



Mental Health Australia

Submission to Senate Community
Affairs Legislation Committee

Inquiry into the National
Disability Insurance Scheme
Amendment (Securing the NDIS
for Future Generations) Bill 2026

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Mentally healthy people,
mentally healthy communities

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Introduction

Mental Health Australia welcomes the opportunity to provide a submission to the Senate Community Affairs Legislation Committee's Inquiry into the National Disability Insurance Scheme Amendment (Securing the NDIS for Future Generations) Bill 2026 ('the Bill').

The NDIS is a highly valued Australian institution, built in direct response to disability community advocacy to better meet the needs of people with disability – including people with psychosocial disability, and their family, carers and kin.

Mental Health Australia acknowledges the need to secure the financial sustainability of the NDIS for future generations. However, the Bill would introduce major system reform that has not been tested with the disability community and sector.

As it is currently written, the Bill stands to disproportionately disadvantage people with psychosocial disability, their carers, family and kin. It also introduces concerning changes to current processes and considerable additional government powers that could have significant implications for people with disability, family, carers and kin and service providers.

The Australian Government should consult with the disability sector on these incredibly significant NDIS reform options, with the intention to strike a better balance between achieving NDIS financial sustainability and supporting people with disability to live engaged lives that are meaningful to them.

For people with psychosocial disability, the eligibility related changes threaten to add further barriers to access for a group of people whose access rates have already fallen dramatically in recent years. If they do make it on to the scheme, people with psychosocial disability risk having support needs assessed by people without appropriate psychosocial expertise potentially through an automated process likely to deliver inappropriate plans and budgets. The government's own modelling shows the proposed cuts to social and community participation supports will hit people with psychosocial disability harder than most. The fraud and integrity related amendments also threaten to negatively impact on participants on the scheme if not implemented through a trauma-informed approach and with the right supports in place.

In short, this Bill severely and negatively impacts on the ability of people with psychosocial disability to access much needed support and their experience of that support in the NDIS. To avoid these unintended consequences, Mental Health Australia makes the following recommendations:

Recommendation 1

The Committee should recommend an extension to its community consultation on the National Disability Insurance Scheme Amendment (Securing the NDIS for Future Generations) Bill 2026 to enable appropriate engagement with people with lived experience of psychosocial disability, family, carers and kin, service providers and other key stakeholders on this significant reform.



The Committee must recommend that people with disability, family, carers and kin, service providers and other key stakeholders are deeply engaged in design of implementation of the reforms foreshadowed in the Bill.

Recommendation 2:

The National Disability Insurance Scheme (Securing the NDIS for Future Generations) Bill 2026 should be amended so that proposed Section 9B does not apply to prospective participants with psychosocial disability until an access assessment tool and process is in place which addresses the needs of people with psychosocial disability.

The Technical Advisory Group advising on the threshold and assessment process for NDIS eligibility must include psychosocial specific expertise, to not perpetuate existing inequities in NDIS access for people with psychosocial disability.

The Technical Advisory Group must consult with people with lived experience of psychosocial disability, family, carers and kin, psychosocial support providers and people with expertise in assessment of functional capacity specifically related to psychosocial disability.

Recommendation 3:

The National Disability Insurance Scheme Amendment (Securing the NDIS for Future Generations) Bill 2026 should be amended to remove paragraph 9B(1)(b) which refers to the exclusion of the impact of the person's personal and environmental circumstances in considering a person's functional capacity.

Recommendation 4:

The Australian Government should consult on design of independent supports to assist people with psychosocial disability to instigate NDIS plan reassessments and participate in the plan reassessment process.

Recommendation 5:

The National Disability Insurance Scheme Amendment (Securing the NDIS for Future Generations) Bill 2026 should be amended at proposed Subsection 48(A)(3) to also include reference to 'healthcare arrangements', given the impact of these changes for the ongoing needs of people with psychosocial disability.

Recommendation 6:

Section 34A of the National Disability Insurance Scheme Amendment (Securing the NDIS for Future Generations) Bill 2026 should be removed as it currently provides broad sweeping and unchecked power to the Minister to reduce the amounts of supports in plans.

In its place the Australian Government should consult with people with psychosocial disability, family, carers and kin and psychosocial support providers to develop a



more nuanced approach to align social and community participation and capacity building daily activity budgets to a quality and quantity supported by the evidence and tailored to individual need.

Recommendation 7:

Far greater safeguards are needed to ensure plan suspensions do not remove critical supports from NDIS participants. At a minimum this should include:

- The National Disability Insurance Agency (NDIA) should develop Operational Guidance on the scope of 'reasonable attempts to contact a participant', in consultation with people with psychosocial disability, family, carers and kin.
- The National Disability Insurance Scheme Amendment (Securing the NDIS for Future Generations) Bill 2026 should be amended to require the CEO to consider key risks to a participant's safety in making the decision to suspend a participant's plan.

Recommendation 8:

The Bill should exempt people with psychosocial disability from the application of proposed subsections 24(5) and 25(1B) requiring that all appropriate treatment to remedy or alleviate an impairment has been undertaken to prove permanency of impairment, until:

- A rule is in place (under proposed subsection 25A(4) and 25A(5) specifically relating to psychosocial disability, capturing circumstances where it may be inappropriate to determine there are treatment options available for some impairments, focusing on psychosocial disability
- The Australian Government should engage with people with psychosocial disability, family, carers and kin and the mental health sector more broadly on the design of this rule.

Recommendation 9:

Once established, the availability of targeted foundational supports or other psychosocial supports for people with psychosocial disability outside the NDIS should not limit access to NDIS for people with psychosocial disability who require the highest intensity of support, nor should it limit psychosocial support available in NDIS plans.

Recommendation 10:

In designing a proportionate model for mandatory registration, the Australian Government should:

- consider methods to ensure participant choice and control can be maintained to the fullest extent possible, balancing this with a need for appropriate safeguarding against risk



- ensure the cost to providers of registration and compliance is built into NDIS pricing
- ensure the price of engaging registered providers is built into participant's plans.

