Submission to Joint Standing Committee on Treaties re Multilateral Agreement on Investment

National Association of Practising Psychiatrists
12 April 1998

The Secretary
Joint Standing Committee on Treaties
Canberra
ACT
12th April 1998

Dear Sirs,

The National Association of Practising Psychiatrists (NAPP) wishes to express its its profound concern and objection to the proposal that Australia be a signatory to the Multilateral Agreement on Investment, currently being negotiated.

With respect to the Committee's terms of reference, NAPP is fundamentally concerned with the following items : (b) the ability of countries to establish limits on foreign investment; (c) the implications arising from the 'roll back' and 'standstill' provisions; (d) the ability of countries to pursue social, environmental, labour, cultural, human rights and indigenous protections and the impacts for each of these sectors resulting from foreign investment regimes under the MAI.

In particular, NAPP finds it abhorrent that such an agreement - which hasthe potential to undermine all public health funding - can be seriouslycontemplated after the massive disruption in treatment suffered by a largenumber of psychiatrically ill patients consequent on Budgetary decisions ofAugust 1996.

So that the Committee might understand NAPP's opposition, the following points need to be kept in mind. The Health Minister, in August '96, summarily ended rebates for long term psychiatric treatment. This was done with no prior consultation, despite the Minister's claims to the contrary. His justification for this (to end rorts) was made under parliamentary privilege when he viciously attacked Australian psychiatrists. Although his Dept investigated these claims, and found there was no legal case to answer, nevertheless the Minister has never apologised to the profession - nor has the policy emanating from this falsehood been redressed.

In short, many Australians were immediately and arbitrarily faced with suspension of their treatment. Despite partial reversals of policy, it remains a fact that psychoanalysis as a treatment by qualified practitioners is no longer available to patients. IE: a valuable treatment option has been removed from Medicare, and this sets a dangerous precedent.

Patients at the time formed their own lobby group to protest this (Mental Illness Network Against Discrimination) and MIND remains active in this area to this day.

NAPP made its own submissions (July '97) to the Disability Discrimination Commissioner, at the Human Rights & Equal Opportunity Commission. This was in

support of patients who'd brought similar complaints to the Commission In respect of this hearing, the Commission was able to find that:
a) the Item 319 regulations do not promote recognition & acceptance [of mental illness] within the community
b) the item 319 regulations do not ensure that people with psychiatric disabilities have the same rights to equality before the law.

Further, the National Association of Practising Psychatrists made successful submissions to the UN Commission on the Rights of Children. Australia is a signatory to this, and it was argued that the Budgetary restrictions (item 319) precluded depressed mothers from gaining access to some treatments, thus jeopardising the future health of their infants, and so adding to the overall burden carried by the public sector.

NAPP has issued numerous press releases to educate and to keep the public and politicians informed and aware of the adverse consequences of these ill-conceived public health policy decisions.

Given the above, it is relatively easy to see the concerns arising from the proposal known as the MAI. Note that Australia's own Public Health Association effectively acknowledges these grave concerns in its points 12 - 14:

"PHA notes, however, that there are also significant risks associated with current trends in health system restructuring

12. The pressures to reduce government expenditure arise from dynamics associated with economic globalisation, in particular,the globalisation of world markets and the global mobility of capital. There are no fixed benchmarks with respect to "appropriate" levels of government expenditure to which we might be moving. These pressures, which arise beyond the health system, will continue to drive public sector spending downwards regardless of actual levels of health expenditure. However, there are limits to which reduced health funding can be absorbed by increasing efficiency.
13. As government funds are reduced there is increasing pressure on policy makers to target programs as the retention of universal access is judged to be too expensive. The pressures to privatise different elements of health care arise partly from this dynamic. This path leads to two-tiered and three-tiered levels of health care and health protection.
14. In a society increasingly polarised with respect to income and wealth, policies of reduced public spending are likely to lead to the increasing differentiation of standards with respect to access and quality of care and adequacy of public health protection.The threat to our Medicare system will be clear in that Governments will be increasingly unable to subsidise Public Health policy if they are also required to provide similar benefits to for - profit health organisations. Public health will then be forced toward increasing privatisation, rationing & restrictions in the pursuit of profit. Australian patients have already made their opposition to this clear in the above examples. Prof Cohen's experience in a different setting (Canada) is noteworthy and salutory :

> "The threat to public funding is not confined to education, but is equallyproblematic in any areas where the private sector provides services whichare also provided in the public sector. The main problem is that whilesubsidies from government to service providers will still be permitted,these subsidies will also have to be available to for-profitinstitutions from foreign nations. Any kind of subsidy to non-profit childcare centres, for example, would be illegal unless it were also extendedto cover profit-making centres. This kind of requirement, a stated above,would almost certainly eliminate government funding to non-profit centres.Medicare is threatened in the same way. When governments are required toprovide the same kinds of funding to both local non-profit health careproviders and huge for-profit medical care firms, the ability to continuepublic health care will be impossibly expensive." "

