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MEDIA RELEASE

No exit without a safety net: Psychosocial supports and the NDIS

Mental Health Coordinating Council (MHCC) has welcomed the Federal Government's commitment to sustainability and reform of the National Disability Insurance Scheme (NDIS) but warns that **changes affecting people living with psychosocial challenges must not proceed without an alternative service system that is fully funded and co-designed.**

Responding to Minister Mark Butler's address to the National Press Club today, MHCC CEO **Dr Evelyne Tadros** said proposed changes to access for NDIS participants based on their '**functional capacity and not diagnosis**', will continue to see existing participants plans reduced, participants exited or denied access all together.

The Access Denied: Psychosocial Disability and the NDIS report by the Australian Psychosocial Alliance (APA) highlights a 62% drop in NDIS approval rates for psychosocial disabilities over five years, with only 25% of applications approved. It identifies inconsistent assessments and high barriers for mental health challenges. This reflects the reality that people with psychosocial support needs are **already experiencing reduced access to support**. A shift to relocate psychosocial supports to alternative services outside the NDIS carries significant risks if undertaken prematurely or without clear safeguards.

"There is growing recognition that decisions about psychosocial disability supports being moved out of the NDIS requires a more considered approach and that there must be a clearly articulated and funded alternative service system, with the respective roles and responsibilities of state and territory governments agreed," Dr Tadros said.

Dr Tadros noted that people with psychosocial disability have historically experienced service gaps, fragmented care and cost-shifting between governments - the very failures the NDIS was designed to address.

"People with psychosocial disability cannot be left in policy limbo while governments resolve budget pressures," she said. "Sustainability is important, but it cannot come at the expense of access, continuity of care, or human rights."

MHCC supports the Government's focus on slowing NDIS growth, improving scheme integrity, reducing fraudulent and criminal activity and addressing poor-quality unregistered providers. However, Dr Tadros stressed that psychosocial challenges cannot be addressed through programs such as the announced **Inclusive Community Fund** alone - psychosocial supports provided through Foundational Supports must be progressed in a timely and considered manner.

“Lessons from past systems show that unless community-managed mental health supports are universally available, well-funded and coordinated across jurisdictions, people will fall through the cracks,” she said. “We cannot exacerbate existing fragmented systems and already stretched support services. Noting, it will take time to rebuild the support services that were closed in NSW, to fund the NDIS”.

MHCC calls on the **Federal Government** to:

- Protect **continuity of support** for current participants until a rebuilt system is established.
- Take urgent action with **state and territory governments** to develop and deliver psychosocial supports through Foundational Supports for people outside the NDIS.
- Ensure any new system is **co-designed with people with lived experience**, carers and the mental health sector.

Dr Tadros said MHCC stands ready to work with governments to achieve reform that is both fiscally responsible and socially just.

“Reform must strengthen the mental health system as a whole,” she said. “Psychosocial disability supports are not optional add-ons - they are essential to enabling people to live well in the community.”

-ENDS-

About Mental Health Coordinating Council

Mental Health Coordinating Council is the peak body for community-managed mental health organisations in NSW. MHCC provides policy leadership, promotes legislative reform and systemic change, and develops resources and training to assist community mental health organisations to deliver quality and effective services underpinned by best practice principles. Visit mhcc.org.au

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