

National Mental Health Commission

May 2026

Submission on the National Disability Insurance Scheme Amendment (Securing the NDIS for Future Generations) Bill 2026



Australian Government

National Mental Health Commission

Table of Contents

Acknowledgement	3
Opening statement	4
The Commission's response	6
Defining functional capacity	6
Tightening the definition of 'permanence' to reduce access where an impairment can be treated	7
Eligibility linked to other service systems	8
Link between impairment and support needs	9
Support determinations	10
Strengthening 'reasonable and necessary' supports	11
Plan suspension powers	11
References	13

Acknowledgement

Acknowledgement of Country

The Commission acknowledges the traditional custodians of the lands throughout Australia.

We pay our respects to their clans, and to the elders, past and present, and acknowledge their continuing connection to land, sea and community.

Recognition of Lived Experience

We recognise the individual and collective contributions of those with a lived and living experience of mental ill-health and suicide, and those who love, have loved and care for them. Each person's journey is unique and a valued contribution to Australia's commitment to mental health suicide prevention systems reform.

About this submission

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Office of the Chief Executive Officer
National Mental Health Commission
GPO Box 9848
Sydney NSW 2001

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A note on language

The Commission acknowledges that language surrounding mental health and suicide can be powerful, emotive and at times contested. People make sense of their experiences in different ways, and there is no consensus on preferred terminology. The Commission has been conscious to use terminology throughout this submission that is respectful of those whose experiences we are describing and is well understood by the audience reading this submission.

The Commission endorses and follows the Mindframe guidelines Our Words Matter and Images Matter. The Commission also endorses the Mindframe Guidelines on Media Reporting of Severe Mental Illness in the Context of Violence and Crime and requests that media using this report do so in accordance with the Guidelines.

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Opening statement

The National Mental Health Commission (the Commission) welcomes the opportunity to provide comments on the National Disability Insurance Scheme Amendment (Securing the NDIS for Future Generations) Bill 2026 (the NDIS Bill 2026).

All people in Australia with a lived or living experience of mental health challenges must have access to the individualised, recovery-oriented supports they may require to live empowered, meaningful and fulfilling lives. This right arises and remains irrespective of an individual's eligibility for the National Disability Insurance Scheme (NDIS) (the Scheme), although it plays a critical role in supporting people living with disability and the need to secure its long-term sustainability is recognised.

Some people with lived experience of mental health challenges may also develop psychosocial support needs arising from the interaction between mental health conditions and broader social or structural barriers. In the context of the NDIS, these impacts may constitute psychosocial disability where they result in significant functional impairment affecting participation, inclusion and recovery.

Psychosocial disability represents a significant and growing component of Australia's disability landscape. According to the Australian Bureau of Statistics, an estimated 1.7 million people (or 6.5 per cent of Australians) report a psychosocial disability, making it one of the most prevalent disability types nationally.¹ This scale underscores the importance of ensuring that reforms to the NDIS appropriately reflect the distinct characteristics and support needs of this cohort.

There are a range of non-clinical, psychosocial services designed to support individuals to foster, build and strengthen their functional capacity. Examples include:

- life-skills, daily living and housing support
- social, community and relationship support
- vocational, educational and economic participation support
- support coordination, navigation and brokerage
- psychosocial recovery coaching/capacity building
- group-based and community-based programs.

In Australia, access to psychosocial support occurs via multiple pathways, including the NDIS, the broader mental health system or the emerging foundational supports system. These pathways remain complex, disconnected and difficult to navigate, despite sustained reform efforts. People continue to encounter fragmentation, where eligibility and diagnosis create inequities and barriers to access. There is also a profound variation in the availability, quality and continuity of support depending on where the individual lives, creating a 'postcode lottery' which undermines national consistency.² This misalignment contributes to avoidable gaps, inconsistent experiences of care and critically, poorer outcomes,³ undermining the effectiveness of system-wide reform efforts.

