Impacts of a changing mental health sector on community housing tenants

May 2019

Executive Summary

This paper outlines the changes to mental health support arrangements within the community housing sector and identifies the support gap that is emerging. It explores the impact of insufficient support for tenants and community housing organisations, and outlines the potential implications of this change on how housing is provided to tenants with mental health issues.

A survey of the community housing organisations alongside a review of the changes to the mental health system identified the following key issues:

- In Victoria, unlike in other states, the majority of mental health funding was redirected to fund the NDIS. This occurred despite the fact that services under the NDIS will not cover the full spectrum of mental health supports.
- There has already been a significant reduction in the availability of mental health supports for Victorians. While a recent injection of funding by both Commonwealth and State Governments has helped stabilise a sector in crisis, it has not replaced the level of funding previously available and does not replace the funding that previously supported community mental health providers.
- Housing and mental health have a complex, bi-directional relationship, which means that a lack of mental health services can have flow-on effects on people's housing and vice versa.
- The community housing sector is highly reliant on a functioning mental health system to house tenants with high support needs so the reduction in support services is affecting our sector's ability to sustain the tenancies of this cohort and having flow-on impacts to our businesses.

Key findings

Up to 6500 community housing tenants in Victoria may be living with severe mental ill-health. Most are unlikely to be eligible for services under the NDIS, and mental health services are quickly disappearing outside of the NDIS. This is creating significant support gaps for people with mental ill-health.

Support gaps

Up to 91% of Victorians with severe mental ill-health are expected to be reliant on services outside of the NDIS[1].

Currently, almost three quarters of responding community housing organisations are experiencing a loss or reduction in support services, and this was particularly prevalent for mental health supports.

[1] Mental Health Victoria (2018) *Saving Lives. Saving money.*

On average these organisations reported that 60% of their tenants were being affected by the changes to support services.

Tenant impacts

The two biggest impacts for tenants losing their mental health supports are behavioural issues and problems with day-to-day living.

Tenants experiencing a mental health crisis are more likely to self-harm or act in ways that put neighbours, other residents or housing workers at risk, which can ultimately lead to eviction proceedings. These behaviours can include threats, assault, significant disturbances to neighbours, property damage, or other behaviours that threaten the safety or wellbeing of themselves, other residents, staff or neighbours.

Engaging tenants with mental ill-health has always been challenging but is becoming even harder as relationships with support organisations disappear and community housing organisations become reliant on their tenants to inform them of who their support workers are and whether they are experiencing difficulties.

Impacts on community housing organisations

Community housing organisations are impacted in a variety of ways by the reduction in support services, including an increase in staff workloads, staff fatigue and burnout, an increase in unsafe situations for staff, and additional costs due to higher rates of rent arrears and property damage for tenants in this cohort.

Although tenants are requiring significantly more help in accessing mental health supports, community housing organisations do not have these skills and are not funded to provide this assistance. There is also a lot more work involved in housing tenants with high support needs, and in managing these tenants if they go into crisis.

Partnerships with support agencies are disappearing, leaving community housing organisations in the position of using VCAT to manage tenants in crisis, even if this is not the most appropriate response.

Options for response

An immediate response is required from the Victorian government to provide interim funding for mental health services, including for community mental health, while the Royal Commission into Mental Health is underway and NDIS is still working through how to make the scheme more appropriate for people with psychosocial disabilities.

However, the following avenues must also be explored:

Commonwealth government:

The Commonwealth should extend the funding for mental health programs beyond June 2020 –until the majority of clients have transitioned over to the NDIS or alternative supports have been put in place for those not eligible for the scheme – and work with the NDIA to continue to refine access to the NDIS for people with psychosocial disabilities, and the flexibility of supports available in NDIS packages.

Victorian State government:

The Victorian government must recommit funding for the mental health sector, especially community mental health services with low barriers to entry. This will be examined by the Royal Commission currently underway, and it is hoped that the recommendations of the Commission are based on an understanding of how the health and housing systems interact.

Beyond the Royal Commission, re-investment in mental health referral specialists will be required if targeted stock remains a priority (see p. 13 for more detail). If this is the case, DHHS will also need to revisit existing contracts for targeted stock to ensure expectations are realistic and reflect the new operating environment.

The mental health and community housing sectors need to establish new client-centred ways of working together that recognise and support client choice. However, government must recognise that supporting client choice can be a challenge when working with clients with complex needs. Government funding will be essential to allow for the development of new processes for support coordination and information sharing between the two sectors. Government will also need to support training and capacity building for workers in both sectors to embed these processes into everyday practice.

