

RANZCP NSW Branch

# Pre-Budget Submission 2026-2027



The Royal  
Australian &  
New Zealand  
College of  
Psychiatrists



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New South Wales Branch

# About the Royal Australian and New Zealand College of Psychiatrists

The Royal Australian and New Zealand College of Psychiatrists (RANZCP) is a membership organisation that prepares doctors to be medical specialists in the field of psychiatry, supports and enhances clinical practice, advocates for people affected by mental illness and advises governments on mental health care. The RANZCP is the peak body representing psychiatrists in Australia and New Zealand and as a bi-national college has strong ties with associations in the Asia and Pacific regions

The NSW Branch represents over 2200 members, including 1585 qualified psychiatrists and over 620 members who are training to qualify as psychiatrists. Psychiatrists are clinical leaders in the provision of mental health care in the community and use a range of evidence-based treatments to support people in their journey of recovery.

## Acknowledgement of Country

We acknowledge Aboriginal and Torres Strait Islander Peoples as the First Nations and the Traditional Owners and Custodians of the lands and waters now known as Australia. We recognise and value the traditional knowledge held by Aboriginal and Torres Strait Islander Peoples and honour and respect the Elders past and present, who weave their wisdom into all realms of life – spiritual, cultural, social, emotional, and physical.

## Acknowledgement of Lived Experience

We recognise those with lived and living experience of a mental health condition, including community members and RANZCP members. We affirm their ongoing contribution to the improvement of mental healthcare for all people.

# Strengthening Mental Health for All: The Time is Now

## Executive Summary

The RANZCP NSW Branch welcomes the opportunity to provide the NSW Government and Department of Treasury and Finance with recommendations for transparency and historic investment, to meet the priority mental health and wellbeing needs of the NSW community.

The RANZCP NSW Branch continues to urge the NSW Government to make bold, targeted investments in mental health in the 2026–27 Budget. There have been modest commitments in recent budgets, so the system is under increasing strain, with critical gaps in workforce capacity, community care, and culturally safe services. This submission outlines priority areas for attention and funding to ensure equitable, accessible, and sustainable mental health care across NSW.

### The RANZCP NSW Branch's priority recommendations are for the NSW Government to:

- Release the Gap Analysis and commit to a funding plan for the next 5 years
- Establish and fund a Taskforce to oversee its implementation, to be informed by yet to be released reports: Review of the MH Commission 2024 and Psychosocial Needs Analysis, 2024

## Specific funding recommendations:

### System wide

- First tranche of enhancement of community mental health clinicians (300 FTE, of a projected 850)
- ADHD Support Project.

### Workforce

- Provide clinical leadership opportunities in each LHD for advanced trainees/senior registrars
- Scope and fund PGY 1&2 terms in mental health, a proven gateway to psychiatry training (see previous submission)
- Fund increased Child and Adolescent Psychiatry rotations, reducing training obstacles
- Fund a project with RANZCP on Review of Psychiatry Training Zones in NSW
- Fund a workforce reform project with RANZCP to leverage gap analysis findings.

## Context and urgency

Multiple recent reports, including the Upper House Inquiry into Community Mental Health (2024) and NSW Health's 'NSW Community Mental Health Priority Issues Paper' (December 2023), note the chronic and worsening consequences of underinvestment in community health services. As pithily put by the Industrial Relations Commission in its recent decision regarding the psychiatric workforce dispute: "It is no exaggeration to describe the state of mental healthcare in the New South Wales public system as being in crisis."

The consequences of inadequate community clinical and psychosocial interventions are clear:

- People with mental illness with have no opportunities for early intervention or targeted interventions, leading to the worst trajectories for their illnesses, with parlous morbidity and mortality outcomes
- They will inevitably have recurrent clinical crises and presentations to Emergency Departments, becoming revolving door patients
- They will become high utilisers of emergency services, such as police and ambulance
- People with severe mental illness place an increased burden on families and carers.