The strength of contemporary psychiatry lies in its ability to use "the bio-psycho-social" model to deal with patients and their suffering. As the name implies, it takes into account various important aspects of functioning and so is a truly holistic branch of medicine. No other area of medicine is so profoundly affected by poor health policy, given that mental health is in turn affected by a wide variety of social factors. If the MAI does indeed lead to the creation of an increasingly disenfranchised underclass with less and less access to treatment, wealth, and work then we can expect a commensurate increase in any number of psychiatric and socialills such as those which currently concern us as a community - viz: ill-health, suicide, substance abuse and violence. Is this penny-wise or pound-foolish ? Consider McMutry's view, again from Canada where the MAI is in place.

This loss of a social function leads to a wide variety of pathological outcomes. The probability of an unemployed man succumbing to heart disease or cancer doubles within five years. Adolescent suicide and prostitution rates escalate as future employment prospects darken. Most lethally, ethnic wars, racist attacks, armed violence, urban riots, beatings of women and children, and mass murders seem also to rise in areas of high unemployment.

Lest this view (of NAPP) is thought to be idiosyncratic then consider the view - as stated by Watts - of the World Council of Churches in regard to social justice issues raised by the MAI proposal.
Firstly, some proponents appear prejudiced and obsessed with the idea that all who have concerns about the implications of the MAI are "ignorant,ill-informed and dangerous." If this is so, then they ought to recognisethat those in this category include the World Council of Churches, whichhas warned its members of the potential threat posed by the MAI to socialjustice in developing countries.

NAPP cannot emphasise too strongly that the best preventative mental healthpolicies will be such policies as are informed by the profession (notpoliticians only) and which seek to minimise social inequity whilemaximisimg feelings in the community of equality, belonging andparticipation.

The recent findings of the Coroner of South Australia are of note. He foundfunding cuts and poor policy direction to be probably directly linked tothe suicides of several patients being looked after "in the community" andthat the concept of "asylum" was no longer

available to vulnerable patients- to their detriment. In addition, poor staff morale exacerbated the issue.

Lastly, consider Dr M Wooldridge's words in 1987 on entering Parliament:

> *As a doctor I have felt privileged .... in the sense that one sees peopleat their most vulnerable, and when one has the confidence and trust at suchtimes. There are few times in medical practice when one sees someone morevulnerable ... than when a person needs treatment for a psychiatric disorder.*

Since then, Dr Wooldridge has presided over the removal of treatments from Medicare, over funding cuts that have left patients in despair, and hasleft a legacy of patients feeling betrayed by one who should haveunderstood - a doctor. There is no longer any trust. NAPP feels verystrongly that the MAI with all its faults (such as rollback provisions) canonly be to the detriment of effective mental health policy planning in thiscountry. We don't need more of what we've had.

NAPP respectfully submits its opposition to Australia being a signatory tothe MAI and considers it to be a social experiment of unknown and dangerousproportions - for the reasons outlined above.

NAPP further requests that it be represented and its view heard in anysubsequent public hearings that might result from the Committee'sexamination into the MAI.

Yours Sincerely,
Dr G M Anaf
President

Mr S Milgate
National Coordinator

References

-Hearings on the Multilateral Agreement on Investment Panel on Corporate, Consumer and Social Implications
November 26, 1997 -- Ottawa
Presented by Marjorie Griffin Cohen, Chair
Canadian Centre for Policy Alternatives, B.C.
Professor, Political Science/Women's Studies
Simon Fraser University

- THE CANCER STAGE OF CAPITALISM
By John McMurtry
This article was published in the Canadian Centre for Policy Alternatives Monitor, Jul/Aug 96

- Corey Watts
Centre for Conservation Biology, University of Queensland and researcher for the STOP MAI Coalition in Queensland

- Adopted at the 1997 Annual General Meeting of the Public Health Association of Australia replacing the policy on Structural Reform adopted at the 1996 AGM which as a "late breaker" in 1996, would otherwise lapse.

- NAPP submission to UN Convention on the Rights of Children - April 1997

- NAPP submission to Human Rights & Equal Opportunity Commission - June 1997

- Hansard: Hon Dr M Wooldridge, Member for Chisholm (Vic) First Speech to Parliament - 24 - 9 - 87

Telephone: 02 9556 2534 Fax: 02 9567 4681
Address: PO Box 12 Arncliffe NSW 2205
Internet: http://www.napp.org.au