Community Housing sector:

The community housing sector will need to develop training and resources to help front-line staff work with tenants with psychosocial disability and/or complex needs, and proactively engage with residents to identify potential problems early. The sector will also need to work with mental health services to identify new ways of supporting tenants that allows for client choice & control but meets operational needs of our businesses. Note that government funding will be required to undertake this work.

Mental Health sector:

The mental health sector must work with the community housing sector to identify a new way of supporting tenants that allows for client choice & control but ensures that potential housing issues are identified and the community housing organisation is brought into the conversation early.

Support organisations should also revisit nomination arrangements with community housing partners to ensure expectations are realistic and reflect the new operating environment.

Introduction

In Australia, people with a history of mental illness are far more likely to live in social or supported housing. [2]

The community housing sector is reliant on partnerships with support organisations to assist tenants to manage their mental health and be able to meet their tenancy obligations.

However, the changes to the funding for the mental health sector as a result of the roll out of the NDIS are putting these partnerships, and mental health supports more generally, at risk. This has direct impacts on both community housing tenants requiring mental health supports and the operations of community housing organisations themselves.

Victoria is in the midst of a Royal Commission into Mental Health, but we cannot wait for its recommendations to act. We need to re-fund the mental health sector in Victoria now to ensure that vulnerable Victorians with mental ill-health do not suffer further adverse effects, including to their housing.

This paper outlines the changes to mental health support arrangements within the community housing sector and identifies the support gap that is emerging. It explores the impact of insufficient support for tenants and community housing organisations, and outlines the potential implications of this change on how housing is provided to tenants with mental health issues.

Background

Prevalence of mental ill-health in the CH sector

An estimated 148,000 Victorians live with severe mental ill-health, and a further 840,162 with mild or moderate mental illness[3].

Although statistics on the prevalence of mental illness amongst community housing tenants is unknown, rates of mental illness are higher for populations who have experienced homelessness or are at risk of homelessness. Many of these individuals are housed in the community housing sector due to the mission of the community housing sector to house low-income households who would otherwise struggle in the private rental market. Based on the higher prevalence of tenants with lived experiences of homelessness, or other traumas, it stands to reason that mental health issues may also occur at higher rates among community housing tenants.

Specialist homelessness service data for 2016-17 found that almost a third of clients in Victoria reported a current mental health issue[4]. With just under 20,000 tenancies managed by the

[2] Brackertz, N., Wilkinson, A., & Davison, J. (2018) *Housing, homelessness and mental health: towards systems change*, AHURI Professional Services Paper, prepared for the National Mental Health Commission. Australian Housing and Urban Research Institute Limited, Melbourne, p. 16.
[3] Mental Health Victoria (2018) *Saving Lives, Saving Money*, p. 10-11
[4] Australian Institute of Health and Welfare (2018) *Mental health services—in brief 2018,* Cat. no. HSE 211. Canberra: AIHW

community housing sector during this period, this provides an upper limit for the likely incidence of mental illness in community housing tenants at 6,537 tenants[5].

There is a need and desire by community housing organisations to better understand how many of their tenants receive mental health supports, and how the introduction of the NDIS and subsequent reduction in funding for mainstream mental health services will affect their businesses.

How is the NDIS changing mental health services?

The NDIS is a wholesale change in the way we think about, and fund, disability supports. Rather than governments providing block funding to service organisations, the NDIS provides funds directly to clients, who are then free to buy the supports they need from the supplier of their choice.

Several key problems are arising in the mental health space as the NDIS rolls out[6]:

- Significant parts of the funding for community mental health programs have been redirected to the NDIS, resulting in a dramatic reduction in services for clients not eligible for NDIS funding, particularly for low level community mental health services and supports.
- NDIS-funded supports do not replace all previously funded supports and services – some types of services are disappearing.
- People with psychosocial disabilities are having difficulties in gaining access to NDIS funding, both because of challenges in demonstrating eligibility for the scheme and because there is a lack of support to assist them in preparing an application for the scheme.
- Many people with mental ill-health will not be eligible for the NDIS.

In Victoria, prior to the NDIS there was annual funding of between $60-$70 million for mental health community support services (MHCSS). With very few exceptions this funding is believed to have been redirected to the Commonwealth to fund the NDIS, resulting in a drastic reduction or even elimination in community mental health services. In areas such as the pilot site of Barwon, where the NDIS is fully rolled-out, the only mental health services available outside of the NDIS are for acute mental health issues.

