Mental Health Australia

Fundamental Principles for Psychosocial Supports Outside the National Disability Insurance Scheme

July 2026

Role of psychosocial supports

Psychosocial supports are a core element of an effective mental health service system – assisting people to achieve meaningful outcomes such as maintaining housing, participating in education or employment, sustaining relationships and exercising choice and control over their lives. Psychosocial supports reduce the lifetime impacts of significant mental health challenges and play a significant role in preventing deterioration of mental health and escalation to crisis, that prevents the need for other more intensive services (such as hospital-based care). Psychosocial supports also provide connection and integration across mental health services, and can work alongside clinical and other supports to improve overall outcomes.

However, **half a million people are missing out on these critical supports.** Analysis for governments estimates there are 230,500 people with 'severe mental illness' and 263,100 people with 'moderate mental illness' who require psychosocial support outside the National Disability Insurance Scheme (NDIS) but are not receiving it.[i] Over 80% of the hours of psychosocial support required are not available.[ii] This unmet need is likely to grow even further, with the Australian Government announcing reduction in NDIS participants from the previously forecast 900,000 to 600,000 participants by 2030.[iii]

This lack of access to supports perpetuates deep distress and disadvantage, both for people experiencing mental health challenges and for families, carers and kin providing ongoing care where formal services are unavailable or insufficient.

Mental Health Australia welcomes governments' commitments to consider psychosocial supports in the next stage of work on Foundational Supports outside the NDIS,[iv] and to consider addressing unmet psychosocial support needs as one of the central priorities for the next National Mental Health and Suicide Prevention Agreement.[v]

To support governments' consideration, this document sets out fundamental principles to guide the design of psychosocial supports outside of the NDIS.

Mental Health Australia sincerely thanks our members for the breadth of considered input to the development of these principles – including organisations representing people with lived experience of mental health challenges and mental health family, carers and kin; state and territory peak bodies; service providers; workforce bodies; and commissioning bodies.

Principles

Psychosocial support system architecture

1. **There is one integrated response to address identified unmet need for psychosocial support, delivered under the National Mental Health and Suicide Prevention Agreement.** This should be informed by elements of good practice in psychosocial supports listed in Principle 7.
2. **Funding responsibility is shared** between the Australian Government and State and Territory Governments, with roles and accountabilities clearly defined from the outset.
3. **There is lived experience, family, carer and kin leadership embedded** throughout design, implementation, governance, commissioning, service delivery, evaluation and continuous improvement.
4. **There is a seamless interface** between the new response and other important systems including but not limited to the NDIS, and state mental health supports including both hospital and community-based care – to enable smoother transitions and continuity of care for people with mental health challenges, family, carers and kin alongside system efficiencies.
5. **There are robust and representative governance and accountability** systems across national, commissioning and service provision levels, including:

   a) **governance structures** through the National Mental Health and Suicide Prevention Agreement that embed people with lived experience of mental health challenges, family, carers and kin and the mental health sector, and system oversight from an independently established National Mental Health Commission

   b) **impact measurement** through nationally consistent outcome measures led by people with lived experience of mental health challenges, family, carers and kin; public reporting; longitudinal independent evaluation; and inclusion of both quantitative and qualitative measures

   c) **national, formal program fidelity and quality improvement mechanisms,** which link together people with lived experience of mental health challenges, family, carers and kin, providers, funders and researchers to drive national outcomes and ongoing innovation.
6. **There are strong safety and quality protections in place,** including application of existing national standards and clear complaints mechanisms acceptable to people with lived experience of mental health challenges, family, carers and kin.

Psychosocial support service design

7. **Psychosocial supports should be required to be delivered through a human rights-based framework.** Supports should be recovery-oriented, trauma-informed, strengths-based, person-led, focus on capacity building, be holistic, be relational (as opposed to transactional – recognising the role of family, carers and kin), be inclusive and culturally safe, practice supported decision making and safely balance dignity of risk with duty of care.