# The System

## NSW Psychiatrists want to work in a health system that works

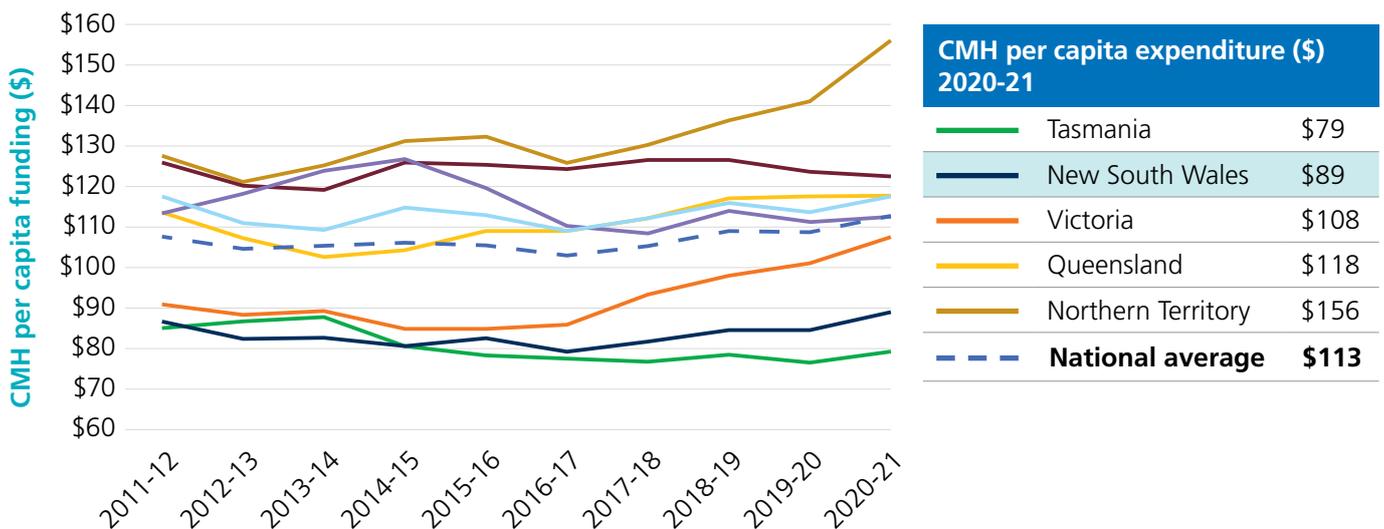
Although the strength and health of the psychiatry workforce in NSW is a priority for the RANZCP, this can only happen in the context of broader mental health system investment and reform. The priority of the NSW Branch for the last 3 years has been the completion and release of the Gap Analysis and the plan to fund the identified gaps.

The issues are obvious, detailed in a shameful number of ignored reports over the last 4 decades.

It is imperative that this is prioritised. NSW Health's 'NSW Community Mental Health Priority Issues Paper', December 2023, showed that NSW community mental health services had a workforce of 10 less FTE per 100,000 than Victorian services (48.9 v 58.4), and 8 less FTE than the National average (56.6). The population of NSW is 8.5 million. This indicates that to 'catch up', NSW requires an expansion in the sector of somewhere between 650 and 850 FTE.

## NSW has the second lowest per capita expenditure on CMH care in Australia\*

Community Mental Health per capita funding (\$) by state and territory - past decade



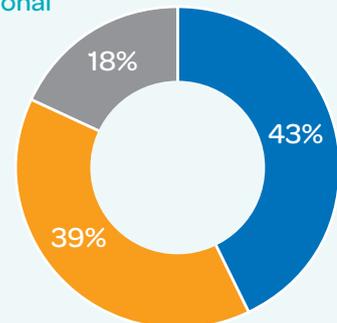
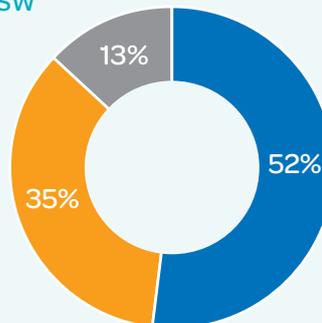
In NSW, CMH accounts for **35%** of the total NSW public mental health care expenditure, which is below the national average of **39%**.



### Proportion of public mental health spend

NSW

National



- Public psychiatric hospital/specialised units or wards
- Community mental health care services
- Other (Residential services, NGO grants and other indirect expenditure)

Historically low mental health spending, evidenced by low mental health beds ([approximately 32 per 100,000](#)), increased mental health hospital presentations, and increasing unmet needs, will only be addressed by historic investment.

### Recommendations - Transparency

1. The RANZCP NSW Branch demands the Government release of the Gap Analysis of NSW state-funded mental health services for consultation. This will be a major part of the blueprint for the investment and reform, so is urgently needed in the State. The Gap Analysis will inform the level of investment required to reduce the pressure on acute hospital-based services and emergency departments.
2. Develop an investment plan, utilising the experiences of novel investment in the mental health services of Queensland and Victoria.
3. Establish an interdisciplinary Mental Health Implementation and Monitoring Taskforce reporting directly to the Premier and the Mental Health Minister. Terms of reference to include prioritisation and monitoring of roll-out of mental health system reform and investment.