Although some funding was re-committed in 2017 for community mental health services by the Commonwealth government, it was dependent on matched investment by the State government. This combined investment came to $160 million over four years, and was divided between all states and territories. New South Wales and Victoria got a larger share because the funding was distributed based on the population of each jurisdiction. It also did not come online until January 2019 and has not come close to replacing the previous level of MHCSS funding.

Furthermore, although the new funding is to support clients who are not eligible for the NDIS, in general clients have had to go through the NDIS application process and be deemed ineligible before they have been able to access these supports.

[5] Calculations based on 2017 tenancy figures from Housing Registrar Service Delivery Dashboard 2016-17, http://www.housingregistrar.vic.gov.au/Publications/Sector-data-and-dashboards

[6] Full NDIS roll out is understood here as when the health system has completely transitioned over to the NDIS, including funding and support arrangements. It will mean all affected block-funded services have transitioned to providing services as an NDIS provider.

In late 2018 the Victorian government announced a further $70 million over two years to support individuals who were not eligible for the NDIS or who were waiting for their NDIS plan to commence. Of this funding, only $50 million (over two years) was for support services, and only services that had previously operated MHCSS services were eligible to apply. At this stage it is unclear whether participants are still required to apply for NDIS funding before gaining access to these services.

In addition to state-funded mental health supports the Commonwealth government also funded community mental health programs, such as the Personal Helpers and Mentors Scheme (PhaMS), Day to Day Living (D2DL), Partners in Recovery (PIR) and Mental Health Carer: Respite Support. These programs historically had low barriers to access supports, making them broadly available to people in the community with a range of psychosocial needs.[7]

The funding for these programs has also been phased out, with clients expected to transition over to the NDIS. Unlike the state-funded mental health community support services (MHCSS), participants in the Commonwealth-funded community mental health services are not automatically considered to be NDIS-eligible and must go through the NDIS application process to access support funding. Unfortunately, even if they are successful in getting an NDIS package the mental health services funded by the NDIS are not the same as what was provided through either the MHCSS programs or the Commonwealth funded schemes listed above.

All of this means that there is a substantial lack of funding for community mental health services for people who are not or will never be eligible for the NDIS. It also means that the services that will be funded under the NDIS do not replicate the full range of programs that were previously available.

Already there has been an alarming reduction in service support options for people living with mental illness, many of whom are not applying or were assessed as ineligible for an NDIS support package.[8] Many support organisations who previously received block funding have ceased to offer services or programs as funding is redirected to the NDIS, and the shift to client-centred packages and NDIS price guides has meant that even when support services shift to providing NDIS supports they may not receive sufficient funding under the new system to sustain their business. Some support organisations have been providing 'non-sustainable "free" services'[9] for those people no longer eligible for services, but this response is at best short term, and masks the extent of the funding and service gap.

The take-up of the NDIS by people with psychosocial disabilities has also been significantly lower than anticipated, with many people not applying or withdrawing mid-way through the application process. Of those who do complete an application for the NDIS, many are being assessed as ineligible.[10]

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[7] Smith-Merry, J, N. Hancock, A. Bresnan, I. Yen, J. Gilroy, G. Llewellyn (2018) *Mind the Gap: The National Disability Insurance Scheme and psychosocial disability. Final Report: Stakeholder identified gaps and solutions*. University of Sydney: Lidcombe. p 37.

[8] Smith-Merry, J. et al 2018 p 38

[9] Hancock, N., Bresnan, A., Smith-Merry, J., Gilroy, J., Yen. I., & Llewellyn, G. (2018). *NDIS and Psychosocial disability – the Victorian Story: Insights and Policy Recommendations from Expert Stakeholders*. Report prepared
for Psychiatric Disability Services of Victoria and SalvoConnect, p.14

[10] Hancock et al. (2018) pp. 17-18.

As a result of these changes, it is expected that at full roll out of the NDIS the vast majority of Victorians with severe mental illness will experience a dramatic loss of mental health services.[11]

Although it is important to recognise that the NDIS is in its infancy and policy makers are learning and adjusting as they go this should not prevent the state government from taking immediate action to prevent some of its most vulnerable citizens from falling through the gaps being identified. The problems arising from the redirection of community mental health programs has been acknowledged by the Andrews government[12], and additional funds have been committed to begin to reverse the disappearance of community mental health services. Unfortunately this funding is time limited and does not appear to be sufficient to meet the demand for support.

