Mental Health
Community Coalition ACT

MHCC ACT Submission to the Inclusive Communities Fund Consultation

August 2026

Acknowledgements

Acknowledgement of Country

Mental Health Community Coalition ACT is located on Ngunnawal Country. We acknowledge the Traditional Custodians of the land. We pay our respects to their Elders, past and present. We further acknowledge all Aboriginal and Torres Strait Islander Traditional Custodians and Country and recognise their continuing connection to land, sea, culture and community.

Acknowledgement of mental health lived experience

We also acknowledge the individual and collective expertise of those with a living or lived experience of mental health. We recognise their vital contribution at all levels and value the courage of those who share this unique perspective for the purpose of learning and growing together to achieve better outcomes for all.

About us

About MHCC ACT

The Mental Health Community Coalition of the ACT (MHCC ACT) is a membership-based organisation which was established in 2004 as a peak agency. It provides vital advocacy, representational and capacity building roles for the Not for Profit (NFP) community-managed mental health sector in the ACT. This sector covers the range of non-government organisations (NGO) that offer mental health recovery, early intervention, prevention, health promotion and community support services.

We advocate for a mental health system that offers people support and belonging within their community.

About the ACT community mental health sector

The ACT community mental health sector offers **holistic person-led** problem solving through seamless and understanding systems of **support**. It creates care that is **responsive** to the **whole person** and their circumstances, not just a single issue or point in time. At its heart, the sector is “in the community, for community, by community” - building support that is **trusted**, **connected** and shaped **by the people** it exists to serve.

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MHCC ACT Submission on the Inclusive Communities Fund Consultation

Executive Summary

MHCC ACT supports the objective of building more inclusive and accessible communities.

However, we are concerned that the Fund may overestimate the extent to which organisational capability-building alone can improve participation outcomes for people with psychosocial disability. Community inclusion is influenced not only by the accessibility of organisations, but also by the availability of trusted support relationships, transport, flexibility for episodic participation, and broader psychosocial supports.

Given the current level of unmet psychosocial needs amongst people with psychosocial disability, it is imperative that we prioritise people with psychosocial disability as a cohort likely to be significantly affected by broader participation support reforms.

Summary of Recommendations

MHCC ACT recommends that:

1. The Inclusive Communities Fund should operate alongside Social, Civic and Community individual Participation supports for people with enduring and high mental health support needs.
2. The Fund should support community organisations to understand and accommodate intermittent and episodic participation.
3. The Fund should prioritise partnerships with organisations that have expertise in psychosocial disability and recovery-oriented practice.
4. Community organisations would benefit from specialist advice regarding trust-building, stigma reduction, recovery-oriented participation and creating environments where people with psychosocial disability feel safe, valued and able to belong.
5. It is recommended that evidence that supports capacity building increases inclusion for people with psychosocial disability is made public prior to funds being withdrawn from NDIS packages or the Fund being implemented.
6. The Fund should recognise and support multiple pathways to inclusion, including disability-led communities and peer-based forms of participation.
7. Funded organisations should be required to develop sustainability plans demonstrating how inclusive practices, partnerships and organisational changes will be maintained after funding ends.

Introduction

Mental Health Community Coalition ACT (MHCC ACT) welcomes the opportunity to provide feedback on the design of the Inclusive Communities Fund (ICF). MHCC ACT is the peak body for the community-managed mental health sector in the ACT. We advocate for a mental health system that promotes recovery, social inclusion, community participation and belonging.

MHCC ACT supports the objective of building more inclusive communities and increasing opportunities for people with disability to participate in community life. Meaningful participation in community activities contribute to safety, wellbeing, recovery, confidence, social connection and a sense of belonging.

However, we are concerned that the proposed Fund may not adequately address the barriers experienced by people with psychosocial disability unless these barriers are explicitly considered in the Fund's design. We are also concerned that the fundamental design of the Fund as presented in the consultation paper assumes that organisational capability-building will improve participation outcomes without clearly demonstrating how this will occur for people with psychosocial disability, particularly where significant barriers to participation exist outside of community organisations themselves.

We raise the following questions that currently remain unanswered in the design of the Fund:

1. What evidence demonstrates that disability inclusion grants for capability building lead to greater inclusion for people with psychosocial disability?

2. How will the Fund support people with psychosocial disability, who may be disproportionately affected by changes to Social, Civic and Community Participation supports in the NDIS?

3. How does the Department expect organisational capacity-building initiatives to address participation barriers that sit outside community organisations themselves?

