian Government spends on heath infrastructure each year. ¹⁴²

Infrastructure grants from these funds are often used for maintenance, repairs and upgrades, although sometimes they have funded new facilities or extensions. These funds are oversubscribed. In 2023–2024, registered community health organisations put 19 applications for funding to the Regional Health Infrastructure Fund. ¹⁴³ Only 4 were successful. ¹⁴⁴

There is no recent, dedicated Australian Government fund for community health infrastructure, despite the Australian Government spending a total of \$117 billion on healthcare in 2024–25. 145





Left: Sunbury and Cobaw community health in Kyneton, Victoria. Right: Portable dental units at Each's Ringwood facility

Table 1: Grants awarded to registered community health organisations through Victorian health infrastructure funds, up to 2023–2024

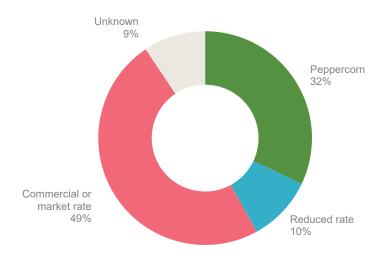
Grant name	Time period	Total fund value ¹⁴⁶	Total funding for registered community health organisations	Number of projects funded	Average grant value
Mental Health and Alcohol and Other Drugs Facilities Renewal Fund 147	8 years (2015)	\$64,100,000	\$3,902,118	31	\$125,874
Mental Health Capital Renewal Fund ¹⁴⁸	1 year (2023)	\$30,000,000	\$204,330	1	\$204,330
Metropolitan Health Infrastructure Fund ¹⁴⁹	3 years (2020)	\$265,000,000	\$9,968,473	23	\$433,411
Regional Health Infrastructure Fund ¹⁵⁰	7 years (2016)	\$790,000,000	\$37,117,215	34	\$1,091,682

Source: Victorian Health Building Authority.

Many registered community health organisations pay subsidised rents on buildings owned by the Victorian or local governments. About a third of rented facilities have a peppercorn rate (see Figure 9). ¹⁵¹ A peppercorn rate is a very small or nominal rent paid for a property as part of an arrangement with the owner. A further 10% pay reduced rental rates. ¹⁵²

But subsidised rent is not available for all facilities. About half of rented facilities pay commercial rates. This can be expensive for registered community health organisations and impact service delivery by threatening the viability of organisations.

Figure 9: Registered community health organisations pay different rental rates for their facilities



Source: Infrastructure Victoria survey of registered community health organisations. Figures only include currently operating registered community health facilities where the organisation provided a response and where the facilities were rented. Total number of facilities included in this question was 181.



Challenges of appropriate care for priority populations in a retrofitted commercial building

healthAbility staff told us about the impact of poor infrastructure to staff and clients.

healthAbility, located in Box Hill in Melbourne's east, uses an integrated model of care where they provide services like dental, allied health, mental health and chronic disease management in one hub. Approximately 200 staff serve around 20,000 clients each year, with more than 69,000 contacts with those clients. Their clients face challenges like limited transport to the site, stigma and the need for culturally appropriate care.

healthAbility has a commercial lease in what was originally an office building but has been retrofitted to function as a medical facility. Toilet facilities are not easily accessible for clients with disabilities, and the building's overall accessibility is poor, particularly for people with mobility challenges. Consulting rooms are tired and worn. There is minimal natural flow between service areas, which affects the coordination and continuity of care.

Because of accessibility limitations, staff need to escort clients around the premises, for example to locked toilets on the ground floor, or to help with opening heavy doors. This takes away time that staff could be providing services to clients.

Soundproofing is also inadequate which creates serious privacy concerns. This is especially problematic when working with vulnerable clients. To manage this, staff book adjacent rooms during sensitive appointments to protect client privacy. This is an inefficient use of space and reduces capacity.

The commercial building is now up for sale, which means healthAbility faces the prospect of relocation. Commercial rent in Box Hill is relatively high due to its designation as a major urban renewal precinct, rapid residential growth and strategic proximity to education and employment hubs. healthAbility staff believe that unless funding support is provided by the government, no community health provider will be viable in the area, despite Box Hill being one of the fastest growing suburbs in Melbourne's east.

In a recent survey of over 900 clients, 77% said they would find it much harder to access the services they need if healthAbility left Box Hill. Of those who responded, 82% are healthcare or concession card holders.

"Box Hill is a transport hub and very multicultural... you have all the ingredients for broad based healthcare... it would be very disappointing if healthAbility had to move." – 45–54 years old person

"Many people don't have their own personal transport so when they need to see a healthcare professional it needs to be accessible by regular uninterrupted public transport." – Man, 45–54 years old



The Victorian Government can build on existing infrastructure investments to help upgrade and expand community health services

Community health services can be more accessible if they are close to public transport, other government services, and the communities that use them.

