



Western Australian Network of  
Alcohol & other Drug Agencies

## WANADA 2017-18 Federal Budget Summary

On Tuesday 9 May 2017 the Turnbull Government released the 2017-18 Federal Budget.

The Federal Budget included a range of announcements that have significant implications for the alcohol and other drug services sector and consumers.

### Welfare Reforms

As part of the Federal Budget, the Turnbull Government announced a number of Welfare reforms specifically targeting those with alcohol and other drug substance use issues. The intent of these measures is to “assist people to overcome substance abuse issues that prevent them from finding work” and achieve further efficiencies and cost savings. The announced measures are:

- **Removal of exemptions due to drugs or alcohol abuse.** From 1 January 2018 the Government will amend requirements that allow welfare recipients to be exempt from mutual obligation requirements solely due to alcohol or other drug use. Recipients who engage in appropriate alcohol or drug treatment can have this contribute to meeting their mutual obligation requirements in order to continue receiving payments. Annually, approximately 11,000 exemptions are estimated to be affected.
- **Increased Compliance.** Those affected by alcohol and other drug use will be required to take action to address their problem in order to continue receiving welfare. In addition, a range of further measures to tighten compliance will be introduced. This includes the introduction of a new demerit point-based system from July 2018.
- **Removal of impairment table from Disability Support Pension (DSP).** From 1 July 2017 people will no longer be eligible to claim a Disability Support Pension on the sole basis that they are affected by drug and alcohol use. Those whose start date on DSP is before 1 July 2017 will not be affected unless they are medically reviewed. It is estimated that 450 fewer people will be granted a DSP as a result of this measure. Of those affected, it is estimated that 90 per cent will be eligible for Newstart Allowance or Youth Allowance (Other).

Future DSP claimants will also be required to undergo treatment for their substance use before any associated functional impairments can be considered to be fully diagnosed, treated and stabilised, and assessed under the remaining DSP Impairment Tables. As a result, people will only qualify for the DSP “on the basis of functional impairment”.

- **Cashless debit card.** From July 2017 the Cashless Debit Card will be expanded to two new locations over two years, and Income Management will be extended a further two years. The two new locations for the Cashless Debit Card are yet to be announced.
- **Trial drug testing.** From 1 January 2018, 5000 new recipients of Newstart Allowance and Youth Allowance (Other) in three trial locations will be required to undertake random drug tests for illegal drugs as a new condition of payment. Those who test positive will be placed on welfare quarantining. Those who test positive to more than one drug test would be referred to a contracted medical professional for an assessment of their substance use issues and any appropriate treatment options. Based on the recommendations of the medical professional, job seekers could have a treatment activity included in their Job Plan, either alone or in combination with other approved activities. Job seekers will not be penalised if appropriate treatment for their circumstances is not immediately available, for example, due to a waiting list.

## Additional Budget Initiatives

A number of additional initiatives were disclosed in the budget, which may impact on, or be of interest to, the alcohol and other drug services sector:

- Current and former members of the Australian Defence Force will be able to access treatment for any mental health condition without the need to prove the condition is related to their service. The following conditions will be covered:
  - post-traumatic stress disorder;
  - depression;
  - anxiety;
  - alcohol misuse; and
  - substance misuse.

Around 2,000 current and former members of the ADF are expected to benefit from the expanded treatment measures.

- The tax treatment on roll your own tobacco will be adjusted to align with manufactured cigarettes, delivering \$35 million in revenue over the forward estimates.
- The Australian Federal Police will receive an additional \$321.4 million over four years that will support high priority AFP operations, including significant organised drug importations.
- \$200 million will be provided to the Building Better Regions Fund over four years, to support the construction of community infrastructure and build the capacity of regional areas.
- The Government will provide \$8 million over four years to establish a Social Impact Investment Readiness Fund to build capacity in the non-government and private sector to develop social impact investment proposals. This will be part of a \$20.2 million package over ten years to encourage the development of the Australian market for social impact investments.

## Department of Health Performance

The Department of Health has outlined the following results and targets for its efforts to prevent and reduce harm to individuals and communities from alcohol, tobacco and other drugs.