8. **Psychosocial supports should be connected with local health and social service ecosystems** to support connected care – this includes other mental health services, alcohol and other drug services, housing and homelessness supports, suicide prevention and aftercare programs, social and emotional wellbeing services, vocational and occupational rehabilitation services and multicultural services.

9. **The response must deliver equity of access** to psychosocial supports, by being designed with and tailored for people with psychosocial needs, their family, carers and kin who:

   a) have the greatest need or experience particular vulnerabilities

   b) experience barriers to access (see Principle 10 below)

   c) are in locations with particularly high need and less access to adequate support

   d) belong to communities that experience high need, including but not limited to Aboriginal and Torres Strait Islander people, people from culturally and linguistically diverse communities, the LGBTIQ+ community and people with diverse disabilities.

Robust, representative and evidence-based planning should also ensure geographic coverage.

10. **Psychosocial supports funded through the response are accessible**, meaning they include:

    a) proactive outreach components

    b) low barriers to entry

    c) delivery in accessible locations

    d) no payment required from the person seeking support

    e) availability across the lifespan and life transitions

    f) flexibility to respond to fluctuating needs.

Commissioning that stewards quality supports

11. **Supports are funded to include appropriate indexation, 5-year contracts** and flexibility to respond to changing local needs, including **brokerage funding.**

12. **Commissioning bodies are supported to build their capability and capacity to effectively commission** high-quality psychosocial supports, including:

a) **embedding people with lived experience** of mental health challenges, family, carers and kin in commissioning processes

b) **engaging with psychosocial support providers and across the broader services ecosystem** to inform planning (supporting Principle 8)

c) **undertaking local, place-based needs assessment and commissioning** to ensure service responses are community-led, address local service gaps and needs, and are integrated into local systems

d) **uplifting joint regional planning and collaborative commissioning** to work towards integration across systems

e) **utilising contemporary commissioning approaches** (such as relational commissioning, outcomes commissioning and collaborative contracting) that are efficient, transparent and add value

f) **ensuring there are flexible commissioning approaches for regional, rural and remote communities**

g) **building robust evaluation and quality improvement processes** into the commissioning cycle

h) **ensuring high quality of commissioned services by including diversity of appropriate workforces** and ensuring **providers have appropriate expertise, local community connections** and **embedding lived experience representatives** in governance and service delivery.

Workforce development as an essential enabler

13. **Build the capacity, capability and breadth of the psychosocial support workforce,** including through:

    a) providing funding sustainability to providers (see principle 11) so they can pass this on through job security to workers, improving both workforce attraction and retention

    b) ensuring funding to service providers is sufficient for organisations to provide workforce training, professional supervision, options for career progression and enable access to workforce supports that assist to maintain both provision of quality supports and workforce wellbeing

    c) ensuring adequate data is collected to monitor the growth and retention of the psychosocial support workforce.

Particular attention must be given to expanding and strengthening the role of the Lived Experience workforce, and addressing workforce shortages in regional, rural and remote Australia.

References

I. Health Policy Analysis (for Australian Governments) (2024) **Analysis of unmet need for psychosocial supports outside of the National Disability Insurance Scheme: Final Report**, 9-10

II. Health Policy Analysis (for Australian Governments) (2024) **Analysis of unmet need for psychosocial supports outside of the National Disability Insurance Scheme: Final Report**, 89

III. The Hon Mark Butler MP, Minister for Health and Ageing, Minister for Disability and the National Disability Insurance Scheme (2026) **Minister Butler speech at the National Press Club – 22 April 2026**

IV. Health and Mental Health Ministers (2026) **Health Ministers Meeting (HMM): Communique: 13 February 2026 - Canberra**

V. Health and Mental Health Ministers (2025) **Joint Health and Mental Health Ministers' Meeting (HMM): Communique: 13 June 2025- Melbourne**