Australian Psychosocial Alliance

Australia's leading providers of psychosocial support services

Access Denied: Psychosocial Disability and the NDIS

OCTOBER 2025

Acknowledgements

- The APA acknowledges that Aboriginal and Torres Strait Islander peoples are the Traditional custodians of the lands on which we work, and we pay our respects to Elders past and present.
- The APA values the experience and contribution of people from all cultures, genders, sexualities, bodies, abilities, spiritualities, ages and backgrounds. We are committed to inclusion for all our clients, families and carers, employees and volunteers.
- The APA values the expertise and leadership of people with personal lived and living experience of mental health challenges and alcohol and other drug use, and families and carers as we work together to influence and transform the services and systems in which we work.
- The APA thanks all those people and organisations who generously provided their experience and advice during the development of this report.

Who is the APA?

The Australian Psychosocial Alliance (APA) is made up of the largest specialist providers of community managed mental health and wellbeing services in Australia, providing support to over 110,000 people every year.

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FOREWORD

Participant lived experience

The NDIS has been a part of my life both personally and professionally for over a decade, and I've always approached it with (at best) informed apprehension.

It's a common experience for people who need mental health related support to be told that we have too much, not enough, or the wrong kind of need for support we would choose, and to have support we would not choose forced on us. The NDIS was supposed to do things differently for those of us who need disability support, but more and more it is reproducing processes that are both familiar and harmful.

I know what it's like to submit to an intrusive, demoralising and deleterious process to have my support needs affirmed, and met. I dread each review of my NDIS plan, and have to put support in place either side of any related interaction. But I made it in. I'm an NDIS participant, and I get and use funding for support that I need. I have to fight for it every time, and it has been cut in some way almost every time, but I get it.

As this report demonstrates, people with psychosocial disability are increasingly and disproportionately being denied access to the NDIS, for reasons that have little to do with each individual applicant's expressed or demonstrated need for non-mainstream disability support for their lifetime. The result is suffering caused by choices that powerful people make, and changes that they won't, and I don't know how to be an optimist about that.

What all of these maritime metaphors about the current state of the NDIS ignore is the fact that nobody should be drowning. This report highlights the need to think about who is, and why, and how to change that.

TERRI WARNER

Terri is a nationally recognised lived experience researcher and advocate whose lifelong experiences of disability, mental distress, mental health and social care service use, and as an NDIS participant, inform all of her work. Her research explores the effects of health and social policy and the role of lived expertise in health and social care.

THE NDIS WAS SUPPOSED TO DO THINGS DIFFERENTLY FOR THOSE OF US WHO NEED DISABILITY SUPPORT, BUT MORE AND MORE IT IS REPRODUCING PROCESSES THAT ARE BOTH FAMILIAR AND HARMFUL.

FOREWORD

Carer lived experience

> WE ARE EXHAUSTED AND DEFEATED BY AN UNCARING AND IGNORANT SYSTEM THAT PROCLAIMS TO EMPOWER US BUT IS SHROUDED IN SO MUCH RED TAPE.

I am supporting the release of this report because I want to see people with psychosocial disability accepted and for carers to be able to get the help they need to support their loved ones.

I have been a carer for approximately 26 years, and 16 of these were caring for my wife with complex mental health issues. During this time, I worked in multiple jobs, completed a Bachelor of Psychology and Social Sciences and raised my family. We used private health cover, and I tried my best not to be a blight on the system. I would have preferred to remain self-reliant.

However, after the needs of my wife became too much for me to support, I realised that being self-reliant wasn't an option anymore; I needed help.

We applied for the NDIS multiple times over five years. We needed more than what the mental health system could provide.

We submitted evidence from my wife's psychiatrist about her mental health challenges that she had experienced for almost three decades, and the toll they'd taken, the disability she now had. But they kept asking for more evidence and more paperwork that we'd already provided. The evidence requests continually changed and seemed to contradict previous advice.

We kept on being rejected.

It felt like they didn't understand psychosocial disability or mental health challenges; that she needed ongoing support day-to-day. The process was confusing and frustrating.

Finally, my wife was accepted into the NDIS. We received the golden ticket that was going to save our family.

However, for us, it was too late. She passed away two weeks before the notification came through.

I feel let down. I needed people who understood my situation without judgement. I needed support. My wife needed support.

I see my own journey reflected in so many carers I meet. We are exhausted and defeated by an uncaring and ignorant system that proclaims to empower us but is shrouded in so much red tape that it becomes systematic speed humps designed to bottleneck our access to the systems we are seeking assistance from.

By sharing my story, I only hope that other people are more successful and can navigate the system easier to receive NDIS support in a more timely manner than my wife.

BRUCE

*Bruce requested that only his first name is supplied out of respect for his wife's family's privacy.

Executive summary

Access Denied: Psychosocial Disability and the NDIS shows how **NDIS access has dramatically reduced for people with psychosocial disability, and participation is well below predicted rates and numbers.**

People with psychosocial disability often experience high levels of social disadvantage and social isolation. They have poorer physical health and lower life expectancy. They struggle to maintain stable housing, and are overrepresented in homelessness statistics and interactions with the justice system. **People with psychosocial disability need understanding, support if required–and equitable access to national support systems like the NDIS.**

The federal government intends to pursue reform to ensure the NDIS is no longer the 'only lifeboat in the ocean' or the 'only port in the storm'.[1] A strong system of Foundational Supports–a new service system of disability supports outside individualised NDIS budgets–is an essential addition for diverse, responsive, nationally consistent access to disability supports. **But it will never be a substitute for the NDIS for those who need it.** Crucially, this includes many people with psychosocial disability.

There is broad community understanding that the NDIS needs reform. But the imperative to cut costs has serious unintended consequences that are already playing out. Right now, there is no alternative system of support for those with complex mental health needs and significant disabilities, other than the NDIS. Yet **people with psychosocial disability are already having their NDIS Access Denied in increasing numbers.** This is occurring because internal NDIA policy and process changes are disproportionately and negatively affecting people with psychosocial disability.

Denied life-changing support, people can experience preventable decline and greater loss of capacity. Often initial denial of support ends in eventual NDIS access–after avoidable damage is done. This comes at greater cost to the NDIS and to governments. **It's a false economy with a human price.**

It is time for change. **People with psychosocial disability who need the NDIS, have a right to access the NDIS.** This report, *Access Denied: Psychosocial Disability and the NDIS*, demonstrates why this problem exists and offers recommendations for a fairer path forward.

[1]Shorten (2023). 'Lifeboat: Correspondence', Quarterly Essay 92.; Butler (2025, August 20). *Speech from Minister Butler, National Press Club – 20 August 2025.*

Key findings

1. Psychosocial disability access to the NDIS has reduced dramatically over recent years. This reduction is far larger than for any other disability type.
2. There have been no formal changes in NDIS eligibility criteria or legislation that can explain reduced NDIS access for people with psychosocial disability.
3. NDIS eligibility assessments continue to demonstrate poor understanding of psychosocial disability and mental health, and ignore expert assessments.
4. NDIS eligibility assessment responses are inconsistent, non-individualised and lacking in natural justice. Non-expert assessors have, on multiple occasions, identified inappropriate treatments not being tried as grounds to reject permanency.
5. NDIS eligibility assessment processes create disproportionate barriers for people from marginalised backgrounds, including people with psychosocial disability.
6. There is a substantial risk to people with psychosocial disability because they are being excluded from the NDIS at a time when there are almost no other supports available outside the NDIS.
7. There is an inappropriate and inaccurate view that there are too many people with psychosocial disability in the NDIS.
8. Most recommendations for improvements to the NDIS for people with psychosocial disability remain unimplemented, over a decade since the Scheme began.
9. Challenges with NDIS access for people with psychosocial disability have serious negative impacts on service users and families, carers and supporters.

Recommendations

FOR IMMEDIATE ACTION

1. **Clarify eligibility assessment criteria and processes for psychosocial disability.**
2. **Ensure expert oversight of psychosocial disability applications.**
3. **Establish a new psychosocial disability working group to progress reform.**
4. **Set targets and timelines for psychosocial disability access that are aligned to the original Productivity Commission projections, and monitor monthly.**

SHORT-TERM. START NOW AND AIM TO COMPLETE WITHIN 6 MONTHS

5. **Establish a psychosocial pathway to and within the NDIS.**
6. **Ensure psychosocial disability expertise in implementation of the new NDIS support needs assessment tool, I-CAN.**
7. **Monitor changes and their impact on people with psychosocial disability.**

MEDIUM TERM. START NOW AND ENSURE PROGRESS WITHIN 12 MONTHS

8. **Improve NDIA psychosocial disability capability.**
9. **Improve outcomes for people with psychosocial disability within the NDIS.**
10. **Ensure greater psychosocial disability representation in NDIS governance.**
11. **Develop psychosocial disability-specific NDIS supports.**
12. **Create a comprehensive system of psychosocial supports outside the NDIS.**
13. **Integrate development of Foundational Supports with the response to unmet need.**

Key data from Access Denied: Psychosocial Disability and the NDIS

62%	decrease in psychosocial disability access rates since full Scheme roll out in mid-2020.
$1,750	for a clinician report to support an NDIS application.
$1,200	for a copy of someone's own medical records to support an NDIS application.
5,500	people with psychosocial disability who were estimated to be in the NDIS but are not currently getting support (using original Productivity Commission methodology).
1 in 3	people with long-term mental health conditions report highest levels of financial stress (per HILDA survey data).
2011	The year that the Productivity Commission modelled psychosocial disability support within the NDIS; 2 years before the NDIS was launched.
12	years since the NDIS began, most recommendations for improvement for people with psychosocial disability have still not been implemented.

1. Introduction

This report, *Access Denied: Psychosocial Disability and the NDIS*, shows how access to the National Disability Insurance Scheme (NDIS) has dramatically reduced for people with psychosocial disability. The Australian Psychosocial Alliance (APA) is deeply concerned about this disproportionate reduction and the impact this is having on this cohort.

People with psychosocial disability already face significant barriers to full social and economic participation in Australian society. They often:

- experience high levels of social disadvantage
- experience high levels of social isolation
- have poorer physical health
- have lower life expectancy
- struggle to maintain stable housing
- are overrepresented in homelessness statistics, and
- are overrepresented in interactions with the justice system.

People with psychosocial disability need understanding, support if required, and equitable access to national support systems like the NDIS. *Access Denied* highlights that such equity is at risk.

This reduction in NDIS access for people with psychosocial disability comes in the context of ongoing changes to the NDIS and significant unmet need outside of the NDIS.

Broad national agreement exists about the need to ensure the sustainability of the Scheme. The APA stands ready to contribute expertise to this effort. We understand the federal government intends to pursue reform to ensure the NDIS is no longer the 'only lifeboat in the ocean' or the 'only port in the storm'.[2] A strong system of Foundational Supports–a new service system of disability supports outside individualised NDIS budgets–is an essential addition for diverse, responsive, and nationally consistent access to disability supports. But such alternative support systems will never be a substitute for the NDIS for those who need it. Crucially, this includes many people with psychosocial disability.

The APA is concerned that the imperative to reduce NDIS costs has serious unintended consequences that are already becoming clear. There are no alternatives to the NDIS for those with complex needs and significant disabilities. Yet people with psychosocial disability are already having their NDIS access denied in increasing numbers. This disproportionate impact on people with psychosocial disability is occurring despite there being no formal changes in NDIS eligibility criteria or legislation that are directly aimed at exclusion of this cohort.

Denied life-changing support, people can experience preventable decline and greater loss of function and capacity. Often initial denial ends in eventual NDIS access–after avoidable damage is done. This comes at greater cost to the NDIS and to governments. It is a false economy with a human price.

Access Denied: Psychosocial Disability and the NDIS, explains why this problem exists and offers recommendations for a fairer path forward. The report first presents summaries of the APA's key findings (section 2) and recommendations (section 3). Section 4 explains what psychosocial disability is and how the NDIS assesses disability and functional capacity. The following sections: illustrate the reduction in NDIS access for people with psychosocial disability (section 5), present an analysis of why this is happening (section 6) and detail the impact of the reduction (section 7). The conclusion calls for a cooperative federal approach to resolve this issue so people with psychosocial disability can get the support they deserve.

It is time for change. People with psychosocial disability who need the NDIS, have a right to access the NDIS.

[2]Shorten (2023). 'Lifeboat: Correspondence', Quarterly Essay 92.; Butler (2025, August 20). *Speech from Minister Butler, National Press Club – 20 August 2025.*

Who is the Australian Psychosocial Alliance?

