



The impact of NDIS changes and the future of NDIS supports for people with psychosocial disability

CoMHWA and the CoMHWA NDIS Reference Group

Purpose

To ensure people with psychosocial disability are able to access appropriate and responsive NDIS supports into the future.

The Issue

Participants with psychosocial disability are experiencing ongoing insecurities as a result of NDIS changes relating to NDIS access and eligibility, reductions to funding and support plans, and increased restrictions on supports they can access. Participants have been neither adequately consulted nor well-informed about changes that affect their access to supports, degree of choice and control in the NDIS, and ultimately their daily lives and wellbeing. This is compromising the wellbeing and recovery of participants.

Background

CoMHWA maintains a consumer advisory group of NDIS participants with psychosocial disability, who advise us on emerging issues in the NDIS and areas for advocacy, and who ensure that the experiences, voices and needs of NDIS participants are represented in our work. CoMHWA and CoMHWA's NDIS reference group have developed this position statement to represent the experiences of group members and NDIS participants through recent changes to the NDIS and to advocate for the future of people with psychosocial disability in the Scheme.

Emerging fears for the future of psychosocial disability in the NDIS

The NDIS provides support to people with psychosocial disability who apply for the Scheme and meet its access criteria. For many participants with psychosocial disability, it has made a positive difference, and safeguarding the ability of existing participants to access the Scheme is essential. However, across the last couple of years, several factors have combined to make the future of participants with psychosocial disability in the NDIS unclear.

Messaging from the Australian Government around plans to reduce increasing numbers of new participants and improve the sustainability of the NDIS has included public comments regarding some people with psychosocial disability being better supported outside of the Scheme if the right supports were put in place.¹ This, coupled with the abrupt nature of announcements about decisions made without public consultation affecting entire groups of participants, such as the Thriving Kids Initiative, has caused participants to worry that a similar decision may be made without their input that removes psychosocial disability supports from the Scheme.

Participants tell us this adds to the existing stress of being repeatedly required to prove their need for supports, and the fear that supports that are helping them build capacity and support recovery will be taken away, identifying the irony inherent in being assessed as having reached a level of capacity where they longer need the very supports that were enabling their recovery.

Major changes to the Scheme have been made over the past two years,² and plans for further changes are in place.³ Key pieces of legislation behind some of the changes include:

- 3 October 2025: *The National Disability Insurance Scheme Amendment (Getting the NDIS Back on Track No. 1) Act 2024*
- 13 December 2025: *National Disability Insurance Scheme (Management of Funding) Rules 2024*
- Upcoming (2026): *National Disability Insurance Scheme Amendment (Integrity and Safeguarding) 2026*

The decline in NDIS access for people with psychosocial disability across the last 5 years suggests that they are being disproportionately impacted by governmental pressures and measures to reduce costs and prevent growth of numbers of participants.⁴ Data from the end of September 2025 showed just 27% of access decisions resulted in the participant joining the Scheme,⁵ compared to 33% at the same time in 2024,⁶ and 40% in 2023.⁷ 18% of all participants with psychosocial disability who are in the Scheme had to apply more than once before access was granted,⁸ which implies that there are barriers in the application process that need to be addressed to prevent delays in getting NDIS supports for those who are eligible.

Limited consultation and unfulfilled co-design promises

The NDIS review report recognised the longstanding need for work to be done so that the NDIS can better understand and meet the needs of people with psychosocial disability. This work can only be progressed by hearing and valuing the perspectives of people with psychosocial disability. The NDIS made promises to co-design reforms with people with disability.⁹ Despite this, people with psychosocial disability have not been meaningfully involved in decision-making around changes, and their engagement has been limited by rushed consultation.

Some decisions have been made without any specific consultation, as was the case in the recent decision for NDIS funding plans to be carved up into 3-month periods. This decision exemplifies the creation of blanket rules meant to solve particular issues encountered by some participants, in this case, those who spend all of their funds early and don't have enough to sustain supports for the rest of the funding period. Rather than targeting the change at the participants who need that assistance, it is affecting all participants.

Lack of consultation prevents understanding of impacts of changes on groups of participants until such changes are in place and it is too late to prevent disadvantages and harms to participants. The often-abrupt announcement of changes has then been followed by rapid implementation, meaning that participants have not had enough time to understand and prepare for transitions to new arrangements.