The Victorian Government is currently investing in new social housing and upgrading existing public housing sites. The Big Housing Build program will build 9,300 new social dwellings. ¹⁵³ Through *Victoria's housing statement*, the Victorian Government announced it will unlock surplus government land across 45 sites for around 9,000 homes, including a target of at least 10% affordable housing. ¹⁵⁴ The government has also committed to gradually replace Melbourne's 44 high-rise public housing buildings over the next 3 decades. ¹⁵⁵

The Victorian Government has an opportunity to leverage these investments to deliver community health facilities within new or upgraded social housing developments. This can potentially reduce the cost of providing new, well-located and fit for purpose facilities.

Many social housing residents are eligible to use community health services, and they can benefit from being located close to these services.

Some organisations, like North Richmond Community Health, are already located close to social housing. ¹⁵⁶ This helps them deliver services directly to people who need it. Other providers like Cohealth work closely with communities in social housing and provide some services directly in public housing, like support for older residents. ¹⁵⁷ During the COVID-19 pandemic, Cohealth worked directly with culturally and linguistically diverse residents in public housing, providing testing, vaccination and health information. ¹⁵⁸

People living in social housing are at higher risk of worse health outcomes than people who rent privately or own their own homes. ¹⁵⁹ They also on average have lower health literacy. ¹⁶⁰ This means people might not have the right information to effectively manage their own health or have difficulty navigating the healthcare system. ¹⁶¹ The limited availability of social housing in Victoria means that it is increasingly allocated to people with complex needs, including people with high health needs or a disability. ¹⁶² Co-locating community health facilities with social housing can help improve residents' access to the care they need and empower communities to support their own health and wellbeing. ¹⁶³



Staff and clients at Better Health Network

Investing in community health infrastructure

With the right infrastructure and service planning, community health organisations can ease demand on hospitals by efficiently managing cases within the community. This would help keep more people healthy and out of hospital, saving the Victorian Government hundreds of millions in health system costs.

Victorians experiencing disadvantage are more likely to visit hospital with conditions that could be managed in the community through primary and preventive care. ¹⁶⁴ Community health organisations provide these services cost-effectively. The also provide social services and health promotion activities to Victorians most at risk of poor health. ¹⁶⁵ They help people with complex health needs understand and manage their health better and stay out of hospital. ¹⁶⁶

Our research found that many community health organisations could serve more people but they are limited by their infrastructure. These organisations told us that poor infrastructure made delivering services difficult, because they couldn't adjust to meet service needs or it forced them to close or relocate to other buildings. Co-locating different services together in one fit-for-purpose facility can benefit patients and increase efficiency.

But community health organisations cannot access enough resources to maintain, upgrade or expand their infrastructure. The Victorian Government does not include all community health organisations in its health infrastructure planning. For example, the government did not include registered community health organisations in its recent Health Services Plan. ¹⁶⁷

Victoria can make better use of its community health system. Investing in community health organisations can help connect Victorians to more services and better care. They can then better meet the health needs of Victorians experiencing disadvantage. This can reduce costs and demand on hospitals.

Plan for long-term community health infrastructure investment

Recommendation

Conduct an asset assessment of all community health facilities in Victoria, including integrated and registered community health organisations.

The Victorian Government is the largest funder of registered community health organisations. ¹⁶⁸ But it does not currently have good information about the infrastructure that the sector uses to provide care. This information would help to guide infrastructure investment.

Many buildings used by registered community health organisations are old, outdated or in need of upgrades. Our infrastructure survey found that 89% rated at least one of their buildings as being in poor condition or close to end of life. ¹⁶⁹ One in 5 buildings, a total of 47 buildings, are in poor condition. ¹⁷⁰ The condition of their infrastructure can prevent these organisations from serving more Victorians, reduce the quality and effectiveness of their services, and impose inefficient costs and administrative burdens.

Registered community health organisations often rent their facilities from different owners. Some own their buildings. Others pay peppercorn rates from the Victorian or local governments.

Many are renting at commercial rates from the private market, which can be a large expense and reduce funds available for services.

Our infrastructure survey is just a first step in collating good information about the condition of community health infrastructure. Assessing in detail the condition of community health infrastructure would help the Victorian Government document the suitability of these facilities for all the services they deliver now and in the future. This can help the government decide where investment might deliver the largest benefits.

The Victorian Aboriginal Community-Controlled Health Organisation (VACCHO) recently conducted a similar assessment of health and wellbeing ACCO infrastructure in Victoria. ¹⁷¹ Working with the Victorian Department of Health, they commissioned a building consultant to conduct independent assessments of the state of the sector's infrastructure, which covered 229 assets from 31 Victorian health and wellbeing ACCOs. ¹⁷²

The Victorian Government should carry out an asset assessment of all community health facilities for both integrated and registered community health. Integrated community health services are part of the Victorian Government health services, and so those services already hold some information about their infrastructure.

