

Brief: Welfare Reform Bill 2017: Impacts for people with alcohol and other drug dependencies

Parliamentary process

On 22 July 2017, Minister for Social Services, the Hon Christian Porter MP introduced the *Social Services Legislation Amendment (Welfare Reform) Bill 2017* in the House of Representatives. The Senate has referred the Bill to the Senate Community Affairs Legislation Committee. The committee is taking submissions on the Bill until August 4 and will report on September 4. Separate from the Senate process, a House vote on the Bill could occur any time after Parliament resumes on August 8.

Content of the Bill

Three Schedules in the Bill contain measures directed at people with drug or alcohol dependencies:

- Schedule 12: Establishment of a drug testing trial
- Schedule 13: Removal of exemptions for drug or alcohol dependence
- Schedule 14: Changes to reasonable excuses

Substance dependency should be treated a serious health issue but these measures were developed without expert consultation, and are opposed by medical experts including the Royal Australian College of Physicians and the Australian Medical Association.

Schedule 12: Establishment of a drug testing trial

What is proposed

With this Schedule the government would establish a two-year trial of mandatory drug testing, from 1 January 2018. Anyone enrolling for Newstart Allowance and jobseekers enrolling for Youth Allowance would have to agree to undergo drug testing as a condition of payment. Centrelink would reject the person's application for welfare if they refused to agree to drug testing.

5,000 people in three selected regions of Australia would be summoned to Centrelink offices and told to submit to a drug test. Anyone who did not agree to be tested would have their welfare payments cancelled immediately. A person who refused but later reapplied and agreed to undergo testing would still have their payments suspended for four weeks.

Centrelink would place people who tested positive on income management for at least two years, and would make them submit to ongoing testing. The costs of any positive tests during that period would be deducted from the person's fortnightly payments until repaid. (The testing method and costs have not yet been determined by government.)

A person placed on income management who tested positive for a second time would be referred to a Department of Human Services 'contracted medical professional' for assessment. If the contractor decided that the person should undergo drug treatment, the person would have to comply or have their payments suspended.

Why Schedule 12 is problematic

In 2013 the Commonwealth's then peak advisory body - the Australian National Council on Drugs - reviewed evidence on the impact of drug testing welfare recipients and concluded that

There is no evidence that drug testing welfare beneficiaries will have any positive effects for those individuals or for society, and some evidence indicating such a

*practice could have high social and economic costs. In addition, there would be serious ethical and legal problems in implementing such a program in Australia. Drug testing of welfare beneficiaries ought not be considered.*¹

In addition:

- Alcohol and other drug treatment services in Australia are chronically underfunded and overstretched.² Drug testing will not be able to distinguish between those who have clinically significant drug problems and recreational drug users who do not require treatment services. If government refers everyone who tests positive to treatment services, they will waste scarce resources and increase waitlists for people who actually want and need treatment.
- The trial will be expensive. Full costs have not been disclosed but \$1,000,000 has been set aside just for the evaluation. This money would be better spent on reducing the long waiting lists that already exist for people who want to access treatment for drug dependency.
- The compulsion to submit to drug testing contributes to the stigmatisation of people with substance dependencies and stigma is a known barrier to treatment-seeking.³
- The requirement to participate in treatment in order to access welfare payments makes treatment effectively compulsory. Many studies show compulsory addiction treatment does not result in reduced drug use, and may be harmful.⁴
- There is no requirement in the legislation for Department of Human Services 'contracted medical professionals' to have any specific qualifications relevant to addiction medicine. The fact that these assessments would be undertaken without adequate levels of clinical expertise is particularly concerning because compliance with an inappropriate recommendation would become mandatory for that person to continue to receive their welfare payment.
- Drug testing is expensive and false negatives and false positive are inevitable even with the most accurate technologies.⁵
- Loss of payments for a minimum of four weeks for refusing a drug test is unjustifiably punitive, particularly because testing is likely to provoke anxiety for people with comorbid substance abuse and mental health issues.
- Being forced to pay for positive drug tests will exacerbate and entrench the difficult and disadvantaged circumstances that poor people with drug dependencies already experience.

Schedule 13 – Removal of exemptions for drug or alcohol dependence

Currently, the government provides welfare payments to people who are not able to apply for jobs or do training or study because of their alcohol or other drug dependency. Under Schedule 13 of the Welfare Reform Bill, the government would stop paying people with alcohol or other drug dependencies unless they participated in treatment, applied for jobs or did training or study. The government would also stop paying people who are

¹ ANCD Position paper: Drug testing <http://www.atoda.org.au/wp-content/uploads/DrugTesting2.pdf>

² Ritter, Alison, and Mark Stoove. "Alcohol and other drug treatment policy in Australia." *Med J Aust* 2016; 204 (4): 138.

³ The effectiveness of interventions for reducing stigma related to substance use disorders: a systematic review. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3272222/>

⁴ The effectiveness of compulsory drug treatment: A systematic review. [http://www.ijdp.org/article/S0955-3959\(15\)00358-8/pdf](http://www.ijdp.org/article/S0955-3959(15)00358-8/pdf)

⁵ *Workplace drug testing: evidence and issues*. http://nceta.flinders.edu.au/files/9814/1145/2032/EN455_NCETA_2011.pdf

incapacitated by sickness or an accident caused by their alcohol or other drug dependency.

If a person is required to participate in treatment to receive payments, the treatment would be chosen by an employment services provider rather than an addiction specialist. The person could also be required to apply for jobs or do training or study at the same time.

Schedule 14 - Changes to reasonable excuses

Under this Schedule, a jobseeker who fails to comply with government requirements due to an alcohol or other drug dependency would be offered treatment. If they refuse treatment, and did not comply with government requirements a second time, the government would suspend their payments.

Why Schedules 13 and 14 are problematic

- Drug addiction is a chronic relapsing, remitting disorder characterised by drug seeking and use that is compulsive, difficult to control and persists despite harmful consequences.⁶ The assumption that people with substance abuse disorders will change their behaviour to meet new compliance arrangements is not evidence-based. Many people with substance abuse issues are therefore at very high risk of losing their welfare payment as a result of these changes. This will compound their existing health issues and disadvantage.
- The requirement to participate in treatment in order to access welfare payments makes treatment effectively compulsory. Many studies show compulsory addiction treatment does not result in reduced drug use, and may be harmful.⁷
- As an example of the potential impacts of Schedule 14, someone receiving treatment in hospital for cirrhosis of the liver associated with alcohol abuse would not be able to meet their participation requirements and would therefore have their welfare payment suspended. Similarly, a person who is experiencing an acute mental health episode that was triggered by their drug or alcohol use, would also no longer be able to access a temporary exemption from participation requirements and would be at risk of having their payment suspended. This measure places vulnerable people at severe risk of poverty and homelessness.
- Making the receipt of welfare payments contingent on participation in drug and alcohol treatment would exacerbate the existing shortage of available treatment places.

⁶ National Institute on Drug Abuse: Understanding Drug Use and Addiction. <https://www.drugabuse.gov/publications/drugfacts/understanding-drug-use-addiction>

⁷ The effectiveness of compulsory drug treatment: A systematic review. [http://www.ijdp.org/article/S0955-3959\(15\)00358-8/pdf](http://www.ijdp.org/article/S0955-3959(15)00358-8/pdf)