This variation is further compounded by the presence of thin markets across parts of Australia, particularly in regional, rural and remote areas and in specialised service types such as psychosocial supports. Thin markets occur where there are too few providers to ensure adequate competition, choice or continuity of service, resulting in limited access, reduced service quality and increased risk of service disruption. In the context of psychosocial disability, thin markets can significantly constrain participants' ability to exercise choice and control; and limit the practical availability of supports assumed to exist within policy design. The combination of high prevalence and structurally thin service markets creates a systemic risk that reforms relying on alternative service pathways may not translate into real, accessible support.

The Commission notes that the NDIS Bill 2026 represents a significant shift in the design and operation of the NDIS, particularly in relation to access, eligibility and the scope of funded supports. The Explanatory Memorandum explicitly

states that these proposed legislative amendments represent a first step towards securing the NDIS for future generations, with phased implementation allowing for further consultation with people with a lived experience of disability, their families, carers, advocates and other key stakeholders.

The Commission encourages the Commonwealth, state and territory governments to honour this commitment and optimise efforts to harness the wisdom and expertise of lived experience – both as co-designers of solutions and in defining what success looks like. It is equally important to seek out and harness diversity, including the stories, leadership and the expertise of Australia's First Nations people and other communities and individuals who may disproportionately experience inequities and risk factors that increase the risk of psychosocial disability.

Genuine consultation will be critical in resolving key areas of uncertainty and ensuring that implementation reflects the needs of people with psychosocial disability, as well as their families, kin and carers. The Commission also recommends that the proposed Technical Advisory Group to be established to inform implementation of the proposed amendments include mandatory representation by psychosocial disability experts and people with lived experience of psychosocial disability.

This is particularly important given the NDIS Bill 2026 does not yet provide operational guidance on key elements of the proposed changes, and how they will apply in practice. Instead, much of this will be determined following the passage of legislation through the development of instruments, including NDIS rules, designed to guide implementation and application of the amendments.

These details are critically important.

The Commission is concerned that without due consideration of the complex nature of psychosocial disability, the proposed changes may reinforce inequities in access, increase unmet need and shift demand to acute, intensive and costly parts of the broader mental health system. This concern is further heightened by well documented evidence that suggests there is already a significant cohort of individuals who do not qualify for the NDIS and do not otherwise receive adequate support.

The NDIS is one component of a broader psychosocial support system. Effective reform requires planning across the full system, based on a holistic person-centred understanding of need – not program boundaries or funding streams. Without careful planning and complementary investment in accessible, high-quality psychosocial and foundational supports outside the NDIS, the proposed reforms may exacerbate existing gaps and inequities for people living with psychosocial disability.

This underscores the importance of a national, coordinated, strategic approach to mental health and a consistent service planning approach, including through a revised and refreshed National Mental Health Service Planning Framework (NMHSPF). The NMHSPF is a comprehensive model designed to help plan, coordinate and resource mental health services to meet population demands. It is an evidenced-based framework providing national average benchmarks for optimal service delivery across the full spectrum of mental health services in Australia. Moving forward the NMHSPF should incorporate NDIS-funded supports within its service taxonomy. Without this integration, there is a continued risk of fragmentation, duplication and gaps across the breadth of service provision.

Fundamentally, governments have a responsibility to ensure that all people with psychosocial support needs receive the right support at the right time, irrespective of the pathway taken or their eligibility for the NDIS under the current or proposed system. While there is a defensible need to consider cost and the long-term sustainability of the NDIS, this must not diminish or override a fundamental responsibility to ensure that all people living in Australia are safe, supported and have equitable access to the services they need. Wellbeing, safety and inclusion must remain the primary objective underpinning reform.

It is critical that the Commonwealth Government carefully considers the timing, sequencing and implementation of the proposed amendments, and ensures alternative pathways to appropriate supports are available, accessible and adequately funded before seeking to divert or transition people away from the NDIS.