Impact of changes to the NDIS

Changes made to the Scheme have had significant negative impacts, including the introduction of:

- **Lists defining NDIS supports**, which have created barriers to participants having the flexibility, choice and control they need to access supports that work for them. Inflexibility creates barriers for participants to get appropriate supports.¹⁰ Participants have told us of their difficulties in using their funding in the wake of the introduction of both lists, as the lists have replaced a principles-based approach that decided access to supports based on what is reasonable and necessary, something which enabled greater flexibility.

- **Clarification in eligibility criteria** that a person should only access the NDIS if they require supports which are NDIS supports. There are limited NDIS supports tailored for or specific to supporting people with psychosocial disability,¹¹ and participants are concerned that this deficiency in the NDIS will now also impact their eligibility for the Scheme. The processes around eligibility are not equitable, particularly for people with psychosocial disability and for Aboriginal and/or Torres Strait Islander people.¹²
- **Mandatory eligibility reassessments** causing distress for participants who must endure, once again, the stress of proving their eligibility and who wonder whether their access will be compromised in this process.
- **The early intervention pathway for support** which is shorter term, giving supports that are aimed at building functional capacity so that participants need less support in the future. Consumers have misgivings about the possibility that participants with psychosocial disability might be put on to this pathway, especially after eligibility reassessment, and eventually transitioned out of the NDIS. The NDIS promised this pathway would be co-designed with people with disability, including psychosocial disability, but this did not happen.
- **3-month funding periods in support plans**, which fails to meet the needs of participants with psychosocial disability who may experience episodic challenges and have varying needs at different times across their plans. Participants tell CoMHWA that this means they have underspend in some periods, and not enough funds available to meet their needs in others. Some anticipate that underspend will be taken as evidence they do not need those funds, and that funding will be reduced. While there is a way to amend funding periods, the onus is on participants to apply to make this change, which is a stressful and demanding process.
- **Use of needs assessment reports to generate support plans with few avenues for alteration without undergoing new assessments**,¹³ which fails to enable people with psychosocial disability to have control and meaningful involvement in shaping and altering support plans. The news that the Administrative Review Tribunal will have limited powers to alter decision-making around plans when participants make appeals means that participants will have little to no avenues for making changes when their plans do not meet their needs.

The ways in which these changes combine, alongside the fact that numbers of new participants with psychosocial disability are dropping, implies a precarious future for people with psychosocial disability in the NDIS. There are fears that psychosocial disability will someday be exited from the NDIS altogether.

Given the known lack of psychosocial supports outside of the NDIS, restricting access to NDIS supports for existing participants and for those who require access means adding to the nearly 500,000 people with unmet support needs relating to moderate to severe mental health challenges.¹⁴ Participants have told CoMHWA that misconceptions common to mainstream services about what the NDIS provides and the lack of interface between existing mainstream supports and the NDIS means that they are sometimes even denied access to those supports that are in place.

What Has Been Done

Reviews and reports calling for change

A number of reviews and reports have identified needed changes to the NDIS to better support people with psychosocial disability.¹⁵ Recently, the NDIS Review¹⁶ recommended a suite of changes to practice standards, supports, access pathways, and NDIS/mental health systems interfaces to better support participants with psychosocial disability and “support independence and personal recovery.” However, there has been a failure to respond and implement changes that are

recommended. Feedback CoMHWA hears from participants suggests that despite many changes in the NDIS, people with psychosocial disability are having a worse time getting support.

Evaluating Commitments to Co-Design

In 2024, the Australian Government, the NDIA and the NDIS Commission made a commitment to putting the voices of people with disability at the centre of how they design, implement and monitor NDIS reforms. They named psychosocial disability as a priority topic for co-design, consultation and engagement, resolved to listen and learn from co-design, and to work in transparent, inclusive and timely ways.¹⁷ A recent report on the NDIS's co-design projects states that "the most significant finding from the evaluation was that there was a limited authorising environment for co-design, and not enough accountability to implement decisions made through co-design."¹⁸ This confirms what CoMHWA has already heard from participants with psychosocial disability: that they have not been consistently or meaningfully consulted on decisions and changes impacting them.