Recommendation 11:

The Australian Government should ensure a trauma-informed approach is embedded throughout implementation of fraud and integrity related measures proposed in the National Disability Insurance Scheme Amendment (Securing the NDIS for Future Generations) Bill 2026.

The Australian Government should fund individual disability advocacy organisations to assist NDIS participants, family, carers and kin to navigate the impacts of fraud and integrity related measures on an individual basis, including through supported decision making services, where appropriate.

Recommendation 12:

The Australian Government should transition responsibility for advising on NDIS pricing to the Independent Health and Aged Care Pricing Authority to strengthen transparency, predictability and alignment, consistent with Action 11.3 of the NDIS Review.

Recommendation 13:

The Senate Community Affairs Legislation Committee should consider options to amend the National Disability Insurance Scheme Amendment (Securing the NDIS for Future Generations) Bill 2026 to ensure there are appropriate safeguards for automated administrative action. This should include:

- mandatory independent human oversight of NDIS automated administrative actions
- the NDIA should be required to demonstrate that there are sufficient safeguards in place to ensure very low risk to NDIS participants before automation of administrative tasks is undertaken
- the impacted community should be engaged in consultation regarding the development of Standard Operating Procedures (under Section 59D) for automation of administrative tasks that impact them
- an automatic right of review for any automated decision involving evaluative determinations.

Recommendation 14:

New Framework Planning Support Needs Assessments for people with psychosocial disability should be administered by assessors who are:

- independent of the NDIA



- have expertise in undertaking support needs assessments with people with psychosocial disability
- where possible, known to and trusted by the person with psychosocial disability or failing this chosen by the person with psychosocial disability
- overseen by a governance model that supports safe delivery of good quality assessments that result in consistent outcomes.

Recommendation 15:

The Australian Government should clarify whether the new commissioning model for Support Coordination is also intended to encompass recovery coaching.

Consultation on the design of new commissioning arrangements for Supported Independent Living and Support Coordination should include engagement with people with psychosocial disability, family, carers and kin, psychosocial support providers and the psychosocial support sector more broadly.

Each of these issues is outlined below.

Finally, it is important to note that the extremely tight timeframe for this inquiry has not allowed Mental Health Australia sufficient time to consult with all members and stakeholders or undertake detailed consideration of the full extent of this significant and complex Bill. Accordingly, Mental Health Australia has undertaken targeted engagement and has focused this submission on issues specific to people with psychosocial disability, family, carers and kin and psychosocial support providers in particular.

Mental Health Australia also refers the Committee to submissions from the National Mental Health Consumer Alliance, Mental Health Carers Australia, the Australian Psychosocial Alliance and the Mental Illness Fellowship of Australia, which will speak in more detail and directly to the issues affecting the communities they represent.

There will also be many issues raised by the broader disability representative and support sector to this Committee which may also impact people with psychosocial disability, and we commend the broader interrogation of this Bill by the disability sector to the Committee.

Good practice policy and legislation development and implementation

The National Disability Insurance Scheme Amendment (Securing the NDIS for Future Generations) Bill 2026 represents major system reform that should be developed through a best practice approach, including through engaging with the disability community and sector.

The NDIS Review outlined that a best practice approach to implementation of its recommendations would include genuine design with people with disability, their family, carers and kin, representative organisations and service providers, an inclusive and proportional approach to testing all new processes, rigorous and transparent reliability and



validity testing of functional and needs assessments, design of culturally safe and tailored approaches, continuous and independent evaluation and frequent and transparent communications with stakeholders.ⁱ

The current consultation process has not reflected these elements of best practice reform implementation. There appears to have been no community consultation on the development of the overarching reform package and accompanying legislation. Offering a two-week window for the community to provide input to an Inquiry into the legislation is not sufficient consultation.

The Australian Government should consult with the disability sector on its incredibly significant NDIS reform options, with the intention to strike a better balance between achieving NDIS financial sustainability and supporting people with disability to live engaged lives that are meaningful to them.

In addition, the disability community and sector must be deeply engaged in designing at the implementation stage of reforms to minimise the harmful impacts on people with disability, their carers, family and kin, and ensure the scheme operates in a sustainable way into the future.

Recommendation 1

The Committee should recommend an extension to its community consultation on the National Disability Insurance Scheme Amendment (Securing the NDIS for Future Generations) Bill 2026 to enable appropriate engagement with people with lived experience of psychosocial disability, family, carers and kin, service providers and other key stakeholders on this significant reform.

The Committee must recommend that people with disability, family, carers and kin, service providers and other key stakeholders are deeply engaged in design of implementation of the reforms foreshadowed in the Bill.

Schedule 1 – Access and planning measures

Part 1 – Defining Functional Capacity

Part 1 of the Bill establishes the legal framework for determining access to the NDIS and provides a definition of functional capacity.ⁱⁱ It is anticipated “New category A NDIS rules to prescribe methods and criteria to set thresholds relevant to the assessment of functional capacity are expected to commence from 1 January 2028.”ⁱⁱⁱ A Technical Advisory Group is being established to advise on the threshold and assessment process for NDIS eligibility.^{iv}

According to government modelling, transition to this new access approach will result in 160,000 fewer people on the scheme than currently, and 300,000 less than forecast by the end of the decade.^v



While Mental Health Australia supports NDIS access based on functional capacity rather than diagnosis, we are deeply concerned that poor implementation of this new approach could disproportionately impact people with psychosocial disability – who are already experiencing far higher barriers to accessing the NDIS than other people with disability.

