



ANNUAL INTELLIGENCE REPORT | FIRST EDITION

National Lived Experience Intelligence Report

2026 — The State of Australia's Systems

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1. About This Report

The National Lived Experience Intelligence Report is NLEC's flagship annual publication. It is published each year to provide a structured, evidence-based assessment of the state of Australia's social, health, justice, housing, disability and community service systems from the perspective of the people who use them.

This is the first edition. It establishes the baseline against which future editions will measure progress. It is not a comprehensive research report — it is an intelligence summary: a structured synthesis of the lived experience evidence available to NLEC at the time of publication, designed to be useful to policy-makers, advocates, researchers, service providers and the broader community.

"The people who know most about how Australia's systems work — and where they fail — are the people who have lived inside them. This report is their evidence."

This report is a public interest publication. It is freely reproducible with attribution. NLEC invites organisations, researchers, advocates and individuals to use, cite, challenge and build upon its findings.

2. Methodology and Evidence Base

Important methodological note — First Edition: This inaugural report is based on a synthesis of publicly available evidence, including royal commission findings, parliamentary inquiry reports, government reviews, peer-reviewed research, sector reports and submissions from lived experience organisations. It does not yet incorporate NLEC's own primary research, which is currently in development. Domain assessments are therefore based on secondary evidence synthesis and should be read as preliminary intelligence assessments rather than primary research findings. NLEC will progressively incorporate primary lived experience research into future editions as its evidence infrastructure develops. All assessments are subject to revision as new evidence becomes available. NLEC invites corrections, challenges and additional evidence from affected communities and organisations.

Evidence sources for this edition include:

- Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability (Final Report, 2023)
- Royal Commission into Aged Care Quality and Safety (Final Report, 2021)
- Royal Commission into Mental Health (Victoria, Final Report, 2021)
- Senate inquiry submissions and evidence, including NDIS Amendment Bill 2026
- AIHW reports on health, welfare, housing and justice system performance
- Productivity Commission reports on social services, housing and disability
- Sector reports from LEA, AFDO, PWDA, Mental Health Australia, Homelessness Australia, ACOSS and related organisations
- Peer-reviewed research published in Australian and international journals
- Government administrative data and performance reporting

3. National System Health Assessment

The following matrix provides NLEC’s preliminary assessment of the state of each reform domain, based on the evidence synthesis described above. Assessments use a four-level scale:

CRITICAL Systemic failure; urgent reform required SERIOUS Significant failures; major reform needed CONCERNING Persistent problems; reform underway but insufficient IMPROVING Positive trajectory; continued attention required			
Reform Domain	Status	Key Driver of Assessment	Trend
Mental Health & Wellbeing	● Critical	Persistent access barriers; coercive practice; psychosocial disability support gaps; workforce shortages	→ Stalled
Disability & NDIS	● Critical	Proposed 346,000 participant reduction; \$13.2B cut to participation supports; co-design failures	↓ Deteriorating
Housing & Homelessness	● Critical	Social housing waitlists at record levels; homelessness rising; housing affordability crisis deepening	↓ Deteriorating
Child Protection & Out-of-Home Care	● Serious	Over-representation of First Nations children; post-care support gaps; family preservation failures	→ Stalled
Justice & Corrections	● Serious	First Nations over-representation; rehabilitation failures; mental health and disability intersection	→ Stalled
Health & Aged Care	● Serious	Aged care reform implementation gaps; rural and remote access; cultural safety failures	↑ Slowly improving
Social Services & Income Support	● Serious	Payment adequacy below poverty line; compliance framework harms; service access barriers	→ Stalled
Education & Early Childhood	● Concerning	Inclusion gaps for students with disability; early childhood access inequity; outcomes disparities	↑ Slowly improving
Family Violence & Safety	● Serious	Response system capacity gaps; safety planning failures; service access barriers for marginalised groups	↑ Slowly improving
First Nations Systems	● Critical	Over-representation across all systems; self-determination gaps; culturally unsafe services	→ Stalled

Assessment basis: These assessments are based on secondary evidence synthesis from publicly available sources. They represent NLEC’s preliminary intelligence assessment, not primary research findings. Four domains are assessed as Critical; five as Serious; one as Concerning. No domain is currently assessed as Improving overall, though positive trajectories exist within specific areas of some domains.