The Commission's response

In accordance with its role, the Commission has limited this submission to relevant elements proposed in Schedule 1 of the NDIS Bill 2026 with a focus on the potential impacts on people with psychosocial support needs, as well as their families, kin and carers.

In summary, this submission highlights:

- the need to recognise the nuanced and complex nature of psychosocial disability, including the fluctuating and episodic nature of underlying mental health conditions, particularly when defining functional capacity and applying constructs of permanence within eligibility criteria
- the risks associated with tightening eligibility criteria based on an individual exhausting all appropriate treatment options, noting that universal and equitable access to mental health treatment remains aspirational
- the potential for harm in excluding people from the NDIS on the basis that support should be provided by alternative, mainstream services, given the significant and well-documented gaps in mental health services which continue to contribute to high levels of unmet need
- the need for holistic system planning and investment that prioritises individual need and supports integration across the full continuum of mental health and psychosocial services
- concerns regarding the unintended consequences of introducing support determinations without appropriate safeguards in place to mitigate the potential risk to individual welfare
- the imperative to prioritise the safety and wellbeing of participants at all stages of their NDIS participation
- the need to carefully consider the role of family and informal supports when making decisions so as not to entrench inequities or unfairly transfer responsibility from the Scheme.

Proposed reforms cannot be considered in isolation and must be understood within the context and reality of a fragmented mental health system that continues to leave many people without access to appropriate support. This submission builds on core tenets of the Commission's recent submission on the National Mental Health and Suicide Prevention Agreement which called for an integrated and coordinated approach to mental health system planning and investment.

Several proposed amendments of the Bill have implications for people with psychosocial disability, given the variable characteristics of psychosocial support needs, and warrant detailed consideration.

Defining functional capacity

The NDIS Bill 2026 seeks to introduce a functional capacity-based framework, replacing reliance on a specific diagnosis, which has previously been identified as a limitation of the current system.

The 2023 Independent Review of the NDIS (the NDIS Review) acknowledged that reliance on diagnosis alone fails to adequately reflect an individual's needs, and that funding decisions should instead be based on the needs of the individual, and support them in achieving their goals and living a full life.⁴ Similarly, the Grattan Institute also noted that it is sensible to reconsider the approach to eligibility to rely on functional capacity instead of diagnosis lists. It acknowledged, however, that this approach is not easily achievable in condensed timeframes, noting that similar changes have previously been attempted in 2021 before being deemed too complex.⁵

Under the proposed amendments, a definition of 'functional capacity' would be introduced to provide greater clarity and support consistency in decision making. The Explanatory Memorandum identifies this as a first step toward a more consistent approach to assessing 'substantially reduced' functional capacity, while acknowledging further work is required to identify appropriate assessment tools. The proposed definition is intended to support the development of a framework for determining appropriate thresholds. It will also guide the use of functional capacity assessments by the National Disability Insurance Agency (NDIA) in applying the legislative criteria.

The Commission acknowledges that the proposed amendments signal an intent to move towards a functional capacity model. This approach is conceptually consistent with psychosocial disability, which is not defined by diagnosis but rather the functional impact that might arise for some people with a lived experience of a mental health challenge. However, careful consideration is required to ensure this approach does not inadvertently disadvantage people with psychosocial disability.

Functional capacity in the context of psychosocial disability is often fluctuating, episodic and highly context dependent. Periods of relative stability may be interspersed with periods of significant or fluctuating impairment. These patterns are intrinsically linked to the nature of the underlying mental health condition.

Static assessment models and standardised assessment tools typically capture capacity at a point in time. They rely on observable, stable indicators of functioning. Assessment approaches designed primarily around stable, observable or easily measurable forms of impairment may not adequately capture the variability and day-to-day realities experienced by people with psychosocial disability. Without mechanisms to reflect the episodic and context-dependent nature of psychosocial disability, this approach risks excluding individuals who do not meet static thresholds at the time of assessment, despite experiencing ongoing and significant functional impairment.