Access rates for people with psychosocial disability have fallen significantly from 51% in Quarter 2 of 2022-23^{vi} to 32% in Quarter 3 of 2025-26.^{vii} Meanwhile access rates across all disability types has remained consistent, and is at 79% for in Quarter 3 of 2025-26.^{viii} This poor access rate is due at least in part to access processes that do not appropriately address the needs of people with psychosocial disability and the lack of psychosocial specific skills, knowledge and experience of those assessing access requests.^{ix} This existing difficulty in access is further reflected with the number of people with psychosocial disability who are NDIS participants being far below the Productivity Commission’s original projections for this cohort, when population growth is accounted for.^x

In re-designing access to the Scheme, the Australian Government must not repeat the mistakes of the past to disproportionately disadvantage people with psychosocial disability from gaining access to the scheme. This is all the more pressing given the lack of appropriate supports outside the NDIS – where there are approximately half a million people outside the Scheme who need psychosocial supports but are not receiving them.^{xi}

Changes to access to the NDIS for people with psychosocial disability should not come into effect until an appropriate support system exists outside the Scheme to meet this unmet need. At a minimum, the current reforms must ensure the access process and tools enable equality of access for people with psychosocial disability. To this end, it is critical that the Technical Advisory Group advising on the threshold and assessment process for NDIS eligibility includes people with psychosocial expertise.

Please note – this feedback is strongly linked to Part 8 below on ‘Tightening meaning of permanence to reduce access where an impairment can be treated’.

Recommendation 2:

The National Disability Insurance Scheme (Securing the NDIS for Future Generations) Bill 2026 should be amended so that proposed Section 9B does not apply to prospective participants with psychosocial disability until an access assessment tool and process is in place which addresses the needs of people with psychosocial disability.

The Technical Advisory Group advising on the threshold and assessment process for NDIS eligibility must include psychosocial specific expertise, to not perpetuate existing inequities in NDIS access for people with psychosocial disability.

The Technical Advisory Group must consult with people with lived experience of psychosocial disability, family, carers and kin, psychosocial support providers and people with expertise in assessment of functional capacity specifically related to psychosocial disability.

Further, the proposed definition of functional capacity - upon which access will be assessed – does not appropriately reflect the nature and impacts of psychosocial disability. The



proposed new subsection 9B(1) defines functional capacity as “ability to undertake an activity without assistance from other people, assistive technology or modifications and in a context that excludes, as far as is possible, the impact of a person’s environmental and personal circumstances.”^{xii} The exclusion of a person’s environmental and personal circumstances in understanding functional capacity runs contrary to the social model of disability upon which the NDIS was founded. Psychosocial disability in particular, is inextricably linked to personal and environmental circumstances, as these have a direct impact upon the functional impairment itself.

Recommendation 3:

The National Disability Insurance Scheme Amendment (Securing the NDIS for Future Generations) Bill 2026 should be amended to remove paragraph 9B(1)(b) which refers to the exclusion of the impact of the person’s personal and environmental circumstances in considering a person’s functional capacity.

Part 2 – Unscheduled Plan Reassessments

The proposed subsection 48(2) provides that plan reassessments can occur on the NDIA CEO’s initiative or at the request of a participant, their plan nominee or a child’s representative. While Mental Health Australia supports the intention to remove the conflict of interest inherent in plan managers being able to request reassessments, there are potential unintended consequences resulting from this change for people with psychosocial disability.

People with psychosocial disability can experience high rates of social isolation.^{xiii} This can include estrangement from family or other informal supports. People with psychosocial disability can also experience impairments related to making decisions or lack confidence in self-advocacy. This combination of factors means some people with psychosocial disability may need support to instigate a plan reassessment when there is a genuine change in the participant’s support needs, and they may not have access to informal support to do this.

Recommendation 4:

The Australian Government should consult on design of independent supports to assist people with psychosocial disability to instigate NDIS plan reassessments and participate in the plan reassessment process.

New subsection 48(A) sets out that in order to conduct a plan reassessment the NDIA CEO must be satisfied that there has been a significant change in a participant’s ongoing support needs, related to a change in the participant’s functional capacity or their personal or environmental circumstances. In relation to the latter, new subsection 48A(3) states that the change in personal or environmental circumstances can be related to living arrangements, education arrangements, work arrangements or network for informal supports.

Given the chronic underfunding of the mental health system and widespread workforce shortages, people with psychosocial disability may also experience an increase in their



support needs related to a change in healthcare arrangements, for example ceasing of access to mental health supports or admission to or discharge from hospital.

Recommendation 5:

The National Disability Insurance Scheme Amendment (Securing the NDIS for Future Generations) Bill 2026 should be amended at proposed Subsection 48(A)(3) to also include reference to ‘healthcare arrangements’, given the impact of these changes for the ongoing needs of people with psychosocial disability.

Part 3 – Strengthen the link between an impairment and need for support

Mental Health Australia understands that “The purpose of these amendments is to clarify that where multiple impairments or comorbidities exist, only the support needs arising from impairments for which the participant meets the disability or early intervention requirements are eligible for NDIS funding.”^{xiv}

Mental Health Australia shares concerns with other disability representative and support organisations that the changes outlined in Schedule 1, Part 3 will inappropriately limit the supports participants can receive and does not appropriately reflect the compounding impacts of multiple disabilities. At least 87% of people with psychosocial disability have at least one other coexisting disability.^{xv} This includes physical, learning and understanding and sensory disabilities. The impact of multiple disabilities is inherently interrelated and often compounding – personalised NDIS supports must be responsive to this compounding impact. The purpose of the amendments in Part 3 to separate out support needs relating only to the impairment for which a participant meets eligibility criteria will not address compounding impacts of coexisting disabilities. The move seeks to unrealistically fragment support needs, and risks undermining effectiveness of targeted supports that cannot consider participants’ holistic and interrelated disability support needs. We refer the committee to submissions from the broader disability sector for particular consideration around this Part of the Bill.

Part 4 – Support Determinations

Part 4 establishes support determinations – legislative instruments that can reduce funding for a specified group of supports across the Scheme.^{xvi} “This will enable Ministerial Determination to reset participant support budgets for social, civic and community participation and capacity building daily activities”^{xvii} and also other supports. The Australian Government’s impact analysis states that its preferred option is for social and community participation budgets in old framework plans to be reduced by 50% and capacity building daily activity budgets to be reduced by 10% in a phased approach over 12 months from 1 October 2026.^{xviii}



Mental Health Australia acknowledges the need for focus on Scheme sustainability into the future and to improve the quality of supports provided. However, blanket decreases are a very blunt measure, and may have unintended consequences for people with psychosocial disability. The Government's own impact analysis identifies people with psychosocial disability as a group that will be significantly impacted by these changes as 30% of total plan budgets for participants with psychosocial disability is committed to social and community participation.^{xix}

As noted above, people with psychosocial disability experience social isolation at high rates. They are also too frequently impacted by bigotry, discrimination and vilification.^{xx} The NDIA's own research shows community participation supports have been demonstrated to provide "a sense of belonging, increases confidence, builds skills and social networks and reduces isolation"^{xxi,xxii} Social, civic and community participation supports are critical for people with psychosocial disability.