The Australian Psychosocial Alliance (APA) includes Flourish Australia, Mind Australia (incorporating One Door Mental Health and The Haven Foundation), Neami National, Ruah Community Services, Stride Mental Health, Open Minds and Wellways Australia.

We are seven of the largest and longest serving specialist providers of community managed mental health and wellbeing services in Australia. All our members are not-for-profits. We provide support to over 110,000 people with mental health challenges and psychosocial disability every year. This includes expert support to around 5,800 NDIS participants with a psychosocial disability. We come together around a shared policy agenda to improve outcomes for people with mental ill-health and psychosocial disability, and a shared understanding of quality service delivery.

Our members deliver Medicare Mental Health Centres, headspace programs, carer connect centres, step-up step-down services (sub-acute, short-term residential care), residential rehabilitation, supported housing, employment, suicide prevention and postvention programs, individual mental health recovery support and NDIS supports. We respond across the spectrum of need and to people in priority populations, such as LGBTIQA+ individuals, culturally and linguistically diverse (CALD) communities, Aboriginal and Torres Strait Islander people, young people and people experiencing or at risk of homelessness.

We combine evidence-based practice with service delivery wisdom to provide recovery-oriented services that support people to build their capacity to participate in society and manage their lives. We focus on personal goals, participation and living a meaningful life. This can include support to sustain a tenancy, build the skills to live independently, find fulfilling work and build social connections.

Our organisations embed lived experience across our governance and service delivery. We employ a specialist cross disciplinary workforce with expertise in mental health and psychosocial disability, and with the technical skills to deliver recovery-focused, trauma-informed and person-centred support.

About this report

Access Denied brings together the knowledge, data and expertise of APA service users, services, staff and leadership. It seeks to amplify the voices of people with lived experience who shared their thoughts and challenges with us. Quotes throughout this report come from these conversations with NDIS participants, NDIS applicants, families, carers, supporters and APA staff – all trying to access potentially life-changing support.

In preparing this report we undertook the following activities:

- Engagement with:
  - NDIS participants in APA services
  - APA service users who have had their NDIS applications rejected
  - Families, carers and supporters of NDIS participants
  - Families, carers and supporters of APA service users who have had their NDIS applications rejected
  - Staff in APA services, delivering NDIS and non-NDIS support
  - More than 50 disability advocacy organisations, disability service providers, specialist psychosocial disability service providers, homelessness service providers and social services organisations
  - State, territory and national peak bodies in disability and mental health
  - Federal, state and territory ministers, political advisers and public servants
  - Expert consultants
- Analysis of public NDIS data
- Analysis of APA organisational data from NDIS and non-NDIS service delivery
- Analysis of government reports, other grey literature and academic literature.

The APA also sought lived experience expertise (including service users, carers, families and supporters) in the preparation of the report to ensure we called out this issue in an appropriate and meaningful way. We speak as a group of service providers that hold knowledge and expertise about the operation of the disability and mental health systems. Our engagement and writing process has sought to be true to those we support, and to highlight how the system is failing people who are seeking access to the NDIS. The APA developed *Access Denied* because we believe best outcomes can be achieved with a breadth of voices contributing to NDIS and mental health reform discussions. We hope this report supports the advocacy efforts of others.

Supporting organisations

Achieve Australia

Alliance20 (A20)

Avivo

Cerebral Palsy Alliance

Endeavour Foundation

ermha365

Jesuit Social Services

Kanda

Leadership Plus

Life Without Barriers

Mental Health Carers Australia

Mental Health Legal Centre

National Disability Services (NDS)

Nextt

Novita

Occupational Therapists Australia

Rise

Sacred Heart Mission

Sunnyfield

Sylvanvale

The Disability Trust (associated with ermha365)

Unisson Disability

Valid

Yooralla

360 Health + Community

2. Key findings with summaries

1. Psychosocial disability access to the NDIS has reduced dramatically over recent years. This reduction is far larger than for any other disability type.

This reduction is from 66% of applications being accepted nationally in the first quarter of 2020/21, to just 25% of applications nationally in the fourth quarter of 2024-25. Since 2020, the rate of psychosocial disability access has reduced by 62%, a far larger reduction than for other disability types within the NDIS. In short, people with psychosocial disability are facing significantly lower and declining access rates to the NDIS compared with other disability types. The overall number of participants with a primary psychosocial disability is also 5,500 below estimates.

SEE SECTION 5 FOR MORE ON THIS, FROM PAGE 18

2. There have been no formal changes in NDIS eligibility criteria or legislation that can explain reduced NDIS access for people with psychosocial disability.

Instead, this cohort is being disproportionately impacted by broader efforts to enhance "scheme integrity", that is, reduce costs through additional or tighter processes. People with psychosocial disability, and people from marginalised backgrounds, experience these processes as increased barriers and they are disproportionately impacted by them. We are concerned at the equity risk this creates, because people with greater financial resources, education and time can more easily access the universal support the NDIS is supposed to provide, despite increased barriers.

SEE SECTION 6 FOR MORE ON THIS, FROM PAGE 24

3. NDIS eligibility assessments continue to demonstrate poor understanding of psychosocial disability and mental health, and ignore expert assessments.

Assessors frequently lack psychosocial disability understanding and training. This produces poor and inconsistent eligibility assessments, interactions with applicants that can be extremely stressful and prolonged, and inconsistent and arbitrary evidence demands on NDIS applicants. The process and National Disability Insurance Agency (NDIA) responses similarly demonstrate lack of respect for expert, independent clinician assessments.

SEE SECTION 6.1 FOR MORE ON THIS, FROM PAGE 26

4. NDIS eligibility assessment responses are inconsistent, non-individualised and lacking in natural justice. Non-expert assessors have, on multiple occasions, identified inappropriate treatments not being tried as grounds to reject permanency.

Rejection letters follow a rote format suggestive of non-individualised reproduction. Assessors sometimes identify inappropriate treatments that do not align with NDIS legislation on impairment, permanence or treatment, and run counter to expert opinion.

SEE SECTION 6.1 FOR MORE ON THIS, FROM PAGE 26

5. NDIS eligibility assessment processes create disproportionate barriers for people from marginalised backgrounds, including people with psychosocial disability.

These barriers include:

i. cost, including some cases of up to $1,750 to access general practitioner (GP) or clinician reports
ii. a hierarchy of evidence, with preference for psychiatrist or clinical psychologist reports (more expensive, less accessible) over other independent expert assessments
iii. identification (ID) requirements duplicating existing proof of ID processes through other government agencies
iv. administrative processes that demand a certain level of education, cognitive functioning or in-/formal support such that they directly discriminate against certain disability or marginalised cohorts
v. attendance at multiple additional meetings, regardless of need, value or risks of negative impact

vi. difficulties in partaking in application processes without a fixed address
vii. prolonged process: it takes too long to prepare an application, and too long for a decision to be made
viii. multiple and complex needs.

SEE SECTION 6.2 FOR MORE ON THIS, FROM PAGE 29

6. There is a substantial risk to people with psychosocial disability because they are being excluded from the NDIS at a time when there are almost no other supports available outside the NDIS.

Regardless of multiple policy processes underway to create a system of Foundational Supports for people with psychosocial disability, or to respond to unmet mental health need, this cohort is underserved *right now*. Many important mental health programs in community were defunded to fund the NDIS.[3] The breadth of support these former programs provided has not been matched by the NDIS, given the higher threshold for access and the individualised nature of NDIS support. And NDIS access is falling for people with psychosocial disability. The risk to this cohort is clear–the gap is widening. While it is understandable that the government would want to control NDIS growth, it is not reasonable if sustainability measures have a disproportionate impact on one particular disability group: in this case people with psychosocial disability.

SEE SECTION 7.1 FOR MORE ON THIS, FROM PAGE 35

7. There is an inappropriate and inaccurate view that there are too many people with psychosocial disability in the NDIS.

A thorough analysis of the Scheme estimates, current Scheme numbers, and the trends in Scheme access all refute this view. Deeply important national policy debates should begin from understanding of the facts. Stigma and discrimination cannot be allowed to inappropriately cloud these debates.

SEE SECTION 7.1 FOR MORE ON THIS, FROM PAGE 35

8. Most recommendations for improvements to the NDIS for people with psychosocial disability remain unimplemented, over a decade since the Scheme began.

The design of the NDIS did consider physical and intellectual disability before psychosocial disability. This partly explains some issues of experience, outcomes and efficiency of spend for the psychosocial disability cohort. However, there has been ample opportunity for reform and improvement over the ensuing decade. Many government-commissioned and independent reports have identified sensible recommendations in this regard. These should be returned to as the government considers next steps for reform.

SEE SECTION 7.2 FOR MORE ON THIS, FROM PAGE 37

9. Challenges with NDIS access for people with psychosocial disability have serious negative impacts on service users and families, carers and supporters.

Rejections, delay and lack of support compound the challenges people with psychosocial disability already face. Families, carers and supporters similarly face substantial increased challenges, while providing emotional, practical and financial support and care. There is a ripple effect of compounding marginalisation for many, including emotional distress, financial insecurity and deterioration in health.

SEE SECTION 7.3 FOR MORE ON THIS, FROM PAGE 39

[3]Hancock et al. (2019). *Commonwealth Mental Health Programs Monitoring Project: Tracking transitions of people from PIR, PHaMs and D2DL into the NDIS: Final report.* Community Mental Health Australia & the University of Sydney.

3. Recommendations with summaries

The APA calls on the federal government and the NDIA to take immediate action to ensure fair and equitable access to the NDIS.

In recognition of the need for progressive yet urgent reforms, the following recommendations are split into three time periods: immediate, for those that can occur quickly; short-term, for those that require some more planning, and; medium-term for those that need to align with broader system change and funding decisions.

FOR IMMEDIATE ACTION.

1. Clarify eligibility assessment criteria and processes for psychosocial disability.

The NDIA should develop internal guidelines for eligibility assessments that give greater weight to functional capacity (what a person is able to do in their daily life) than treatment for a medical condition in determining permanency for people with psychosocial disability.

2. Ensure expert oversight of psychosocial disability applications.

The NDIA should implement centralised oversight arrangements for the assessment of access applications for people with a primary psychosocial disability. This oversight should be led by people who have demonstrated experience and understanding of psychosocial disability and mental health. Such oversight is a first step towards the NDIA ensuring appropriate psychosocial disability expertise amongst staff undertaking assessment of applications from people with a psychosocial disability (recommendation 8).

3. Establish a new psychosocial disability working group to progress reform.

The NDIA should establish a new psychosocial disability working group, which includes people with lived experience (service users and carers), peak bodies and specialist psychosocial disability support service providers, to provide recommendations on how psychosocial disability-specific NDIS reforms can be progressed, alongside development of Foundational Supports and efforts to meet unmet psychosocial needs.

4. Set targets and timelines for psychosocial disability access that are aligned to the original Productivity Commission projections, and monitor monthly.

Psychosocial disability access to the NDIS is currently well below rigorous, earlier projections by the Productivity Commission and NDIA. To ensure good, equitable outcomes, psychosocial disability access must be monitored more closely, to prevent ongoing unintended consequences from reform.

SHORT-TERM. START NOW AND AIM TO COMPLETE WITHIN 6 MONTHS.

5. Establish a psychosocial pathway to and within the NDIS.

The federal government and the NDIA should establish a specialist psychosocial disability pathway within the NDIS, to improve access, planning, utilisation and experience for people with psychosocial disability. Pathway development should be guided by the psychosocial disability working group (once established). This pathway should be promoted through proactive outreach to encourage appropriate applications.

6. Ensure psychosocial disability expertise in implementation of the new NDIS support needs assessment tool, I-CAN.

The federal government, NDIA and I-CAN developers from the University of Melbourne and the Centre for Disability Studies must ensure that the implementation of the I-CAN is appropriate and meaningful for people with a psychosocial disability, and incorporates psychosocial disability expertise.

7. Monitor changes and their impact on people with psychosocial disability.

The federal government and NDIA should develop a new regime for monitoring access, impact of past and future procedural or legislative change on people with primary psychosocial disability, and the overlap between the experiences of people with psychosocial disability and people from other marginalised cohorts or with complex needs.

MEDIUM TERM. START NOW AND ENSURE PROGRESS WITHIN 12 MONTHS.

