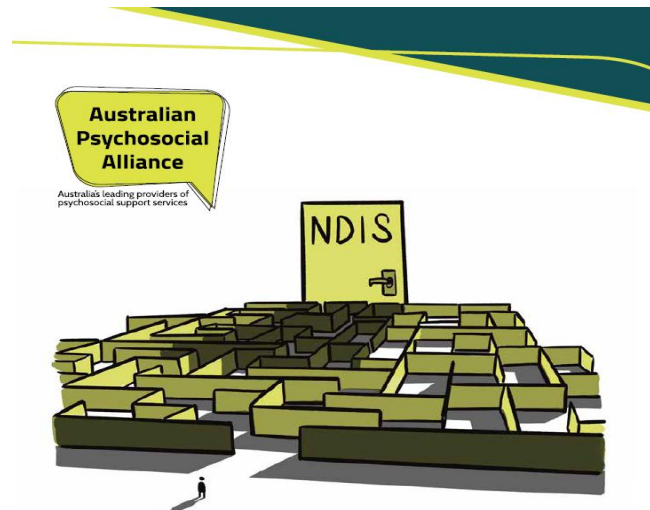


Access Denied: Psychosocial Disability and the NDIS



UPDATE MAY 2026

The [Access Denied](#) campaign continues. We need your help to ensure that upcoming reforms respond to, and don't ignore, the needs of people with psychosocial disability.

Minister Butler has announced sweeping changes to the NDIS. There are changes around eligibility, plan management, reassessment and registration.

The good news is that he confirmed that people with psychosocial disability belong in the scheme; and acknowledged the already high barrier to access for people with psychosocial disability. However, the new Bill designed to sure up the scheme for "future generations", and tabled last week, has multiple red flags which could disproportionately affect those with psychosocial disability.

At the same time, the lack of psychosocial supports outside of the NDIS which can reduce disability and improve functional capacity remains elusive. We know that there are 493,600 people who need this support but aren't getting it.

The access rate has risen slightly but remains well below that for other disabilities, and the number of people seeking access remains low and much lower than the same time last year.

There is much to do. With State/Territory elections looming, the war in the middle east and cost of living pressures, it is increasingly difficult to ensure that the issues we care about get heard. Additionally, amongst the plethora of voices, the issues specific to psychosocial disability are getting lost.

Data update: psychosocial disability and the NDIS ¹

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|---------------|---|
| 65,964 | Have active plans |
| 4,841 | People with psychosocial disability originally estimated to be in the NDIS but are not currently getting support (using original Productivity Commission methodology) |
| 2200 | People with a psychosocial disability applied for access: 1470 less than the same time last year |
| 36% | Of people with a psychosocial disability who applied received access, compared to 71% for all other disabilities. This is up 3 percentage points from the last quarter. |

Contact us with any questions or suggestions. Email at connect@psychosocialalliance.org.au.

¹ NDIS Quarterly report to disability ministers, Supplement E, 2025-2026, Q3

Changes to the NDIS Act

Amongst the proposed changes are two that could further deny access for people with psychosocial disability.

Minister Butler said that “Australians will have to access all appropriate treatment options to access NDIS under the proposed new rules”. *Access Denied* explicitly identifies how this approach can’t identify permanent psychosocial disability, and has the opposite effect, of denying those with complex mental health challenges and long-term psychosocial disability access to the scheme.

The new Bill also includes a definition of functional capacity which also won’t work for people with psychosocial disability. It excludes, as far as possible, the impact of a person’s environmental and personal circumstances.

We know that the NDIA and the NDIS don’t have a great record of developing rules, tools and systems which work for people with a psychosocial disability.

A new **Technical Advisory Group** is being formed to support development of eligibility criteria. This Group must have psychosocial expertise. And more than ever, we need a specific psychosocial approach with psychosocial expertise embedded across all NDIS activity so that there is confidence that NDIS tools, processes and systems work for, and not against, those with psychosocial disability.

New Planning Framework delay

The implementation of the new planning framework has been delayed. The NDIA needs to use this time to review the use of the ICAN and other tools to make them fit for purpose to support planning for people with psychosocial disability.

NDIA internal practice review of access processes for people with psychosocial disability

The NDIA has announced an internal review to explore the practice factors that may be contributing to the declining access rates for people with psychosocial disability. We welcome

the acknowledgment of the issue and this first step towards addressing it.

We are concerned that there is no engagement of people with lived experience or service providers who have experience with supporting people through the access process in the review.

Foundational Supports & Psychosocial Unmet Need

Minister Butler also announced that the discussion with State and Territories to develop psychosocial foundational supports will form part of the negotiations for the 6th National Mental Health and Suicide Prevention Agreement (NMHSPA). This includes how Governments will respond to the 493,600 people across Australia who need psychosocial support outside the NDIS and are not getting it.

After Thriving Kids, there is still \$6B in the bucket for specialist psychosocial foundational support and general foundation supports. This should be on the table to drive these negotiations.

It is time to rebalance mental health investment, with Governments working to increase investment in specialist psychosocial support. There is strong evidence which shows it delivers outcomes, and because it reduces the need for clinical care it will free up capacity in the also overstretched clinical mental health service system. We want a new ecosystem of care and support which prioritises the diversion of people away from expensive and institutional care to quality and accessible support in the community which helps them live well.

This is a significant challenge, and it requires Commonwealth leadership and for the States and Territories to step up.

Keep the momentum going

Please continue to raise these issues through inquiries and consultations, in parliaments and with Ministers across all Government and jurisdictions.