



Improving pill testing in Australia	
Party:	Australian Greens
<p>Summary of proposal:</p> <p>The proposal would establish a drug testing agency that would operate drug testing sites in capital cities and regional hubs and provide free testing services at Australian music festivals. Funding would also be provided to the Department of Health and Aged Care to coordinate data collection, analysis and communication of results of the drug tests.</p> <p>The proposal would be ongoing and start on 1 July 2026.</p>	
<p>Additional information (based on further advice provided):</p> <p><b>Drug testing agency</b></p> <p>The number of drug testing sites operated by the drug testing agency would be as follows:</p> <ul style="list-style-type: none"><li>• 2026-27: 10 drug testing sites in capital cities</li><li>• 2027-28: 12 drug testing sites in capital cities and 2 in regional hubs</li><li>• 2028-29 onwards: 18 drug testing sites in capital cities and 4 in regional hubs</li></ul> <p>Each site would occupy 50m<sup>2</sup> of commercial space outside of public thoroughfares and would operate 3 nights per week from 4:00pm to 2:00am, with an additional hour per night for opening and closing operations (a total of 11 hours per day).</p> <p>Each site would employ 2 alcohol and drug workers (Certificate IV qualified), 1 administrative officer and 1 security guard. Office costs would include heating, cooling, lighting, rent, telecommunications, insurance and fit out.</p> <p>Each site would have an infrared spectroscope, valued at around \$35,000 USD with a per use cost of approximately \$2.50 AUD in 2020.</p> <p>Each pill test consultation would take around 1 hour to complete. Consultations would be free.</p> <p><b>Data collection, analysis and communication</b></p> <p>An additional \$160,000 per year would be provided to the Department of Health and Aged Care to coordinate data collection, analysis and communication of results of the drug tests.</p>	

## Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around \$40.1 million over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects an increase in administered and departmental expenses.

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

The financial implications of establishing the drug testing agency are sensitive to the establishment and ongoing costs of operating the drug testing sites, which depend principally on the timing of drug testing equipment purchases and the demand for services provided by the drug testing facilities. There is also uncertainty about the demand for services provided by the drug testing facilities at each festival.

The Parliamentary Budget Office (PBO) has not made any assessment as to whether the \$160,000 per year provided to the Department of Health and Aged Care would be sufficient to fund the coordination of data collection, analysis and communication of results of the drug tests.

**Table 1: Improving pill testing in Australia – Financial implications (\$m)<sup>(a)(b)</sup>**

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-	-11.9	-12.3	-15.9	-40.1
Underlying cash balance	-	-11.9	-12.3	-15.9	-40.1

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

- Indicates nil.

## Key assumptions

The PBO has made the following assumptions in costing this proposal.

### Drug testing agency

- Employee costs for alcohol and drug workers, administrative officers and security officers at drug testing sites would be based on the prevailing market rates at the time of this costing, be constant across sites and would grow in line with the relevant wage cost index.
- The cost of renting, fitting out and maintaining the sites would be equal to the representative commercial property costs for Australian capital and regional cities.
  - Commercial property rental costs for the capital cities have been based on the Colliers report, which publishes the net rents for central business district offices in each Australian capital city.
  - Commercial property rent costs in regional cities are assumed to be half those in capital cities.
- An infrared spectrometer would be purchased when an additional drug testing site is set up. This means that the cost of purchasing infrared spectrometers would be spread across the period from 2026-27 to 2028-29.
  - From 2029-30, only per-use costs would be incurred which would grow in line with the Consumer Price Index (CPI).
- Each site would complete 18 consultations per day.
- Ongoing departmental resources would be required to operate the drug testing agency.
  - Departmental expenses would be based on an estimated staffing structure of 10 full-time equivalent staff, similar to the resources required to run a micro-agency. Labour expenses would be indexed by the relevant wage cost index net of the efficiency dividend, consistent with the Department of Finance's costing practices.
  - The 10 staff would comprise of one Senior Executive Service (SES Band 1) employee, 2 Executive Level 2 employees, 3 Executive Level 1 employees, and 4 APS 5 level staff.

- Music festival attendances would grow at a constant rate of 1.1% from around 2 million in 2023-24.
- The Australian Government would purchase 10 infrared spectrometers for testing pills at festivals in 2026-27, the first year of the proposal.
- The costs of setting up drug testing sites at festivals would include furniture, staff travel, staff accommodation and drug disposal fees and would grow in line with the CPI.
  - These costs would be drawn from the Australian Capital Territory's pill testing pilot carried out at the 2017 "Groovin' the Moo" music festival with Harm Reduction Australia<sup>1</sup>.