8. Improve NDIA psychosocial disability capability.

The NDIA should improve psychosocial disability capability for NDIA staff and across NDIA processes, covering training, development, guidelines and policies. This includes reprioritising psychosocial disability within the Agency and establishing a branch dedicated to improving the outcomes and experience of people with a psychosocial disability within the NDIS.

9. Improve outcomes for people with psychosocial disability within the NDIS.

After establishment of a psychosocial disability working group and a psychosocial pathway to and within the NDIS, the federal government and NDIA must ensure outcomes improve for people with psychosocial disability within the NDIS. Attention should be paid to maintaining specialist psychosocial providers within the Scheme, particularly those with lived experience workforces. Reform must centre choice and control for participants, protecting dignity and agency, and also balancing equity, fairness and sustainability. Many relevant specific recommendations for NDIS reform for people with psychosocial disability exist already and should inform next steps (see: key finding 8, p5; section 7.2, Figure 7, p.38).

10. Ensure greater psychosocial disability representation in NDIS governance.

The federal government and NDIA should ensure greater psychosocial disability representation on the NDIA Board and within the NDIA staff base, and on the NDIS Reform Advisory Committee in future.

11. Develop psychosocial disability-specific NDIS supports.

The NDIA should develop psychosocial disability-specific NDIS supports, to ensure people with psychosocial disability can exercise choice of a fit-for-purpose product within the NDIS, including psychosocial disability-specific home and living supports for people who have supported housing needs.

12. Create a comprehensive system of psychosocial supports outside the NDIS.

All governments need to agree to establish a comprehensive psychosocial support response outside of the NDIS. These supports are to be community based and provide a range of supports across the spectrum of need. The Mental Health Australia *Renewed Statement on Addressing Unmet Need for Psychosocial Support Outside the NDIS*[4] provides a clear pathway.

13. Integrate development of Foundational Supports with the response to unmet need.

Efforts to create a comprehensive system of psychosocial supports outside the NDIS, and to develop Foundational Supports for people with psychosocial disability outside of individualised NDIS budgets should be integrated. Although psychosocial supports will serve a larger portion of the population, there is some overlap, so policy reform efforts must ensure an integrated, responsive, accessible continuum of psychosocial supports to meet diverse need across the country.

[4]Mental Health Australia. (2025). *Renewed Statement on Addressing Unmet Need for Psychosocial Support Outside the NDIS.*

4. What is psychosocial disability?

Some people's complex mental health challenges impact their daily function, self-care and social participation. *Psychosocial disability*[5] refers to such functional limitations experienced by individuals due to a mental health condition (or conditions).

Regardless of stigma, discrimination and misunderstanding, this is a real disability. It has significant functional impacts in line with the NDIS guidelines. This means that it 'substantially impacts your ability to do daily life activities [and] affect[s] your social life, or your ability to work and study.'[6]

Psychosocial disability is characterised by difficulties in thinking, feeling and behaving that significantly impair one's ability to manage everyday tasks, maintain relationships, enjoy good physical health and engage in social and occupational activities. Rather than a medical understanding of the symptoms common to a mental illness, a psychosocial disability is about the impact on a person's ability to function in daily life and participate in social activities.

As a cohort, people with psychosocial disability frequently experience marginalisation and often have multiple and complex needs. This means they face significant barriers to full social and economic participation in Australian society. They often:

- experience high levels of social disadvantage
- experience high levels of social isolation
- have poorer physical health
- have lower life expectancy
- struggle to maintain stable housing
- are overrepresented in homelessness statistics, and
- are overrepresented in interactions with the justice system.

Support systems like the NDIS were designed to promote greater inclusion for this group through access to appropriate individualised support. The NDIS access criteria require that a person has a permanent impairment. In the NDIS operational guidelines, impairment is defined as 'a loss of, or damage to your body's function.' This 'means you have a substantially reduced functional capacity to do one or more daily life activities. These activities include moving around, communicating, socialising, learning, undertaking self-care, or self-management tasks. Your impairment [also] affects your ability to work, study or take part in social life.'[7]

[5]There are multiple definitions of psychosocial disability, used in different contexts and for different purposes. The NDIS defines psychosocial disability as disability arising from a mental health condition. Some government agencies, like the Australian Bureau of Statistics, use a broader definition than the NDIS, including other types of health condition. In a human rights and social justice context it is used in the same way (but not necessarily with the same meaning) as others might use 'mental health consumer' or 'psychiatric survivor', to identify with a particular marginalised group within society. Some individuals find that it is a better term to describe their experiences than the medical and psychiatric labels they have been given, irrespective of how else it might be defined. The usage throughout this report hews closely to the NDIS definition. Nevertheless, all uses of the term are valid, and all of the groups they describe exist and deserve support.
[6]National Disability Insurance Agency (NDIA). (2024). *Our Guidelines: Applying to the NDIS*, p.1.
[7]NDIA. (2024). Our Guidelines: *Applying to the NDIS*, p.2–3.
[8]APA consumer during NDIS engagement session, 2025.

Some of the common functional impairments experienced by people with psychosocial disability include:

- Inability to complete self-care tasks on a daily or weekly basis
- Reduced or substantially reduced executive function; inability to plan, organise, manage tasks and regulate emotions
- Reduction in communication ability, expression, engagement and understanding
- Strong social avoidance, reduction in community access and participation, isolation.

These examples all apply directly to the six specific life skill areas the NDIA uses to assess reduced or substantially reduced functional capacity: communicating, socialising, learning, mobility, self-care and self-management.

Psychosocial disability, like mental illness, is still often misunderstood and stigma remains. For example, it is not uncommon to hear that people with psychosocial disability "only need prompting" to undertake activities of daily living, suggesting that it is not necessary or a "real" disability support. This is discriminatory and fails to recognise that the functional impairment for someone with psychosocial disability is analogous to the inability to complete a task for other (physical) reasons.

However, psychosocial disability does differ from other disabilities in some ways:[9]

- It can't always be seen.
- Although psychosocial disability itself is enduring, support needs can be variable and episodic; sometimes there is a need for intensive support and sometimes minimal or no support.
- The relationship between medical diagnosis, impairments experienced, and level or type of disability varies from person to person, including because of the other supports around them (physical and social) and their individual experience of having a mental health condition.
- The experience of a mental health condition and its treatment can also cause long lasting impairment, as some symptoms remain even after clinical treatment, and because of the side effects of medication or trauma associated with restrictive or ill-informed practices. This means that functional (in)capacity can be 'cumulative and variable', even when symptoms of the condition have responded to treatment, or 'do not appear to be ongoing or permanent.'[10]

[9]The need to define psychosocial disability in these terms, and compare it to other disabilities, is unfortunate and underlines the issue with NDIS eligibility assessment as it currently operates. NDIS access and assessment seem to have strayed from a model grounded in relative judgement of functional *capacity*–personalised yet socially grounded, about *disability*–to judgement of *diagnosis*–connected to a *medical* understanding of disability and without personal or social context. For a more in-depth description of psychosocial disability and its relation to medical or social models of disability, see the glossary of National Mental Health Consumer & Carer Forum (2011). *Unravelling Psychosocial Disability: A Position Statement by the National Mental Health Consumer & Carer Forum on Psychosocial Disability Associated with Mental Health Conditions*.
[10]Tune. (2019). *Review of the National Disability Insurance Scheme Act 2013*, p.74.

Key data about mental health prevalence

WITHIN AUSTRALIA'S ADULT POPULATION (PEOPLE AGED 16-85)

8.5M 43%

can expect to experience a mental disorder over their lifetime[11].

584,143 3.3%

are likely to experience a severe mental illness[12].

70,805 0.4%

are likely to experience 'severe, persistent and complex' psychiatric needs.

These are individuals who:

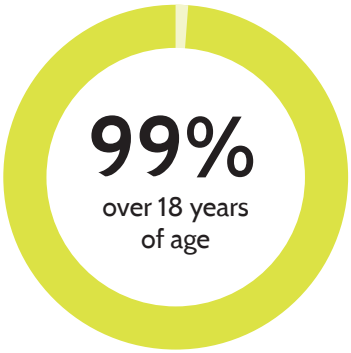
- have a severe and enduring mental illness (usually psychosis)
- have significant impairments in social, personal and occupational functioning that require intensive, ongoing support
- require extensive health and community supports to maintain their lives outside of institutional care.[13]

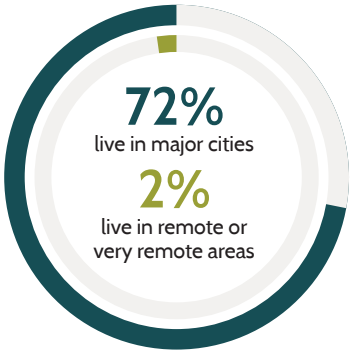
[11]Australian Institute of Health and Welfare (AIHW). (2025). *Targeted analysis*.
[12]Based on an adult population (15 – 64 years) of 17,701,331 people (Australian Bureau of Statistics. (2025). *National, state and territory population*.
[13]Productivity Commission. (2011). *Disability Care and Support*, Report no. 54, Volume 2, p.754.

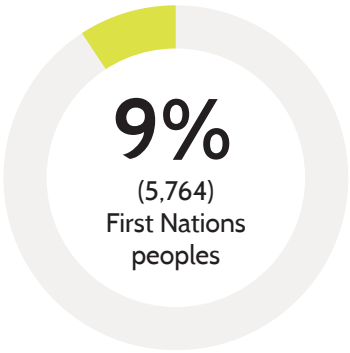
Key data about people with psychosocial disability in the NDIS

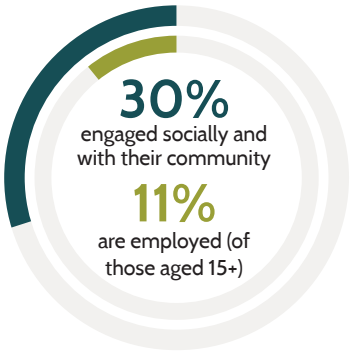
PEOPLE WITH A PRIMARY PSYCHOSOCIAL DISABILITY IN THE NDIS (JUNE 2025)

65,272 active participants









- **7%** (4,247) high function (the lowest service and support requirements)
- **61%** (39,882) medium function
- **31%** (20,180) low function (the highest service and support requirements)

53%
participants with a psychosocial disability
COMPARED TO
66%
of all participants

- **3%** of payments are self-managed –lower than every other disability group
- **86%** are plan managed–higher than every other disability group
- **11%** are NDIA managed

5. ‘It’s taken a sharp turn’: psychosocial disability access to the NDIS

FINDING 1

Psychosocial disability access to the NDIS has reduced dramatically over recent years. This reduction is far larger than for any other disability type.

FINDING 2

There have been no formal changes in NDIS eligibility criteria or legislation that can explain reduced NDIS access for people with psychosocial disability.

For people with a psychosocial disability, gaining access to the NDIS had always been ‘complicated and difficult. They’ve got their own language.’[14] From late 2023, it has become increasingly clear that something has changed.

Prior to this, following assessment of someone’s capacity and support needs, if the independent expert judgement suggested NDIS support was appropriate and necessary, access was generally achievable. Over the years, support workers gained expertise and knowledge to assist people to determine if they were likely to be eligible and identify what evidence and information would support a successful application.

From late 2023, staff across APA organisations reported increased delays in the application process. NDIS data from this time (Quarter 2 (Q2) 2023-24) subsequently confirmed this anecdotal concern. Reassurance from the NDIA at this time acknowledged a new computer system and revised processes. However, the decline in the number of people receiving access and the access rates for people with a primary psychosocial disability has not reverted since.

[14]Staff participant in APA engagement sessions regarding NDIS access, July 2025.