Such a Taskforce would be informed by the release of two other recent reports. The [2024 Review of the Mental Health commission](#) - a strengthened commission would have a critical role in system monitoring, performance and protection of mental health funds. The release of the [2024 Review of Psychosocial Needs](#) is also critical. It is estimated that over 80,000 people in NSW with severe mental illness are missing out on the NDIS and are unable to access other psychosocial support. This cohort will increasingly rely on NSW mental health services for support.

## But Community Mental Health can't wait

Irrespective of the outcome of the Gap Analysis, data exists indicating the degree of investment required to start to meet community mental health sector needs. Current [funding for NSW community mental health services](#) prioritises those with severe chronic mental illness requiring ongoing care under the *Mental Health Act 2007* and the *Mental Health and Cognitive Impairment Forensic*

*Provisions Act 2020 (the Act)* as well as those requiring crisis intervention following emergency department (ED) presentations. Demand for services in the community is so great that many people are waiting months before they receive support, which can lead to mental illness escalating, requiring hospital treatment. Recovery is then longer, more difficult, and more costly. Early intervention programs provided in the community are less disruptive to individuals and families and often far more cost effective in the long term, with [late-intervention costing up to \\$22 billion annually](#). They also lessen pressure on public hospitals and reduce the number of mental health presentations to EDs. Data suggests up to 850 clinicians are needed to bring NSW to levels seen in other states. A first tranche of 300 positions is vital.

## Treatment of ADHD in the community setting

ADHD is a priority for the people of NSW, and the clinicians supporting consumers and their carers with ADHD. ADHD reforms have been announced allowing endorsed GPs to initiate and provide continuing care to those with ADHD, children and adults. Such models will be most effective when GPs engaged in this work are able to get prompt guidance and support for complex cases, especially when there is psychiatric co-morbidity. One such model operating in NSW is the **MindLink** program ([doi.org/10.1071/AH25191](https://doi.org/10.1071/AH25191)) based on ECHO model, which is a Community of Practice where psychiatry input is provided to paediatricians, this could be expanded to include GPs offering peer support and creating collaborative networks for enhancing knowledge and skills in both diagnosis and management.

### Recommendation:

Expand Mindlink to provide Community of Practice and expert advice and support for GPs involved in ADHD diagnosis and treatment.

# The Workforce

Psychiatrists are doctors who are experts in the diagnosis and treatment of mental health issues and disorders. They are recognised as providing clinical leadership within Multi-disciplinary Teams in the Public Mental Health System and providing supervision of trainees and other mental health clinicians.

NSW is experiencing significant pressure in the psychiatrist workforce, driven by both structural shortages and increasing demand for mental health services. Workforce modelling indicates a baseline demand gap, where the number of psychiatrists required to meet projected population needs exceeds the expected supply under current training, recruitment, and retention trends. This structural gap reflects long-term workforce insufficiency and signals the need for sustained investment in training pathways, specialist recruitment, and retention initiatives to ensure future service capacity.

In parallel, NSW Health services are experiencing a growing unmet demand gap, reflected in extended wait times, constrained access to psychiatric assessment, and reduced capacity to provide guideline-aligned care. This gap measures the portion of current demand that cannot be met with existing resources, and it is most acutely observed in child and adolescent mental health, regional and rural services, emergency departments, and community teams. The unmet demand gap highlights immediate operational challenges and the impact of workforce shortages on consumers, carers, and service delivery.

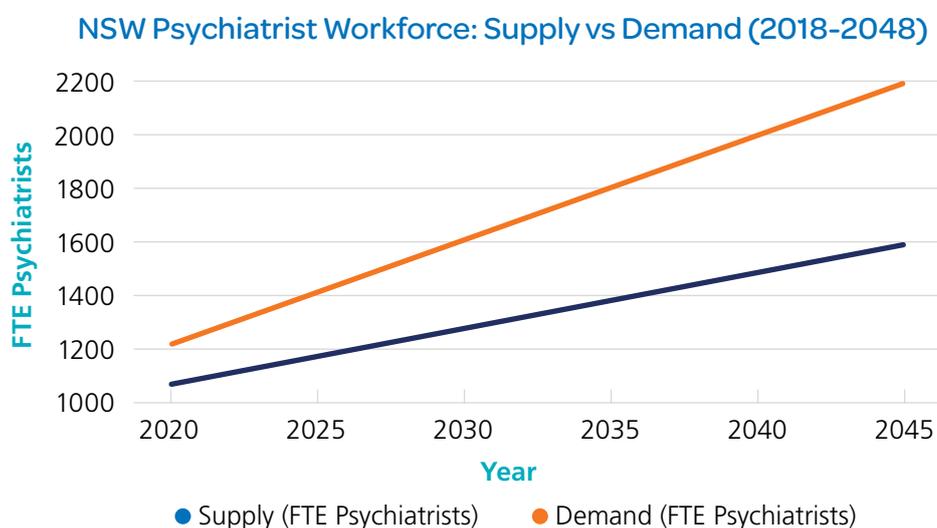
The graph below from the [Psychiatry Supply and Demand Compendium Report](#) (June 2025) illustrates the widening gap between supply and demand over time, highlighting the need for strategic workforce planning and investment.