2016-17 Result	Estimated	2017-18 Target	2018-19 (& beyond) Target
<p>Worked with States and Territories, and other relevant agencies to:</p> <ul style="list-style-type: none"> <li>• Finalise the next iteration of the National Drug Strategy and continue development of the National Alcohol Strategy.</li> <li>• Implement activities under the National Ice Action Strategy.</li> <li>• Report to Council of Australian Governments on progress of activities being delivered under the National Ice Action Strategy.</li> <li>• Oversee and monitor the progress of the National Drug Strategy, and associated sub-</li> </ul>		<p>Implementation of Commonwealth funded activities under the National Ice Action Strategy.</p> <p>Support the delivery of alcohol and other drug treatment services.</p> <p>Development and promotion of prevention activities to raise awareness of Foetal Alcohol Spectrum Disorders.</p> <p>Delivery of the next phase of the National Drugs Campaign.</p> <p>Continued engagement of non-governmental organisations and stakeholders to shape the Commonwealth priorities in preventing and reducing harms from alcohol and drugs.</p> <p>Work with States and Territories, and other relevant agencies to:</p> <ul style="list-style-type: none"> <li>• Establish reporting frameworks and implementation plans for the National Drug Strategy and the National Alcohol Strategy.</li> </ul>	<p>Continue investment in quality alcohol and drug treatment services.</p> <p>Continue to build the evidence base in relation to alcohol and drugs through high quality research.</p> <p>Work with States and Territories, and other relevant agencies to:</p> <ul style="list-style-type: none"> <li>• Undertake a mid-point review of the National Drug Strategy.</li> <li>• Continue reporting on the National Drug Strategy and associated sub-strategies.</li> </ul>

<p>strategies, through the National Drug Strategy Committee and the Ministerial Drug and Alcohol Forum.</p>	<ul style="list-style-type: none"> <li>• Continue reporting on activities under the National Ice Action Strategy.</li> <li>• Oversee and monitor the progress of the National Drug Strategy, and associated sub-strategies through the National Drug Strategy Committee and the Ministerial Drug and Alcohol Forum</li> </ul>	
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### WANADA's Position

WANADA has significant concerns regarding the welfare reforms announced as part of the Budget.

In addition to the stigmatising features of the reform, the announcements fail to deliver the systemic change required to effectively support those with alcohol and other drug use issues. If implemented without amendment, these reforms have the potential to place alcohol and other drug service sector and consumers under further pressure.

WANADA has particular concerns regarding:

- **Service Demand.** Alcohol and other drug treatment services across the nation are not currently resourced to meet the existing demand. In Western Australia, services must effectively more than double in the next few years to match community need. The announced reforms, while recognising treatment as a legitimate step toward employment, have failed to recognise or address the increased resourcing required to meet any increase in service demand pressure due to this reform.
- **Consultation.** There has been no prior consultation with the alcohol and other drug service sector to inform the development of these reforms. As a result, these reforms do not take into account: the complexity of addressing alcohol and other drug use issues; the readiness of the sector to respond to the welfare reform changes by July 2017; and the existing capacity of services to meet demand.
- **Service and Welfare complexities.** It is currently not clear how some residents will cover their contribution to rehabilitation if they're found to be ineligible for Youth Allowance or Newstart payments, or if their allowances are suspended. There is also no clarity on the degree to which treatment will go towards meeting "mutual obligations". All these factors have the potential to impact on the provision services.
- **Clarity.** There is currently insufficient information publically available to ascertain the full impact on the alcohol and other drug service sector.
- **Stigma and Discrimination.** The reforms have the potential to further stigmatise those with alcohol and substance use concerns and do not effectively reflect the complex social, health and personal issues that contribute to substance use. If implemented, the largely punitive nature of these reforms have the potential to further discincentivise people from acknowledging they have an alcohol or other drug issue and seeking help.

The complexity and magnitude of alcohol and other drug use issues across the country requires a considered, consultative approach that ensures:

- people are supported to access treatment,
- stigma and discrimination is addressed to remove barriers to accessing treatment and support services;
- system efficiencies and cost effectiveness are realised; and
- alcohol and other drug services are resourced to meet sizable and complex community needs.

WANADA will continue to strongly advocate on these issues and to seek further information and amendments to the reform initiatives.

For more information, or if you any specific enquiries, please contact Ethan James at [ethan.james@wanada.org.au](mailto:ethan.james@wanada.org.au).