Almost two years on, APA staff tell us that people being denied access to the NDIS are the least well they've worked with, physically and psychosocially. NDIS applicants and APA staff have told us that they are required to provide more evidence than they used to, at great effort and (inequitable) cost. APA organisations believe the quality of applications is higher than in previous years. Yet the rate of successful access continues to decline. The process is increasingly disheartening: 'It's getting to the point now, it doesn't really matter what kind of case you can make.'[15]

> **IT DOESN'T REALLY MATTER WHAT KIND OF CASE YOU MAKE.**

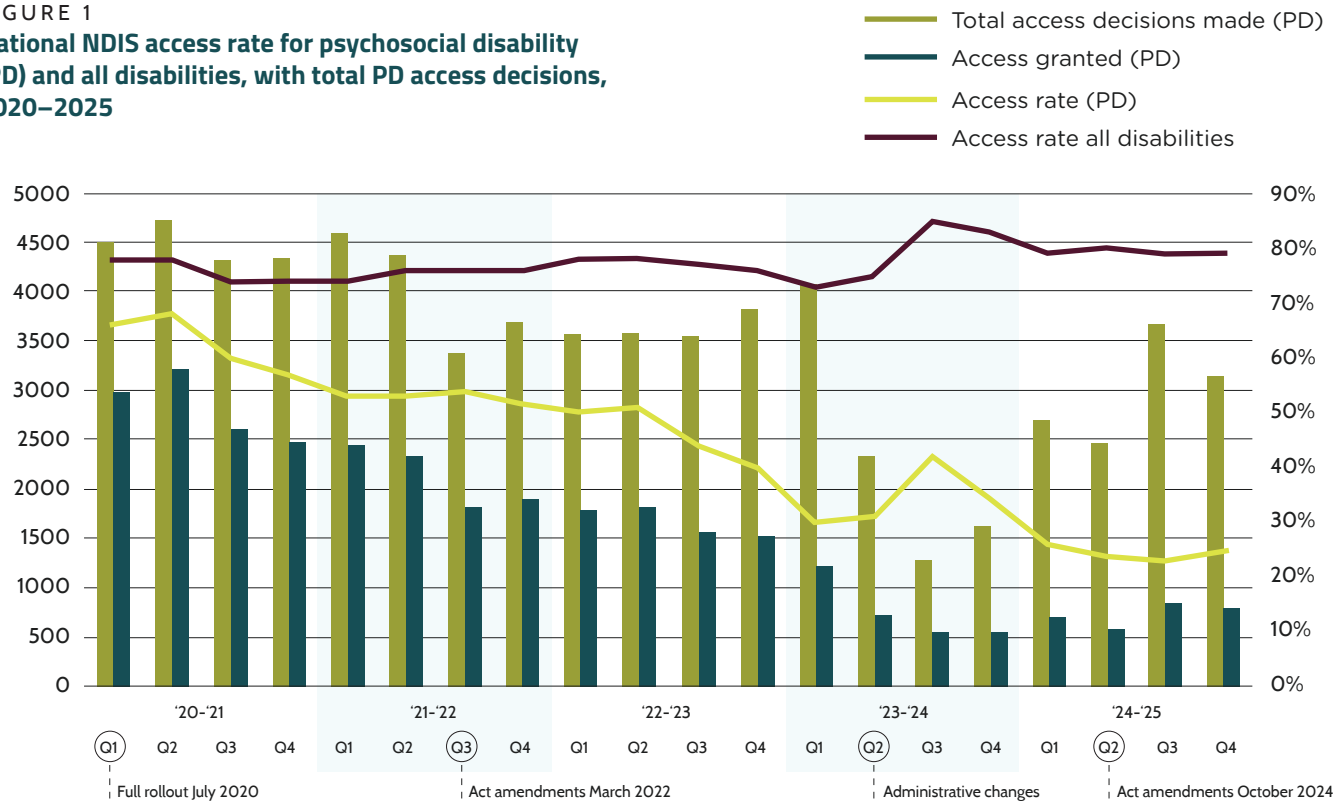
5.1 Analysis of NDIS access data

NDIS data is released quarterly. The NDIS releases summary quarterly reports to ministers,[16] and supplementary statistical information available for the whole Scheme or by state, territory or service district.[17] The APA analysis relies on data in these supplementary reports, particularly data on assessment of access per quarter by primary disability group. Our analysis focused on the national access trend.[18]

Figure 1 shows that for people with a psychosocial disability, both the total number of NDIS access decisions made (green bar) and the number of people granted access (blue bar) are on a downwards trend. It also shows a growing gap between the access rate for people with a psychosocial disability (lime line) and all disability types (dark purple line), between Q1 2020/21 and Q4 2024/25.

The divergence between psychosocial disability access, and the unchanged rate of overall access, is stark. Even more so, since *all* disabilities includes psychosocial disability–meaning the reduced psychosocial disability access rate is bringing down the overall rate of access across the Scheme.

FIGURE 1
National NDIS access rate for psychosocial disability (PD) and all disabilities, with total PD access decisions, 2020–2025

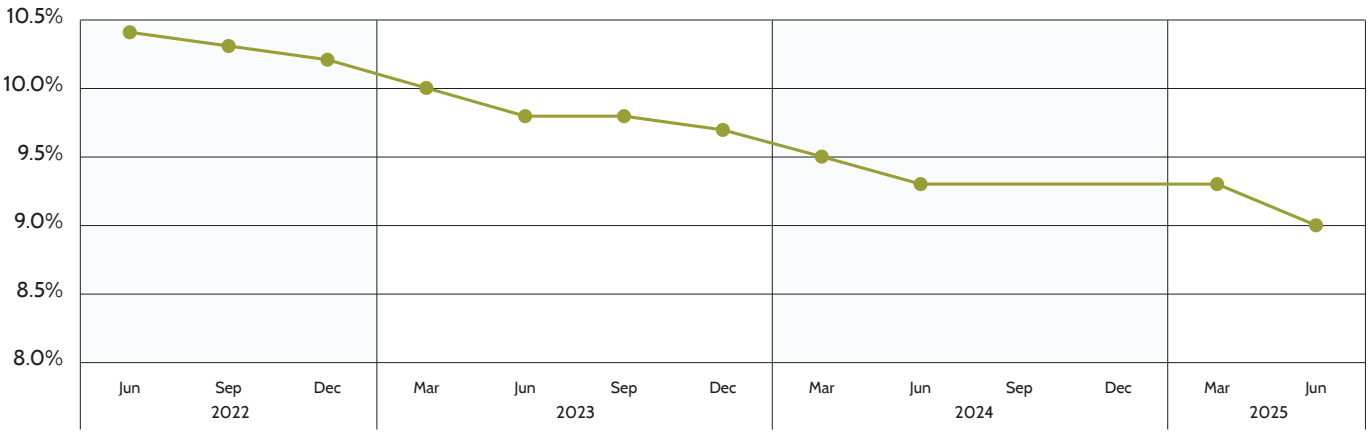


[15]Staff participant in APA engagement sessions regarding NDIS access, July 2025.
[16]NDIA. (2025). *Quarterly Reports.*
[17]NDIA. (2025). *Quarterly report supplements.*
[18]The trend holds for the five mainland states, however it is not as obvious in Tasmania or the Territories, due to smaller quarterly numbers (thus greater variance, or sometimes also below the NDIS threshold of 11 for reporting exact access numbers).

Figure 2 shows that people with psychosocial disability are reducing as a percentage of NDIS participants overall. The Productivity Commission estimated in 2017 that people with a primary psychosocial disability would comprise 13.9% of all participants.[19] At present this number is just 8.8%.

FIGURE 2

NDIS participants with psychosocial disability as a percentage of all NDIS participants, 2022–2025

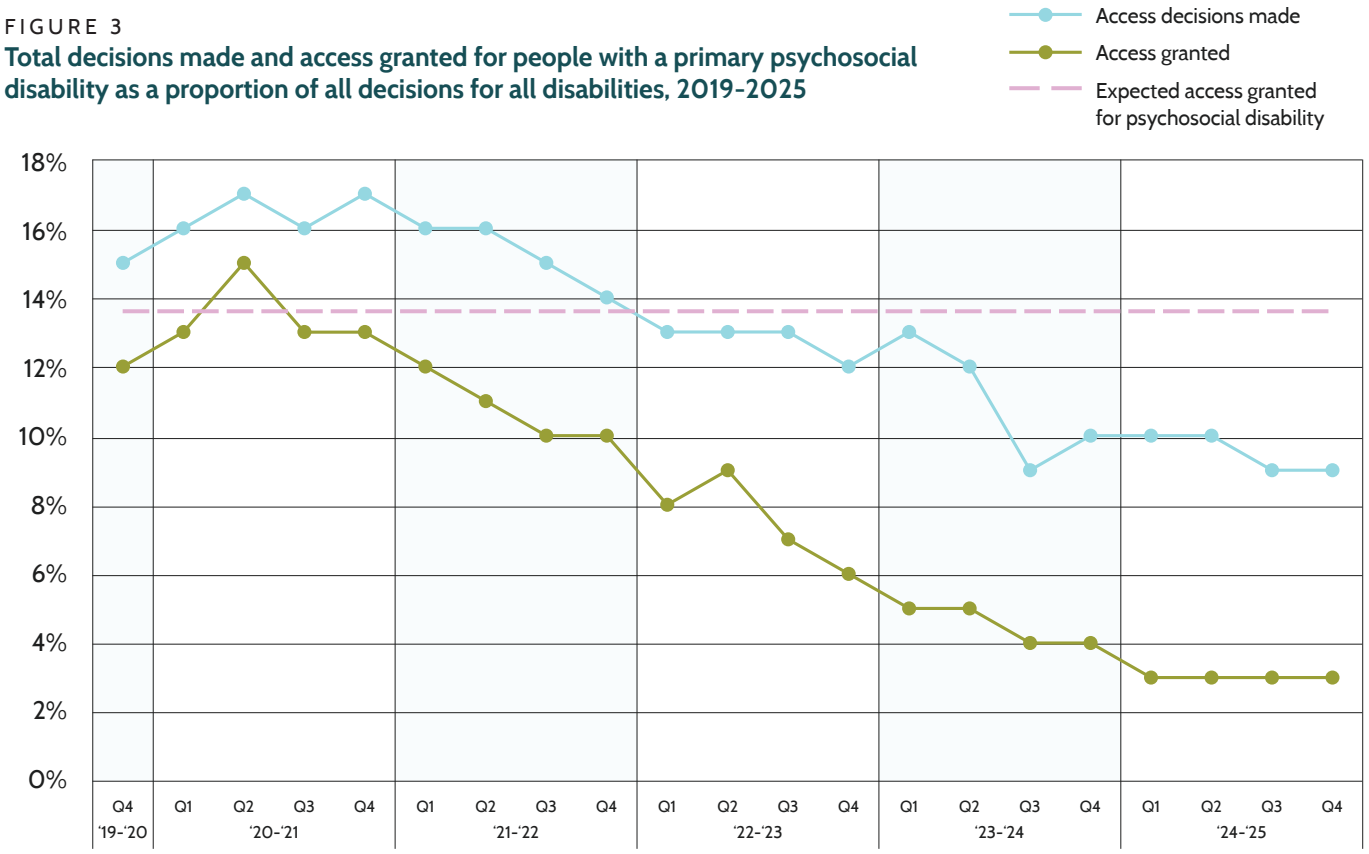


Another way of understanding this decline in participation in the Scheme is to consider the total decisions made for people with a psychosocial disability as a proportion of all access decisions.

Figure 3 shows that at 3% in the last quarter (green line), this number is well below the predicted participation rate of 13.9% (pink line) and the peak of under 16% shortly after full scheme roll out. Even if all people seeking access were granted access (blue line), the access rate would still be lower than the estimated rate, suggesting that there are real barriers to even applying for access.

