

Finding opportunity in reform

The 2026-2027 Federal Budget papers put into focus something our sector has always known: that mental health and wellbeing are not built in clinics alone. The decisions in this budget about housing, employment, bulk billing, hospital funding, and community infrastructure are mental health decisions, whether they are framed that way or not. A government that understands this is one we can work with.

"Good economic policy is good mental health policy," said Kerry Hawkins CEO of Community Mental Health Australia (CMHA).

"When people have safe housing, economic security and access to care, the conditions for mental wellbeing follow," said Kerry.

"We see that logic at work in parts of this budget, and we welcome it," she added.

The \$3 billion commitment to Foundational Supports outside the NDIS is the headline announcement for our sector. There are Australians with serious mental health challenges who do not qualify for the NDIS and cannot afford private care. They have been waiting a long time for government to take their unmet need seriously. This budget signals that the funding is ready. What follows now is the harder work of design, negotiation with states and territories through the National Mental Health and Suicide Prevention Agreement and delivery.

"Psychosocial supports, if designed well, with the right people at the table, could be the reform that finally reaches the Australians our sector has been trying to reach for years," said Kerry.

"The announcement matters. How this is implemented will matter more," she cautioned.

There are also challenges that need to be named clearly. A funding commitment is not the same as a sustainable and accountable service system.

"An independent, adequately funded National Mental Health Commission is essential to drive accountability through this transformation and this budget has missed a critical opportunity to establish it in a timely manner," said Kerry.

"Reform is complex, and we see that accountability throughout the process is key to ensuring people don't fall through the gaps, and that this opportunity must be properly realised," she added.

On NDIS reform, our position is straightforward. We understand the rationale for ensuring the scheme remains viable for future generations. But for Australians with psychosocial disability, tighter eligibility and reduced plan funding carry real risk. No one should leave the NDIS without a funded, accessible alternative already in place.

"Reform done well is what we have been asking for. But reform without a safety net is an unacceptable risk, and we will continue our advocacy work in this area," said Kerry.

A budget is an announcement. The policy is in the detail that follows over the coming months, as Foundational Supports are negotiated with states, as the NDIS New Planning Framework takes effect, and as commissioning processes begin. CMHA will be closely engaged at every stage, and we will be ensuring that people with lived experience of mental health challenges, their families, carers and kin, Aboriginal and Torres Strait Islander

peoples, and the community organisations that support them, are in the room where those decisions are made.

"The people who need these supports have waited long enough," said Kerry.

"What is good for Australia's mental health is good for the economy. This budget shows government is beginning to understand that," concluded Kerry.

ENDS

—

For media interviews, please contact Kerry Hawkins CEO Community Mental Health Australia

Email ceo@cmha.org.au

Photo included for editorial use caption: Kerry Hawkins CEO Community Mental Health Australia