



12 APR 2016



Dear

On 4 March 2016 you emailed the Ministry requesting, under the Official Information Act 1982, the following information:

- *The number of beneficiaries referred to jobs requiring drug tests in the following areas last calendar year:*
 - *Northland*
 - *Rotorua*
 - *Hawke's Bay*
 - *Wairarapa*
 - *Whanganui*
 - *New Zealand Wide*
- *The number who had their benefit suspended for refusing or failing a drug test in the same areas last year.*
- *The number who had their benefit suspended for refusing or failing a second test in these areas last year.*
- *The number who had their benefit further reduced for failing to provide a clean test subsequent to refusing or failing a second test in the same areas last year.*
- *The number who had their benefit cancelled for failing to provide a clean test subsequent to refusing or failing a second test in the same areas last year.*

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.

In most cases 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 client with work obligations fails a drug test or refuses to comply with a drug test, the cost of the drug test is passed onto the client. 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 client's benefit.

This policy aims to identify clients 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 diagnosed with a drug dependency will not be sanctioned

under this policy, but they will receive the support they need to deal with their addiction.

The Ministry does not report on the number of referrals broken-down by region as you have requested. However I can provide you with the figures broken down by Work and Income regions as outlined in table one below. Please note that some of the areas you have requested fall under the regions in the table below.

Table one: Number of referrals for drug testable positions by region between 1 January 2015 and 31 December 2015.

Region	Count of Referrals
Northland	2,101
Auckland Metro	11,065
Waikato	2,173
Taranaki	1,493
Bay of Plenty	1,860
East Coast	1,831
Central	1,824
Wellington	2,743
Nelson	1,227
Canterbury	2,754
Southern	2,573
Other	147
Total	31,791

Note:

This is a count of referrals. Clients may have more than one referral in the time period. This table includes all Work and Income clients. These clients may not be on a main benefit at the time the referral is made. The table includes all age clients. The region 'Other' represents those service centres that do not represent a geographic location such as the Central Processing Unit.

The work-focused nature of the Welfare Reform changes means that there are more obligations on a greater number of people. People who fail to meet their obligations may have a graduated sanction imposed. However, Work and Income works closely with beneficiaries and many obligation failures are subsequently overturned in favour of the person if they have a good and sufficient reason for not meeting their obligations.

The graduated sanctions regime imposes differing levels of financial sanction; depending on how many times a client has failed to meet their obligations in a 52 week period

Work and Income works closely with people to quickly resolve sanctions and the number of sanctions in force at any given time is small compared to the total number of beneficiaries. Further information about obligations is available on Work and Income's website: www.workandincome.govt.nz/on-a-benefit/work-obligations/.

Table two below shows the number of clients who have had a graduated sanction applied to their benefit with a drugs component.

Table two: Number of graduated sanctions with a drugs component by region between 01 January 2015 and 31 December 2015.

Region	Graduated
Northland	S
Auckland Metro	8
Waikato	S
Taranaki	S
Bay of Plenty	10
East Coast	S
Central	11
Wellington	S
Nelson	6
Canterbury	S
Southern	S
Total	55

Notes:

A client may have more than one sanction applied during the period. This is a count of sanctions not of clients. 'S' represents a suppressed cell to protect clients' privacy. A graduated sanction involves a reduction in benefit payment rate. The table includes working age clients only (18 to 64 years).

I am unable to provide you with the exact number of clients who have had their benefit suspended or cancelled due to a second drug test failure by region as this number is fewer than five and is therefore suppressed to protect the privacy of the individuals.

While the Ministry has applied 55 sanctions to clients' benefits for failing a drug test, the Ministry issued over 15,000 sanctions in 2014/15 to working age clients for a number of different reasons. As such the number of benefits that have had a sanction applied due to failing a drug test is less than 0.5 per cent of the total sanctions applied for working age clients.

The principles and purposes of the Official Information Act 1982 under which you made your request are:

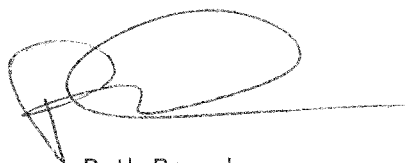
- to create greater openness and transparency about the plans, work and activities of the Government,
- to increase the ability of the public to participate in the making and administration of our laws and policies and
- to lead to greater accountability in the conduct of public affairs.

This Ministry fully supports those principles and purposes. The Ministry therefore intends to make the information contained in this letter and any attached documents available to the wider public after ten working days. The Ministry will do this by publishing this letter on the Ministry of Social Development's website. Your personal details will be deleted and the Ministry will not publish any information that would identify you as the person who requested the information.

I hope you find this information regarding clients who have been referred to drug testable jobs and have had sanctions applied to their benefit 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



Ruth Bound
Deputy Chief Executive, Service Delivery

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