FIGURE 3

Total decisions made and access granted for people with a primary psychosocial disability as a proportion of all decisions for all disabilities, 2019-2025

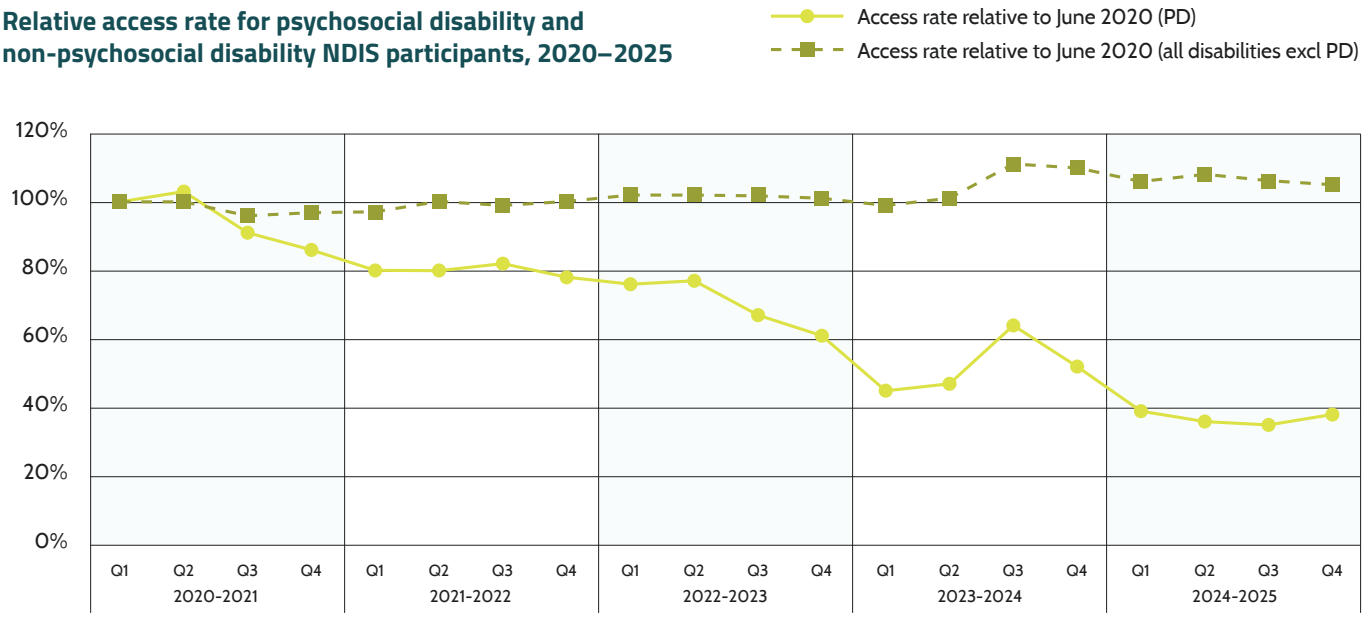


[19]Productivity Commission. (2017). *National Disability Insurance Scheme (NDIS) Costs*, p.241.

Figure 4 presents change in access rates relative to Q1 2020/2021, which coincides with full Scheme roll out. The relative rate of access for those that do not have a primary psychosocial disability has remained the same, while for people with a primary psychosocial disability it has decreased substantially.

FIGURE 4

Relative access rate for psychosocial disability and non-psychosocial disability NDIS participants, 2020–2025

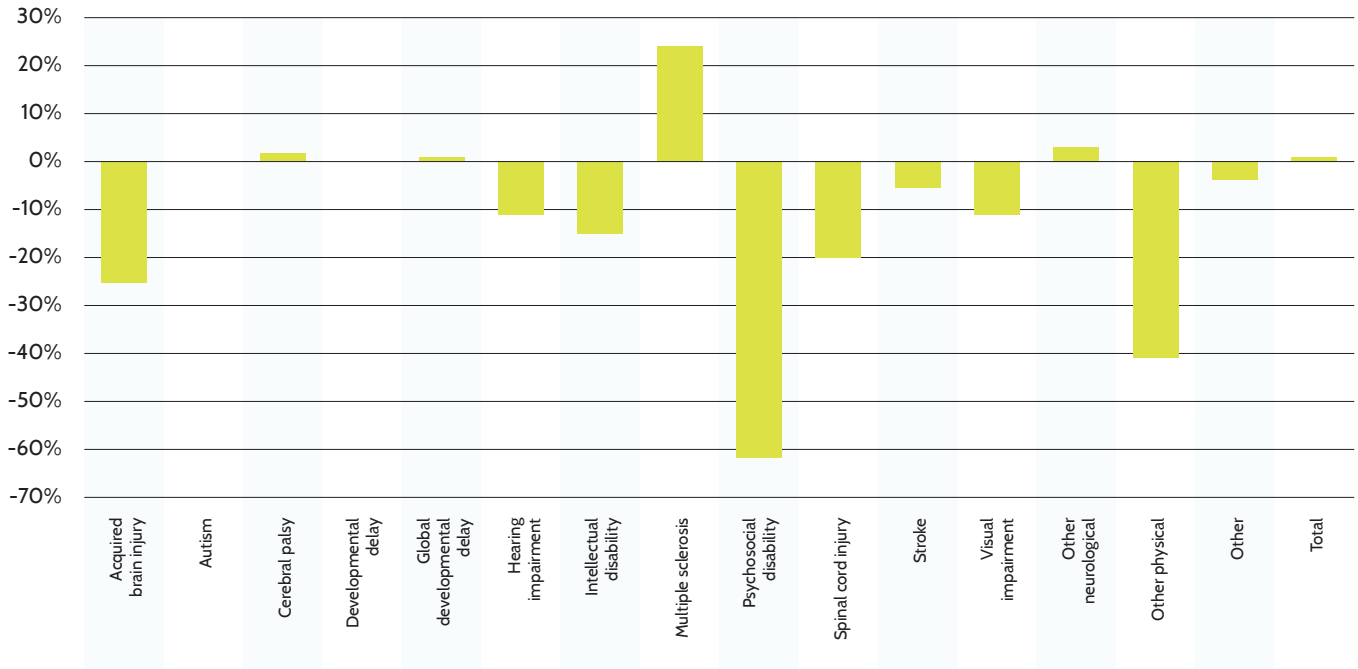


Finally, **Figure 5** shows access rate variation for every disability type within the NDIS. While there are several disability types that have experienced a reduction in access between full Scheme roll out in mid-2020 and mid-2025, the difference for psychosocial disability is 62%. This is far larger than the next largest reduction. The next largest reductions in access rate by disability type are:

- Other physical: 41%
- Acquired brain injury: 25%
- Spinal cord injury: 20%
- Intellectual disability: 15%

FIGURE 5

NDIS access rate variation by disability type, Q1 2020/21 to Q4 2024/25



Taken cumulatively, these five figures demonstrate that changes to NDIS access are disproportionately impacting people with psychosocial disability.

5.2 Analysis of APA organisational data on discharge to the NDIS

After confirmation of the downward trend in access in the official NDIS data, the APA decided to investigate internally. APA organisations sought to test whether this declining rate of access was due to something happening at the NDIA, within APA organisations, or in the profile of the people seeking NDIS access.

Early data from APA services (from mid-2024) showed that the average time between submitting an application to receiving an outcome went from an average of 17 to 25 weeks, and there was a drop off in the number of exits to the NDIS. From a service perspective, staff reported that the people they were assisting to apply for NDIS support had the same or similar profiles and needs to those they had assisted previously, and that there had been no change in the quality of applications.

The APA then asked our services to provide longer-term data for comparative analysis. Data was provided from four organisations providing the following four programs, across 13 sites (some organisations provided more than one program):

- Commonwealth Psychosocial Support Program (CPSP): up to 12 months individual recovery support for people with moderate to severe mental illness. Provided nationally.
- Victorian Early Intervention and Psychosocial Recovery Program (EIPSR): 12-months of individual recovery support for people following an inpatient or outpatient episode of care.
- NSW Housing and Accommodation Support Initiative/Community Living Support: a long-term program providing individual recovery support.
- Victorian NDIS access program: a service designed specifically to assist people to access the NDIS. Referrals are accepted from anywhere, but the team assess suitability for the NDIS before providing support.

Figure 6 provides both the real numbers of people exiting the program (blue bar) and those exits that were made to the NDIS (pink bar). The green line represents the trend in the proportion of exits to the NDIS.

FIGURE 6
APA program exits to NDIS.
Quarterly data from Q2 2022/23 to Q3 2024/2025

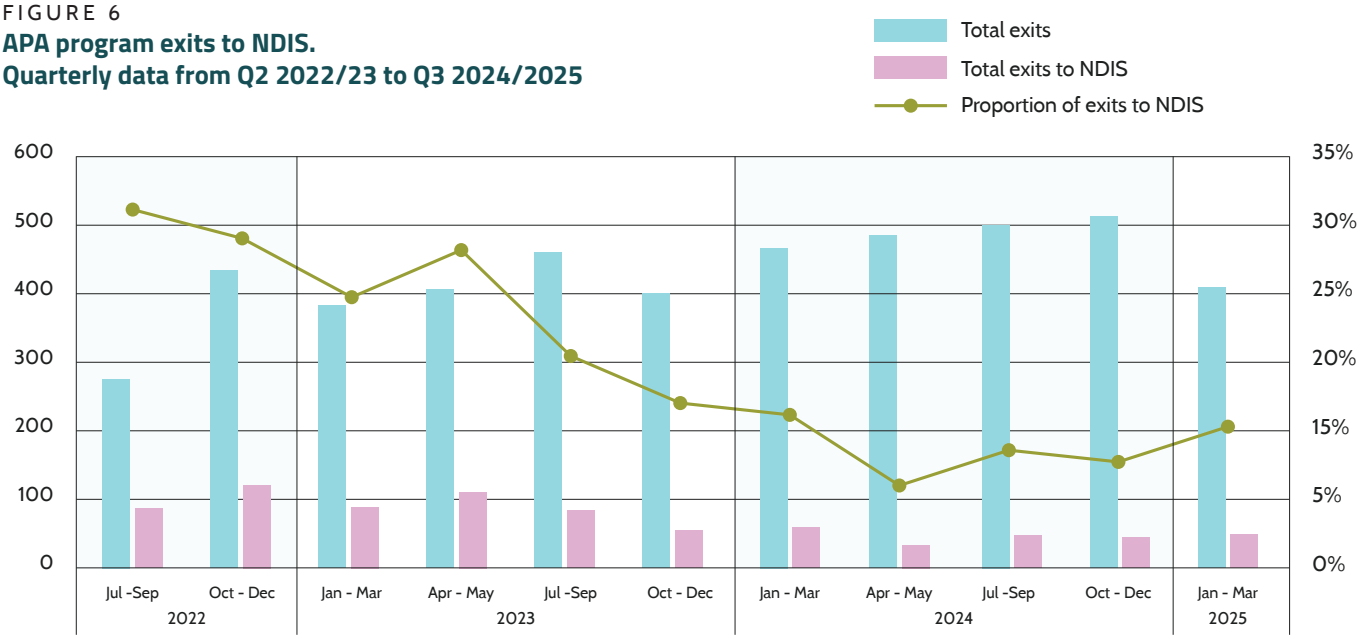


Figure 6 replicates the decline in the previously analysed public NDIS data, with fewer people with psychosocial disability exiting APA programs to the NDIS. Relatively small numbers of people have gained NDIS access over the past two years, compared to previously.

CASE STUDY

It doesn't have to be complicated

As a carer for her son with schizophrenia, all Diana wanted was someone to assist her and her family with regular support. A daily check-in to ensure her son was looking after himself and to ease the isolation they both so often felt. Assistance to find suitable employment, including upskilling support for her son who desperately wanted to work, would have also been helpful.

She hoped the NDIS would provide this support, that was otherwise not available through the mental health system. Psychiatrists and other professionals said her son was a good candidate and the support the NDIA could provide would open up possibilities for him.

Diana applied four times to the NDIA, on behalf of her son, and was met with four rejections, and over the years of trying she watched her son's mental health decline.

On the fifth time, they were successful. She doesn't believe she did anything different this time, and wonders what changed to suddenly grant them access.

Diana is thankful for the support they're now receiving, but issues with the type of support they receive remain an ongoing challenge. A lack of skilled psychosocial workers in their regional town means that that they're not receiving support from someone who understands what her son needs and can assist him before he needs clinical support.

For Diana and her son, it doesn't have to be complicated. But the right support when he needs it could make all the difference.

**Name and identifying details have been changed to protect anonymity.*

6. ‘It feels like system-enforced speed humps’: why is psychosocial disability access to the NDIS dropping so quickly?

FINDING 3

NDIS eligibility assessments continue to demonstrate poor understanding of mental health and psychosocial disability, and ignore expert assessments.

FINDING 4

NDIS eligibility assessment responses are inconsistent, non-individualised and lacking in natural justice. Non-expert assessors have, on multiple occasions, identified inappropriate treatments not being tried as grounds to reject permanency.

FINDING 5

NDIS eligibility assessment processes create disproportionate barriers for people from marginalised backgrounds, including people with psychosocial disability.

The NDIS response to the downwards access trend for people with psychosocial disability emphasises changes to a range of policies, procedures, guidelines, business systems, and training and development, all with the aim of ensuring 'that eligibility assessments are applied consistently and transparently across all disability groups.'[20]

Unfortunately, it seems as though these internal changes were implemented without full consideration of the impact on people with psychosocial disability, and are producing the inequitable disability specific outcomes identified in the preceding analysis in section 5.

