

The Links Between  
Alcohol and Drug Use and Poverty:  
VAADA's Submission to the Senate  
Inquiry into Poverty



VICTORIAN ALCOHOL & DRUG ASSOCIATION

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## About VAADA

The Victorian Alcohol and Drug Association (VAADA) is the peak body representing alcohol and drug services in Victoria. VAADA provides leadership, representation, advocacy and information to the alcohol and other drug and related sectors.

This submission is based on VAADA's consultations with the alcohol and drug and related sectors and a summary of the literature relating to the link between poverty and alcohol and drug use.

## Executive Summary

There is a great deal of evidence for the link between alcohol and drug use and poverty, although research studies have not been able to establish conclusively whether there is a causal link between alcohol and drug use and poverty.

VAADA's submission is structured around five key points as follows:

### Access to Employment and Education

Problematic alcohol and drug use is strongly associated with difficulties in gaining and retaining full employment. People who have had long term alcohol and drug problems often experience difficulty in entering or re-entering the employment market.

Problematic alcohol and drug use can also be associated with difficulties in finishing school or acquiring further qualifications. The absence of further qualifications can significantly hamper people's ability to gain employment, or adequately paid secure employment.

#### Recommendations:

- ❖ *Adequate resourcing of employment programs for people who have experienced alcohol and drug problems is needed to overcome this link between alcohol and drug use and poverty.*
- ❖ *Additional support for people experiencing drug and alcohol problems and the educational institutions they attend is needed to help keep people with alcohol and drug problems at school or in further study whilst seeking treatment for their alcohol and drug problem.*

### Health Costs

The cost of drug treatment, medical care, pharmaceutical drugs and pharmacotherapies for people currently receiving drug treatment or on pharmacotherapy maintenance programs can add significantly to the cost of living for people with alcohol and drug problems.

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### **Recommendation:**

- ❖ *Adequate funding of drug treatment, bulk billing and appropriate subsidies for pharmaceutical drugs and pharmacotherapies can help reduce the health cost burden for people seeking treatment for drug and alcohol problems and create incentives for maintenance of treatment.*

### **Legal and Financial Security**

The illegal nature of some forms of drug use and the high rates of incarceration of people with alcohol and drug problems creates problems for those who are seeking to gain employment in areas which require police clearance, seeking a bank loan or relying upon a credit rating.

#### **Recommendation:**

- ❖ *Enhanced funding of drug diversion programs for those convicted of non violent minor drug related offences is required in order to help break the cycle between drug use, difficulties in gaining employment or obtaining bank loans and poverty.*

### **Access to Housing**

A history of alcohol and drug use can often pose additional barriers for people seeking reliable and affordable housing. In turn, the absence of secure housing can create difficulties in gaining and retaining employment.

#### **Recommendation:**

- ❖ *Housing assistance programs for people leaving drug and alcohol treatment programs are critical in ensuring that they can afford adequate housing.*

### **Emotional and Social Support**

The breakdown of family and social networks experienced by many people with alcohol and drug problems adds to the risk that they will be affected by poverty as financial and emotional support networks are withdrawn.

#### **Recommendations:**

- ❖ *Ongoing resourcing of adequate support programs for people with alcohol and drug problems and their families and significant others is critical in ensuring that these 'safety nets' against homelessness and poverty can remain in place.*
- ❖ *Resourcing drug and alcohol agencies to enable them to collect and analyse data relating to client profiles, drug trends and other relevant issues to inform future policy priorities.*
- ❖ *Longitudinal research to explore causal links between alcohol and drug use and poverty.*

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## Introduction

The fact that there is a strong link between poverty and alcohol and drug use is clearly supported by experiences in Australia and internationally. What is less clear is whether there is a causal link between alcohol and drug use and poverty or vice versa. Uncertainty on this point is exacerbated by the fact that there is a lack of Australian and international longitudinal studies in this area (Walker & Abello, 2000).

This submission does not seek to answer the question of whether such a causal link exists. Instead, it summarises the key issues for people who are experiencing drug problems in accessing basic living needs including:

- ❖ Employment and Education
- ❖ Health
- ❖ Legal and Financial Security
- ❖ Housing
- ❖ Emotional and Social Support

To provide some context for this issue, it is important to note the prevalence and harms associated with alcohol and drug use in Australia and Victoria. The most recent National Drug Strategy Household survey reports that 16.9% of the Australian population (16.0% of the Victorian population) aged 14 years and over had used an illicit drug in the past 12 months. The five most common illicit drugs used were cannabis (12.9%), amphetamines (3.4%), pain-killers/analgesics for non-medical purposes (3.1%), ecstasy/designer drugs (2.9%) and cocaine (1.3%) (AIHW, 2003).