The baseline demand gap for NSW is estimated to be 6.9 FTE in 2024 and is projected to increase to 92.1 FTE by 2033. The total undersupply is estimated to be 47.4 FTE in 2048. The unmet demand gap in New South Wales is 306.1 FTE in 2024 and is projected to increase to 490.2 FTE by 2033. By the end of the projection period, the unmet demand gap is estimated to be 566.7 FTE in 2048.

The unmet demand gap is a serious issue in NSW.

- Vacancy rates for psychiatry staff specialists in NSW exceed 30% and reliance on locums remains at an all-time high.
- Staff specialists are the backbone of the apprenticeship training model of the future psychiatrist workforce.
- Reliance on a substantial locum workforce is not conducive for training the next generation, for service sustainability and for continuity of care.
- Psychiatry staff specialists are vital for clinical leadership, service planning and service delivery.

With resolution of the recent dispute, a process of repair and rebuilding a sustainable staff specialist workforce must be a focus. What the dispute clearly showed was that workforce planning needs more than a glossy aspirational report. It needs a dedicated cross-discipline taskforce with specific outcomes and targets and funding of same.



The focus on psychiatry workforce occurs across 3 domains: **Attract, Train, Retain/Plan**.

The NSW Government must act in tandem and concurrently across three pillars:

## Attract

- Develop a statewide pathway into psychiatry training, expanding numbers of PGY terms in psychiatry: **20 positions per year for 3 years, \$100,000 per position**

## Train

- **Invest** in psychiatry trainee positions in areas of specific bottlenecks, particularly in child and adolescent psychiatry: **10 trainees at \$120,000 per position**
- Expand senior registrar opportunities for clinical leadership, funding 0.5 FTE for each LHD, to work with mental health executive teams and psychiatrist leaders **(x 8 FTE at \$120,000 per FTE)**
- **Review Training Networks in NSW:** The existing Training Networks in NSW are no longer fit for purpose. Due to the success of the Rural Psychiatry Project in NSW, and the Binational College's Rural Training Pathway, rural training experiences have expanded, and major rural centres are now available to deliver comprehensive training, reducing reliance on metropolitan trainees doing rural terms.
- The **FATES** seed funding of a **Rural Director of Training** in Northern NSW LHD has been an outstanding success in recruiting, retaining and supporting trainees. In addition to new architecture, the review would develop recommendations for increasing support such as Directors of Training and Directors of Advanced Training, a Specialist international Medical Graduate (SIMG) Director of Training (DOT)

- A **new Training Zone Plan** will provide a strategic framework for allocating training placements, ensuring equitable access to supervision and clinical experience, and addressing workforce shortages in underserved areas. This plan will also align with NSW Health priorities for integrated care and community-based mental health services. **Funding for a consultant delivery of new training zone plan - \$200,000**

## Retain/Plan

- Develop a long-term, evidence-based workforce project aligned with NSW Health priorities, which would include findings of the Gap Analysis. This includes modelling future demand, embedding early intervention, and ensuring continuity of care through systemic reform.

### The project would:

- Map the current workforce distribution using quantitative and qualitative methodologies, to identify contributions and gaps for psychiatrists, sub-specialist psychiatrists, Fellowship trainees, and SIMG across the public and private NSW mental health system.
- Assess and analyse the role, impact, and contribution of private practice psychiatry to the wider mental health system.
- Consider the current inconsistencies of working conditions, career pathways and succession planning that may be impacting workforce and contributing to gaps in the NSW public mental health and wellbeing system. **Funding for project - \$120,000**

The RANZCP NSW Branch looks forward to working closely with NSW Health to ensure equitable and accessible mental health care for all communities. Through strengthened early intervention, integrated community services, and collaborative approaches, we aim to reduce crises and improve mental health outcomes across the state.

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