Even before these recent changes, NDIS eligibility assessment process had demonstrated an inability to meet the needs of people with psychosocial disability. In a 2018 report by the Sydney Policy Lab at the University of Sydney, the expert project team documented that NDIS eligibility assessment for people with psychosocial disability was plagued by the following issues:

- 'Many people with severe, persistent and disabling mental illness are assessed as ineligible...
- Eligibility assessments demonstrate poor understanding of psychosocial disability...
- Eligibility assessment was inconsistent across different sites...
- There was poor understanding of co-morbidity.'[21]

Similarly, in a 2022 report on NDIS access barriers for people living with psychosocial disability, a team from the University of Sydney's Centre for Disability Research and Policy found that:

- 'The application process does not accommodate for mental illness and psychosocial disability'
- '[the] Process excludes people because of symptoms of mental illness and psychosocial disability'
- '[the] Process excludes people with prior negative experiences and trauma histories'
- 'Staff are unqualified and do not understand psychosocial disability – particularly its episodic nature.'[22]

The current NDIS access statistics show the situation today is even worse for people with psychosocial disability than back in 2018 or 2022.[23]

In this section, we present three explanations for the disproportionate impact on people with a psychosocial disability:

Assessments and staff demonstrate poor understanding of psychosocial disability

Assessments ignore expert assessments provided as evidence

There are significant barriers to application and access.

[20]NDIA correspondence with APA member organisation, 2025.
[21]Smith-Merry et al. (2018). *Mind the Gap: The National Disability Insurance Scheme and psychosocial disability. Final report: Stakeholder identified gaps and solutions*, p.21–22.
[22]Hancock et al. (2022). *Examination of NDIS Access barriers for people living with Psychosocial disability: Final report*, p.44–46.
[23]Amendments were made to the NDIS Act in 2022 with the intention of improving the experience for people with a psychosocial disability. These amendments included a shift from *psychiatric* to *psychosocial* to remove the 'medicalised terminology focus', and to recognise that psychosocial disability may be broader than the classification of psychiatric condition. The eligibility reference (24(1a)) was changed from 'one or more impairments attributed to a psychiatric conditions' to 'one or more impairments to which a psychosocial disability is attributable' The impetus was to shift the weight toward *functional capacity* assessments and away from *diagnosis* in determining permanency. The analysis in this section suggests a failure to properly implement the intention behind these changes to the Act. See Parliament of the Commonwealth of Australia, *Explanatory Memorandum: National Disability Insurance Scheme Amendment Act (Participant Service Guarantee and other measures) Bill 2021*, p.31, pp.37–38 ; Tune. (2019). *Review of the National Disability Insurance Scheme Act 2013*, p.74.

6.1 NDIS rejections: poor understanding of psychosocial disability and ignoring expert assessments

NDIS legislation mandates that the NDIA must consider a prospective participant's age and residence status, and whether they meet the disability or early intervention requirements within the NDIS Act (section 24 and section 25 of the Act respectively).

Assessors determine whether 'the person has one or more impairments to which a psychosocial disability is attributable,[24] and whether 'the impairment or impairments are, or are likely to be, permanent.[25] [26]

The NDIS application process also demands detailed and specific evidence, often from a range of different medical and allied health professionals.

The APA agrees that there should be strong legislative and agency guidelines for how NDIS eligibility is assessed. But assessing impairment and permanence also requires a high level of psychosocial disability literacy. It is not a tick box exercise.

People with psychosocial disability have shown us letters of rejection and relayed conversations they have had with the NDIA that demonstrate a poor understanding of mental health conditions, and of the functional impairments that can arise from them. We see examples of an inability to distinguish mental health conditions from impairment and from psychosocial disability. These include:

- An emphasis on psychiatric diagnosis, while evidence of impairment is overlooked. We have heard of unreasonable, and sometimes irrelevant, requests for evidence of diagnosis, for example:
  - Asking for medical records which are beyond timeframes that records must be held, from practitioners that the person has not had contact with for many years.
  - Not accepting statements from psychiatric registrars because they have not known the person long enough (noting that in the public mental health system, no registrar will ever have a long-term relationship with a patient yet are often relied on for such assessments). This point underlines the disconnect between the NDIS and the public health system–a smoother interface between the two would produce better outcomes in both systems.
- Rejection of permanence on the basis of a supposed lack of exploration of treatments for the condition, without consideration of how this may or may not impact the impairment adversely, or whether such treatments are available, appropriate or necessary.

A standard form of this rejection states:

'Even when your condition or diagnosis is permanent, we'll check if your impairment or impairments are permanent too. For example, you may not be eligible if your impairment is temporary, still being treated, or if there are remaining treatment options.

The available evidence confirms that you have schizophrenia.

However, this evidence does not indicate that **all available and appropriate treatment options that are likely to remedy your impairments have been explored.** These treatment options must be explored before this requirement can be met.'[27]

[24] NDIA Act 2013 (Cth), s24(1a) and s25(1aii).
[25] NDIS Act 2013 (Cth), s24(1b) or s25(1aii).
[26] As part of the Administrative Appeals Tribunal (AAT) judgement NDIA V Davis [2022] FCA 1002 (Davis) the judge clarified that 'permanent impairment' in s24(1) means an impairment which is of an enduring nature. The question for the decision maker is whether the impairment(s) experienced by an individual (rather than the cause of the impairments or the specific diagnoses made about a medical condition) has or have an enduring quality so as to require supports funded and/or provided under the NDIS Act on an ongoing basis.
[27] NDIS rejection letter, 2025. De-identified and shared with consent.

We spoke with people who had received multiple NDIS rejections–even six times–and been told their impairments were not permanent. Some had lived with a condition for multiple decades. In some cases, treating clinicians have explicitly stated in evidence provided to the NDIA that there are no appropriate treatment options available in this case. And yet, the same response has come back: not permanent, all treatment options not explored. Unfortunately, this NDIA response shows a misunderstanding of the fact that treatments may be designed for mental health symptoms, rather than psychosocial disability impairments. It also suggests that the NDIA is not taking into account a point explicitly made in a 2018 review of the Act: that a disability can be present even where active treatment or intervention may not be required.[28]

For NDIS applicants with multiple and complex needs, there is a mixture of pain and confusion about the NDIA response. One expressed exasperation as how to respond to the rejection on permanence, when 'no doctor's said I'm cured, or I will be cured'.[29] It is hard to understand the meaning of permanent in such cases, and the inconsistent threshold for judging it. In the words of one staff member, 'They're very lovely, they're very respectful, but they don't understand the foundation of mental health or disability'.[30]

The APA holds multiple concerns about the NDIS assessment process and the practices around it.

First, having observed this process hundreds of times, our staff state that the manner of rejection has become increasingly generic, even seemingly automatic. One staff member shared that it 'seems like this is a copy and paste response, the wording is the same.'[31] This is at odds with the individualised nature of the Scheme. The practice has increased in frequency for the psychosocial disability cohort, delaying applications and denying access without due consideration of individual circumstances and evidence provided. The APA is concerned that current NDIA practice displays a tendency to repeatedly misunderstand the interplay between mental health conditions and psychosocial disability, resulting in increasingly automatic rejection.

[28]Tune. (2019). *Review of the National Disability Insurance Scheme Act 2013*, p.74.
[29]APA consumer during NDIS engagement session, 2025.
[30]Staff participant in APA engagement sessions regarding NDIS access, September 2025.
[31]Staff participant in APA engagement sessions regarding NDIS access, July 2025.

Second, when pushed to expand on which treatments have not been evidenced in application materials, NDIA responses are often vague, almost evasive. Subsequent requests for more information are inconsistent and arbitrary. There is a deep procedural injustice in applicants being asked to provide extremely detailed personal evidence, and a large government agency not being held to the same standard of detail in return. People often experience a strong disconnect between the time they have been in treatment and the range of treatments tried, and the brief official NDIA response.

Third, when NDIA responses are clear (or are clarified through an appeal process), we have evidence of them identifying treatments that are inappropriate, or which only a clinician in consultation with their client could determine would be appropriate. In many cases, these examples point to misunderstanding of the relationship between symptoms, impairments and treatments. In some specific and concerning cases, NDIA responses as to the treatments that have not been explored have included identification of specific drugs, and also electroconvulsive therapy (ECT, or shock therapy). Notwithstanding ongoing debate over this treatment's efficacy and harm, that it would be identified as an option by a non-clinician NDIS assessor is deeply inappropriate.

This practice is also inconsistent with the NDIA's official guideline, which states: 'The NDIA does not make recommendations for specific treatments/interventions. The treating clinician will decide on appropriate treatment and/or interventions for a person.'[32]

Fourth, the NDIS guidelines for Applying to the NDIS state 'you may not be eligible if… there are known, available and appropriate evidence-based clinical, medical or other remaining treatments options that are likely to remedy the impairment.'[33] Our observation of current NDIA practice is that eligibility assessment of people with psychosocial disability emphasises *known* treatments over *appropriate* ones. There is also little consideration of whether treatments are *available*– whether regionally, or on cost (equity) grounds[34] (for more on this see section 6.2 *Barriers to application and access)*.

Fifth, and finally, responses from the NDIA frequently ignore the many expert assessments provided during the eligibility assessment process. The suggestion that not all treatment options have been explored often explicitly contradicts direct advice from psychiatrists and other expert practitioners about (in)appropriate treatments in individual cases.

Perhaps most worrying is the lack of respect for expert professional advice that is demonstrated by the NDIA's current rejection of detailed evidence. As one of our staff members said, 'It feels as if they're invalidating the assessment of all of these professionals who have supported [consumer's name] for longer than they [the NDIS] have.'[35] NDIS applications demand substantial time from clinical and other practitioners. While one application used to take around 20 hours,[36] with multiple attempts now commonly required, it is now taking upwards of 100 hours per applicant.[37]

This commitment of many hours of professional time is occurring at the same time as there are workforce shortages for clinical professionals across the country in mental health and psychosocial disability settings. To spend so much time supporting in-depth applications, and have these expert opinions ignored, indicates a troubling process at present that requires serious attention and revision. Unfortunately, with examples such as this, there is a level of care and effort and expense demanded of applicants and clinicians that is not reciprocated by the NDIA.

[32]NDIA (2024). *Accessing the NDIS: a guide for mental health professionals*, p.8.
[33]NDIA (2024). *Our Guidelines: Applying to the NDIS*, p.7.
[34]The AAT decision NDIA V Davis [2022] FCA 1002 (Davis) clarifies that "available" should be understood as meaning available to a particular individual, including whether can, in reality, access which includes financial as well as practical considerations (such as living in a remote area).
[35]Staff participant in APA engagement sessions regarding NDIS access, September 2025.
[36]Tune. (2019). *Review of the National Disability Insurance Scheme Act 2013*, p.87.
[37]Clinical staff member at partner organisation, 2025.

6.2 Barriers to application and access

Meeting the considerable evidence requirements of the NDIS eligibility assessment process is challenging for all applicants.

The eligibility assessment process creates the following range of barriers to NDIS access for people with a psychosocial disability. These fall most heavily on those least able to meet them. These barriers include:

COST

- up to $1,750 to obtain clinician reports.
- one case of $800-$1,200 for someone to obtain their own medical records from a long-term general practitioner (GP).

PREFERENCE FOR PSYCHIATRIST OR CLINICAL PSYCHOLOGIST REPORTS

- Such a preference produces a hierarchy of evidence, prioritising a medical view to determine diagnosis and impairment, and sidelining other independent expert assessments of disability, such as those from occupational therapists or mental health support workers who have a long-term relationship with the applicant.
- This creates another cost barrier as such practitioners are very expensive.
- Such clinical practitioners are also highly inaccessible: wait times of six months or more, particularly for regional and rural people.
- Ignoring reports from mental health support workers who have a long had a long-term relationship with the applicant, or from family who may have been providing significant care and support to date.

IDENTIFICATION (ID) REQUIREMENTS

NDIA requirements duplicate existing proof of ID processes already established through other government agencies such as Centrelink. This creates a barrier for those who may have difficulty obtaining such documentation, including:

- People from First Nations or Culturally and Linguistically Diverse backgrounds.
- People who do not have contact with their family of origin, and
- People who are homeless.

ADMINISTRATIVE PROCESSES

- These demand a certain level of education, cognitive functioning or in/formal support, such that they directly discriminate against certain disability or marginalised cohorts and people without informal supports.

NEW MEETING REQUIREMENTS

- Community Connections meetings and other informal connection points can be problematic for some people with psychosocial disability, given impairments such as communication difficulties, social isolation, distrust of authority and institutions, anxiety, and symptoms such as anosognosia (where a participant doesn't represent their true needs, downplaying impairment).
- These meetings are occurring regardless of need, value or the risks of negative impact.
- Insufficient information is provided to participants about the purpose and potential outcomes of these meetings.

