

4 August 2017

Submission to Senate Standing Community on Affairs Committee

Re: Social Services Legislation Amendment (Welfare Reform) Bill 2017

summary

cohealth welcomes the opportunity to provide comment to the Senate Standing Committee on Community Affairs on the *Social Services Legislation Amendment (Welfare Reform) Bill 2017*.

With a long history of delivering alcohol and drug services, cohealth is committed to drawing on the best available evidence and working directly with communities to design and deliver evidence-based and effective responses to reduce the potential harms from alcohol and drug use. Applying this lens, cohealth is deeply troubled that provisions in this Bill, particularly *Schedule 12 – Establishment of a drug testing trial*; *Schedule 13 – Removal of exemptions for drug and alcohol dependence*; and *Schedule 14 – Changes to reasonable excuses* have no basis in best practice evidence, will do little to support people dealing with alcohol and drug use, and will only subject income support recipients to greater poverty, stigma and marginalisation. Drug and alcohol use is best responded to through public health measures, not welfare compliance.

A number of other measures, particularly *Schedule 15 – Targeted compliance framework*, will exacerbate economic inequality. This directly contributes to health inequality, negatively affecting the health outcomes of individuals and families in economic hardship and ultimately resulting in greater costs to society as a whole.

To this end, whilst the following submission sets out our concerns in relation to three specific schedules, we strongly encourage the Committee to consider the potential impact of every measure contained in the Bill to negatively impact on the health and potential of disadvantaged Australians.

summary of recommendations:

That the Committee recommends Parliament reject any measure contained in the *Social Services Legislation Amendment (Welfare Reform) Bill 2017* that will further impoverish or marginalise the most disadvantaged people in Australia. In particular, the Parliament should:

1. Reject Schedule 12 – Establishment of a drug testing trial
2. Reject Schedule 13 – Removal of exemptions for drug and alcohol dependence
3. Reject Schedule 14 – Changes to reasonable excuses





about cohealth

cohealth is Australia's largest not-for-profit community health service, operating across 14 local government areas in Victoria. Our mission is to improve health and wellbeing for all, and to tackle inequality and inequity in partnership with people and their communities.

cohealth provides integrated medical, dental, allied health, mental health and community support services, and delivers programs to promote community health and wellbeing. Our service delivery model prioritises people who experience social disadvantage and are consequently marginalised from many mainstream health and other services. This includes people who are experiencing or at risk of homelessness, people who live with serious mental illness, vulnerable families, Aboriginal and Torres Strait Islanders, refugees and asylum seekers, people who use alcohol and other drugs, recently released prisoners and LGBTIQ communities.

cohealth has extensive experience working with people who use alcohol and other drugs (AOD). We have provided AOD treatment, counselling, health promotion and community education services for more than 20 years. Specifically, we provide the following programs for people who use drugs (PWUD):

- Needle and syringe programs (NSP) across seven metropolitan locations and an after-hours call out service.
- Operate two Specialist AOD Primary Health Services (SAPHs).
- Non-residential withdrawal services supporting people to safely withdraw from alcohol and/or other drug use.
- Drug and alcohol counselling from our community-based treatment services for adults and young people aged 16 to 18 and, when appropriate, their families, either as individuals or in groups. Priority access is given to clients assessed as having complex needs as well as those transitioning to and from residential services.
- Community education to address the stigma and discrimination faced by PWUD that can ultimately perpetuate harm.
- Auspice the Yarra Drug and Health Forum.
- Operate the North West Melbourne Pharmacotherapy Network (NWMPN) to support the community based Opioid Replacement Therapy (ORT) system.

Schedule 12 – Establishment of a drug testing trial

From 1 January 2018, 5,000 new recipients of Newstart Allowance and Youth Allowance (Other) in three trial locations will be required to undertake random drug tests for illegal drugs. The trial is expected to run for 2 years. Recipients who test positive to an initial test will be placed on compulsory income management for 24 months, and those who test positive to more than one test in a 24 month period will be required to undertake assessment and, if recommended, one or more treatment activities.

This trial has been presented by the Government as one that will support the capacity of income support recipients to find employment through assisting them to address drug use. However, cohealth cannot see any redeeming feature in the trial, and shares the concerns of the many experts condemning the scheme, including academics, medical and public health



professionals, AOD and mental health experts, lawyers and human rights advocates. The most significant factor in people being unable to find employment is the serious lack of jobs, but these measures will do nothing to address this.

While we support the principle of assisting people who use drugs to reduce or cease their usage, and to improve the prospects for employment for those who receive income support, there is no basis in evidence that the random testing of income support recipients will achieve this end. Of note, the recently released *National Drug Strategy 2017-2026*¹ emphasises the importance of using evidence informed approaches. Nowhere does it propose the coercive approaches presented in this Bill. Implementing legislation and policy with no basis in evidence, relying instead on perceived "plain commons sense", as justified by Prime Minister Turnbull², or stereotyping, would be an extraordinary abrogation of the role of sound government.

cohealth has many serious concerns about this proposal, from human rights impacts to practical considerations, including:

- **Lack of need.** Evidence from Australia and internationally indicates that drug use is not a major cause of reliance on income support. As a Canadian study determined "The whole process is expensive and will likely result in a very marginal increase in employment because drug dependence is not a major barrier to employment."³
- **Lack of effectiveness.** Where similar approaches have been taken internationally, the experience has been shown to be ineffective, particularly relative to the resources used. For example, New Zealand spent \$1 million on drug testing 8,001 income support recipients, with only 22 testing positive for illicit drugs.⁴ As the New Zealand Drug Foundation Executive Director Ross Bell has stated "With all the other countries that have rolled out the Australian model, it's cost millions of dollars with little gain and that's for this simple reason: people on welfare aren't all on drugs."⁵
- **People who occasionally use drugs will be detected.** Random tests such as those proposed will not differentiate between someone who is an occasional user of the identified drugs from someone experiencing problems related to dependence. Occasional users, whose substance use does not impact on their ability to find work or engage in participation activities, will be subject to the punitive income management regime. Forcing people who do not experience drug dependency into AOD treatment is a wasteful process that will direct resources away from those who need these services.

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[http://www.health.gov.au/internet/main/publishing.nsf/Content/55E4796388E9EDE5CA25808F00035035/\\$File/National-Drug-Strategy-2017-2026.pdf](http://www.health.gov.au/internet/main/publishing.nsf/Content/55E4796388E9EDE5CA25808F00035035/$File/National-Drug-Strategy-2017-2026.pdf) accessed 22 July 2017

2 <http://www.theage.com.au/business/federal-budget/budget-2017-based-on-love-pm-defends-welfare-drug-test-20170511-gw2hl6.html> accessed 24 July 2017

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https://www.researchgate.net/publication/247245354_Drug_testing_and_mandatory_treatment_for_welfare_recipients accessed 22 July 2017

4 <http://www.acoss.org.au/budget-2017/social-security/> accessed 22 July 2017

5 <http://www.9news.com.au/national/2017/06/15/19/42/government-forging-ahead-with-drug-testing-welfare-recipients-despite-fierce-backlash> accessed 24 July 2017



- **Inconsistent with best practice drug treatment.** Established best practice takes a harm minimisation approach, acknowledging the likelihood of relapse, and the limited success of involuntary treatment.⁶
- **Income management is an overly punitive response.** Placing someone on income management for 24 months is stigmatising, removes autonomy, and has been found to be ineffective in changing behaviour, particularly when involuntarily applied.⁷
- **Poor use of limited resources.** The cost of this measure has not been disclosed, purportedly due to commercial confidentiality. As part of the government's rationale for this measure is to counter the perceived mis-use of public funds by income support recipients, this lack of transparency is a serious double standard. In addition, as there is no evidence that this approach will be effective, and will take resources from an already underfunded alcohol and drug services, this money would be better spent providing additional resources to services.
- **Risk of false positive results.** Drug testing is not 100% accurate, and can produce false positive results. With the significant distress, stigma and potential financial consequences such a result will cause for recipients, the risk of this is excessive.
- **Drug use displacement risk.** People may switch to using drugs that cannot be detected, carrying an increased risk of harm.
- **Impact of stigma.** In addition to the increase in stigma and discrimination for individuals targeted by this approach, this trial may act as a disincentive for people to talk about problematic drug use for fear that this may impact on their payment. This may have the perverse effect of preventing them from seeking or obtaining treatment at an appropriate time.
- **The testing is not random.** It will target recipients on the basis of profiling for particular characteristics. This is highly discriminatory, and potentially contravenes a range of national legislation and international obligations.

Recommendation:

- That the Committee rejects Schedule 12

Schedule 13 – Removal of exemptions for drug and alcohol dependence; and

Schedule 14 – Changes to reasonable excuses

Under the provisions of these schedules alcohol and drug use will no longer be either a valid exemption from mutual obligation, or a reasonable excuse for a participation failure, for people on payments that have activity test or participation requirements, including Newstart Allowance, Youth Allowance (other), Special Benefit and Parenting Payment Single.

Removing these mutual obligation exemptions without other assistance will see greater numbers of people subject to breaches and loss of payments. These provisions, again, fail to account for best practice in AOD treatment, which emphasises a health-based harm-

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[http://www.health.gov.au/internet/main/publishing.nsf/Content/55E4796388E9EDE5CA25808F00035035/\\$File/National-Drug-Strategy-2017-2026.pdf](http://www.health.gov.au/internet/main/publishing.nsf/Content/55E4796388E9EDE5CA25808F00035035/$File/National-Drug-Strategy-2017-2026.pdf) accessed 22 July 2017

⁷ Bray, J. R., Gray, M., Hand, K., & Katz, I. (2014). *Evaluating New Income Management in the Northern Territory: Final Evaluation Report* (SPRC Report 25/2014). Sydney: Social Policy Research Centre, UNSW Australia.





minimisation approach. While referring to the ability of the Department of Human Services or job providers to refer someone to assessment and treatment, the Bill fails to recognise that the AOD system across the country is already seriously under-resourced and will struggle to be able to provide the treatment responses to those targeted by these measures.

cohealth is not convinced that adequate safeguards are in place to ensure that people are not cut off from income support benefits, and further impoverished, by these measures.

Recommendations:

- That the Committee rejects Schedule 13
- That the Committee rejects Schedule 14

For further information about this submission please contact:

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