They should look at the condition of the buildings, how many services they can provide, and whether the buildings could offer more services if they were better maintained or expanded. It should also look at who owns the buildings and how urgent or severe the need for repairs is. This would provide the government with the information it needs to adequately plan for community health infrastructure.

We estimate undertaking an asset assessment of community health facilities will cost \$2 million to \$3 million over 1–2 years.

Recommendation

Undertake long-term infrastructure planning in consultation with community health organisations and use this to develop community health infrastructure investment priorities.

Infrastructure is currently constraining the services offered by Victoria's registered community health organisations. They reported that 40% of all buildings they use have an infrastructure problem that affects service delivery or reduces the number of people that they can help. ¹⁷³

We did not undertake detailed analysis to identify investment priorities. The Victorian Government should do this work, starting with long-term infrastructure planning.

This involves listing the expected future government-funded services that community health services will deliver. It includes finding out how many services and the types of services in different locations across Victoria. They should also use the detailed infrastructure assessment to find out how suitable current infrastructure is to deliver the expected amount and type of services needed. They can also examine how easily people can get to current and potential community health service sites. This would reveal any mismatch between the current size and quality of infrastructure, and its proposed future use.



Sunbury and Cobaw Community Health

Long-term infrastructure planning can include government's existing plans for relevant services, such as its plans to invest in community-based mental health services. ¹⁷⁴ The government predicts demand for community-based mental health and wellbeing services will grow quickly over the next decade, reaching between 3.04 million and 8.9 million service hours in 2036–37. ¹⁷⁵ Community health organisations deliver community-based mental health services that can help meet this demand.

The Victorian Government can use the information from the infrastructure planning to identify community health infrastructure investment priorities for at least the next 5 years. This can include both registered and integrated community health. The government can consider different factors in determining the priorities, including:

- the condition of the infrastructure, including where infrastructure is at risk of imminent failure, or is clearly inadequate to facilitate service delivery
- the return on investment of infrastructure improvements, including savings from reduced administration, maintenance and energy consumption, and improvements in service efficiency and effectiveness, including those from co-locating services
- the expected future demand for services provided, including changes in local health needs, such as
 population growth and ageing, indicators of disadvantage, and expected prevalence of chronic health
 conditions
- geographic accessibility to community health facilities, such as how easily people can reach facilities using public transport.

This research shows some areas that could be prioritised for future infrastructure investment. For example, some growth area suburbs have worse access to community health services than established suburbs. Melbourne's south-eastern growth area has one major community health facility for a population of around 120,000. ¹⁷⁶ In comparison, inner Melbourne has one community health facility for every 33,000 people. ¹⁷⁷ Our research did not investigate the capacity or quality of these facilities to meet growing demand.

Our mapping found that Melbourne's growth areas will experience large declines in community health accessibility due to high expected population growth. We estimate that growth suburbs in Melbourne's north will have a 12% decline in public transport accessibility between 2021 and 2036. 178

We estimate undertaking infrastructure planning and developing infrastructure investment priorities will cost \$2 million to \$3 million over 1–2 years.

Fund infrastructure maintenance, upgrades and expansions

Recommendation

Invest in community health facilities to support the delivery of local, high-quality community health services over the next 5 years.

Once the Victorian Government has identified infrastructure priorities for community health organisations, it should commit funding for the first 5 years of these priorities. This should include funding for maintenance and minor works, upgrades and expansions of existing sites, consolidation of existing sites and the development of new facilities. Funding should also support capital planning including business case development for major new projects.

We recommend that the Victorian Government initially prioritise infrastructure funding for registered community health organisations. Their infrastructure is not funded through the regular infrastructure planning processes of public health services. Our research shows that these organisations face major infrastructure issues and do not have access to enough infrastructure funding.

We estimate that this recommendation will cost \$150 million to \$300 million, with funding committed and works commenced within 5 years. It does not include costs beyond the first 5 years. This funding would cost between 1.5% and 3% of the \$2 billion that government invests in health infrastructure every year. ¹⁷⁹

Our cost estimate only includes capital grants to registered community health infrastructure. It is based on registered community health organisations' assessment of their facilities provided in our infrastructure survey. We have not included the cost of upgrading integrated community health infrastructure because we do not have information on the condition of their facilities. Government can determine the needs and upgrade costs of integrated community health facilities when it undertakes infrastructure planning and develops investment priorities.

We have developed our cost estimate by applying benchmark upgrade rates to existing building areas, based on whether registered community health organisations reported that the facility was in good, fair or poor condition including if the building was no longer fit for use. We estimate that approximately 120 facilities will require upgrades. Of that approximately 5 are costed at over \$10 million each, requiring existing facilities to be replaced. We costed 10 projects at between \$5 million and \$10 million, 30 projects between \$1 million and \$3 million and 80 projects of less than \$1 million in value. The cost does not allow for problems that may already exist but have not been identified. The cost also does not allow for further maintenance issues that may arise in the future as the facilities continue to be used.