Capacity building daily activities supports are also critical for people with psychosocial disability. Mental Health Australia has previously provided advice to governments – based on analysis of good practice across several national psychosocial support providers – about the need to shift the focus of NDIS plans for people with psychosocial disability from an over emphasis on core supports to more emphasis on capacity building supports.^{xxiii} This is critical to ensuring outcomes of the scheme include building personal capacity rather than creating dependence on core supports. The proposed changes in the Bill have the potential to move NDIS packages for people with psychosocial disability further from this goal.

It is also important to note that the changes proposed in Part 4 are not confined to social and community participation and activities of daily living. This is a broad power that would enable the Minister to reduce funding for other as yet unspecified types of support. This leaves the support packages of individuals vulnerable to arbitrary cuts at the hands of future Ministers. In addition, while the Minister is required to consider financial sustainability of the Scheme and participant safety, they are not required to consider individual support needs or broader risks associated with the cuts. There is a clear need for appropriate checks and balances on this broad sweeping power.

Mental Health Australia acknowledges investment of \$200 million through the 2026-27 Budget to an Inclusive Communities Fund to "support community organisations to deliver group based social and community participation activities and individual capacity building support for NDIS participants".^{xxiv} This is a welcome injection of funding but it is nowhere near the level required to replace the supports at risk under the proposed cuts to social, civic and community participation and capacity building daily activities.

Proposed Section 34A of the Bill 2026 should be removed as it currently provides broad sweeping and unchecked power to the Minister to reduce funding for a specified group of supports across the Scheme. The current intention is for this section to enable the Minister power to reduce funding across social and community participation and activities for daily living. But the power extends well beyond this aim, enabling the Minister to apply this power to reduce funding for a range of other supports. Locating this power in one office means there are not sufficient checks and balances.

In place of this Section, the Australian Government should consult with people with psychosocial disability, family, carers and kin and psychosocial support providers to develop a more nuanced approach to limiting social and community participation and capacity



building daily activity budgets to ensure quality supports are provided at a quantity supported by the evidence and tailored to individual need.

If Section 34A is not removed from the Bill, significant safeguards must be put in place including for example:

- Considering whether the Ministerial power to create a legislative instrument to reduce funding for a specified group of supports across the Scheme could instead be provided through a Category A rule so that state and territory governments are required to agree to make or create the rule. This would provide a level of oversight and consideration of implications for state and territory funded services in reducing NDIS budgets.
- Requiring the Minister to table in Parliament modelling of the impact of changes to Budgets before they occur alongside results from a consultation report with NDIS participants, family carers and kin on the proposed impact of the proposed change.

Recommendation 6:

Section 34A of the National Disability Insurance Scheme Amendment (Securing the NDIS for Future Generations) Bill 2026 should be removed as it currently provides broad sweeping and unchecked power to the Minister to reduce the amounts of supports in plans.

In its place the Australian Government should consult with people with psychosocial disability, family, carers and kin and psychosocial support providers to develop a more nuanced approach to align social and community participation and capacity building daily activity budgets to a quality and quantity supported by the evidence and tailored to individual need.

Part 7 – Plan suspensions

Part 7 allows the NDIS to suspend an individual's plan when reasonable attempts to contact the participant have been made and an adequate response has not been provided. It also allows an individual's status as a participant to be revoked if their plan has been suspended for at least 90 days when the NDIA has not been able to contact them.^{xxv} This is unreasonable, and likely to disproportionately affect people with psychosocial disability.

There are a number of reasons why people with psychosocial disability may not be able to be contacted including, but not limited to, being admitted to hospital, unstable housing conditions, and experiencing an episode of mental ill-health involving paranoia, intense anxiety or depression resulting in withdrawal. Expectations regarding 'reasonable attempts to contact' people with psychosocial disability should therefore be designed with these potential circumstances in mind. For example, a reasonable attempt to contact a person could include contact with their trusted others to understand their current circumstance or contacting services they are involved in. Such contact should also be undertaken in a trauma informed manner.



In addition, plan suspension for a participant with psychosocial disability at a time when they are not engaging with the NDIA, creates a high risk for participant safety as a result of the removal of critical supports. There is a clear need for greater protections from plan suspension, including for people with psychosocial disability.

Recommendation 7:

Far greater safeguards are needed to ensure plan suspensions do not remove critical supports from NDIS participants. At a minimum this should include:

- **The NDIA should develop Operational Guidance on the scope of ‘reasonable attempts to contact a participant’, in consultation with people with psychosocial disability, family, carers and kin.**
- **The National Disability Insurance Scheme Amendment (Securing the NDIS for Future Generations) Bill 2026 should be amended to require the CEO to consider key risks to a participant’s safety in making the decision to suspend a participant’s plan.**

Part 8 – Tightening meaning of permanence to reduce access where an impairment can be treated

Proposed new subsection 24(5) means that access to the NDIS will only be granted when all appropriate treatment to remedy or alleviate an impairment has been undertaken.^{xxvi} This is likely to significantly and disproportionately impact people with psychosocial disability.

The current NDIS ‘Our Guideline’ for ‘Applying to the NDIS’ already states that “you may not be eligible if your impairment is temporary or if there are known, available and appropriate evidence-based clinical, medical or other remaining treatment options that are likely to remedy the impairment”.^{xxvii} This is already a significant barrier to access for people with psychosocial disability.