CONTINUED NEXT PAGE...

PROLONGED PROCESS

- It often takes more than 12 months from the time a person decides to make an application and start the evidence collecting process, to achieving an outcome. For some people, the trauma and stress associated with the process means they drop out.

DIFFICULTIES IN PARTAKING IN AN APPLICATION PROCESS WITHOUT A FIXED ADDRESS.

- This is deeply problematic for the many people in this cohort who are homeless or experiencing other forms of housing insecurity.

MULTIPLE AND COMPLEX NEEDS

- People with multiple and complex needs struggle to make an argument for how their impairments should be assessed *in combination*. The revised approach to NDIS application and assessment processes has made it more challenging to make a case for holistic assessment of functional capacity.

Taken cumulatively, these barriers are formidable. People with greater financial resources, education, time and stronger networks are more able to navigate such challenges (even after accounting for their disability). Although there are some cases where connection with a public hospital or mental health service will provide access to clinicians and other support in preparing an application, this is time-limited and often crisis-driven.

A particularly troubling point is that the stories we have heard come from people who are already connected to supports. They are using our services and expertise to help them make an application, after we have considered that NDIS support is necessary and appropriate in their case. Yet these applications are being rejected at a record rate.

In the words of an APA service user who has had their NDIS application rejected three times: 'I can't imagine how the system would be for someone to navigate, without support, without psychiatrist and doctor support.'[38]

[38]APA consumer during NDIS engagement session, 2025.

6.3 Concern for people with multiple and complex needs

The APA is concerned that people with multiple and complex needs, with co-occurring trauma and marginalisation, and from intersectional backgrounds are increasingly experiencing rejection of their applications, or not engaging in the process altogether.

There is a perverse outcome from the refinement and tightening of NDIS processes that asks people to prove each of their conditions and impairments individually. For people with complex needs, the cumulative impact of multiple challenges produces an impairment outcome that is greater than the sum of its parts, so to speak. Our staff relay how in previous years, they could talk about people with multiple and complex needs in combination within an application. The eligibility assessment process would look at the person holistically (i.e. all functional impairment).

This is no longer the case. Instead, applicants now need to meet the criteria related to one condition. This is much harder for clients with multiple and complex needs or multiple conditions. Often, no one condition is the sole cause of complexity and impairment. The result is that, individually, the impairments are rejectable and NDIS support is denied, regardless of whether a holistic assessment of functional capacity would render an entirely different outcome.

Furthermore, the APA understand that the Complex Support Needs Pathway, a critical support route that was designed to offer specialised support to complex and marginalised participants, has been shifted to internal NDIA referral only. This pathway had previously been marketed by the government as a means to improve outcomes for this cohort.[39] Removal of external access and referral effectively closes this pathway, except at the discretion of internal NDIS planners and subject to cost pressures. To our knowledge, removal of external access to the pathway was not made public. There are state and territory government-funded access pathways that prioritise people with multiple and complex needs, operating within hospitals and within community, but we understand that even these programs are experiencing increased challenges in achieving NDIS access for NDIS applicants. This includes major increases in application preparation times and waits, with an overall reduction in successful discharge to NDIS.

This has a profound impact at a human and a service level. Staff spoke about the departure from an earlier implicit policy of *no wrong door*. Instead, people with multiple and complex needs risk receiving a simple *no* and falling out of the system altogether. This problem clearly underlines how the NDIS assessment process for people with psychosocial disability focuses too much on *diagnosis* and *treatment* rather than *functional capacity*.

[39]NDIA. (2018, November 16). Improved NDIS planning for people with complex support needs.

CASE STUDY

The only oasis in the desert and it's out of reach

Zahra, a young woman living with OCD and anxiety, yearns for secure employment but has faced barriers in getting the support she needs to do this and to live life independently.

Fighting bureaucracy and a complicated process, Zahra applied to the NDIS, but was rejected. The NDIA reasoned that she had not tried all possible treatments, including a form of exposure therapy that is not currently appropriate for Zahra.

Zahra is lucky, she's receiving supports through a state-funded psychosocial program while she goes through the arduous task of re-submitting another NDIS application. But the program she's on wasn't designed for this–it was designed as a 12-month program to develop individual recovery goals.

Zahra described the NDIS as 'the only oasis in the desert'.

The NDIA's focus on permanency and exhausting all possible treatment options means that currently it's an oasis out of reach, leaving her to navigate the desert as best she can.

Zahra wants to see an NDIS that supports individualised healing and recovery, promotes productivity and prevents decline.

With the support of APA organisations, Zahra will apply again. She hopes that this time, the NDIS oasis can prove more than a mirage.

**Name and identifying details have been changed to protect anonymity.*

7. ‘Do I even try again? What do I gain from trying to get into this system?’ The impact of reduced psychosocial disability access to the NDIS

FINDING 6

There is a substantial risk to people with psychosocial disability because they are being excluded from the NDIS at a time when there are almost no other supports available outside the NDIS.

FINDING 7

There is an inappropriate and inaccurate view that there are too many people with psychosocial disability in the NDIS.

FINDING 8

Most recommendations for improvements to the NDIS for people with psychosocial disability remain unimplemented over a decade since the Scheme began.

FINDING 9

Challenges with NDIS access for people with psychosocial disability have serious negative impacts on service users and families, carers and supporters.

People with psychosocial disability are being left behind. Unable to access the NDIS or suitable alternative support options, their lives are significantly impacted. This can lead to preventable decline, and greater loss of function and capacity. Often, it ends in eventual NDIS access after avoidable damage is done. This comes at greater cost to the NDIS and to governments. It's a false economy with a human price. Importantly, regardless of cost pressures on the Scheme, this is not what the NDIS set out to do. People with disability are not getting access to a universal national program.

The process of rejection compounds people's challenges. We heard people describe receiving their eligibility decision as dehumanising and demoralising. People with long-term mental health conditions and disabilities related to them make themselves vulnerable during the application process in the hope of support and a change in their life circumstances–only to be told that they are not eligible. They feel unworthy.

Since the earliest days of the NDIS, there have been calls for a psychosocial disability specific approach (see section 7.2). The difficulties in reconciling a recovery approach that underpins mental health and psychosocial support, with the focus on impairment and permanency, has also been well documented.[40] Despite the NDIS committing to a recovery framework–which has not been effectively translated into practice–there has been insufficient interest in creating an NDIS that meets the needs of this cohort.

> **When it [the NDIS] works well, it's brilliant, and it does a great role for our guys and it keeps them out of the longer-term institutions. But in the instances where we have these sorts of situations, it's hard to remember those good cases and it's hard to pick what's working well with the NDIS. It just feels like everything's falling apart around you. It's hard to not be frustrated and really hurt by the systemic issues we face with the NDIS in this space.**
>
> Manager of a regional APA service providing medium-term clinical care and rehabilitation services. In some cases, service users have been unable to be discharged for years, because of NDIS access and planning delays.

[40] O'Halloran, P. (2015). *About Psychosocial Disability and the NDIS: An Introduction to the Concept of Holistic Psychosocial Support.*

7.1 Risk to the cohort: psychosocial disability is a real disability

The APA knows from engagement for this report, and our day-to-day work in communities across the country, that the issue of NDIS access is affecting people deeply. This impact is felt particularly keenly in regional and rural communities, where there are already fewer services.

Although there are geographic differences, there is a real risk from multiple policy directions. In addition to our first key finding, that psychosocial disability access to the NDIS has reduced dramatically over recent years, there is documented significant unmet need for psychosocial support outside of the NDIS.[41]

Although unmet need has been on the agenda for health and mental health ministers during 2025, as yet there is no firm commitment to addressing it. There is also a parallel commitment to new psychosocial disability non-NDIS supports. In August 2025, the Minister for Health, Disability and Ageing, the Hon Mark Butler MP commented that psychosocial disability is the next disability type in line for development of Foundational Supports, following the announcement of Thriving Kids for developmental delay and autism.[42] The Government estimates this will take at least 18 months to put in place. The government and NDIA must avoid a situation where the gap widens further for people with psychosocial disability and the larger group of Australians with severe and moderate unmet need for psychosocial support.

Many community mental health programs were defunded to fund the NDIS.[43] Unfortunately, the breadth of support these former programs provided has not been matched by the NDIS, given the higher threshold for access and the individualised nature of NDIS support.

Against this historical backdrop, the APA is particularly concerned about commentary in support of psychosocial disability being moved out of the NDIS altogether.[44] There is a view that in order to 'cut the scheme's growth rate… the second phase of Health Minister Mark Butler's [Foundational Supports] proposal… must tackle the significant number of participants with psychosocial disabilities; conditions the scheme was not intended to fund when it was set up.'[45]

It is simply not true that the NDIS 'was not intended to fund' psychosocial disability from the beginning. Productivity Commission modelling from 2011 included psychosocial disability,[46] two years before the NDIS commenced[47]. Psychosocial disability may well have been a later addition to the initial design of the NDIS, after physical and intellectual disability, but it has been in the Scheme from the beginning.

Importantly, this debate must not conflate mental health conditions with psychosocial disability. People with psychosocial disability are a subset of people with severe mental health conditions. They live with a real disability.

The 2011 Productivity Commission report identifies that:

> **'Many people with significant and enduring psychiatric disabilities have the same day-to-day or weekly support needs as people with an intellectual disability or acquired brain injury. These can include assistance with planning, decision making, scheduling, personal hygiene and some communication tasks. Regular support and, in some cases, supported accommodation, allows such people to live successfully in the community.'[48]**

A thorough understanding of psychosocial disability is essential for informed policy debate in the current context of NDIS reform. There is no scenario in which the hundreds of thousands of people with unmet mental health needs should have those needs met within the NDIS. As such, a view that there are too many people with psychosocial disability in the NDIS is stigmatising and discriminatory.

[41]230,500 experiencing severe mental illness and 263,100 experiencing moderate mental illness. Health Policy Analysis. (2024). *Analysis of unmet need for psychosocial supports outside of the National Disability Insurance Scheme: final report*.
[42]Butler M. (2025, August 20). *Speech from Minister Butler, National Press Club – 20 August 2025*.
[43]Hancock et al. (2019). *Commonwealth Mental Health Programs Monitoring Project: Tracking transitions of people from PIR, PHaMs and D2DL into the NDIS: Final report*.
[44]See for example some lines and quotes, including from '[f]ormer NDIS directors and executives', in Smith, Coorey & Karp (2025, August 21). Mental health conditions could also face cuts under NDIS overhaul. *The Australian Financial Review*.
[45]Ibid.
[46]Productivity Commission. (2011). *Disability Care and Support, vol.2*, p.749.
[47]Then termed psychiatric disability.
[48]Productivity Commission. (2011). *Disability Care and Support, vol.1*, p.26.

Unlike many other disability types in the Scheme that have greatly exceeded estimates, psychosocial disability numbers have remained below earlier calculations: for example the 64,000 estimate for 2019/20, or 13.9% of the Scheme at this time, as given by the NDIA and confirmed by the Productivity Commission.[49] The current number of 65,272 in Q4 2024-25 accounts for only 8.8% of participants.[50]

Updating the original Productivity Commission estimates, from the 2011 *Disability Care and Support* inquiry.[51] Using 2025 population data and the same methodology[52], there should be 70,805 people with a primary psychosocial disability in the Scheme.

There are 5,500 fewer people receiving NDIS support for psychosocial disability than expected.

The APA is not arguing that this many people with psychosocial disability must promptly be added to the Scheme. Rather, we are concerned about ensuring that NDIS accessibility operates on an equitable footing, with clear relative assessment of capacity and impairment, regardless of disability type. Political judgements about NDIS reform, responding to unmet need, and the place of people with psychosocial disability within these policy changes, should start from understanding of the facts.

The biggest risk to people with psychosocial disability at present is that their access might continue to decrease, rather than increase. While these debates about policy reform are certainly live, there is no firm action either on development of Foundational Supports for psychosocial disability or on addressing unmet psychosocial support need. Meanwhile, reassessments for eligibility have commenced, including for those people rolled into the NDIS with a different type of assessment, from earlier support systems–thus more exposed to reassessment. There seems to be no plan to support vulnerable people through this process.

Policy goals such as reducing the overall cost of the Scheme should not undermine the right of people with psychosocial disability to access the NDIS in a fair and transparent way.