Similarly, the Commonwealth government is aware of the problems that people with psychosocial disabilities are having in accessing the NDIS, and the large number of people currently supported through federally-funded community mental health programs such as those listed above who would not be eligible for NDIS funding. They recently extended the end date for Commonwealth-funded community mental health programs through to 30 June 2020, although advocates have indicated that this will not be long enough to ensure alternative supports are in place before these programs disappear.

It remains to be seen, however, how the Victorian or Commonwealth governments propose to resolve this problem. Any solution will take time to make a difference, and in the meantime the community housing sector must struggle to house tenants without the mental health support partners they have historically relied upon.

Without funding for localised and individualised mental health supports, which can be accessed without meeting the strict criteria of the NDIS, there will be a large cohort of 'second class of people with psychosocial disability who cannot access services they were previously eligible for.'[13]

Unless there is a dramatic increase or return of funding for community mental health services these problems are only going to get worse, since people will only be able to access services after they have 'relapsed and become acutely unwell.'[14]

Not only is this not equitable, it also poses significant risks to these individuals' ability to sustain their tenancies.

The Community Housing – Mental Health interface

Housing, homelessness and mental health have a complex, bi-directional relationship. Mental health issues can be the reason for someone becoming homelessness, but homelessness can also cause mental health issues, for example through the isolation and trauma of rough sleeping. Furthermore,

[11] Hancock et al. (2018). pp. 13-14.
[12] *Victoria Stepping In To Support Community Mental Health* (14 Sept 2018) Minister for Housing Media Release, accessed at: https://www.premier.vic.gov.au/victoria-stepping-in-to-support-community-mental-health/
[13] Smith-Merry et al (2018), pp 38-39
[14] Hancock et al. (2018). p. 14

people with mental ill health are more vulnerable to common risk factors for homelessness, including domestic and family violence, drug and alcohol abuse, and unemployment[15].

Access to safe, affordable and appropriate housing can help to prevent mental health issues from arising, and improves people's management or recovery from existing mental illness. Unfortunately, the housing careers of people with a history of mental illness 'are unstable and often characterised by frequent moves, insecure housing, and inadequate accommodation'.[16]

Structural trends in the Australian housing system have led to a shortage of appropriate, affordable and safe housing for people with mental health issues. People with a history of mental illness 'often have complex needs and fewer social and financial resources relative to the general population, and therefore require housing support. In Australia, they rely disproportionately on social and supported housing.'[17]

One of the key providers of this housing in Victoria is the community housing sector, which provides housing to over 20,000 low-income Victorians. It is a diverse sector, made up of organisations which vary in size, specialisation, and location.

Community housing organisations have a social mission to assist the most disadvantaged and those on low to moderately low incomes. They use revenue from income-based rents to create more and better housing, with some organisations also running other community services and social enterprises to create additional income streams whilst assisting their tenants to learn skills.

Community housing organisations don't just house people, they work with a range of support partners to assist those who require more help to sustain their tenancies and build better lives.

All of which means that community housing is particularly well suited to people with significant mental health issues who would otherwise struggle in the private rental market. Community housing organisations have greater flexibility and discretion in working with complex need tenants, and historically have been able to draw on existing support partners to assist tenants who are struggling to sustain their tenancy or deal with other issues.

Some community housing organisations offer specialist supported housing for people with a lived experience of mental ill health, often in partnership with a mental health service provider. This model is quickly disappearing, though, as support providers do not have the funding to provide support services to these tenants and have been withdrawing from these types of formal nomination arrangements.

The changes to the mental health funding model mean that community housing organisations are struggling to help tenants without the support partners they have historically relied upon.

[15] Brackertz et al (2018) p.16
[16] Brackertz et al (2018) p.16
[17] Brackertz et al (2018) pp 11-14, 16

Method

Following reports of key support organisations restricting or withdrawing their services, several sessions were run with members in June and July 2018 to discuss the impacts being felt and scope out the key issues.

A survey was developed to explore the size of the impacts being felt by the community housing sector and our tenants. The key findings of the survey indicated that the issues were primarily in the mental health space, and that the problems were even worse than what had been expected.

Nineteen surveys were completed, representing 9 community housing organisations. As such the findings should be considered indicative but not representative of what is occurring across the community housing sector. However, validation of the survey results with individual members indicates that for those organisations struggling to get sufficient support for their tenants these results reflect their experience.

Tenant consultations were planned as including the tenant perspective was seen as an important element, however recruiting tenants proved to be problematic and as a result this paper draws on published views of people with lived experience of mental ill-health were possible.

A number of CHIA Vic members contributed their experiences with nomination rights under the changing funding environment (see p. 13), and these were used to infer potential impacts for this type of stock.

