MEDIA RELEASE
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Internal NSW Health Papers Expose $787m Mental Health Funding Gap

In newly-released internal papers, NSW Health estimated that the state's public mental health services are short between $550-$600m annually in frontline staff, and a further $187m annually, for the community managed mental health sector. NSW Health advised the Minister for Mental Health against releasing the figure because it could "potentially create reputational damage if the government cannot produce funding to address the stated gap."

The estimate is contained in more than 700 pages of internal documents released on 8 October 2026 under a Standing Order 52 call for papers moved by Greens MLC Dr Amanda Cohn. The papers cover three years of work on the state's mental health gap analysis, which was publicly released on 28 August 2026 with no dollar figures attached.

The released documents show:

- In December 2024, NSW Health's Mental Health Branch told the Minister that the recurrent shortfall in clinical and support staff for NSW Health's own hospital and community mental health services was "between $550 and $600 million" a year, before buildings. It said the capital cost "would safely exceed" the $700 million Statewide Mental Health Infrastructure Program.

- The same brief warned that "releasing the full quantum of the gap could require NSW to deliver one of the largest expansions of mental health services (and infrastructure) in recent history" and that publishing similar figures in other states "has not led to governments committing to additional funding".

- In February 2025, Minister Jackson's office told NSW Health the Minister was "happy to proceed with the full quantum of the gap analysis". The Ministry's director of planning replied internally that the work "will take time to rework all the data" and would "suggest the need for a budget many times greater than the existing [mental health] budget". The full analysis was never released.

- The same email said NSW Health's separate work on psychosocial supports, the community programs that help people with housing, work, daily living and recovery, was "already indicating that we'd need to double the budget" (ie. circa $187m annually) to meet unmet need. That figure covers support services mostly delivered by non-government organisations, which sits on top of the $550 to $600 million staffing shortfall in NSW Health's own services.

- NSW Health agreed with the Minister's adviser in March 2025 that the Ministry would "not mention the full quantum" in its reply to the NSW Mental Health Alliance, which had asked for the analysis.

The published report shows no district in NSW reaches the minimum service standard, with 29% of people with severe mental health challenges unable to access care state-wide. The report, however, de-identifies districts so local comparisons are currently not available.

Giancarlo de Vera, CEO of BEING – Mental Health Consumers, said:

"The Department worked out what it would cost to staff its own mental health services to the level the national framework says people need. Then it told the Minister the public should not see the number because of the pressure it would create. The public has a right to know."

BEING are calling on the NSW Government to:

1. Complete and publish the full gap analysis the Minister approved in February 2025, covering hospital, community and psychosocial services.
2. Publish NSW Health's existing estimates of the staffing shortfall and the psychosocial shortfall, with their assumptions.
3. Release the district-level results, as NSW Health itself proposed.
4. Repeat the analysis on current data and publish it every year.

Jonathan Harms, CEO of Mental Health Carers NSW, said:

"This analysis shows that our mental health system simply is not funded to provide all the care needed by the people of NSW. But families and carers of people with mental health issues are already only too well aware of this, because they are the ones forced to try to cover the gaps.

"The discussions disclosed by these papers could cause one to wonder if governments *ever* intend to build a system capable of meeting all the needs of our community? If not, this has to change.

"We demand the human rights of our loved ones to access adequate mental health support be funded. We call upon governments to fund and fix our mental health system today!"

Dr Evelyne Tadros, CEO of Mental Health Coordinating Council, said:

"NSW Health's own analysis reveals an estimated annual shortfall of $187 million for psychosocial supports. This funding gap is deeply concerning and highlights the urgent need for the NSW Government to invest now.

“Demand for mental health support services continues to grow, yet too many people are unable to access the community-based care they need before reaching crisis.

“While hospitals and public services remain essential, a sustainable mental health system also depends on access to strong community-based supports that provide prevention and early intervention that assist people access care earlier, stay well, and remain connected to their communities.”

Dr Ian Korbel, Chair of RANZCP NSW Branch, said:

"For years, the mental health sector in NSW called for a comprehensive Mental Health Gap Analysis because governments, health services and communities need an accurate understanding of demand if they are going to plan services effectively.

“It is deeply disappointing to learn that information about the full scale of need may not have been shared publicly. Transparency matters significantly right now, because it will help governments, clinicians and communities have honest conversations about where services are falling short and what is needed to improve them.

“The documents released quantify in greater detail what patients, families and clinicians experience every day, with our mental health system under immense pressure. We urge the NSW Government to acknowledge the scale of the challenge, consider the evidence in front of them in its entirety and act on implementing the solutions needed.”

Background

The Review and Planning for Mental Health Services (RaP-MHS) report compares the mental health services NSW provides with the level of need estimated by the National Mental Health Service Planning Framework, the planning tool used by every Australian government. It covers three kinds of service: hospital mental health beds, community mental health teams run by NSW Health, and psychosocial supports, which are mostly delivered by non-government organisations with state and Commonwealth funding. The published report gives only relative results, with no dollar figures and no districts named.

Types of mental health services in NSW

Service	What it is	Who provides it
Hospital (inpatient) care	A stay in a mental health unit, usually during an acute episode of illness.	NSW Health, through local health districts

Service	What it is	Who provides it
Community mental health services	Clinical care outside hospital. Teams of psychiatrists, nurses, psychologists, social workers and peer workers assess, treat and follow up people where they live.	NSW Health, through local health districts
Psychosocial support	Practical, recovery oriented assistance and help with daily life: keeping a home, managing money, work or study, relationships and staying connected. It continues for as long as a person needs it.	Mostly community-managed organisations, funded by the NSW &/or Commonwealth governments, Primary Health Networks and the National Disability Insurance Scheme (NDIS)

BEING – Mental Health Consumers is the NSW peak body for people with lived experience of mental health issues and the mental health system. BEING is a member of the **NSW Mental Health Alliance**, whose members include Australian Society of Psychiatrists, Australian College of Mental Health Nurses, Australian Psychological Society, BEING – Mental Health Consumers, Black Dog Institute, Mental Health Carers NSW, Mental Health Coordinating Council, the NSW Branch of the Royal Australian and New Zealand College of Psychiatrists, and Wayahead.

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