4. Cross-Cutting Findings

The following findings emerge consistently across multiple reform domains and represent the most significant patterns in the 2026 national lived experience intelligence base:

FINDING 1 — THE CONSULTATION GAP

Across all ten reform domains, lived experience is routinely gathered through consultation processes but rarely converted into substantive reform outcomes. The gap between what people report experiencing and what systems are designed to deliver remains wide, persistent and largely unacknowledged by institutions.

FINDING 2 — SYSTEM-INDUCED HARM

People with lived experience of Australia’s social, health, justice and disability systems consistently report that system contact itself generates harm — through experiences of not being believed, being subjected to coercive practices, being denied access, being subjected to compliance frameworks that cause distress, and being treated as subjects rather than as people. This system-induced harm is distinct from the presenting need that brought people into contact with the system and represents a significant and under-measured form of institutional failure.

FINDING 3 — INTERSECTIONAL DISADVANTAGE

The people most severely affected by system failures are consistently those who experience multiple, intersecting forms of disadvantage — including disability, mental health challenges, housing insecurity, income poverty, First Nations identity, family violence, and involvement in the justice system. Systems designed to address single presenting needs consistently fail people whose needs span multiple domains.

FINDING 4 — THE CO-DESIGN ACCOUNTABILITY GAP

Governments and institutions increasingly claim to have co-designed policies, services and systems with people with lived experience. The evidence does not support these claims. Across all ten reform domains, NLEC finds that most processes described as co-design operate at the consultation or involvement level of the participation spectrum — not at the co-design or lived experience leadership level. See Section 6 for detailed analysis.

FINDING 5 — WORKFORCE AND CAPACITY CONSTRAINTS

Across health, mental health, disability, aged care and social services, workforce shortages and capability gaps are consistently identified as barriers to the delivery of safe, effective and person-centred services. These constraints are particularly acute in rural, regional and remote areas, and for services required by people with complex and intersecting needs.

FINDING 6 — FIRST NATIONS OVER-REPRESENTATION

First Nations Australians are over-represented in every system examined in this report — mental health, disability, housing, child protection, justice, income support and aged care. This over-representation is not explained by individual

characteristics. It reflects the cumulative impact of colonisation, dispossession, intergenerational trauma, systemic racism and the failure of systems designed without genuine First Nations leadership and self-determination.

5. Domain Intelligence Summaries

The following summaries provide a structured intelligence assessment for each of NLEC's ten reform domains. Each summary includes: the key intelligence findings; the primary evidence gaps; the most urgent reform priorities; and the co-design quality assessment for the domain's most significant current reform process.

D1

Mental Health & Wellbeing

CRITICAL

KEY INTELLIGENCE FINDINGS

PRIMARY EVIDENCE GAPS

- Access to community mental health services remains severely constrained, with wait times of months to years for non-crisis support
- Coercive practices — including involuntary treatment, seclusion and restraint — continue at rates inconsistent with recovery-oriented frameworks
- Psychosocial disability supports are under threat from proposed NDIS reforms, with \$13.2 billion in cuts targeting the participation supports most critical for people with mental health conditions
- System-induced harm is well documented: people with mental health conditions consistently report that service contact generates anxiety, distress and disengagement (LEA BPD research, 2026)
- The peer workforce is growing but remains under-resourced, under-valued and inadequately supported

Most Urgent Reform Priority:

Establish a national moratorium on further reductions to psychosocial disability supports pending independent lived experience impact assessment. Commission a national inquiry into system-induced harm in mental health services.

- Systematic national data on the prevalence and nature of system-induced harm in mental health services
- Longitudinal lived experience data on recovery outcomes under different service models
- Evidence on the impact of NDIS psychosocial disability support reductions on mental health outcomes
- Lived experience data on the effectiveness of peer workforce integration

D2

Disability & NDIS

CRITICAL

KEY INTELLIGENCE FINDINGS

PRIMARY EVIDENCE GAPS

- The proposed NDIS Amendment Bill 2026 projects the removal of 346,000 people from the Scheme by 2031
- \$13.2 billion in savings — over one-third of total — targets Social and Community Participation and Capacity Building supports
- Fraud and provider integrity measures account for only \$1.1 billion (under 3%) of total savings, contradicting claims that fraud is a primary driver of costs
- AFDO's Senate submission argues that the Bill was developed through consultation, not genuine co-design, in breach of CRPD Article 4(3)