As highlighted in the Access Denied report, there is already evidence of NDIA assessors ignoring expert advice about what treatments are considered appropriate for people with psychosocial disability, or that no further treatment options were available. There is also evidence of NDIS assessors denying access for people with psychosocial disability on the basis that they have not tried all appropriate treatments, but being unable to specify the treatment options that should have been explored, or identifying treatments which were inappropriate (including specific medications or Electroconvulsive therapy (ECT)).^{xxviii} It is clearly inappropriate that an NDIA staff member with no relevant psychosocial specific skills, knowledge or experience should recommend specific treatments, including those with accompanying serious risks, particularly when at odds with advice from trained clinicians.

In addition, proposed subsection 25A(1) states that ‘appropriate treatment’ is treatment that is evidence based, can reliably be expected to materially improve, reverse, or alleviate the impact of the impairment or impairments; and is regularly undertaken or performed in Australia. Some mental health treatments may meet all these requirements but still pose significant risks, which people with psychosocial disability need to weigh up in deciding to embark upon treatment. While proposed new paragraph 25A(3)(a) provides that a person is



regarded to have undertaken all appropriate treatment if there is a medical reason they cannot undertake the treatment, there is still a concern that people with psychosocial disability will be forced to choose between undertaking a high risk treatment and then gaining NDIS support (potentially at great personal cost) or not undertaking the high risk treatment and not receiving any NDIS supports. This is clearly an unacceptable situation and potentially a violation of a person's right to bodily autonomy.

Proposed section 25A(2) states "Treatment may be appropriate treatment... regardless of whether the person's individual circumstances restrict the person from accessing the treatment." A note outlines that this includes the person's financial circumstances and geographical location. This proposed section unfairly discriminates against people with low personal income. People with psychosocial disability often have lower income – and therefore lower access to treatment and support – compared to people with other disabilities.^{xxxix} In addition there are significant barriers to accessing mental health treatment in rural and remote Australia,^{xxx} and Aboriginal and Torres Strait Islander people and people from culturally and linguistically diverse populations also face particular challenges in accessing culturally safe services.^{xxxi} People should not be denied access to psychosocial supports because they cannot afford or do not have access to safe mental health treatment.

Mental Health Australia welcomes the inclusion of proposed new subsections 25A(4) and 25A(5) which provide a rule making power to capture circumstances where it may be inappropriate to determine there are treatment options available for some classes of participants or classes of impairments. We welcome the Explanatory Memorandum's example that this may include types of treatment options for people with psychosocial disability.^{xxxii}

Mental Health Australia also welcomes Note 2 under proposed subsection 25(1B) which includes that a person may require ongoing treatment for some permanent impairments in order to maintain functional capacity, even if a person has undertaken all appropriate treatment.^{xxxiii} This should ensure that receiving ongoing treatment for a mental health condition does not automatically preclude a person from accessing the NDIS for a related psychosocial disability.

Recommendation 8:

The Bill should exempt people with psychosocial disability from the application of proposed subsections 24(5) and 25(1B) requiring that all appropriate treatment to remedy or alleviate an impairment has been undertaken to prove permanency of impairment, until:

- **A rule is in place (under proposed subsection 25A(4) and 25A(5) specifically relating to psychosocial disability, capturing circumstances where it may be inappropriate to determine there are treatment options available for some impairments, focusing on psychosocial disability**
- **The Australian Government should engage with people with psychosocial disability, family, carers and kin and the mental health sector more broadly on the design of this rule.**



Part 9 – Eligibility based on access to other services and Part 6 – Reasonable and necessary supports

Part 9 introduces amendments which tighten eligibility to the NDIS where alternative supports are available through other systems, and proposed new paragraph 34(1)(g) provides that the CEO must be satisfied the support in a participant's plan is not more appropriately provided or funded by another scheme, or government service system.^{xxxiv} Taken together these amendments highlight the intention that people exhaust their opportunities to receive supports outside the NDIS before applying to the NDIS.

This intention is a particular concern for people with psychosocial disability. Health and Mental Health Ministers have recently acknowledged the intention for unmet need for psychosocial support outside the NDIS to be considered in design of Foundation Supports outside the NDIS.^{xxxv} Mental Health Australia is concerned that, once those supports are in place, the new proposed sections under Part 6 and Part 9 taken together could be used to deny people with psychosocial disability access to the NDIS or to particular supports in their NDIS package. It is Mental Health Australia's view that there should always be a place for people experiencing the most severe functional impairment related to a psychosocial disability in the NDIS.

In addition, the amendments outlined in Part 9 are specifically intended to limit eligibility to the NDIS where alternative supports are available through workers compensation or motor vehicle accident compensation schemes.^{xxxvi} Mental health conditions already account for an increasing proportion of serious workers compensation claims^{xxxvii} and evidence suggests people wait longer for psychological claims to resolve than physical ones. There is an additional potential unintended consequence that the impact of this legislation could push more people with psychosocial disability toward making workers compensation claims, in order to access much needed services. Over the long term, this could result in an unintended consequence of workers compensation organisations adjusting their policies in order to balance addressing growing demand with keeping employer insurance premiums affordable.

Recommendation 9:

Once established, the availability of targeted foundational supports or other psychosocial supports for people with psychosocial disability outside the NDIS should not limit access to NDIS for people with psychosocial disability who require the highest intensity of support, nor should it limit psychosocial support available in NDIS plans.



Schedule 2 – Fraud and integrity measures

Part 1 - Registration of NDIS providers

Mental Health Australia understands that “the proposed amendments to the definition of NDIS provider will enable a proportionate model for mandatory registration of NDIS providers.”^{xxxviii} Mental Health Australia welcomes the flagged proportionate approach to mandatory registration focusing on providers who deliver high risk supports. A strong and registered provider market is crucial for the delivery of safe and high quality supports to participants.

However, Mental Health Australia acknowledges that this will be a significant shift for people with psychosocial disability, as a cohort likely to use self-directed supports.^{xxxix} In transition to a proportionate model for mandatory registration, it will be important to maintain, as far as possible, choice and control but balance this with important safeguards so that participants are not exposed to high-risk situations.

In addition, psychosocial support providers must be supported to move to a proportionate approach to mandatory reporting. To do this, the registration system and processes must be simplified and the costs of registration and compliance need to be accounted for in NDIS pricing.

