FOR IMMEDIATE RELEASE
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MEDIA RELEASE

Deadlock on mental health agreements risk leaving 500,000 Australians without support

As Mental Health Month draws to a close, Mental Health Coordinating Council (MHCC) is warning that delays to a new National Mental Health and Suicide Prevention Agreement and the rollout of psychosocial Foundational Supports, risk leaving more than half a million Australians without access to essential community-based mental health support.

Following the meeting of federal, state and territory Mental Health Ministers on 23 October 2026, negotiations appear to have reached a stalemate, with decisions deferred until the next Health and Mental Health Ministers' meeting in December. In parallel, the next phase of Foundational Supports remains undetermined.

MHCC CEO Dr Evelyne Tadros says, “The NDIS is changing, yet we still do not have a clear pathway for people living with moderate to severe mental health challenges who need these supports to live well and stay connected with their communities. Governments must urgently progress a new five-year National Mental Health and Suicide Prevention Agreement and psychosocial Foundational Supports.”

“There is significant uncertainty about the future of services funded under the National Mental Health and Suicide Prevention Agreement beyond 30 June 2027. An extension of existing arrangements may be necessary to provide continuity and allow time for a new agreement to be developed, but it must be accompanied by a clear commitment to reform and investment in community-based mental health care.”

The Productivity Commission's 2025 review found the current National Mental Health and Suicide Prevention Agreement had failed to improve access to mental health services or strengthen coordination across the system. It recommended a new five-year agreement with clearer responsibilities, measurable outcomes and stronger accountability, alongside a short-term extension until June 2027 to allow new arrangements to be developed and negotiated, and immediate action on unmet psychosocial support needs.

In NSW, an estimated 80 per cent of people who need psychosocial supports are missing out, around 166,000 people.[1]

Recent internal NSW Health documents revealed a significant funding shortfall, estimating that an additional $187 million a year would be required to double investment in community-managed psychosocial supports and better meet current demand.

[1] https://www.health.gov.au/sites/default/files/2024-08/analysis-of-unmet-need-for-psychosocial-supports-outside-of-the-national-disability-insurance-scheme-final-report.pdf

MHCC's surveys of community-managed mental health organisations over the past three years have consistently identified overwhelming demand for services, persistent workforce shortages and financial sustainability, as the sector's biggest challenges.

"Community-based supports help people manage their mental health, maintain social connections and live independently. Without timely access to these services, more people will reach crisis point and require more intensive and costly interventions, including hospital care", says Dr Evelyne Tadros

Through its Care Beyond Crisis campaign ahead of the 2027 NSW election, MHCC is calling for greater investment in community-based mental health services to ensure people can access the right support, at the right time and in the right place.

"Any extension of the current agreement must not become an excuse to delay reform. Governments need to invest in community-based care now while working towards a stronger long-term agreement."

"Every year of delay has real consequences for people and families who are already struggling to access the help they need. We know what works. The challenge now is ensuring governments act with the urgency that Australians deserve" says Dr Evelyne Tadros

-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

Media contacts: Dr Evelyne Tadros, CEO, Mental Health Coordinating Council