82.3% of the population aged 14 years and over reported consuming alcohol in the previous 12 months, while 8.3% of the Australian sample and 7.4% of the Victorian sample reported drinking every day (AIHW, 2003). 23.2% of the sample reported smoking tobacco in the previous 12 months (AIHW, 2002).

Whilst only a small number of Australians and Victorians report recent use of illicit drugs, for those who do there are significant harms associated with the transmission of blood borne viruses such as hepatitis C, criminal activity and overdose related mortality and morbidity (Commonwealth Department of Health and Aged Care, 2001).

Of particular concern is the fact that more females are using drugs than ever and there is increased evidence of drug related health and social harm, particularly among young people. In looking at drug related harm, it is important to note that the manner and context in which drugs are used can often be more harmful than the properties of the drugs themselves (Commonwealth Department of Health and Aged Care, 2001).

There is substantial evidence to show that behaviours such as drug use, crime and the associated mortality and morbidity are greater in communities and countries where there is significant income inequality. There are consistent reports that people who are from lower socio economic groups and or who are homeless, unemployed or underemployed are at greater risk of substance abuse than the general population (Spooner, Hall & Lynskey, 2001).

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It has been suggested that problems such as alcohol and drug dependence and mental health issues can be exacerbated by significant change in areas such as the workplace, the home and the broader community, as is common in contemporary society (Royal Australian College of Physicians, 2001).

In what is often a vicious cycle, alcohol and drug use (including tobacco smoking) can be a means of coping with social isolation and other effects of poverty. However, this means of coping creates its own problems in terms of diverting financial resources from purchasing food and other essentials, creating problems of addiction and increasing the risk of associated health problems and infectious diseases such as hepatitis C (Royal Australian College of Physicians, 2001).

The effects of low socio-economic status on drug and alcohol use can also be intergenerational. There is evidence to suggest that children raised in families with low socio economic status may be at increased risk of early onset of drug use, which itself is a risk factor for increased problem drug use (Spooner, Hall & Lynskey, 2001).

Of particular note in Australia is the connection between alcohol and drug use and poverty in Aboriginal and Torres Strait Islander communities. There is a higher rate of tobacco smoking in Aboriginal and Torres Strait Islander communities than in the general Australian population. The most recent National Drug Strategy Household Survey reports the same level of alcohol consumption for Indigenous Australians as for Non-Indigenous Australians, however, it is known to be associated with greater levels of harm (AIHW, 2003).

Higher rates of homelessness and unemployment for Indigenous people in Australia can result in higher rates of alcohol related harm in Aboriginal and Torres Strait Islander communities. The same is also true of petrol sniffing, which is a serious concern for communities in rural and remote areas (RACP, 2001).

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## Key Issues

### Access to Employment and Education

Problematic alcohol and drug use is strongly associated with **difficulties in gaining and retaining full employment**.

There is consistent evidence to show that unemployed people are more likely to smoke cigarettes (RACP, 2001). International studies have demonstrated that the more adolescents are exposed to unemployment, the greater their risk of developing substance abuse problems or other psychiatric disorders (Spooner, Hall & Lynskey, 2001).

Alternatively, people who have had long term alcohol and drug problems often experience difficulty in entering or re-entering the employment market. There is conclusive evidence to show the link between unemployment and poor health and other psychological effects, such as low self esteem which are often associated with alcohol and drug use. Problems such as low self esteem can compound problems associated with alcohol and drug use as well as increasing the barriers to finding and retaining meaningful employment (Walker & Abello, 2000).

A key contributor to problems entering or re-entering the employment market are **difficulties in finishing school or acquiring further qualifications** which can be associated with problematic alcohol and drug use. The absence of further qualifications can significantly hamper ability to gain employment, or adequately paid secure employment. Education also offers a 'route out of' poverty for many, (Royal Australian College of Physicians, 2001) but problematic alcohol and drug use can mean that this is not a viable route for many young people.

There is some evidence to show that cannabis may be associated with impaired cognitive abilities, which may limit educational attainment for adolescents or compromise performance in jobs which require a high level of cognitive functioning. While these effects have not been entirely proven, if true they could represent significant barriers to full employment for people who consume cannabis regularly.