4. How do the proposed outcomes of this Fund contribute towards meeting the documented unmet psychosocial needs of nearly 9,000 people in the ACT?

The broader policy context

The consultation paper notes that changes to NDIS Social, Civic and Community Participation (SCCP) supports are not the focus of this consultation and will be consulted on separately. However, MHCC ACT considers it important to acknowledge the broader policy environment in which the Fund is being developed. The Government has announced the Inclusive Communities Fund following broader reforms to NDIS Social, Civic and Community Participation funding. While the Fund and SCCP funding serve different purposes, they are clearly connected in their intended contribution to community participation outcomes.

MHCC ACT is concerned by the scale of the difference between these measures. The Inclusive Communities Fund will provide $200 million over three years, while the Government has simultaneously announced savings of $13.2 billion in reductions to NDIS Social, Civic and Community Participation and Capacity Building and Daily Activity expenditure. More importantly, the two initiatives perform fundamentally different functions.

To bring this into context for the ACT, $200 million over 3 years equates to approximately $67 million per year. If this is distributed based on population figures given ACT is 1.8% of Australia's population, we would expect ACT to receive $3.6 million over the three years and $1.2 million annually. This is not at all a significant amount of funding and would do little to improve inclusivity. Assuming the average cost for training is $100 per person this would allow 12,000 people in the ACT to be provided with training on inclusivity out of a population of over 400,000.

If we look at this in another way and compare the $1.2m annual ACT share to the level of funding currently required to support those with psychosocial disability in the ACT:
1,165 people in the ACT with psychosocial disability received funding through NDIS in Q2 FY 25/26 (breakdown provided in Table 1).

If we assume that the $200m is replacing Core budget for Community Access, the ACT will need **$14,039,692** to replace what is currently being utilised for support, **$2,167,561** for Capacity Building Daily Activities, and **$472,350** for Capacity Building - Social Civic, and Community Participation (breakdown in Table 2).

Table 1. NDIS supports for ACT participants with psychosocial disability (Q2 FY2025-26)

Support Category	Participants Receiving Support	Average Committed Support	Average Payment
Capacity Building – Daily Activities	1,111	$3,589	$1,951
Core – Community Access Support	1,087	$15,138	$12,916
Capacity Building – Social and Civic Participation	282	$3,906	$1,675
All psychosocial participants receiving NDIS supports in the ACT	**1,165**	**$55,751**	**$41,019**

Table 2. Indicative funding required to match existing ACT NDIS support streams

If the Inclusive Communities Fund were expected to replace...	Estimated ACT funding required
Core - Community Access Support	**$14,039,692**
Capacity Building - Daily Activities	**$2,167,561**
Capacity Building - Social and Civic Participation	**$472,350**

These figures do not include the **estimated 8,940 people in the ACT with psychosocial support needs who are not currently receiving support** through the NDIS or other funded programs. As such, the challenge of community inclusion for people with psychosocial disability extends beyond improving the accessibility of community organisations and must be considered within the broader context of unmet psychosocial support need.

The Inclusive Communities Fund is intended to improve the capability of organisations through activities such as training, partnership-building and organisational change. Social, Civic and Community Participation funding supports individuals to access and participate in community activities. For people with psychosocial disability, these functions are not interchangeable. **People with psychosocial disability are among the groups most likely to access Social, Civic and Community Participation supports.** MHCC ACT is therefore concerned that the cohort most affected by SCCP reforms could also be the cohort least likely to benefit from an organisational capacity-building approach alone.

At the same time, MHCC ACT sees significant potential for the two approaches to work together. Individual participation supports can assist people with psychosocial disability to build the confidence, relationships and practical skills needed to engage in community life, while the Inclusive Communities Fund can support organisations to become more welcoming and inclusive. Over time, as community capability and inclusion increase, reliance on individual supports may reduce for some people. However, for people with enduring and high mental health support needs, organisational capacity-building is unlikely to remove the need for participation supports altogether.

We are also particularly concerned about the implementation gap. SCCP reforms are expected to impact participants from October 2026, while funding through the Inclusive Communities Fund is not expected to commence until June 2027. This creates a significant period in which people may lose participation supports before any benefits from the Fund are realised.