Psychosocial supports outside of the NDIS

The Australian Government began consulting on foundational supports, including psychosocial supports outside of the NDIS, in recognition of the report on significant unmet needs.¹⁹ Slow progress²⁰ has prompted a recent renewed call for investment and concrete commitment to prioritising and developing these.²¹

Participant advocacy

CoMHWA formed an advisory group of NDIS participants with psychosocial disability in September 2024. We have raised our concerns and those of our members, and worked to ensure, through our submissions to consultations on NDIS changes, that the voices and experiences of participants are not ignored or left out in what the NDIA, NDIS Quality and Safeguards Commission and the Government hears as part of public consultation to inform decision-making.

The National Mental Health Consumer Alliance has represented the voices and experiences of consumers and NDIS participants with psychosocial disability nationally in their advocacy and a range of submissions and statements calling for genuine engagement and co-design with participants to ensure the Scheme meets their needs and that changes do not disadvantage them.²²

A group of participants established the Australian Psychosocial Disability Collective²³ and have published submissions, a statement and an open letter to the NDIS Minister, currently with over 4000 signatures²⁴ calling for the equal rights of people with psychosocial disability in the NDIS.

The Every Australian Counts campaign recently consulted with participants with psychosocial disability, and their survey report advocates for continued access to the NDIS for people with psychosocial disability.²⁵

CoMHWA's Position

- Decisions about potential changes to the NDIS must be made with meaningful collaboration with participants, including participants with psychosocial disability, and amendments to the Scheme are co-designed.
- The NDIA should introduce a new approach to psychosocial disability in the NDIS based on personal recovery and optimising independence that includes the design of supports that are psychosocial specific, and tailoring processes, including access processes, to better meet participant needs.

- The NDIA and the NDIS Quality and Safeguards Commission undertake work, led by people with lived experience of psychosocial disability, to develop and embed a stronger understanding of psychosocial disability across the workforces, leadership and systems of both bodies.
- Participants with psychosocial disability are supported to access supports during transition periods where changes impact NDIS supports and funding but where no foundational or mainstream supports are yet in place.
- An independent third party should be engaged to investigate the decline in decisions granting NDIS access for people with psychosocial disability.
- The Australian Government should provide ongoing and expanded funding for Individual advocacy services for NDIS participants with psychosocial disability.
- All Australian governments must improve access to mental health services for people with mental health issues and strengthen the interface between mental health systems and NDIS.
- All Australian governments should prioritise supports for people with psychosocial disability as part of targeted and general foundational supports.
- The NDIA and the NDIS Evidence Advisory Committee consider, in their assessments, the perspectives and experiences of participants with psychosocial disability in describing what supports work well for them and what outcomes they experience from those supports. Lived experience must be treated as valid, authoritative evidence.

Getting Involved

CoMHWa would like to hear from NDIS participants in WA with psychosocial disability who have been affected by the changes.

If you would like to share your experiences, or inquire about ongoing actions and advocacy around this issue, please feel free to get in touch with our Systemic Advocacy team at sysadvocacy@comhwa.org.au.

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³ NDIS. (2025). *NDIS regulatory reform*. <https://www.ndiscommission.gov.au/about-us/ndis-commission-reform-hub>

⁴ Threlfall, D., Paterson, K., Donnelly, S., Beasley, A., McKenzie, E. and Ballenden, N. (2025). *Access Denied: Psychosocial disability and the NDIS*. Australian Psychosocial Alliance (APA). <https://psychosocialalliance.org.au/campaign>

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⁷ National Disability Insurance Agency (2023). *Psychosocial data to 30 September 2023*. [dataset]. National Disability Insurance Agency. <https://dataresearch.ndis.gov.au/reports-and-analyses/participant-dashboards/psychosocial>

⁸ NDIS Mental Health Sector Reference Group. (2025).

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- ¹² Smith-Merry, J., & Chang, K. J. (2025). Equity first: mapping who gets what is essential to re-designing the NDIS. *The Medical Journal of Australia*, 222(3), 131–132. <https://doi.org/10.5694/mja2.52587>
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- ¹⁵ Australian Psychosocial Alliance. (2025). *Access denied: Psychosocial disability and the NDIS*. <https://psychosocialalliance.org.au/campaign>, p. 37-8.
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- ¹⁷ NDIS. (2024). *Co-designing reform NDIS*. <https://www.ndis.gov.au/community/making-ndis-stronger-together/codesigning-reform>
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