The Victorian Government's Community Jobs Program (CJP) is a good example of a program which helps to provide employment for people who are long term unemployed, including those who have had alcohol and drug problems. The CJP supports community organisations, local government and other government agencies to employ local jobseekers on community projects. Projects provide a combination of work experience and skill development which is linked to the skill needs of the local labour market. Some examples of CJP projects include:

- Information technology enhancement and administrative support projects, for example, developing community valued data bases, communication networks and information exchange centres;

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- Innovative social infrastructure projects relating to the delivery of new or additional community based services, such as aged and childcare services;
- Retail/hospitality, for example community internet cafes, community canteens and community retail outlets e.g. Op Shops;
- Public works projects, for example, improving public spaces, constructing or renovating community facilities, establishing visitor centres, heritage or recycling projects;
- Land care and environmental restoration projects, for example, restoring degraded beaches, rivers, harbour foreshores and national/state parks.

The CJP targets Victorian jobseekers aged 15 and above who are at least 6 months unemployed in the last 12 months or unemployed and deemed to be disadvantaged and 'at risk' of long-term unemployment. An indication of the success of the CJP is that 62 % of all people entering into CJP programs go on to gain employment (McDonnell, 2002).

### What is needed?

- ❖ Adequate resourcing of employment programs, like the CJP, for people who have experienced alcohol and drug problems
- ❖ Additional support for people experiencing drug and alcohol problems and the educational institutions they attend to help keep people with alcohol and drug problems at school or in further study whilst they seek treatment.

## Health Costs

The **cost of drug treatment, medical care, pharmaceutical drugs and pharmacotherapies** for people currently receiving drug treatment or on pharmacotherapy maintenance programs can add significantly to the **cost of living** for people with alcohol and drug problems.

The Royal Australian College of Physicians identifies that people in lower socio economic groups are more likely to experience disproportionate levels of ill health and problematic alcohol and drug use (Royal Australian College of Physicians, 2001). Issues related to an individual's income and the social and economic environment in which they live can also affect the capacity which that person has to adopt a healthier lifestyle and address problems related to alcohol and drug use (Walker & Abello, 2000).

Further compounding the disproportionate levels of ill health amongst people in lower socio economic groups is the issue of the cost of medical and drug and alcohol treatment. Reductions in the rate of bulk billing by general practitioners can have a detrimental impact on this section of the community, as can increases in the costs of medication.

Immediately relevant to people seeking to overcome their drug problem is the matter of the cost of pharmacotherapies. The move from public to private provision of pharmacotherapies has resulted in increased costs in some instances. There have been recent examples in Victoria of young people who have been resident in the juvenile justice system having to pay for pharmacotherapies on release from detention centres. For young people on very limited incomes, the cost of these pharmacotherapies can be prohibitive and can reduce the chance of them being successfully maintained on methadone or buprenorphine.

Of particular concern is the rate of prevalence of hepatitis C amongst people who inject drugs in Australia. There are approximately 190,000 people infected with hepatitis C in Australia, of whom approximately 80 per cent have contracted the disease through injecting drug use (Australian Institute of Primary Care, 2001).

Symptoms of hepatitis C can include fatigue, lethargy and depression. In addition to the stigma and prejudice sometimes associated with blood borne viruses such as hepatitis C, these symptoms can impact upon an individual's ability to fully participate in work or study. In addition to this, the side effects of common treatments for hepatitis C can also impair an individual's ability to continue or commence work or study (Australian Institute of Primary Care, 2001).

### What is needed?

- ❖ Adequate funding of drug treatment, bulk billing and appropriate subsidies for pharmaceutical drugs and pharmacotherapies can help reduce the health cost burden for people seeking treatment for drug and alcohol problems and create incentives for maintenance of treatment

## Legal and Financial Security

The **illegal nature** of some forms of drug use and the high rates of incarceration of people with alcohol and drug problems creates **problems for those who are seeking to gain employment in areas which require police clearance, seeking a bank loan or relying upon a credit rating.**

Drug and alcohol abuse is one of the biggest single factors affecting the number of people incarcerated in Victoria. It is estimated that more than 60 percent of the people currently incarcerated in Victorian prisons had alcohol and drug problems prior to their incarceration. In addition to this, 75% of people entering Victorian prisons have reported using drugs in the previous week (Wise, 2003 and Anderson, 2003).

For people leaving prison, problems related to overcoming institutionalisation, stigma and lack of contacts and skills can severely impact upon their ability to find full employment. This is exacerbated by increasing reliance on police clearance checks in many types of occupations. These types of problems are often also experienced by people leaving long term residential rehabilitation for drug and alcohol problems.