- Independent lived experience impact assessment of proposed NDIS reforms on participants with psychosocial disability
- Evidence on the impact of participation support reductions on informal carers, particularly women
- Longitudinal data on outcomes for people exited from the NDIS
- Evidence on the adequacy of proposed foundational supports as alternatives to NDIS funding

- The Bill's own explanatory memorandum acknowledges disproportionate impact on women carers

Most Urgent Reform Priority:

Commission an independent lived experience impact assessment of the NDIS Amendment Bill before passage. Establish genuine co-design processes for NDIS reform that meet the standards of CRPD Article 4(3).

D3

Housing & Homelessness

CRITICAL

KEY INTELLIGENCE FINDINGS

- Social housing waitlists have reached record levels, with wait times of 10+ years in major cities
- Homelessness is rising, with particular increases among women, older Australians and people with disability
- The intersection of housing insecurity with mental health, disability and income support creates compounding disadvantage that single-domain services cannot address
- Lived experience of homelessness services consistently identifies dignity, safety and continuity of support as primary concerns

Most Urgent Reform Priority:

Establish a national lived experience advisory mechanism for the National Housing and Homelessness Plan that meets genuine co-design standards. Commission independent lived experience research on the impact of housing insecurity on health and disability outcomes.

PRIMARY EVIDENCE GAPS

- Systematic lived experience data on the quality and safety of homelessness services
- Evidence on the impact of housing insecurity on health, mental health and disability outcomes
- Lived experience data on the effectiveness of Housing First approaches in the Australian context

D4

Child Protection & Out-of-Home Care

SERIOUS

KEY INTELLIGENCE FINDINGS

- First Nations children remain massively over-represented in out-of-home care, at rates that have not improved despite decades of reform commitments
- Care leavers consistently report inadequate preparation for leaving care and insufficient post-care support
- Family preservation services are chronically under-resourced relative to the evidence base for their effectiveness
- The lived experience of children and young people in care is systematically under-represented in system design

Most Urgent Reform Priority:

Establish a national care leaver advisory mechanism with genuine decision-making power over post-care support policy. Commission independent lived experience research on the impact of out-of-home care on long-term outcomes.

PRIMARY EVIDENCE GAPS

- Longitudinal lived experience data on outcomes for care leavers
- Evidence on the effectiveness of family preservation models from the perspective of families
- Lived experience data from children and young people currently in care

D5

Justice & Corrections

SERIOUS

KEY INTELLIGENCE FINDINGS

PRIMARY EVIDENCE GAPS

- First Nations Australians are imprisoned at 13 times the rate of non-Indigenous Australians — a rate that has worsened over the past decade
- People with mental health conditions and cognitive disability are significantly over-represented in the justice system
- Rehabilitation and reintegration programmes are chronically under-resourced and inconsistently delivered
- The lived experience of people in contact with the justice system is almost entirely absent from system design processes
- Systematic lived experience data on the quality and safety of custodial environments
- Evidence on the effectiveness of diversion programmes from the perspective of participants
- Lived experience data on reintegration barriers and support needs

Most Urgent Reform Priority:

Establish a national lived experience advisory mechanism for justice reform with genuine decision-making power. Commission independent lived experience research on the drivers of First Nations over-representation and the effectiveness of diversion programmes.

D6 Health & Aged Care

SERIOUS

KEY INTELLIGENCE FINDINGS

- Aged care reform implementation is progressing but significant gaps remain in quality, safety and person-centred care
- Rural and remote health access remains severely constrained, with lived experience of long travel times, service gaps and inadequate culturally safe care
- Patient rights and consumer-directed care principles are inconsistently implemented across health settings
- Cultural safety for First Nations peoples and people from culturally and linguistically diverse backgrounds remains inadequate across most health settings

Most Urgent Reform Priority:

Establish independent lived experience monitoring of aged care reform implementation. Commission national lived experience research on rural and remote health access barriers.