Emerging support gaps

A survey by CHIA Vic found that almost three quarters of organisations who responded to the survey (73%) are experiencing a reduction or elimination in support services for tenants, primarily for mental health supports. On average 60% of tenants were being affected among those community housing organisations who responded to the survey.

Although based on a small sample, these findings reflect what other reports have been finding in regards to the state of mental health services in Victoria. Predictions of what a future system would look like, in the scenario originally envisaged where all community mental health funding would be redirected to the NDIS, were even more extreme. Mental Health Victoria was predicting that 91 percent of Victorians with severe mental ill-health would be reliant on non-NDIS mental health services[18], most of which would have been for people experiencing a mental health crisis rather than aimed at keeping people well in the community.

Even now, with additional funds committed by the Victorian government to stabilise the community mental health sector and assist clients of these services to gain access to the NDIS[19], the future

[18] Mental Health Victoria (2018) *Saving Lives. Saving money.*
[19] *Victoria Stepping In To Support Community Mental Health* (14 Sept 2018) Minister for Housing Media Release, accessed at: https://www.premier.vic.gov.au/victoria-stepping-in-to-support-community-mental-health/

'client-centred' mental health system is likely to mean that many people will be unable to get the services they previously received.[20]

Although the NDIS was never intended to fund recovery or rehab, the funding for these programs has also been redirected, reducing or eliminating community-based rehabilitation and recovery services along with services with a low threshold or minimal requirements for engagement.

The change in funding arrangements has also had impacts more broadly, affecting programs such as homelessness outreach, transport for people to attend services, and a range of centre-based services.

Victoria is now faced with the task of re-funding and re-building community-based services and programs to provide psychosocial rehabilitation, and the drop in services that are often the first point of contact with services for people with mental illness.

Emerging impacts for tenants

Tenants with mental health often require varying levels of support over time to assist them in meeting their tenancy obligations and sustaining their housing. Mental health support can assist tenants in managing hoarding behaviour, and reduce issues with neighbours, housing workers and maintenance workers by helping tenants moderate aggressive or other inappropriate behaviour. Mental health support workers can also facilitate interactions between tenants in shared housing situations.

The disappearance of pre-existing supports has a wide range of impacts on tenants, some of which are outside the scope of the relationship between a community housing organisation and their tenant. This research focused specifically on the interface between mental health supports and tenancy management.

Behavioural issues and problems with day-to-day living were the two biggest impacts on tenants reported in the survey of community housing organisations. Community housing staff commented on the variable support needs of tenants with mental health needs, and how important it can be to access support as needed to sustain tenancies.

The dramatic reduction in funding for community mental health services means that tenants may only be able to access services after they have relapsed and become extremely unwell.[21] Not only does this put significant pressure on hospitals and other crisis mental health services, it also poses significant risks to tenancies if tenants are unable to access the support they need until they experience a mental health crisis.

It is much easier to stabilise a tenancy if problems are caught early, and supports put in place to help the tenant at that stage. Once in crisis, tenants with mental health issues are more likely to self-harm or act in ways that put neighbours, other residents or housing workers at risk. This could include threatening behaviour, assault, significant disturbances to neighbours, property damage, or other behaviours that threaten the safety or wellbeing of residents, staff or neighbours. Once

[20] Smith-Merry et al (2018) pp 37.
[21] Hancock et al. (2018). p. 14

tenants have escalated to this type of behaviour community housing organisations must consider the safety of other residents and their staff and may be left with no choice but to start eviction proceedings.

Anecdotal conversations with the sector indicate that they are seeing higher rates of property damage among tenants who no longer receive mental health supports. This would suggest that the drop off in mental health supports may be resulting in more destructive behaviour than normal and potentially higher risks of eviction for those tenants in crisis.

Engaging tenants with mental ill-health

Our research encountered problems in engaging community housing tenants to talk about their experience of the change to mental health supports. Ultimately we were unsuccessful in speaking to any tenants, and this highlights a problem that faces all community housing organisations. Tenants often do not want to talk about challenges they are facing, or disclose how serious things have become. Mental health conditions may also contribute to tenants being suspicious of housing workers, which reduces their willingness to share any issues that are arising.

This is a challenge for community housing organisations at the best of times, but with the transition to a client-centred support environment it also means that they have lost a key partner in the form of support organisations. Under the NDIS it will be up to clients to disclose who their support workers are, and whether or not support has fallen off. Community housing organisations will not necessarily know who to contact if their tenant is struggling.