Related to this is the introduction of paragraph 45C(9)(b) which would enable a pricing determination that would set differentiated pricing based on whether a provider is a registered NDIS provider. It is critical that if this is enacted, participant’s plans accordingly take into account their preference to choose a registered provider. This is to avoid a situation where participants are forced to decide between whether they purchase a larger quantity of support from an unregistered provider or a smaller quantity of support from a registered provider.

Recommendation 10:

In designing a proportionate model for mandatory registration, the Australian Government should:

- **consider methods to ensure participant choice and control can be maintained to the fullest extent possible, balancing this with a need for appropriate safeguarding against risk**
- **ensure the cost to providers of registration and compliance is built into NDIS pricing**
- **ensure the price of engaging registered providers is built into participant’s plans.**



Parts 2,3,4&5 – Civil penalties and regulatory powers, information gathering powers, retention of records, reducing claim times

Schedule 2, Parts 2,3,4 and 5 strengthen the NDIA's powers across a range of measures with the intent to stem fraud and improve integrity in the NDIS. Under the proposed amendments the NDIA will be able to:

- issue penalties for failure to comply with certain requirements, including providing information
- monitor and investigate (after undertaking a risk assessment)
- gather information
- have stronger powers to lawfully obtain and use information including for criminal investigations and statutory functions
- require participants and providers to retain records, with the failure to do so resulting in fines for providers and debts for individuals.^{xi}

This represents a significant expansion of NDIA powers relating to fraud and integrity, which require careful consideration to ensure they are appropriately balanced with individual safeguards.

Mental Health Australia acknowledges action is required to address fraud in the NDIS. It is imperative that the institution is protected so it can continue to deliver much needed support and that participants themselves are protected. However, it is important that measures used to stem fraud do not have the unintended consequence of disadvantaging the very participants they are designed to protect.

The proposed fraud and integrity related measures are likely to disproportionately impact people with psychosocial disability. This is because the disability itself impacts communication, concentration, memory, stress management, meeting deadlines, organisation skills (making it difficult to keep records), financial management and accessing and navigating support services.^{xii} In addition, for those people with psychosocial disability who experience paranoia or have had traumatic previous experiences with government services (which may have previously lawfully removed certain human rights), the experience of this level of oversight is potentially triggering or even traumatising.

For example, the proposed subsections 45(B)(5) and 45(B)(6) read together require participants who make a claim for payment of a NDIS amount to keep records that relate to the claim or the provision of support for 3 years. Proposed subsection 182(4)(4) means the participant will be issued with a debt if the participant does not comply with the requirement to keep records. As mentioned above, people with psychosocial disability may have difficulty with organisation and financial management. This section of the Act effectively punishes people with psychosocial disability for the barriers they experience due to their disability. In addition, people with psychosocial disability are already more likely to be financially disadvantaged.^{xiii} Owing debts to the Agency will only feed into this disadvantage. It is critical that people with psychosocial disability who are trying to do the right thing, but are hampered by barriers related to the disability itself are supported, using a trauma informed approach, to comply with requirements stipulated by the NDIS.

With this in mind, Mental Health Australia urges the Australian Government to consider not only measures to stem fraud but also measures to support participants with psychosocial



disability, family, carers and kin to comply with the scheme's many requirements. It is critical that there is a trauma-informed approach to assisting people with psychosocial disability, carers, family and kin to understand NDIS requirements and their rights in the process. There should also be adequate individual advocacy provided to assist people – through practices like supported decision making – to participate in fraud and integrity-related processes when necessary.

Recommendation 11:

The Australian Government should ensure a trauma-informed approach is embedded throughout implementation of fraud and integrity related measures proposed in the National Disability Insurance Scheme Amendment (Securing the NDIS for Future Generations) Bill 2026.

The Australian Government should fund individual disability advocacy organisations to assist NDIS participants, family, carers and kin to navigate the impacts of fraud and integrity related measures on an individual basis, including through supported decision making services, where appropriate.

Schedule 3 – Governance arrangements

Part 1 – Decision-making on pricing

Part 1 gives power to the Commonwealth Minister to make decisions on NDIS Pricing, while the NDIA will retain its responsibility for independent analysis and consultation to inform pricing advice to the Minister.^{xliii}

Mental Health Australia supports removing decision-making on pricing from the NDIA, due to the inherent conflict of interest involved. However, the proposed change does not go far enough to ensure transparency and accountability in price setting.

Recommendation 12:

The Australian Government should transition responsibility for advising on NDIS pricing to the Independent Health and Aged Care Pricing Authority to strengthen transparency, predictability and alignment, consistent with Action 11.3 of the NDIS Review.

Part 2 – Automation of administrative action

Part 2 allows the NDIS to automate specific administrative actions.^{xliiv} It also outlines oversight and safeguards.^{xliiv} The Explanatory Memorandum relates heavily to processing claims and payments. However, the Bill also proposes to provide the Minister with the power to specify additional provisions in a disallowable instrument. Our interpretation of this is that



the Minister has the power to identify additional administrative actions that could be undertaken by a computer program. This appears to be an extremely broad legal authority.

Previous experience with automated government processes determining funding amounts has reinforced the need for human oversight of automated processes, particularly when the process relates to people experiencing vulnerabilities. It is reassuring that for administrative actions involving one or more evaluative determinations (which include, according to the proposed addition to Section 9 of the Act, discretion being exercised, an evaluative judgement being made or a state of mind being formed) the proposed section 59D requires the CEO to make a written instrument outlining a standard operating procedure.

Mental Health Australia acknowledges that some administrative action undertaken by the NDIA could be automated in order to achieve efficiencies. However, we are concerned about the ability for the Minister to specify additional administrative actions that could be automated, particularly including evaluative determinations. This appears to move beyond the realm of simple administrative actions to more complex tasks that must require human oversight and very strong safeguards.

