



MINISTRY OF SOCIAL DEVELOPMENT

Te Manatū Whakahiato Ora

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27 AUG 2014

Alex Harris

fyi-request-1863-ffdf192@requests.fyi.org.nz

Dear Alex Harris

Thank you for your email of 31 July 2014 requesting, under the Official Information Act 1982, the following information:

- *The number of beneficiaries referred to jobs which require drug testing*
- *The number of beneficiaries who failed or refused a drug test*
- *The number of beneficiaries who, after failing or refusing a drug test, were required to repay the cost of their drug test (as noted on factsheet JOBS105 - JUL13)*
- *The number of beneficiaries who, after failing or refusing a drug test, subsequently failed or refused a second drug test.*
- *The cost (or estimated cost) of implementing and enforcing the policy, with a breakdown if possible.*
- *The amount saved (or estimated amount saved) so far from benefit sanctions on those who failed or refused drug tests.*

As you are aware, beneficiaries with work obligations are now required to take and pass a drug test where an employer or training provider asks for one as part of the application process for a suitable job. Approximately 40 per cent of the jobs listed with Work and Income require the applicants to pass a drug test.

Generally a drug test is deemed a recruitment cost for the employer, not prospective employees. The drug testing policy for beneficiaries with work obligations allows the employer to be reimbursed for the test if a person fails, as long as the employer has informed Work and Income at the time of lodging the vacancy that the job requires a pre-employment drug test.

When a beneficiary with work obligations fails a drug test the cost of the drug test is passed onto the beneficiary. Work and Income reimburses employers and drug testing agencies for the costs of the drug test and those costs are recovered as a debt from the person's benefit.

This policy aims to identify beneficiaries who are prevented from taking up suitable employment due to drug use or who refuse to apply for drug tested jobs, and to quickly get them back to a position where they can apply for a full range of suitable employment.

Beneficiaries with diagnosed drug dependency will not be sanctioned under this policy, but they will receive the support they need to deal with their addiction.

A Helpline service is available for beneficiaries who require support as a result of the drug testing obligations. This service aims to assist beneficiaries to address their alcohol and other drug issues to improve their health and wellbeing and get them back into work.

The Helpline service is free of charge (including use from cell phones), confidential and available 7 days a week between 10am and 10pm, with an after-hours message when not available. The phone number for the Helpline is 0800 787 781.

I will address each of your questions in turn.

- *The number of beneficiaries referred to jobs which require drug testing*
- *The number of beneficiaries who failed or refused a drug test*
- *The number of beneficiaries who, after failing or refusing a drug test, subsequently failed or refused a second drug test.*

A total of 29,890 beneficiaries had been referred to drug-testable jobs as at the end of June 2014. As at the end of June 2014, 121 beneficiaries had failed a drug test or failed to meet their drug test obligations. Of these, 47 beneficiaries had failed a drug test and 74 did not meet drug test obligations either because they refused to undergo a drug test or indicated that they would fail a drug test if undertaken. One beneficiary did not meet his/her drug test obligations for a second time – either because he/she refused to undergo a drug test or indicated that he/she would fail a drug test if undertaken.

- *The number of beneficiaries who, after failing or refusing a drug test, were required to repay the cost of their drug test (as noted on factsheet JOBS105 - JUL13)*

As at the end of June 2014, eight beneficiaries were required to repay a debt with Work and Income for failing a drug test.

- *The cost (or estimated cost) of implementing and enforcing the policy, with a breakdown if possible.*
- *The amount saved (or estimated amount saved) so far from benefit sanctions on those who failed or refused drug tests.*

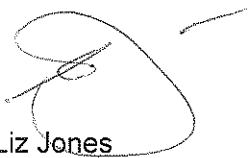
Budget 2013 delivered \$640,000 to be used for pre-employment drug testing – this funding was primarily used to cover initial implementation costs. The ongoing cost of implementing the policy is wrapped up as part of general case management.

Cost savings from the drug testing policy will be wrapped up as part of the overall projected Welfare Reform savings of between \$900m and \$1.6b in the five years to June 2017, following a full evaluation of the Welfare Reform programme.

I hope you find this information helpful. You have the right to seek an investigation and review of my response by the Ombudsman, whose address for contact purposes is:

The Ombudsman
Office of the Ombudsman
PO Box 10-152
WELLINGTON 6143

Yours sincerely

A handwritten signature in black ink, appearing to be 'Liz Jones', written over a faint, circular stamp or watermark.

Liz Jones
Acting Deputy Chief Executive, Work and Income