Australian state government deepens attack on public sector mental health care

Richard Phillips, Martin Scott 4 February 2025

New South Wales (NSW) Health announced last Thursday that it had started moving public mental health patients to private hospitals, following the mass resignation of staff specialist psychiatrists over a pay dispute with the state Labor government.

The psychiatrists are seeking an immediate 25 percent rise to bring salaries closer to those in other states, in the hope that this will reverse chronic staff shortages and overwork. Prior to the resignations, more than one quarter of staff specialist psychiatrist positions in the state were already unfilled.

The transfer of public patients to the private system only applies to those who present for treatment voluntarily. However, NSW Health Secretary Susan Pearce told reporters the admission of involuntary patients to private hospitals was "something we're currently working on."

In other words, the Labor government and the state health authorities are concocting a plan to transform the care of extremely vulnerable people, receiving mental health treatment against their will, into a profit centre for corporate-owned private hospitals.

This underscores that the Labor government is using the mass resignation of psychiatrists, motivated by the already dire state of public mental health care, as an opportunity to accelerate the further privatisation of the system.

This is the result of the dead-end perspective advanced by the Australian Salaried Medical Officers Federation (ASMOF).

Encouraged by their union, the Australian Salaried Medical Officers Federation (ASMOF), 206 psychiatrists threatened to resign on January 21 in the false hope that it would pressure the government to increase their wages. This protest action has failed, with the government refusing to budge from its system-wide offer of a 9.5 percent increase (plus 1 percent additional superannuation, required by federal law) over three years.

In response, ASMOF has left it up to individual psychiatrists to decide how to proceed, while still promoting illusions that the Labor government, or the pro-business Industrial Relations Commission (IRC), will deliver their demands.

According to the *Australian*, of the 206 psychiatrists who handed in notice, 55 have left the system, 75 have delayed their resignation, 26 have retracted theirs, while 50 have moved into Visiting Medical Officer (VMO) roles—individual contracts between doctors and health services.

These figures illustrate the confusion that has been created by ASMOF's promotion of the mass resignation threat and that the union is presenting no way for the psychiatrists to advance their struggle.

Labor's latest announcements come on top of its closure of scores of public sector mental health care beds since January 21 and the stepped-up use of locum psychiatrists and visiting medical officers to cover shortages.

In the past two weeks NSW Health has shut down at least 60 mental health beds, more than 70 hospital beds have been threatened with closure in Sydney's Local Health District (LHD), and there are temporary closures at facilities at Westmead and Cumberland hospitals in Sydney's west.

Leaked photographs of a Westmead Hospital emergency department patient list revealed shocking waiting times for mental health treatment. One patient experiencing an acute exacerbation of chronic schizophrenia had to wait at least 88 hours to be admitted. One with suicidal plans waited 85 hours and another, suffering psychosis, had to wait for 77 hours.

These figures represent an unquestionably catastrophic situation. But the recent resignations and the government's closure of beds have only exacerbated a longstanding crisis.

According to Australian Institute of Health and Welfare data, 1 in 10 mental health patients in New South Wales previously waited more than 23 hours in emergency departments for a bed, while the average wait time before admission was more than 8 hours.

Similar figures are reported in emergency departments across the country, reflecting the devastating impact of decades of funding cuts to mental and physical health, by Labor and Liberal-National governments, with the collaboration of the health unions.

The NSW Labor government's decision to move mentally ill patients from public to private hospitals is part of broader cost-cutting and privatisation measures.

On January 23, it foreshadowed a major restructure of the public mental health care system, claiming it could have 5,600 nurses managing care for mental health patients, including diagnosis and recovery. Another 2,000 health professionals, including psychologists, occupational therapists and social workers, would then oversee case management and therapy.

Above all, Labor's attack on public hospital mental care is designed to expand the for-profit health care industry. That is why the Australian Private Hospitals Association quickly endorsed the proposal when it was announced two weeks ago.

The mental health crisis, it declared, had the potential "to drive significant reforms in the way mental healthcare is delivered in NSW and, indeed, nationally."

In other words, Labor's attack on public sector specialist psychiatrists and mental health care workers in NSW is a test case in what is a brutal national offensive against public health and its workforce.