### Data collection, analysis and communication

- Funding would be capped at \$160,000 per year, indexed to the relevant wage cost index. We assume that no funds allocated to a given year are left unspent.

## Methodology

### Drug testing agency

- The cost of staffing, leasing, fitting out and maintaining the drug testing sites has been estimated based on the policy specifications and *Key assumptions*.
- Departmental costs associated with the new drug testing agency have been estimated based on similar specific-purpose agency structures and calculated using the PBO's departmental cost calculator.
- The per-attendee cost of pill testing at festivals was based on data from the Harm Reduction Australia Pill Testing Pilot. Staffing costs were indexed to the relevant wage cost index and other costs were indexed to the CPI.
- The expected number of festival attendees was based on data from Live Performance Australia<sup>2</sup>. The per-attendee cost was then multiplied by the number of attendees.
- The per-use cost for the 10 spectrometers was multiplied by the number of expected festival attendees who would use the pill testing service.

Financial implications were rounded consistent with the PBO's rounding rules.<sup>3</sup>

---

<sup>1</sup> Harm Reduction Australia, 2018. *Report on the ACT GTM Pill Testing Pilot: a Harm Reduction Service*.

<sup>2</sup> Live Performance Australia, 2023. *LPA Ticket Attendance and Revenue Report 2022*.

<sup>3</sup> <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

## Data sources

Colliers International, 2025. [Colliers | AU | Quarterly Asset Class Snapshots | Q2 2024](#), accessed 14 May 2025.

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025*, Commonwealth of Australia.

Harm Reduction Australia, 2018. [Pill-Testing-Pilot-ACT-June-2018-Final-Report.pdf \(harmreductionaustralia.org.au\)](#), accessed 14 May 2025.

Live Performance Australia, 2024. [LPA-Ticket-Attendance-and-Revenue-Report-2023.pdf \(liveperformance.com.au\)](#), accessed 14 May 2025.

Payscale Australia, 2025. [Drug and Alcohol Outpatient Rehabilitation Salary in Australia | PayScale](#), accessed 14 May 2025.

Payscale Australia, 2025. [Administrative Officer Hourly Pay in Australia in 2024 | PayScale](#), accessed 14 May 2025.

Payscale Australia, 2025. [Security Guard Hourly Pay in Australia in 2024 | PayScale](#), accessed 14 May 2025.

## Attachment A – Improving pill testing in Australia – Financial implications

**Table A1: Improving pill testing in Australia – Fiscal and underlying cash balances (\$m)<sup>(a)</sup>**

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
<b>Expenses</b>													
<b>Administered</b>													
<i>Drug testing agency</i>	-	-9.7	-10.0	-13.6	-13.1	-13.4	-13.8	-14.2	-14.6	-15.0	-15.4	-33.3	-132.8
<b>Departmental</b>													
<i>Drug testing agency</i>	-	-2.0	-2.1	-2.1	-2.1	-2.1	-2.2	-2.2	-2.2	-2.3	-2.3	-6.2	-21.6
<i>Department of Health and Aged Care</i>	-	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.6	-2.0
<b>Total – departmental</b>	-	-2.2	-2.3	-2.3	-2.3	-2.3	-2.4	-2.4	-2.4	-2.5	-2.5	-6.8	-23.6
<b>Total (excluding PDI)</b>	-	-11.9	-12.3	-15.9	-15.4	-15.7	-16.2	-16.6	-17.0	-17.5	-17.9	-40.1	-156.4

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

**Table A2: Improving pill testing in Australia – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)<sup>(a)(b)</sup>**

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
<b><i>Fiscal balance</i></b>	-	-0.3	-0.8	-1.5	-2.2	-3.0	-3.9	-4.8	-5.8	-6.8	-7.9	<b>-2.6</b>	<b>-37.0</b>
<b><i>Underlying cash balance</i></b>	-	-0.2	-0.7	-1.3	-2.0	-2.8	-3.7	-4.6	-5.5	-6.5	-7.6	<b>-2.2</b>	<b>-34.9</b>

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary<sup>4</sup>.
- (b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.
- Indicates nil.

<sup>4</sup> [Online budget glossary – Parliamentary Budget Office \(pbo.gov.au\)](https://pbo.gov.au/online-budget-glossary)