Our cost estimate includes funding to address maintenance problems or meet functional requirements at existing buildings. It also includes funding to upgrade or expand facilities based on where registered community health organisations identified in our infrastructure survey that they needed additional capacity. Based on the information provided, we do not believe the cost will be less than the range we have nominated, but there is the potential that it could be higher. Further investigation will confirm this. Investment decisions should depend on the outcomes of the government's community health infrastructure planning and priorities.

Our cost estimate is based on facility condition information provided by registered community health organisations. Infrastructure Victoria has not independently verified this information. The cost estimate is therefore a broad range, as it is based on limited information.

Many registered community health organisations are using buildings owned by the Victorian Government, local governments or other not-for-profit organisations. Registered community health organisations receive about half of their service funding from the Victorian Government and 28% from the Australian Government. ¹⁸⁰ The Victorian Government can seek co-funding for community health infrastructure from the Australian Government at a level that better reflects the proportion of services it funds those organisations to deliver. The Victorian Government can also seek co-funding from other organisations where possible.

Locating services together can create benefits for patients and improve the efficiency of service delivery. Infrastructure priorities should support the co-location of services together in fit-for-purpose facilities. The government might also have opportunities to build on existing infrastructure investments, such as building new facilities alongside new or upgraded social housing developments.



Community health facilities in Sunshine

Appendix: List of questions in registered community health organisation infrastructure survey

Site survey

- 1 Organisation name
- 2 Site name
- 3 Address
- 4 What services do you offer from this site?
- 5 If the site is dedicated to a single program, please specify which program.
- 6 Please provide any relevant comments on the service mix at the site.
- 7 Do you rent the site?
- 8 If you rent, at what rates are your rental payments?
- 9 If you rent the site, what is the remaining tenure (in years)?
- 10 Please specify any other key rental terms.
- 11 Who owns the building/s at the site?
- 12 If relevant, add any comments here.
- 13 Who owns the land at the site?
- 14 If relevant, add any comments here.
- 15 What is the approximate useable floor space of the buildings (m2)?
- 16 What is the condition of building?
- 17 Please briefly describe the condition of the facility, especially in relation to the maintenance issues or upgrades indicated above.
- 18 Please indicate if any of the following occur at this site (please select all that apply from the following)
 - a You are funded for additional services at this site but aren't able to provide the total quantity of funded services as you don't have space.
 - b You have had to forgo funding or involvement in a program delivered from this site because you don't have facilities/space to provide the service.
 - c You aren't able to deliver funded services at this site in the most efficient or effective way for example, rooms are not flexible to support small or large group sessions, or you do not have facilities to offer telehealth etc.
 - **d** Lack of suitable facilities is limiting the number of services at this site and contributing to long wait lists to access particular services here.
 - The building inefficient to heat and cool (i.e. you have big energy bills, and the building is hot in summer and cold in winter).
 - f Poor condition of facilities means that the site needs to close frequently (e.g. after heavy rain, on hot days).
 - **g** You have had to relocate service offerings away from this site due to the poor/unsuitable condition of the facility.
- 19 Please briefly outline any issues with the layout or fit out of the building.

- 20 Please briefly outline any accessibility issues for the elderly/those with a disability/people with prams at the site.
- 21 Please briefly outline any cultural safety issues associated with the building/site.
- 22 If you can, please briefly outline any plans for the site.

Funding survey

- 1 Organisation name
- 2 Please list your major revenue sources
 - a Funding source/program name
 - **b** Funding body type
 - c Funding body
- 3 Is there an allowance within the funding source for:
 - a Capital improvements/upgrade
 - **b** Rent
 - c Facilities maintenance
- 4 Please indicate if the source specifically restricts you from spending money on facilities and outline the restriction.
- 5 Notes

Organisation survey

- 1 Organisation name
- 2 How do you fund property/asset expenses?
- 3 Unfunded maintenance issues
 - a Do you have maintenance issues that you are not currently able to fund?
 - b If yes, what is the scale of maintenance issues you are unable to fund (dollar amount)?
 - c How does this impact service delivery?
- 4 Service planning and infrastructure needs
 - a Please briefly outline any service planning you have undertaken.
 - b What infrastructure requirements were identified as part of recent service planning?
- 5 What electronic client/records management systems do you use? Please select all systems that you use and list any others.
- 6 Please provide any CEO or Board quotes that clearly explain how infrastructure challenges are affecting your ability to deliver the quality or quantity of services your community needs?

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Published by Infrastructure Victoria August 2025

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ISBN 978-1-923210-03-5 (PDF/online/MS word)