PRIMARY EVIDENCE GAPS

- Systematic lived experience data on aged care quality from the perspective of residents and families
- Evidence on the impact of rural and remote health access barriers on health outcomes
- Lived experience data on cultural safety in health settings

D7 Social Services & Income Support

SERIOUS

KEY INTELLIGENCE FINDINGS

- JobSeeker and related income support payments remain below the poverty line, with lived experience consistently identifying payment inadequacy as a primary driver of hardship
- Compliance frameworks — including mutual obligations, payment suspensions and debt recovery — generate significant distress and harm among income support recipients

PRIMARY EVIDENCE GAPS

- Systematic lived experience data on the impact of compliance frameworks on health and wellbeing
- Evidence on the effectiveness of income support adequacy improvements from the perspective of recipients
- Lived experience data on service access barriers for people with disability and mental health conditions

- Service access barriers, including digital exclusion, literacy requirements and complex processes, disproportionately affect the most vulnerable recipients
- The lived experience of income support recipients is systematically excluded from the design of compliance frameworks

Most Urgent Reform Priority:

Commission an independent lived experience review of the impact of income support compliance frameworks on health, mental health and wellbeing. Establish a lived experience advisory mechanism for income support policy with genuine decision-making power.

D8

Education & Early Childhood

CONCERNING

KEY INTELLIGENCE FINDINGS

- Inclusion of students with disability in mainstream education remains inconsistent, with significant variation across states and territories
- Early childhood education and care access remains inequitable, with children from disadvantaged families least likely to access high-quality early childhood services
- The lived experience of students with disability and their families identifies inadequate support, exclusionary practices and low expectations as persistent barriers
- Positive reform trajectories exist in early childhood policy, though implementation gaps remain

Most Urgent Reform Priority:

Establish national lived experience monitoring of disability inclusion in education. Commission independent research on the lived experience of students with disability in mainstream settings.

PRIMARY EVIDENCE GAPS

- Systematic lived experience data on inclusion quality from the perspective of students with disability
- Evidence on the long-term impact of early childhood service access on educational outcomes

D9

Family Violence & Safety

SERIOUS

KEY INTELLIGENCE FINDINGS

- Family violence response systems remain under-resourced relative to demand, with significant gaps in crisis accommodation, legal support and long-term safety planning
- Women with disability, First Nations women and women from culturally and linguistically diverse backgrounds face compounding barriers to accessing safe and appropriate support
- The lived experience of family violence survivors identifies system navigation complexity, inadequate safety planning and inconsistent responses as primary barriers
- Positive reform trajectories exist in some jurisdictions, though national consistency remains elusive

PRIMARY EVIDENCE GAPS

- Systematic lived experience data on the quality and safety of family violence response services
- Evidence on the effectiveness of safety planning from the perspective of survivors
- Lived experience data on barriers for women with disability and First Nations women

Most Urgent Reform Priority:

Establish a national lived experience advisory mechanism for family violence policy with genuine decision-making power.
Commission independent lived experience research on barriers for women with disability and First Nations women.

D10 First Nations Systems

CRITICAL

KEY INTELLIGENCE FINDINGS

- First Nations Australians are over-represented in every system examined in this report — mental health, disability, housing, child protection, justice, income support and aged care
- Self-determination principles are inconsistently applied across Commonwealth, state and territory systems, with most systems retaining significant non-Indigenous control over services and decisions affecting First Nations communities
- Culturally safe services remain the exception rather than the rule across most system domains
- The Closing the Gap framework has produced limited measurable improvement across most targets

Most Urgent Reform Priority:

NLEC acknowledges that First Nations lived experience intelligence must be gathered and led by First Nations people and organisations. NLEC commits to developing a First Nations engagement framework in genuine partnership with First Nations communities and organisations before undertaking any primary research in this domain.

PRIMARY EVIDENCE GAPS

- Systematic lived experience data from First Nations communities on the quality and cultural safety of services across all domains
- Evidence on the effectiveness of self-determination models from the perspective of First Nations communities
- Lived experience data on the impact of Closing the Gap implementation on community outcomes

6. The Co-Design Accountability Gap

Across all ten reform domains, NLEC finds a consistent and significant gap between the co-design claims made by governments and institutions and the quality of participation processes actually delivered. This gap — the co-design accountability gap — is one of the most significant structural failures in Australia's approach to social policy reform.

