



Mental Health Carers NSW

Media Release – NDIS reform must not shift the burden to families and carers

Sydney, [28/04/2026] – Mental Health Carers NSW (MHCN) recognises the Federal Government's intention to reform the National Disability Insurance Scheme (NDIS) but states that proposed reforms risk significantly jeopardising the healthcare provided to hundreds of thousands of carers who support people living with psychosocial disability. Without a completely funded alternative, fully operational system in place, carers will be left to fill the gaps. Many are at breaking point already.

Recognition of the need for reform

In response to Minister Mark Butler's National Press Club address last week, MHCN was thrilled to receive confirmation that psychosocial disability will remain within the scope of the NDIS, alongside recognition that foundational psychosocial supports that fall outside the Scheme must be developed. However, MHCN has concerns about the design and sequencing of proposed access changes, particularly for individuals with psychosocial disability whose needs are likely variable, episodic, and inadequately recognised through standardised assessment measures.

Concerns for carers and families

The impact on carers had been mostly hidden from the reform narrative, MHCN Chief Executive Officer, Jonathan Harms said:

"When people lose access to the NDIS or they have their plans interrupted, it is often the carer taking the hit. The gaps carers occupy are invisible in policy modelling, invisible in fiscal forecasts, invisible in today's announcement. Carers cannot continue to be the system's hidden shock absorber."

Access equity and functional assessments

MHCN welcomes the principle of basing access to the NDIS on functional capacity. However, assessments must be tailored to the unique needs of people with psychosocial disabilities. New assessment tools, including the new I-CAN tool, must be developed with input from experts in this area to avoid underestimating the challenges faced by these individuals. The new Technical Advisory Group must include psychosocial expertise to avoid undercounting the functional impact of mental health conditions. This will help avoid replicating the failures that produce a 62% drop in NDIS approval rates for psychosocial disabilities between 2020–2025 (Australian Psychosocial Alliance, *Access Denied*, 2026).

Mental Health Carers NSW Inc. (MHCN)

Funded by the NSW Ministry of Health

Suite 2.03, Level 2, 3 Spring St, Sydney NSW 2000

P: (02) 9332 0777

W: www.mentalhealthcarersnsw.org

E: MHCNadmin@mentalhealthcarersnsw.org



Mental Health Carers NSW

"For carers, an unfair or inconsistent assessment process isn't an administrative annoyance. It's the difference between a member of the family getting help and a member of their care team needing to stop working, forgo their own health or carry extra care indefinitely." Jonathan Harms, CEO, MHCN.

Foundational Supports cannot default to families and carers

Minister Butler's commitment to foundational psychosocial supports, and the forthcoming National Mental Health and Suicide Prevention Agreement, were welcomed by MHCN. As those supports are not yet widespread, any reduction in access to the NDIS will only push unmet need directly into the hands of carers until they are fully functioning and properly funded. There is a disproportionate burden on carers. Research shows that families and carers in Australia already bear many of these burdens. Carers experience more than double the general population rates of psychological distress (53.7%), significant social isolation (61.2%), and more severe financial hardship (58.6%) (Carers NSW, 2025). These figures point to a system already stretched too far.

"Families and carers are not a policy contingency. We are individuals with lives, our own health, and we have limits. So, when the NDIS does not work, we don't get a gap payment or a transition plan; we just do more. Governments need to understand that before redesigning access." Meredith Coote, Carer Representative, MHCN.

Reductions will isolate participants and increase family and carer load

MHCN is concerned about cuts to funding dedicated to social and community participation supports, and the replacement of individual funding with the \$200 million Inclusive Communities Fund. For people with psychosocial disability, the relationship between participation in a community and daily living support is not administratively tidy. It is, functionally, inseparable. Participants who have the most functional impairment, access to the supermarket, attend an activity in the community, leave the house require individualised and relationship-based support. A community service cannot replicate that. Reducing individualised participation funding is likely to increase social isolation for participants and again transfer the responsibility for support directly to their families and carers.

"The Government must model the full downstream impact of these changes, not just on the NDIS budget, but on the mental health of participants, on the capacity of carers, and on the community mental health system that will absorb the consequences. The unintended consequences of getting it wrong will be enormous." Jonathan Harms, CEO, MHCN.



Mental Health Carers NSW

Preventing the interface of NDIS and mainstream services from becoming a chasm

MHCN calls for caution in drawing and enforcing the line between the NDIS and mainstream mental health. Carers of people with psychosocial disability are frequently forced to manage both the systems at once, especially in times of crisis when the clinical and psychosocial rehabilitation do not neatly fall away from funding. Research from the University of Sydney's Professor Jennifer Smith-Merry indicates that integration between mental health or community services and disability support is an important element of effective foundational supports. Breaking down the NDIS-mainstream boundary without an effective integration architecture will not return the NDIS to its initial purpose, but will heighten the fragmentation that carers have experienced for many years.

"Carers have spent years providing support when systems don't work together. Drawing a harder line between the NDIS and mental health services without building the connective infrastructure first is not reform. We need genuine system integration, not a cleaner version of the same silos." Bernie Mullin, Carer Representative, MHCN.

MHCN calls on the Federal Government to:

- Preserve continuity of support for current NDIS participants with psychosocial disability until a funded and working alternative system is in place.
- Ensure that the I-CAN Functional Assessment Tool is co-designed with people living with psychosocial disability, families and carers, and certified by professionals with psychosocial expertise before implementation.
- Model and publicly report the full impact of funding cuts on participants, carers and the mental health system.
- Deliver a clear and funded roadmap for the integration of NDIS and mainstream mental health services that includes families and carers' navigation needs.
- Engage carers as meaningful stakeholders in the design and implementation of all NDIS reforms affecting psychosocial disability.

MHCN is committed to working with both the Government and the NDIA, as well as state and territory governments, to ensure that reform strengthens, not diminishes, the lives of people with psychosocial disability and those who care for them.

For media enquiries

Jonathan Harms – CEO.

Mental Health Carers NSW Inc.

jonathan.harms@mentalhealthcarersnsw.org

<http://www.mentalhealthcarersnsw.org>

(02) 9332 0777