Recommendation 13:

The Senate Community Affairs Legislation Committee should consider options to amend the National Disability Insurance Scheme Amendment (Securing the NDIS for Future Generations) Bill 2026 to ensure there are appropriate safeguards for automated administrative action. This should include:

- **mandatory independent human oversight of NDIS automated administrative actions**
- **the NDIA should be required to demonstrate that there are sufficient safeguards in place to ensure very low risk to NDIS participants before automation of administrative tasks is undertaken**
- **the impacted community should be engaged in consultation regarding the development of Standard Operating Procedures (under Section 59D) for automation of administrative tasks that impact them**
- **an automatic right of review for any automated decision involving evaluative determinations.**

Schedule 4 – New Framework Planning

Mental Health Australia supports the delay of New Framework Planning to 1 April 2027. This provides an opportunity for deep and genuine engagement with people with lived experience of psychosocial disability, family, carers and kin and the broader psychosocial disability support sector on appropriate design of New Framework Planning to meet the needs of people with psychosocial disability. Mental Health Australia and the Australian Psychosocial Alliance provided [a submission to the Department of Health, Disability and Ageing's recent consultation on the NDIS New Framework Planning Rules](#). Mental Health Australia urges the Australian Government to address the recommendations outlined in this submission.



Proposed new subsection 32L(4A) requires that assessors undertaking the Support Needs Assessments for New Framework Planning will be NDIA staff, a consultant engaged by the Agency or a person prescribed by the NDIS rules. Given the above-mentioned concerns about the lack of psychosocial specific skills, knowledge and experience of NDIA staff, this approach highlights specific risks for NDIS participants with psychosocial disability including:

- support needs assessments being inaccurate, leading to development of inappropriate plans and budgets potentially leading to the absence of critical supports
- inappropriately skilled interactions that lead to the deterioration of the psychosocial disability itself; and
- instigation of significant numbers of requests for replacement support needs assessments to the National Disability Insurance Agency and Administrative Review Tribunal.

For further context on this issue, please refer to the above-mentioned submission.

Recommendation 14:

New Framework Planning Support Needs Assessments for people with psychosocial disability should be administered by assessors who are:

- **independent of the NDIA**
- **have expertise in undertaking support needs assessments with people with psychosocial disability**
- **where possible, known to and trusted by the person with psychosocial disability or failing this chosen by the person with psychosocial disability**
- **overseen by a governance model that supports safe delivery of good quality assessments that result in consistent outcomes.**

New commissioning models flagged for Supported Independent Living and Support Coordination

Mental Health Australia acknowledges the potential benefits of considering new commissioning models for delivery of both Supported Independent Living and Support Coordination outlined in the National Disability Insurance Scheme Reform Impact Analysis as a part of the Explanatory Memorandum accompanying this Bill. It is unclear whether the new commissioning approaches for support coordination will also include delivery of recovery coaching.

Mental Health Australia welcomes the intention of the Australian Government to consult on the design of these new commissioning arrangements. The new commissioning arrangements will need to consider the specific needs of people with psychosocial disability, family, carers and kin and psychosocial support providers.



Recommendation 15:

The Australian Government should clarify whether the new commissioning model for Support Coordination is also intended to encompass recovery coaching.

Consultation on the design of new commissioning arrangements for Supported Independent Living and Support Coordination should include engagement with people with psychosocial disability, family, carers and kin, psychosocial support providers and the psychosocial support sector more broadly.

Conclusion

Mental Health Australia supports the Australian Government's intention to secure the financial sustainability of the NDIS for future generations. However, this Bill seeks to introduce major system reform that has not been tested with the disability community and sector – with deeply concerning implications for access to appropriate disability supports and fair administrative processes. The Bill as it is currently written also stands to disproportionately disadvantage people with psychosocial disability from the point of access, through support needs assessment, support provision and beyond.

The lack of community consultation on these substantive reforms is unacceptable. Government must engage with people with disability, their family, carers and kin, support providers and other key stakeholders on the design and implementation of these reforms. Appropriate time is needed to understand the potential consequences of the proposed changes, and for the Government to work with community on the design of more appropriate policy to support both the financial sustainability of the NDIS and equitable access to disability supports.

The recommendations provided by Mental Health Australia in this submission offer a starting point for these considerations – to mitigate aspects of the Bill as currently written that would most severely and disproportionately impact people with psychosocial disability and their carers, family and kin.

Together as a community we can ensure the sustainability of the NDIS for current and future generations – but our approach must be fair for all people with disability. Mental Health Australia stands ready to assist the Senate Community Affairs Legislation Committee in its Inquiry into the Bill.

ⁱ NDIS Review (2023) [Working together to deliver the NDIS](#), 272 - 273

ⁱⁱ Department of Health Disability and Ageing (2026) [NDIS Amendment \(Securing the NDIS for Future Generations\) Bill 2026](#)

ⁱⁱⁱ Minister for Disability and the National Disability Insurance Scheme (2026) [National Disability Insurance Scheme Amendment \(Securing the NDIS for Future Generations\) Bill 2026 Explanatory Memorandum](#), 15

^{iv} Department of Health Disability and Ageing (2026) [NDIS Amendment \(Securing the NDIS for Future Generations\) Bill 2026](#)