Research by other peak bodies shows that tenants are exhibiting confusion as supports go offline or transition over to the NDIS. There is evidence that not all clients understand that current services will not continue to be provided, and that the NDIS is not an alternative to their current supports[22]. There is also a lack of advocacy and support available to people with psychosocial disability to navigate the NDIS application process, should they wish to do so.

Going forward community housing organisations need to develop better strategies for assessing whether tenants are coping and identifying tenants who are struggling before they enter crisis. This will need to be done in partnership with support providers.

Getting tenants the support they need and preventing their situations from deteriorating will require a functioning community mental health system as well as new methods of bringing mental health supports online as needed for tenants with NDIS packages.

It will also require outreach and advocacy support for tenants who are difficult to engage or have significant barriers to accessing or gaining support.

Emerging impacts to community housing organisations

As might be expected, CHIA Vic's survey found that the reduction in support services for tenants has led to additional work for housing staff dealing with tenants' mental health issues, and difficulties in sustaining tenancies. For some organisations, this has also meant an increase in VCAT activity.

[22] Hancock et al. (2018). p.17

This additional work takes time and is a cost to the business. It should be noted that community housing organisations do not receive operational funding to cover staff time, and in most cases are not resourced to provide intensive support to their tenants – these functions have historically been provided through partnerships with support providers, who were funded by government to offer that service.

Community housing organisations are reporting that they are having to work harder to connect tenants with support organisations, and are starting to worry about staff burnout and safety. Housing workers are beginning to take on roles they do not have the training or support to do in order to sustain tenancies and prevent evictions. This is increasing staff workloads and putting them in situations they are not equipped to deal with. Managers are putting more time and resources into ensuring that staff stay safe and are not exposed to unanticipated hazards.

Some organisations may prioritise housing tenants with supports already in place when making new allocations. Others who make a conscious decision not to do this are spending significantly more time asking questions of potential tenants in order to understand their challenges and support needs, and make allocation decisions with appropriate neighbour and property types for that particular client.

Rent arrears are reportedly increasing, as is property damage. The behavioural issues noted in the section above are leading to additional staff time at VCAT to manage escalating tenancy issues, as well as additional costs to repair the properties. Where issues cannot be resolved tenants are at risk of eviction, and if this should occur there are longer delays in repairing damaged properties before they can be reallocated, raising the vacancy cost to community housing organisations.

It is clear that the reductions in mental health supports for tenants are having a significant impact on the day to day operations of community housing organisations as well as the ability of tenants to sustain their tenancies when mental health issues flare up.

Not only can this affect how community housing organisations make allocations to people with mental health issues, managing existing tenants with mental ill-health is also imposing additional costs on organisations. These include additional staff time to work with clients, higher than budgeted costs for damages and vacancy costs, and rising concerns about staff safety, resilience and retention.

These problems are not just costly for community housing organisations they can also be costly to government.

Significant reductions in mental health support services are likely to create a cohort of extremely hard to house tenants, and contribute to the cycles of housing instability that community housing exists to prevent.

Increased evictions due to a lack of preventative support for tenants will mean that there is increasing pressure on crisis accommodation and public housing to house those tenants who cannot sustain housing in the community housing sector. It means additional costs to the health system, since delaying intervention until people are in crisis is significantly more expensive than funding preventative services and supports.

More work is needed to figure out how community housing organisations can balance the competing agendas of:

1. Ensuring clients have choice and control over the supports and services they engage with; and
2. Community housing organisations' program and operational requirements for tenants to engage with support providers, and need to proactively link tenants with supports before their mental health issues negatively impact their tenancy.

The community housing sector's ability to house vulnerable low-income Victorians with complex needs rests on the expectation that the health system will also play its part and offer the support and services our tenants need to manage their mental health.

In the absence of a functioning mental health system, community housing organisations may have to reassess their capacity to offer housing to people with significant support needs.

Implications for housing programs such as mental health targeted stock

The shift from block funding to client-directed funding for mental health and other services is even more problematic for programs that rely on partnerships with support providers to operate. These include transitional housing programs[23] and targeted stock with nomination rights held by support organisations.

Nomination rights exist when a housing organisation and support partner formalise their partnership through a protocol agreement, ensuring that the support agency is on hand to deliver support to tenants in identified properties or programs, and in return they are able to nominate their clients for vacancies when they occur within that portfolio.

For decades this collaboration has worked. Community housing agencies were able to ensure support was readily on hand for their tenants. Support agencies saw the partnership as a way to secure stable housing for their clients, which formed the foundation for delivering supports in a stable environment. The guarantee of episodic support served to reduce tenancy loss in long term programs, and provided confidence to housing organisations wishing to house tenants with significant support needs. It also provided housing organisations with a clear contact should tenants need to re-engage with supports at any point during their tenancy.