This was spelled out in the *Australian* newspaper: "As the public hospital system begins to crack around the country, the results could reshape everything we have come to expect from our public hospitals."

This poses the necessity for unified action by all health workers. The demands of NSW psychiatrists for decent wages and an end to chronic understaffing cannot be won through protests appealing to the Labor government, including the individual act of resignation. What is required is the joint struggle of doctors, nurses and other health workers against the deepening attack on wages and conditions and the public health system itself.

This is impossible within the framework of ASMOF or the other health unions. Health Services Union NSW secretary Gerard Hayes hailed the government's plan to replace psychiatrists with other health workers as a "beyond overdue" means of cutting costs. While the NSW Nurses and Midwives' Association (NSWNMA) has publicly criticised Labor's "contingency measures," the union leadership has done nothing to mobilise its membership against the government's attack on staff psychiatrists and the mental health system.

The reality is that all of these organisations are closely tied to Labor and the political establishment and have enforced decades of cuts and privatisation throughout health.

Health workers need to build rank-and-file committees, democratically controlled by their members, not union bureaucrats, as the means through which they can begin to work together, democratically, on a set of demands and a plan of attack.

As a starting point, these demands should include an immediate pay rise of at least 30 percent for all health workers, a mass education, training and hiring drive to eliminate staff shortages, and the halting and reversal of health care privatisation.

This will require a political struggle against Labor, the unions and capitalism itself. The current system, which prioritises profit over human need, is incompatible with the provision of high-quality, accessible healthcare for all.

This perspective is elaborated in the statement "The way forward in the Australian psychiatrists' dispute: A unified struggle of health workers" issued last week by the Health Workers Rank and File Committee. We urge all health workers to read and distribute this statement and contact us to discuss these crucial issues.

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Doctors, psychiatrists and community mental health workers have angrily denounced the NSW Labor government's assault on public sector psychiatrists and mental health care workers.

John, who has worked in community health care in Sydney for the past 15 years, told the *World Socialist Web Site*:

"I have a strong belief in public health—that's why I'm working in it—and know from experience that whenever the private sector gets hold of education, health and anything else, they screw it up. That's because the operating principle for private health is profit, which means cutting costs and services.

"Moving involuntary people from the public to the private system is a difficult and dodgy process, a downward slope as far as mental health is concerned.

"If we don't have consultant psychiatrists in mental health then we're left with a small number of registrars who are doing psychiatric training courses and are not experienced enough. I work in community mental health care, and we have lots of problems.

"The referrals keep coming but there's no improvement in staff levels, so the waiting lists get bigger and bigger.

"Those patients on community treatment orders—which enforce their treatment—get preference over the voluntary patients, so that means the voluntary treatment waiting list gets longer. And the people we see can't afford to go to private psychiatrists or those that might bulk bill. They're caught between a rock and a hard place.

"What's happening with public mental health care now started with the Richmond Report in 1983. They started tipping people out of the asylums and onto the streets. Everyone was told that the money from the sales of the buildings would help finance the public hospitals and community support, but it never happened.

"The mentally ill ended up in boarding houses, in the streets or in prison. The staff had a big job trying to work in the community sector, because they didn't have the skills or the training. And all this was under Labor, the Neville Wran state government.

"I've been looking at the national health system in Britain, which has been torn apart. There's no commitment to it from any of the politicians who make all the big decisions and now the big American health corporations are moving in and that's what's going to happen here.

Peter, a retired specialist psychiatrist with decades of experience, said the transfer of involuntary patients to private hospitals was dangerous and flawed.

"Public hospitals have proper safety and environmental procedures, staff training and deployment settings, which is not just for [the safety of mental health] patients, but the staff and other patients.

"The private sector is not set up to manage the risk of violence. There are too many places where involuntary patients or the severely mentally ill can abscond or go to a corner somewhere and cut themselves up.

"Mental health is not just about individuals. Psychiatrists are part of a team and any claim that you can operate without them is very risky and false. The psychiatric teams and how they work are the result of complex developments in medical science over decades.

"To suggest that a large portion of public sector mental health care treatment can be just handed over to the private sector for serious mentally ill patients is a dangerously naïve assumption and will have consequences."



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