Using NLEC's National Co-Design Standards Framework (published separately, June 2026), NLEC has assessed the co-design quality of the most significant current reform process in each domain. The results are summarised below:

Domain	Reform Process Assessed	Co-Design Score (/28)	Assessment
Disability & NDIS	NDIS Amendment Bill 2026	10/28	Consultation Only
Mental Health	National Mental Health Workforce Capability Framework	14/28	Consultation Only
Housing	National Housing and Homelessness Plan	12/28	Consultation Only
Social Services	JobSeeker adequacy review process	8/28	Symbolic Consultation
Aged Care	Aged Care Act implementation	16/28	Substantial Consultation
Family Violence	National Plan to End Violence Against Women 2022–2032	18/28	Substantial Consultation

Note: These assessments are preliminary, based on publicly available information only, and subject to revision. NLEC invites affected organisations and individuals to contribute evidence to these assessments. See the National Co-Design Standards Framework for full methodology.

7. National Reform Priorities 2026–2027

Based on the intelligence synthesis in this report, NLEC identifies the following as the highest-priority reform actions for 2026–2027:

PRIORITY 1 — IMMEDIATE

Independent lived experience impact assessment of the NDIS Amendment Bill 2026 before passage. The proposed removal of 346,000 people from the NDIS, and the \$13.2 billion reduction in participation supports, represents the most significant single threat to the wellbeing of people with disability in Australia's recent history. No reform of this scale should proceed without an independent, rigorous assessment of its impact on the people most affected.

PRIORITY 2 — IMMEDIATE

National inquiry into system-induced harm in mental health services. The evidence that mental health service contact itself generates harm — through coercive practices, dismissal, access denial and compliance frameworks — is substantial and growing. A national inquiry, led by people with lived experience, is needed to document the scale of this harm and identify the reforms required to address it.

PRIORITY 3 — SHORT-TERM

Adoption of NLEC's National Co-Design Standards Framework as the basis for assessing co-design quality across all major Commonwealth reform processes. The co-design accountability gap identified in this report cannot be closed without agreed national standards and independent accountability mechanisms.

PRIORITY 4 — SHORT-TERM

Independent review of income support compliance frameworks from a lived experience perspective. The evidence that compliance frameworks generate harm — including distress, disengagement and deteriorating health — is substantial. A review led by people with lived experience of income support is needed to assess the scale of this harm and identify reforms.

PRIORITY 5 — MEDIUM-TERM

Development of a First Nations Lived Experience Intelligence Framework in genuine partnership with First Nations communities and organisations. NLEC commits to ensuring that First Nations lived experience intelligence is gathered and led by First Nations people, and to developing the partnerships and protocols needed to do this well.

8. How to Use This Report

This report is designed to be used. NLEC encourages the following uses:

- **Policy-makers and government departments:** Use the domain intelligence summaries and reform priorities to identify where lived experience evidence should inform current policy development and review processes
- **Advocacy organisations and peak bodies:** Use the cross-cutting findings and co-design assessments to strengthen submissions, public commentary and institutional engagement

- **Parliamentary committees and Senate inquiries:** Use the co-design quality assessments and reform priorities as a basis for questioning government witnesses and assessing the adequacy of consultation processes
- **Researchers and academics:** Use the evidence gap analysis to identify priority areas for primary research and to situate new research within the national intelligence landscape
- **Service providers:** Use the domain intelligence summaries to identify where lived experience evidence should inform service design, quality improvement and staff training
- **People with lived experience:** Use this report as evidence that your experience is not isolated — it is part of a national pattern that NLEC is documenting and directing at the people with the power to change it

Contribute to the Next Edition

This report will be updated annually. NLEC invites contributions to the 2027 edition from:

- People with lived experience who wish to contribute their experience to NLEC's evidence base
- Organisations with evidence relevant to any of the ten reform domains
- Researchers with findings relevant to the intelligence gaps identified in this report
- Government departments and institutions that wish to respond to NLEC's assessments

Contributions: commissioner@nlec.au | nlec.au

The evidence in this report is not new. The people it describes have been saying these things for years.

What is new is that it is now being gathered, structured, published and directed at the people with the power to act on it — in a form that cannot be easily dismissed, filed away or forgotten.

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