The NDIS Bill 2026 also proposes to define functional capacity in relation to an individual's ability to undertake an activity without assistance from other people, assistive technology or modifications and in a setting that excludes, as far as possible, the impact of the person's environmental and personal circumstances.

The requirement to assess functional capacity without also considering an individual's environmental and personal circumstances, as much as possible, is intended to confine the assessment to the person's intrinsic ability to undertake an activity. This approach aims to avoid reliance on personal and external factors that may vary between individuals and are not attributable to the impairment, such as financial means or living arrangements. This amendment is intended to promote a more objective and consistent assessment of the functional impact of the person's impairment.

The Commission cautions that psychosocial disability does not occur in isolation from an individual's broader circumstances. Rather, functional capacity is shaped by the interaction between their mental health challenge and wider determinants, including social, economic and environmental factors. While the intent to ensure objectivity is acknowledged, there is a critical need to embed sufficient flexibility to understand the unique circumstances and diverse needs of individuals when making assessments.

Excluding contextual factors from assessment processes risks producing an incomplete and potentially misleading understanding of an individual's functional impairment. Any revised eligibility framework must retain flexibility to consider individual circumstances, ensuring that assessments do not inadvertently disadvantage those with psychosocial support needs that are dynamic and context dependent.

There is also a need for careful consideration as to how functional impairment may present in the context of psychosocial disability. Unlike many physical conditions, these impacts may be less visible and more difficult to quantify using standardised tools. Functional impairment may present through factors such as reduced motivation, difficulties with social interaction or challenges in maintaining community connection. Assessment approaches must therefore be capable of recognising and measuring these non-visible and context dependent impacts to ensure equitable outcomes.

Tightening the definition of 'permanence' to reduce access where an impairment can be treated

The NDIS Bill 2026 proposes to tighten the definition of permanence, aiming to restore the NDIS to its original intent of supporting individuals with a permanent and significant disability.

Part 8 of the Explanatory Memorandum outlines a revised approach to assessing the permanence of impairments when determining eligibility. The proposed definition requires that a disability is likely to persist for the person's lifetime, meaning it cannot be reversed or remedied and will continue to exist throughout the person's life course, regardless of the treatment undertaken or the passage of time. It further specifies that an impairment cannot be considered permanent

unless the individual has undertaken all appropriate treatment that is likely to materially improve, reverse or alleviate its impact.

The Commission appreciates the intent of the proposed provisions and the underlying objective of securing the long-term sustainability of the NDIS. However, the proposed amendments are likely to create an unintended and inequitable impact on individuals with psychosocial support needs.

Permanence, as a construct in the context of psychosocial disability, does not readily align with the inherent variability of underlying mental health challenges. Importantly, episodic improvement or fluctuating symptom severity does not necessarily negate the existence of enduring functional support needs. It is also in tension with recovery-oriented principles of care, which emphasise building strengths and improving functional capacity over time.

While the Explanatory Memorandum acknowledges that some permanent impairments require ongoing treatment to maintain a person's functional capacity and specific reference to psychosocial disability in this context is made, this does not mitigate the potential risk of inaccurate or incomplete assessments resulting in exclusion from the Scheme.

The requirement to exhaust all appropriate treatment options presents a significant equity concern.

Universal, timely and equitable access to mental health treatment in Australia remains aspirational, with multiple independent and government reviews highlighting persistent systemic barriers to care. It is also the case that the effectiveness of treatment may diminish over time and that support needs may fluctuate, requiring a long-term, stepped approach.

The proposed amendments explicitly recognise that 'participants with psychosocial conditions... may require ongoing or intermittent treatment throughout their lives,' however, this is undermined by excluding consideration of an individual's personal circumstances in accessing treatment. The Explanatory Memorandum states that 'this is because ensuring people with disability have access to mainstream services, regardless of their circumstances, is the responsibility of all mainstream support systems.'