This is also set to occur in a context where there is an existing gap in psychosocial supports, with funding arrangements and implementation timelines for ongoing Psychosocial Foundational Supports still undetermined. While the Inclusive Communities Fund is a separate initiative, we are concerned that the uncertainty, system changes, gaps in service delivery and unaligned timeframes will result in a period of disruption to recovery for people with psychosocial disability and increase periods of acuity and demands on tertiary services. **People with psychosocial disability should thus be prioritised as a cohort likely to be significantly affected by broader participation support reforms.**

What support, resources or changes would help organisations become more inclusive and accessible?

MHCC ACT supports investment in building the capability of community organisations. However, we believe more attention must be given to the specific inclusion needs of people with psychosocial disability.

Local Disability Inclusion Grants have focused on physical accessibility and visible disability. While this work is important, people with psychosocial disability often experience different barriers. These include stigma and discrimination, vilification, social isolation, fluctuating support needs, difficulties establishing trust, anxiety associated with unfamiliar environments, and challenges maintaining participation during periods of deteriorating mental health.

No matter how inclusive the environment or how friendly and skilled the people in the environment are, without support from a trusted person with whom an existing relationship exists it is unlikely that people with enduring or high mental health support needs will be able to access the program, service, activity or

community. Psychosocial support and SCCP builds the relationships and the capability and capacity of the individual needed to support access and inclusion. Building capability in the organisation, service or program alone will not replace this.

Many community organisations operate on assumptions of regular attendance and ongoing engagement. However, participation for people with psychosocial disability is often non-linear and can fluctuate over time. Organisations should be supported to develop participation models that accommodate periods of withdrawal and re-engagement without penalising or excluding individuals.

Community organisations may benefit from specialist advice regarding trust-building, stigma reduction, recovery-oriented participation and creating environments where people with psychosocial disability feel safe, valued and able to belong.

Recommendation 1

The Inclusive Communities Fund should operate alongside Social, Civic and Community individual Participation supports for people with enduring and high mental health support needs.

Recommendation 2

The Fund should support community organisations to understand and accommodate intermittent and episodic participation.

Recommendation 3

The Fund should prioritise partnerships with organisations that have expertise in psychosocial disability and recovery-oriented practice.

Recommendation 4

Community organisations would benefit from specialist advice regarding trust-building, stigma reduction, recovery-oriented participation and creating environments where people with psychosocial disability feel safe, valued and able to belong.

What activities should the Fund support?

MHCC ACT supports funding activities that create lasting organisational change rather than short-term initiatives.

However, we encourage the Department to consider whether organisational capacity-building alone is sufficient to improve inclusion outcomes for people with psychosocial disability. For many people with psychosocial disability, the primary barrier to participation is not whether a community organisation is welcoming or disability aware. The barrier is often whether they can access the activity in the first place.

For example, developing the trust and confidence required to attend an unfamiliar community activity may require lengthy one-on-one support and relationship-building. Similarly, access to transport remains a significant barrier for many people with psychosocial disability. These are challenges that staff training

and organisational capability-building alone may not overcome, but that are addressed through individual participant supports.

MHCC ACT would welcome greater transparency regarding the evidence base underpinning the proposed model. The consultation paper assumes that building the capability and confidence of community organisations will lead to improved inclusion and participation outcomes. However, it is unclear whether there is evidence demonstrating whether one-off organisational capacity-building initiatives such as Disability Inclusion Grants and the Information, Linkages and Capacity Building Program have resulted in sustained improvements in participation, belonging and community connection outcomes for this cohort.

Recommendation 5

It is recommended that evidence that supports capacity building increases inclusion for people with psychosocial disability is made public prior to funds being withdrawn from NDIS packages or the Fund being implemented.

What is the best way for community organisations to build meaningful and lasting inclusion?

MHCC ACT supports the consultation paper's focus on inclusion, belonging and meaningful participation. However, we caution against approaches that assume inclusion is always achieved through participation in mainstream community organisations.

One-off grants are unlikely to produce lasting change unless organisations embed inclusion into governance, workforce practices and organisational culture.

For some people with disability, belonging may be found within communities formed around shared disability experience, culture or identity. For example, Deaf communities, Blind communities and psychosocial disability communities may provide forms of connection, understanding and belonging that cannot be replicated elsewhere.

An inclusive society should support people to participate where they choose, rather than assuming that inclusion requires assimilation into mainstream activities. This is consistent with principles of choice and control.

Recommendation 6

The Fund should recognise and support multiple pathways to inclusion, including disability-led communities and peer-based forms of participation.

Recommendation 7

Funded organisations should be required to develop sustainability plans demonstrating how inclusive practices, partnerships and organisational changes will be maintained after funding ends.

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