Going forward, the person-centred approach of NDIS funding will set adrift existing housing and support agreements. Under the new funding environment housing organisations may move towards a model where support providers are provided a first referral opportunity to properties with a particular target group. Referral would need to evidence support engagement in accordance with the relevant service type e.g. Mental Health. This would ensure that housing organisations continue to house those in need of support however, they will have limited ability to ensure that support

[23] The THM program is currently being reviewed by DHHS, leaving the details of how this housing with support program will operate in the future unclear. For this reason, THM was excluded from direct consideration in this project. However, the concerns identified here about tenants disengaging from support, and community housing organisations challenges in reconnecting tenants to supports and the flow on effects of this change are likely to be just as relevant to this program.

continues and residents remain engaged in support.

Housing organisations are already experiencing incidences of residents not engaging in support either through the failure to transition to the NDIS or a decision to cease engaging with a support provider. Previously housing organisations and the nominated support provider used the linkage between support and accommodation to encourage residents to engage, despite there being no legal basis to this. This may not be an option in future, as housing organisations will not necessarily know who has been providing support to the tenant, or if support has fallen off. Without a support partner they can call upon, housing organisations will be required to use avenues such as VCAT to manage tenancy management issues.

Currently there is little ability for support providers to partner with community housing organisations due to the lack of funding for these activities. There are also fewer and fewer mental health workers able to make housing referrals or provide ongoing support, creating problems for community housing organisations seeking to fill vacancies in targeted stock. This is particularly problematic in shared accommodation and is creating higher vacancy rates which reduce revenue and ultimately worsen what is already a difficult financial position for organisations managing shared accommodation targeted towards people with mental ill health.

If mental health targeted stock is going to continue to be offered, funding needs to be provided to mental health organisations to support low level and intermittent services for vulnerable groups, including community housing tenants. Funding for referral staff needs to be preserved, and the mental health and community housing sectors will need to establish new ways of working together and with clients to successfully sustain tenancies within the framework of client-centred services.

Governments' commitment to mental health funding

Community housing organisations and their tenants cannot wait for the completion of the Victorian Royal Commission into Mental Health. We urgently need interim funding for community mental health supports to ensure we can continue to house people with mental ill-health, and that they have the supports they need to sustain their tenancies and live their lives.

These problems are impacting directly on the health and housing outcomes of Victorians with mental ill-health as we speak. The issues identified here are likely to become even more prevalent as the NDIS reaches its full 'roll out' in Victoria on 1 July 2019, and community mental health services all but disappear.

As the Royal Commission progresses and the NDIS beds down and becomes more established the following of work will need to be progressed:

Commonwealth government:

- Extend funding for Commonwealth mental health programs beyond June 2020 –until the majority of clients have transitioned over to the NDIS or alternative supports have been put in place for those not eligible for the NDIS.

- In partnership with the NDIA:
    i. continue to refine access to the NDIS for people with psychosocial disabilities, including a specialist psychosocial access pathway, and more knowledgeable staff in the assessment and planning stages who understand the complexity of psychosocial disabilities and the types of supports that might be required.
    ii. Implement flexible and responsive processes for NDIS clients so that participants can access additional supports as circumstances change.

The Commonwealth and Victorian governments, and the NDIA must work together to ensure that the necessary supports are in place for people with mental ill health, regardless of which level of government funds them, and that people are not falling through gaps in the system.

Victorian State government:

- Recommit to funding community mental health services, especially those with low barriers to entry.
- If targeted stock remains a priority, invest in mental health referral specialists.
- Support the mental health and community housing sectors to establish new ways of working together that recognise and support client choice.
- Recognise the additional burden that housing clients with complex needs creates for community housing organisations by:
    - funding the development of new processes for support coordination and information sharing between the two sectors; and
    - support training and capacity building for workers in both sectors to embed these processes into everyday practice.
- Revisit government contracts for targeted stock to ensure expectations are realistic and reflect the new operating environment.

Some of this work is likely to be picked up through the Royal Commission into Mental Health, however it is critical that the Victorian government put in place interim funding to support mental health clients until the Commission hands down its recommendations in late 2020.

Government funding for the activities outlined above is essential to ensuring that mental health services and supports are available to all Victorians who need them. However, there are a variety of initiatives that are also required to ensure that the community housing sector can continue to accommodate tenants with complex mental health support needs. Without funding support from government these initiatives are unlikely to be pursued, as the sector currently does not have the funds or staff time to dedicate to them. These initiatives are outlined below.

