

MYEFO 2025/26: Why Psychosocial Supports Cannot Wait

19 December 2025

This week, the Government's [Mid-Year Economic and Fiscal Outlook](#) (MYEFO) announced a welcome \$1.1 billion investment in mental health services, funding commitments originally made at the recent federal election, alongside \$158 million aimed at improving access for young people and adults.

But for nearly 500,000 Australians with moderate and high-need mental health challenges, and the families, carers, and kin who support them, MYEFO has not delivered what is urgently required: psychosocial supports outside the NDIS.

Psychosocial supports are community-based services that assist people whose everyday functioning is affected by mental health challenges to live independently, stay connected, and participate fully in their communities. For those not eligible for the NDIS, the gap in support is particularly profound.

“MYEFO was the moment to fund and deliver immediate support to Australians missing psychosocial services,” said James Maskey, CEO of MIFA. *“Instead, these supports remain unaddressed, and people will now likely have to wait for further 2026 budget processes, and possibly until the next National Mental Health and Suicide Prevention Agreement, before systemic change can occur.”*

The urgency of this gap is reinforced by the Productivity Commission, which has handed down a [deeply critical review](#) of the National Mental Health and Suicide Prevention Agreement, finding it inadequate in its current form. Roles and responsibilities remain unclear, funding cycles are short, reporting is limited, and no national mechanism is driving coordinated reform.

The gaps are evident from the frontline to national policy. MIFA's leadership is grounded in deep engagement across the mental health ecosystem, translating the lived experience of individuals and families into system-level insight that reflects the day-to-day realities of community-based services. This ensures urgent needs are addressed while longer-term reforms remain practical and workable.

Mechanisms such as the [Commonwealth Psychosocial Support Program](#) and [Hospital to Home](#) could deliver tangible improvements immediately. Expanding these programs now does not replace the need for long-term reform; it strengthens it. A fairer, more effective mental health system requires both urgent investment today and carefully considered reform tomorrow.

“The Commonwealth could invest in existing programs today to increase their reach and address the unmet need,” James continued. “Programs which worked were axed in 2019 and have never been replaced. The message this sends to people with moderate and high-need mental health challenges, and their families, is that six years of waiting for supports is acceptable. It isn’t.”

Looking ahead, MIFA will continue to advocate for both immediate and longer-term action. This includes expanding psychosocial support programs now, including the Commonwealth Psychosocial Support Program and services delivered by MIFA member organisations, so people can access help without delay. At the same time, MIFA will champion whole-of-sector co-production to design a fit-for-purpose system of support, where people with lived experience, families, carers, and service providers are equal partners in shaping sustainable reform.

By combining immediate uplift with long-term, practical reform, MIFA is focused on a system that genuinely meets people’s needs today and into the future.

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Contact

James Maskey, CEO

Mental Illness Fellowship of Australia

james.maskey@mifa.org.au | 0404 688 795

www.mifa.org.au

