

BUDGET 2017 - TRIAL OF COMPULSORY RANDOM DRUG TESTING FOR JOB SEEKERS

This measure will establish a two-year trial of compulsory random drug testing of newstart allowance and youth allowance (other) recipients in three trial sites (yet to be chosen, but excluding Community Development Program regions) from 1 January 2018. It is part of a package of measures which affect the rights and obligations of job seekers with substance abuse problems under social security law.

The measure

New claimants of newstart allowance and youth allowance (other) in a trial site must consent to random drug testing for illegal drugs as a condition of receiving their payment. If they do not consent, they are not eligible for the payment. A profiling tool will be used to identify new recipients at higher risk of substance abuse issues and 5000 new recipients will then be randomly selected from this pool for drug testing.

The Department of Human Services (DHS) will require these new recipients to attend appointments, with testing occurring at random appointments. Testing will be conducted by a third party provider, either at a DHS office or off-site and includes saliva, hair and urine testing. If a recipient fails to attend an appointment their payment may be stopped. As consent to drug testing is to be a condition of payment, their payment will be cancelled if they refuse a test.

If a new recipient fails a drug test, they are placed on some form of payment quarantining for the remainder of the trial (similar to current cashless welfare and income management arrangements). After a first positive test, they will be required to undertake a further drug test and, if they test positive a second time, are referred to a medical practitioner for assessment of any substance abuse issues and appropriate treatment. Their treatment plan becomes part of their Job Plan, and may form part or all of the mutual obligation activities agreed with their employment services provider (depending, for instance, on how intensive the treatment plan is).

The purposes of the measure are to restrict spending of income support payments on illegal drugs and to connect people with substance abuse issues with treatment to help them overcome barriers to employment.

Analysis

The National Social Security Rights Network opposes this measure.

The trial will affect a relatively small number of people. It is likely that of the 5000 people subject to random drug testing, only a small number will fail one or more drug tests and be subject to income quarantining or compulsory referral for medical assessment.

There are also no sanctions for a positive test (only avoiding or refusing a test), which may make comparisons with some overseas schemes inappropriate.

However, in our view, this is a radical and unacceptable expansion of conditionality in the social security system. Job seekers have always been required to look for and accept suitable work or undertake activities to address employment barriers. This measure goes far beyond that. It requires job seekers to agree to random drug testing, a significant intrusion on privacy, as a condition of access to income support. It erodes the core purpose of our social security system, which is to provide a

basic safety net for people in need.

The measure has the beneficial objective of seeking to connect people with substance abuse issues with appropriate treatment and engage them with employment services to address barriers to work. However, substance abuse is a complex individual and social problem. Many of our clients with substance abuse issues also have connected histories of trauma, abuse, family violence or mental health problems. We are very concerned that compelling people to submit to testing and, in some cases, undergo treatment may have unintended consequences which undermine the measure's objectives.

If recipients avoid or refuse testing they may lose access to income support. Rather than engaging recipients as intended, this would disconnect vulnerable people from the social security system. The burden may instead fall on their families, who may already be struggling to help them deal with addiction, and communities.

Making a treatment plan part of their Job Plan exposes recipients to the risk of financial penalties for failing to meet their mutual obligation requirements. This could affect people who are genuinely trying to address substance abuse issues but struggle or relapse. We expect policy settings will seek to accommodate this reality, but they will be difficult to draft and even more so to administer as decision-makers will struggle to distinguish genuine attempts at compliance.

The administrative cost of this measure is unknown, given the commercial-in-confidence cost of the third party drug testing service. As with all public policy initiatives, however, it is important to ask what could be achieved by spending the money available for this measure in other ways. Social security law is an inappropriate tool to deal with complex individual and social problems like substance abuse. There are many alternative measures that could be trialled, which seem more likely to work and do not undermine the fundamental right to social security.