> **IT WAS HEARTBREAKING TO OPEN UP ABOUT MY WORST DAYS TO MY SISTER AND DOCTOR WHO HELPED ME FILL IN THE FORMS. I FELT EXTREMELY VULNERABLE AND DYSFUNCTIONAL. I FELL DEEPER INTO DEPRESSIVE EPISODE WHEN THE NDIS SAID NO.**
>
> Unsuccessful NDIS applicant

[49]NDIA. (2016). *Annual Report 2015-16*, p.26; Productivity Commission. (2017). *National Disability Insurance Scheme (NDIS) Costs*, p.241; Productivity Commission. (2020). *Mental Health*, Report no.95, vol.3, p.851.
[50]NDIA. (2025). Participant Data.
[51]Productivity Commission. (2011). *Disability Care and Support*, Report no.54, vol.2, p.754.
[52]Australian Bureau of Statistics. (2025). *National, state and territory population*.
[53]The Productivity Commission methodology for 'identifying people likely to require individualised supports' within the NDIS assumes the following: '0.4 per cent of the adult population (or 12 per cent of those adults with severe mental disorders) would have "severe, persistent and complex" psychiatric needs'; The adult population is taken to be 15-64 years. An updated version of this modelling for current Australian population data, identifies 17,701,331 people aged 15 – 64 years; of which 0.4% is 70,805. Productivity Commission. (2011). *Disability Care and Support*, vol.2, p.754ff.

7.2 Well past time for change: opportunities for reform not taken

The conversations we had in developing this report are not new and reflect the failure to implement changes outlined in multiple government-commissioned and independent reviews and reports over the previous decade or more. Some, including the landmark NDIS Review released in 2023, await a formal government response.

In addition to formal government and independent reports, there have been years of advice and information from peak bodies, service providers and people with lived experience and their carers, families and kin about how the Scheme can and should be responding differently to people with significant and enduring psychosocial disability. This advice is all targeted towards ensuring the NDIS can deliver the benefits envisioned by the Productivity Commission back in 2011.

Meanwhile, changes to the NDIS have continued at a rapid pace. These changes have not, to date, delivered what governments and people with psychosocial disability require.

Access Denied seeks to draw attention to the troubling downwards trend in psychosocial disability access to the NDIS. But it also seeks to point the way forward in terms of reform for this group. Figure 7 highlights the recommendations and possibilities for reform not taken[54]. The sector stands ready to contribute to reform, savings and better outcomes. To do so we must begin on implementing a stronger psychosocial disability specific approach within the NDIS.

[54]This is just a selection of the many reports and recommendations made since the earliest days of the NDIS implementation, including from the trial sites.

FIGURE 7

Timeline of landmark reports and inquiries on psychosocial disability and the NDIS, 2011 to 2025.

Consistent unheeded calls for action

The well-established need for a bespoke psychosocial disability approach

7.3 Marginalisation and the ripple effect

As part of our engagement while developing Access Denied, the APA heard how NDIS access challenges leave people to fall through the gaps. These challenges are even greater for people experiencing a range of other, co-occurring factors of marginalisation. Partner organisations in adjacent sectors attested to this fact during engagement sessions. We spoke with organisations delivering homelessness, alcohol and other drugs (AOD) and mainstream health services. All of these organisations described the deepening difficulties of their service delivery to people from marginalised backgrounds, as NDIS access has decreased for people with multiple and complex needs.

The data on these compounding challenges is clear.

The original 2011 Productivity Commission report into the NDIS identified that around 35% of people with a primary psychosocial disability who were likely to be eligible for NDIS support and with the highest needs were described as likely to have experienced long periods of hospitalisation or require hospitalisation. They were also likely to be at risk of homelessness if not receiving support, and having limited familial and social networks.[55]

The most recent data from the Specialist Homelessness Services data set (for 2023/24) identifies 3,952 people who accessed a specialist homelessness support service, who also had a diagnosed mental health condition and a disability such that they required assistance in one or more core activity areas. 47% of this group (1,875 people) were homeless at the time of requesting assistance, while the remainder were at risk of homelessness. Overall, while these numbers have gone up and down year to year, over the last ten years (2013/14–2023/24), the number of people with a diagnosed mental health condition and a disability has increased by 41%.[56]

People with a psychosocial disability are also more likely to experience financial stress:

- 38% of people with a psychosocial disability receive the Disability Support Pension[57], and psychological or psychiatric conditions are the most commonly recorded primary medical conditions for people aged 16–64 years receiving the Disability Support Pension.[58]
- Amongst those on the NDIS with a primary psychosocial disability, only 11% are employed, with a high likelihood that the other 89% are receiving income support.[59]
- The Household, Income and Labour Dynamics in Australia (HILDA) Survey shows that in 2023, people with a long-term mental health condition reported the highest levels of financial stress, with almost one in three (32.2%) in financial stress. This proportion is 'significantly higher than people with other long-term health conditions (excluding mental health) (14.5%) and people with no long-term health conditions (10.2%)'.[60]

Contrary to some long-held prejudiced ideas to the contrary, there is ample evidence that shows that people with mental illness and psychosocial disability are far more likely to be the victim of violent crime rather than the perpetrator.[61] The vulnerability of people with mental illness who are homeless also increases the risk of being victims of crime.[62]

Finally, families and caregivers of people with mental health issues are also significantly impacted. Around 40% of mental health caregivers already provide 40 or more hours of unpaid care per week, and mental health families and caregivers have lower than average financial wellbeing, face disproportionate health impacts and experience high levels of psychological distress.[63]

These statistics underline how, over time, the cumulative impact of mental health challenges, disability, loss of support networks and increasing poverty, all expose people to greater risk and vulnerability. They are also a consequence of and contribute to psychosocial disability. Unfortunately, they also make it harder to achieve NDIS access.

[55]Productivity Commission. (2011). *Disability Care and Support*, vol.2, p.761.
[56]AIHW. (2024). *Specialist Homelessness Services Collection data cubes 2011–12 to 2023–24*.
[57]AIHW. (2024) *People with disability in Australia 2024*, catalogue number DIS 72, p.372.
[58]AIHW. (2024). *People with disability in Australia*, web report.
[59]NDIA. (2025). *Quarterly dataset for psychosocial disability*, June 2025, Table 22.
[60]National Mental Health Commission. (2025). National Report Card 2024, p.29.
[61]Watson et al. (2001). Mental health courts and the complex issue of mentally ill offenders. *Psychiatr Serv*; Stuart. (2003). Violence and mental illness: an overview. World psychiatry, p.121; Thornicroft. (2020). People with severe mental illness as the perpetrators and victims of violence: time for a new public health approach. *The Lancet Public Health*.
[62]Nilsson et al. (2020). Homelessness and police-recorded crime victimisation: a nationwide, register-based cohort study. *The Lancet Public Health*.
[63]Mental Health Carers Australia. (2025). Submission to the Productivity Commission National Mental Health and Suicide Prevention Agreement Review.

8. Conclusion

People with psychosocial disability are having their *Access Denied* right now by the NDIS eligibility assessment process.

APA analysis of psychosocial disability access to the NDIS demonstrates a concerning downwards trend. There is evidence of discrimination against people with psychosocial disability as a cohort. This conclusion is clear, regardless of whether this is occurring as an inadvertent consequence of internal NDIA policy and process changes.

When we speak with people with psychosocial disability who are seeking NDIS support, we hear stories about rejection, delay and decreasing hope of getting much-needed support. Our data analysis confirms these stories as accurate. Not only is there just one lifeboat in the ocean–your chances of getting in are worse than they've ever been.

8.1 Reduced psychosocial disability access to the NDIS

The NDIA has stated that there have been no formal changes to eligibility criteria or legislation that directly target people with psychosocial disability. The APA welcomes this confirmation. However, what the Agency has changed is its own guidance, processes and systems. These were intended to be universal and disability impartial. This has not proven so. Psychosocial disability access has dropped more than any other disability type. Efforts to achieve greater "scheme integrity"–to improve outcomes and to lower costs–are producing inequitable disability-specific results.

The APA is concerned that behind the numbers there are real Australians with psychosocial disability seeking support, directly impacted by NDIA decision-making that is inexpert, inconsistent and lacks natural justice.

Attention now needs to be paid to the manner in which internal refinements and improvements are producing this inequitable access outcome.

Federal, state and territory governments have acknowledged the decrease in psychosocial disability NDIS access. However, the APA is concerned that this fact remains one data point among many in a protracted policy reform process, coupled to stalled budget negotiations.

8.2 A false economy with a human price

In addition to significant individual barriers, people with psychosocial disability face an intimidating political environment: A quick stocktake shows how strongly the deck is stacked against people with psychosocial disability:

- NDIS access has reduced for people with psychosocial disability
- There are fewer mental health programs in community than before the NDIS
- Policy solutions are years away, whether Foundational Supports, the new National Mental Health and Suicide Prevention Agreement, a response to unmet need or otherwise
- There is misinformed commentary about people with a psychosocial disability not fitting into the NDIS
- Governments and the media are focused on NDIS cost savings
- There seems to be little political will to address the specific needs of people with psychosocial disability.

There are budgetary pressures on the NDIS and federal, state and territory governments. But Australians who need, and are eligible for, NDIS support have a right to NDIS support. Federal-state/ territory negotiations are stalled. The imperative for budget savings seems to be masking poor practice and poor outcomes that are disproportionately impacting people with psychosocial disability.

The APA understands the challenges of federal-state/-territory negotiations over health and disability funding. However, without attention and resolution, this issue will produce risks at multiple levels of government. The consequence of people not getting access is that mental health and wellbeing declines, and sometimes the only option is for people to access services which are not fit-for-purpose or as effective. Often these are high-cost state-/territory-funded services. Waiting lists for already-stretched mental health services will increase. People who need the NDIS will miss out on necessary and impactful supports. This is a false economy with a human price.

Perhaps the most unfortunate element of the situation described in Access Denied is the avoidable nature of this problem. The timeline of unimplemented official and independent advice presented in **Figure 7** underlines this fact. Governments may be stalled in their negotiations as they debate the extent of future liabilities that will sit on their side of the ledger. What they must no longer shy away from is the availability of suggestions to treat the problem differently. The greatest cost will come from continued inaction and lack of support, not provision of support.

Ultimately, the biggest risk to governments, whether federally or at state and territory level, will be of terrible adverse and avoidable human, system and community consequences. Governments must act in the immediate term, as well as proceeding with medium- and longer-term reform. This will ensure there is appropriate NDIS access and support now, as well as sufficient alternative services available to people in future. Now is the time to change course, before it is too late. Otherwise, we will continue to witness a widening gap for people with psychosocial disability and the broader group of people with unmet psychosocial support needs, no matter which service system they look to.

8.3 Charting a path forward for psychosocial disability

The APA hopes that Access Denied: Psychosocial Disability and the NDIS goes some way towards increasing the visibility of this inequitable situation. We have sought to highlight:

- Dramatically reduced recent psychosocial disability access to the NDIS
- Why psychosocial disability access to the NDIS has fallen
- The human and service impact of this fall in psychosocial disability NDIS access.

Our key findings and recommendations set out a means to remedy access issues with the NDIS for people with psychosocial disability. Change is necessary and long overdue.

Unfortunately, access is not the only concern the APA holds about the NDIS and how it serves people with psychosocial disability. There are other issues of planning, utilisation, experience and NDIA practice that threaten positive outcomes for people with psychosocial disability. Attention to access, and the NDIA's understanding of and ability to work with people with psychosocial disability, should be a first step towards broader improvement and reform.

In addressing the issues raised in this report, the federal government and NDIA should pay attention to several related issues shared as advocacy priorities by some disability sector peak bodies, including the need for:

- greater market stewardship from the NDIA
- pricing reform, centring complexity and quality
- independent pricing
- registration, with risk-proportionate variation.

All of these issues point to a growing crisis of NDIS participant choice due to decreasing provider viability.[64]

The ongoing task of NDIS reform should provide an opportunity to ensure people get the support they need and were promised, while the country gets the sustainable NDIS it requires. At present, people with psychosocial disability are losing out from invisible tweaks to NDIS processes that are disproportionately affecting them. It is time for change, time for equity, and time for people with psychosocial disability to experience NDIS access differently.

People with psychosocial disability are having their Access Denied unfairly.

It is time for that to change.

[64]See for example: National Disability Services. (2024). *State of the Disability Sector Report 2024*; Ability Roundtable. (2025). *Disability Service Provider Financial Benchmarking Insights*.

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