In addition to this, people who have a criminal record, have been bankrupt or have a poor credit rating can experience difficulties in obtaining bank loans or a credit card. Whilst this may help to avoid future problems associated with financial debt, it can also create an additional barrier for people seeking to re-establish themselves in the community after spending time in long term residential rehabilitation or prison.

### What is needed?

- ❖ Enhanced funding of drug diversion programs for those convicted of non violent minor drug related offences
- ❖ Additional financial and/or practical support for people seeking to re-establish their lives after spending time in long term residential rehabilitation or prison.

## Access to Housing

A history of alcohol and drug use can often pose **additional barriers for people seeking reliable and affordable housing**. In turn, the absence of secure housing can create difficulties in gaining and retaining employment.

Being homeless or living in sub-standard housing is strongly associated with a higher incidence of mental illness and substance abuse (Royal Australian College of Physicians, 2001).

People with a history of problematic alcohol and drug use, and or associated criminal charges or incarceration can experience difficulties in providing appropriate references for rental properties or obtaining housing loans.

People with alcohol and drug problems are significantly represented amongst the homeless in Victoria and Australia more generally. While there are supported accommodation programs available for people with alcohol and drug problems in Victoria these are significantly under resourced and often unable to meet demand.

Currently in Victoria, supported accommodation agencies are funded to provide staffing at a level of one worker per ten clients. Many of these clients present with complex problems and require intensive support. It is unrealistic to expect drug and alcohol workers, whose salary and conditions are usually significantly lower than those of workers in other health and welfare sectors, to work miracles.

These services are also significantly limited in the amount of time for which they are funded to accommodate clients, further adding to the difficulty of finding secure housing (VAADA, 2002, 2003).

An alternative for people unable to enter the private rental market is state government housing. A recent study estimated that at least 16% of people living in an inner city Office of Housing high rise estate were experiencing problems with alcohol and drug use which were impacting upon their ability to gain employment (Holdcroft, 2003).

Whilst not all state government housing can be described in this way, high rise estates and similar forms of government housing are often associated with high levels of unemployment, high rates of resident turnover and social disadvantage. This type of environment has been demonstrated to have a detrimental impact on the physical, mental and social well-being of its residents. Residents thus experience problems related to their own poverty as well as the lack of positive role models and high levels of delinquency and crime associated with living in a poor neighbourhood. This can lead to the development of behaviour patterns which impact further on an individual's ability to address their alcohol and drug use, find work or better quality housing. (Spooner, Hall & Lynskey, 2001)

### What is needed?

- ❖ Housing assistance programs for people leaving drug and alcohol treatment programs are critical in ensuring that they can afford adequate housing.

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## Emotional and Social Support

The breakdown of family and social networks experienced by many people with alcohol and drug problems adds to the risk that they will be affected by poverty as **financial and emotional support networks are withdrawn**.

The families and significant others of people with long term alcohol and drug use problems often experience years of coping unaided before treatment is sought or available. This stress can lead to the health and well being of families of people with alcohol and drug problems being degraded to the point where they are no longer able to provide material or emotional support to the person.

While often necessary for the emotional, physical and financial survival of families, the withdrawal of this support can place people with alcohol and drug problems at heightened risk of homelessness and poverty.

While alcohol and drug agencies in Victoria and Australia are able to provide some assistance to families and individuals, their significantly limited resources cannot meet the high level of need in the community. This further compounds the isolation and risk of poverty of people with alcohol and drug problems.

### What is needed?

- ❖ Ongoing resourcing of adequate funding support programs for people with alcohol and drug problems and their families and significant others is critical in ensuring that these 'safety nets' against homelessness and poverty can remain in place.
- ❖ Resourcing drug and alcohol agencies to enable them to collect and analyse data relating to client profiles, drug trends and other relevant issues to inform future policy priorities.
- ❖ Longitudinal research to explore causal links between alcohol and drug use and poverty.

## Conclusion

The intricate links between poverty and alcohol and drug use are clearly illustrated by the issues of access to employment and education, health costs, legal and financial security, access to housing and emotional and social support outlined above.

These links create a cycle of poverty and disadvantage which further compounds the difficulties experienced by people with alcohol and drug problems. This cycle creates additional barriers for people who are seeking to address their alcohol and drug use. It also degrades their quality of life to a point where fundamental rights, like shelter and nutrition, are compromised.

Whilst the links between these issues are complex, it is clear that there are practical solutions to this problem. Intensive employment programs, adequate drug treatment and housing and support for the families of people with alcohol and drug problems are just some of the ways in which the links between poverty and alcohol and drug use can begin to be broken down.

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