Community housing sector:

- Training and resources to help front-line staff know how best to work with tenants with psychosocial disability and/or complex needs.
- Supporting housing officers to proactively engage with residents to identify problems early and assist tenants to navigate the new mental health system.
- Resilience and stress management resources for staff coping with additional work linking tenants to available mental health supports.

- Work with mental health services to identify a new way of supporting tenants that allows for client choice & control but meets operational needs of community housing organisations.
- Community housing organisations could consider if it is possible to create in-house mental health supports.
- Participation by CHIA Vic and the community housing sector into implementing the recommendations of the Victorian Royal Commission into Mental Health, Productivity Commission into Mental Health.
- Further research to support advocacy on the community housing sector's need for community mental health services.

Mental Health sector:

- Work with the community housing sector to identify a new way of supporting tenants that allows for client choice & control but meets operational needs of community housing organisations.
- Revisit nomination arrangements with community housing organisation partners to ensure expectations are realistic and reflect the new operating environment.

Case Studies

Sarah

Sarah (not her real name) resides on her own in a group of units. Sarah has experienced mental illness and was supported by clinical mental health. At the time of this incident she had been recently discharged from community supports.

Sarah self-harmed at her property and was taken to the ICU. Following this incident the community housing organisation inspected the property and spoke with neighbours. The property was found to be in need of a deep, possibly forensic, clean due to the amount of blood and the state of the property.

Despite follow-up by the community housing organisation, who articulated concerns about the state of the property and the risk if it was left as is, the property was left untouched for almost a month and a half. Hospital social workers seeking to collect Sarah's goods were referred to Sarah's local clinical case manager as the community housing organisation was unable to do so.

Sarah was eventually moved out of the ICU and into the mental health section of the hospital. Inquiry by the hospital social worker indicated that Sarah was interested in moving back to her unit. The community housing organisation explained that for Sarah to have a fresh start she would need someone to assist her to clearly identify her valuables and what was to be removed. The property would require a deep clean and community support would be necessary to ensure she is re-established. This might require a discussion with a few of her main neighbours to make her reestablishment better.

All of this requires a community mental health support worker, but there wasn't one in place, and there was no indication that this would be forthcoming.

If community mental health support had been in place, it's possible that Sarah's mental health could have been stabilised before she self-harmed. It would certainly have provided her with a worker that could have assisted with her wellbeing during her stay in hospital as well as arranging the cleaning of her property in preparation for her return home. A community mental health support worker would have supported Sarah to establish living independently again, and assisted her in re-establishing a relationship with the neighbours

Peter

Peter lives in a shared two bedroom unit with John. Both are receiving mental health support through the NDIS.

Peter became anxious due to the change from block-funded to NDIS supports. Following his transition to an NDIS package his support was no longer flexible and this impacted on his ability to work out matters with his co tenant, John. The payment of shared bills in particular was problematic to resolve.

A house meeting would have assisted in resolving these issues but was very difficult to organise due to the lack of flexibility of Peter's scheduled NDIS supports.

In the NDIS model workers are scheduled in for a particular time to meet with the client and are paid only for that visit. This method of rostered visits does not allow for a support worker to respond at a different time should the client's circumstances changes. Also, the individual workers can differ from one visit to another which can result in previous history not being carried forward and matters not progressing to resolution.

Peter's experience provides a real life and serious example of the issues that arise in the current model. His issues with utility bills require time to gather facts, consult with his co tenant, make a decision on how to share payments and have a plan of action. This would take more than one visit. Without continuity, it would be difficult to progress the matter to an effective conclusion.

In addition, Peter's behaviour, which was seen as "needy" and included "inappropriate calls to the support coordinator" clouded the situation.

Through his NDIS package Peter has support workers in place, a support coordinator and his clinical health practitioners. In addition, Peter has a plan for when he is at risk at harm to himself or others.

However, Peter's behaviour and mental health state did not allow him to differentiate between the services. Therefore, he would call the support coordinator, not understanding the difference between the support coordinator and support worker. This confusion ultimately led to him contacting the community housing organisation's After – Hours Property Maintenance Services and indicating suicidal tendencies.

The community housing organisation was able to organise a house meeting with support workers to resolve the issues with paying shared bills, however this required significant advocacy by the community housing organisation on behalf of Peter and John. It is likely that Peter will continue to struggle to recruit the support he needs to maintain his tenancy due to the issues identified above.

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