This assertion, while theoretically sound, fails to account for the well-established reality of Australia's mental health system, and the significant, persistent gaps in service availability. In practice, this may create a risk that individuals may be excluded from the NDIS on the basis of theoretical access to treatment or recovery, rather than an assessment of their actual functional capacity and support needs.

If individuals are transitioned from, or deemed ineligible for, psychosocial support under the NDIS, the Commonwealth, state and territory governments must ensure alternative pathways are adequately resourced, clearly defined and accessible.

Eligibility linked to other service systems

The Commission notes the NDIS was 'intended to form part of a disability eco-system, not replace supports more appropriately provided by other service systems, such as aged-care, state and territory compensation schemes and mainstream supports.' While this reflects the intended design of the revisions, there is a need to carefully consider the practical implications of introducing an explicit requirement to consider eligibility for alternative support as a rationale for exclusion.

In the current system, there is no requirement to consider whether a person is eligible to receive support through another system. In cases where other supports are identified, it is generally dealt with as part of planning to ensure there is no duplication of funding. While the proposed amendments largely relate to the application of alternative insurance or compensation schemes that might apply, this also introduces a broader risk that individuals may be excluded from the NDIS on the basis that they could access mainstream services, regardless of whether those supports are available, accessible or adequate to meet their needs.

This risk is particularly salient in the context of well-documented unmet need for psychosocial support in Australia.

The Grattan Institute's 2025 report noted a substantial cohort of individuals living with moderate to severe mental health challenges do not currently receive adequate support through the NDIS or mainstream systems.⁶ Further inquiries conducted by the Productivity Commission have highlighted 'the missing middle;' that is people with needs too complex for primary care and community-based services, yet who do not meet the eligibility criteria for NDIS access.⁷ The final report from the Analysis of Unmet Need for Psychosocial Supports Outside of the Scheme⁸ estimated that in 2022-23, 61,600 participants aged 12 to 64 received psychosocial supports through the NDIS, while around 230,500 people with severe mental illness were not receiving support through the NDIS or any other government-funded program.

Excluding individuals based on potential eligibility for alternative support presents a significant risk of reinforcing existing service gaps and increasing unmet need. Without ensuring the broader mental health system in Australia is resourced, accessible and able to meet demand, there is a clear risk that the proposed reforms will shift demand, rather than reduce it, leaving individuals without the support they need and driving greater reliance on acute, crisis-oriented services.

These amendments reinforce the need for coordinated system planning across psychosocial supports. Effective system planning and service delivery must be grounded in a holistic, person-centred understanding of need, rather than determined by program boundaries or complex, fragmented systems and funding streams. Without investment in accessible, high-quality psychosocial and foundational supports outside the NDIS, these reforms may widen existing gaps and inequities.

The Explanatory Memorandum acknowledges that significant reductions in NDIS supports could result in 'increasing provider viability risks, provider exits and workforce impacts.' These risks are amplified in 'thin markets,' where a lack of provider depth and workforce capacity means services that are nominally available within policy settings are not reliably accessible in practice, undermining participants' ability to exercise choice and control. More prescriptive funding rules combined with lower direct investment in supports via the Scheme, may reduce provider flexibility and financial viability, exacerbating market contraction; an issue of particular concern given longstanding workforce shortages, service fragmentation and provider sustainability challenges in the delivery of psychosocial supports.

These dynamics underscore the importance of a coordinated and nationally consistent approach to service planning and investment. The Commission suggests this can be achieved through a revised National Mental Health Service Planning Framework (NMHSPF) that incorporates NDIS-funded supports within its taxonomy.

Link between impairment and support needs

This part of the NDIS Bill 2026 seeks to strengthen the requirement that supports funded through the NDIS must be directly linked to a participant's impairment to qualify for the Scheme. It proposes to increase specificity, particularly in cases where a participant may have multiple impairments, with some meeting disability or early intervention requirements under the Scheme, and others not. It will function as an initial threshold test, determining whether a support is within the scope of the Scheme before any further consideration is given to the levels of funding.