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- ^v The Hon Mark Butler MP, Minister for the National Disability Insurance Scheme (2026) [Minister Butler speech at the National Press Club – 22 April 2026](#)
- ^{vi} National Disability Insurance Agency (2023) [Appendix E Supplement 2022-23](#), see worksheet titled 'Table8'
- ^{vii} National Disability Insurance Agency (2023) [Appendix E Supplement 2022-23](#), see worksheet titled 'Table E5'
- ^{viii} National Disability Insurance Agency (2023) [Appendix E Supplement 2022-23](#), see worksheet titled 'Table E5'
- ^{ix} Australian Psychosocial Alliance (2026) [Access Denied: Psychosocial Disability and the NDIS](#)
- ^x The Productivity Commission original estimated (in 2009 figures – [see page 27](#)) that 57,000 people with psychosocial disability would need to access the scheme. This is about 0.003% of the Australian population, which at the time was around [22 million](#). Accounting for population growth to around [28 million](#), the number of participants on the scheme should be around 72,000. As at 31 December 2025, there were [65,827 NDIS participants with psychosocial disability](#).
- ^{xi} Health Policy Analysis (2024) [Analysis of unmet need for psychosocial support outside the National Disability Insurance Scheme – Final Report](#)
- ^{xii} Minister for Disability and the National Disability Insurance Scheme (2026) [National Disability Insurance Scheme Amendment \(Securing the NDIS for Future Generations\) Bill 2026 Explanatory Memorandum](#), 15
- ^{xiii} Australian Institute of Health and Welfare (2024) [People with disability in Australia: Social Inclusion and community support](#)
- ^{xiv} Minister for Disability and the National Disability Insurance Scheme (2026) [National Disability Insurance Scheme Amendment \(Securing the NDIS for Future Generations\) Bill 2026 Explanatory Memorandum](#), 24
- ^{xv} Australian Bureau of Statistics (2025) [Psychosocial Disability In Australia, 2022](#)
- ^{xvi} Minister for Disability and the National Disability Insurance Scheme (2026) [National Disability Insurance Scheme Amendment \(Securing the NDIS for Future Generations\) Bill 2026 Explanatory Memorandum](#)
- ^{xvii} Department of Health Disability and Ageing (2026) [NDIS Amendment \(Securing the NDIS for Future Generations\) Bill 2026](#)
- ^{xviii} Minister for Disability and the National Disability Insurance Scheme (2026) [National Disability Insurance Scheme Amendment \(Securing the NDIS for Future Generations\) Bill 2026 Explanatory Memorandum](#), 205.
- ^{xix} Minister for Disability and the National Disability Insurance Scheme (2026) [National Disability Insurance Scheme Amendment \(Securing the NDIS for Future Generations\) Bill 2026 Explanatory Memorandum](#), 229
- ^{xx} National Mental Health Consumer Alliance (2026) [Ending Bigotry, Discrimination and Vilification for Mental Health Consumers](#)
- ^{xxi} Minister for Disability and the National Disability Insurance Scheme (2026) [National Disability Insurance Scheme Amendment \(Securing the NDIS for Future Generations\) Bill 2026 Explanatory Memorandum](#), 203
- ^{xxii} National Disability Insurance Agency (2022) [Getting out into the world: pathways to community participation and connectedness for NDIS participants with intellectual disability, on the autism spectrum and/or with psychosocial disability](#)
- ^{xxiii} Mental Health Australia (2018) [Optimising psychosocial supports Project Report](#)
- ^{xxiv} Australian Government (2026) [2026-27 Budget Paper 2](#), 107-108
- ^{xxv} Department of Health Disability and Ageing (2026) [NDIS Amendment \(Securing the NDIS for Future Generations\) Bill 2026](#), 2
- ^{xxvi} Department of Health Disability and Ageing (2026) [NDIS Amendment \(Securing the NDIS for Future Generations\) Bill 2026](#)
- ^{xxvii} National Disability Insurance Agency (2024) [Applying to the NDIS](#), 7
- ^{xxviii} Australian Psychosocial Alliance (2026) [Access Denied: Psychosocial Disability and the NDIS](#)
- ^{xxix} Australian Institute of Health and Welfare (2024) [People with disability in Australia](#)
- ^{xxx} Productivity Commission (2020) [Inquiry Report: Mental Health and Suicide Prevention Agreement Review](#)
- ^{xxxi} Slewa-Younan S, Blignault I, Chimoriya R, Agho K, Li B, Jorm AF, Salvador-Carulla L, Bagheri N, Renzaho AM (2025) [The State of Multicultural Mental Health in Australia Research Report](#); Gayaa Dhuwi (Proud Spirit) Australia (ND) [Equitable access to culturally safe mental health care](#)
- ^{xxxii} Minister for Disability and the National Disability Insurance Scheme (2026) [National Disability Insurance Scheme Amendment \(Securing the NDIS for Future Generations\) Bill 2026 Explanatory Memorandum](#), 64
- ^{xxxiii} Minister for Disability and the National Disability Insurance Scheme (2026) [National Disability Insurance Scheme Amendment \(Securing the NDIS for Future Generations\) Bill 2026 Explanatory Memorandum](#), 63
- ^{xxxiv} Minister for Disability and the National Disability Insurance Scheme (2026) [National Disability Insurance Scheme Amendment \(Securing the NDIS for Future Generations\) Bill 2026 Explanatory Memorandum](#), 51



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- ^{xxxv} Health and Mental Health Ministers (2026) [Health Ministers Meeting \(MHH\): Communique – 13 February 2026 - Canberra](#)
- ^{xxxvi} Minister for Disability and the National Disability Insurance Scheme (2026) [National Disability Insurance Scheme Amendment \(Securing the NDIS for Future Generations\) Bill 2026 Explanatory Memorandum](#), 66
- ^{xxxvii} Safe Work Australia (2024) [Psychological health and safety in the workplace](#)
- ^{xxxviii} Minister for Disability and the National Disability Insurance Scheme (2026) [National Disability Insurance Scheme Amendment \(Securing the NDIS for Future Generations\) Bill 2026 Explanatory Memorandum](#), 6
- ^{xxxix} NDIS Provider and Worker Registration Taskforce Report (2024) [NDIS Provider and Worker Registration Taskforce Advice](#)
- ^{xi} Department of Health Disability and Ageing (2026) [NDIS Amendment \(Securing the NDIS for Future Generations\) Bill 2026](#)
- ^{xli} Sane (2024) [Psychosocial disability and barriers to NDIS access: How Sane can bridge the gap](#)
- ^{xlii} Australian Institute of Health and Welfare (2024) [People with disability in Australia](#)
- ^{xliii} Department of Health Disability and Ageing (2026) [NDIS Amendment \(Securing the NDIS for Future Generations\) Bill 2026](#)
- ^{xliv} Department of Health Disability and Ageing (2026) [NDIS Amendment \(Securing the NDIS for Future Generations\) Bill 2026](#)
- ^{xlv} Department of Health Disability and Ageing (2026) [NDIS Amendment \(Securing the NDIS for Future Generations\) Bill 2026](#)