A stricter 'direct link' requirement may disproportionately disadvantage people with psychosocial disability, whose needs reflect complex interactions with social and environmental factors. This complexity means it may be more difficult to prove direct causality.

This creates a risk that critical supports, such as those that stabilise housing, strengthen social connection or build life skills, may be deemed out of scope, despite their role in improving functional capacity and preventing a decline in mental wellbeing. Many psychosocial supports operate preventatively, helping individuals maintain stability, avoid deterioration and reduce reliance on acute or crisis-based services. In some instances, there may be an increased administrative burden placed on individuals to demonstrate a direct relationship between their impairment and the type of support they are requesting. This accords with research undertaken by the University of Sydney,⁹ funded by the Commission and released in 2022, to better understand the experience of people with psychosocial disability attempting to access the

NDIS. Several barriers were identified, including that the process was too stressful or traumatic; too difficult; confusing; and that potential participants were often unsure about what evidence was needed. Critically, study participants also noted that their mental health status affected their ability to 'cope with applying for the NDIS.'

It is also the case that psychosocial disability support needs may be less visible or measurable than those associated with physical health conditions, making it more difficult to establish a causal link. Participants in the University of Sydney study repeatedly described difficulties related to obtaining the evidence required by the NDIA to prove they have a psychosocial disability. Barriers included: a) hard to access experts to obtain evidence of impairment and psychosocial disability; b) adequate historical and longitudinal evidence doesn't exist or is hard to get; c) the volume of evidence is huge and overwhelming; d) fearing the consequences of documenting evidence of disability; e) the fear of being retraumatised by the experience of gathering evidence of permanent disability and loss of privacy; and f) costs associated with gathering evidence are prohibitive.⁹

Applying a stricter 'direct link' test may further disadvantage individuals with psychosocial disability, if sufficient flexibility is not applied to capture the nuanced support needs they may require.

The Commission acknowledges the intent that 'the impact of a participant's individual characteristics and environmental circumstances will be taken into account when determining needs.' However, operationalising this intent with sufficient regard to intersectionality and the nuanced nature of psychosocial disability, will be of critical importance.

Without appropriate safeguards, this approach may increase unmet need and further shift demand to parts of the system that are not currently equipped to respond.

Support determinations

The Explanatory Memorandum notes that the *National Disability Insurance Scheme Act 2013* does not currently have adequate controls in place to effectively target and tighten the funding of supports. It states that 'in circumstances where the Scheme is growing at a rate that was unforeseen when it was established, specific controls over funding are needed to put the Scheme back on a sustainable footing into the future.'

To address this, the NDIS Bill 2026 proposes to establish support determinations, which are legislative instruments that can reduce funding for a specified group of supports in old framework plans by operation of law, allowing for adjustments to funding of certain classes of support that may be considered 'over-funded.' These determinations are not based on individual plans, but are targeted reductions designed to reduce pressure across the Scheme, 'while ensuring that supports that are critical to the health and safety of the participants are maintained at necessary levels.' The Minister for Disability and the NDIS will have the authority to determine, via legislative instrument, a percentage by which a funding component for a specified group of supports is reduced for the duration that the determination is in force.

This approach risks undermining a foundational principle of the NDIS – that supports should be tailored to individual need and circumstances. For people with psychosocial disability, whose support needs may fluctuate over time, broad funding reductions applied through legislative instruments may create significant risks to wellbeing, continuity of care and recovery.

The Commission is concerned the impacts on individuals may not align with the original intent of the NDIS. This mechanism introduces a form of system-wide rationing that operates independently of a participant's genuine assessed level of need and does not provide a clear mechanism or adequate safeguard to account for any reduction arising from a supports determination. The proposed framework also raised questions regarding transparency, procedural fairness and the extent to which participants will be able to seek review or reconsideration of reductions arising through broad legislative determinations rather than individualised assessments.

Strengthening 'reasonable and necessary' supports

The Explanatory Memorandum recognises that the provision of 'reasonable and necessary supports' is one of the key pillars of the NDIS, however notes that its interpretation has broadened over time, expanding the scope of the Scheme beyond its original intent.

Part 6 proposes to reframe the 'reasonable and necessary' test by explicitly requiring the NDIA to consider not only an individual participant's needs, goals and functional capacity, but also broader system factors such as the long-term sustainability of the Scheme and equity across participants with similar circumstances. In effect, these amendments seek to shift decision-making from a purely individualised assessment towards a more balanced approach that weighs individual need against system-level constraints and comparative fairness, thereby formalising considerations that may influence how supports are approved and funded across the Scheme.

The proposed amendments also seek to expand the framing of 'reasonable and necessary' supports to include an explicit reliance on informal and family supports. The NDIS Bill 2026 proposes a new requirement that a support will only be considered reasonable and necessary if the funding or provision of the support takes account of what is also reasonable to expect families, carers, informal networks and the community to provide.

While the amendments acknowledge that informal supports are already expected to provide a level of care and support, they also note that this must be balanced in circumstances where there is a risk that such supports cannot be sustained.

In the context of increasing emphasis on Scheme sustainability and equity, there is a risk that assumptions regarding what constitutes 'reasonable' informal support may expand in practice, resulting in a practical transfer of responsibility from the Scheme to families, kin and other unpaid carers.

This is particularly concerning for people with psychosocial disability, whose support needs are often complex, fluctuating and relational, and where families and carers are already providing significant, and often unsupported, contributions to care. This may disproportionately increase the burden on unpaid carers, particularly women, who already undertake a substantial proportion of informal caring responsibilities.¹⁰

There is also a potential risk that these provisions may embed inequities based on an individual's personal family circumstances, effectively placing greater reliance on families and informal supports for some participants, where comparable supports may be funded for others.

Reliance on informal supports should not operate as a substitute for funded support where needs have been formally assessed.

Plan suspension powers

The NDIS Bill 2026 proposes to strengthen powers to suspend plans if participants are uncontactable, or do not engage with reassessment processes, noting the current limitations in this area are considered to present risks to participant wellbeing and the integrity of the Scheme. Safeguards, including setting minimum timeframes and outlining what constitutes 'reasonable' in the context of attempting to engage with participants, are included in the proposed amendments.

Any proposed safeguards must be carefully balanced and sufficiently nuanced to respond to the unique nature of psychosocial disability. Individuals with psychosocial disability may, at times, experience periods of reduced capacity, disengagement or instability that could affect their ability to respond to, or participate in, administrative processes. These impacts may be disproportionately experienced by people facing intersecting disadvantage, including but not limited to First Nations peoples, people living in regional and remote areas, and individuals experiencing housing insecurity.

In this context, there is a risk that strengthened suspension powers may disproportionately impact individuals with psychosocial disability, resulting in the loss or suspension of critical supports at times of heightened vulnerability.

Safeguard mechanisms must therefore be designed to appropriately account for these potential circumstances and avoid unintended disruption to essential supports. Disruption to psychosocial supports may have significant consequences, including deterioration in mental health, disengagement of care, housing instability and increased reliance on crisis-based or acute services. Safeguards must therefore ensure that temporary disengagement or reduced capacity does not inadvertently result in the suspension of essential supports during periods of heightened vulnerability.

The Commission supports efforts to ensure the long-term sustainability of the NDIS and acknowledges the importance of ensuring the Scheme remains effective for future generations. However, reforms affecting people with psychosocial disability must be carefully designed and implemented to avoid exacerbating existing inequities, unmet needs and fragmentation across the broader mental health system. Sustainable reform requires both a viable NDIS and accessible, integrated and adequately funded psychosocial supports across the full continuum of care. The wellbeing, safety and inclusion of people with psychosocial disability must remain central to all stages of implementation.

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