



strokefoundation

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Welfare Review
C/- Welfare System Taskforce
Department of Social Services
PO Box 7576
Canberra Business Centre ACT 2610

By email: welfarereview@dss.gov.au

Level 7
461 Bourke Street
Melbourne
VIC 3000 Australia

T +61 3 9670 1000
F +61 3 9670 9300

Call StrokeLine
1800 STROKE (787 653)

E admin@strokefoundation.com.au
www.strokefoundation.com.au

ABN
42 006 173 379

To whom it may concern

Re: Review of Australia's Welfare System

I am pleased to provide this response to the above Inquiry on behalf of the National Stroke Foundation. For any queries on this submission please contact the Director, Policy and Advocacy Rebecca Smith on rsmith@strokefoundation.com.au or 0466 217 988.

Background to stroke in Australia

Stroke is a chronic condition that requires ongoing support and management. In Australia there are over 50,000 strokes a year. There are now over 437,000 people living in Australia after a stroke. Two-thirds of these people sustained a disability that impeded their ability to carry out activities of daily living unassisted. This population is projected to grow to over 700,000 people living with the effects of stroke by 2032.¹

Stroke is a leading cause of disability in Australia and given it is a serious brain injury it can result in a wide range of physical and cognitive changes and disability. Common outcomes include paralysis, speech and swallowing difficulties, problems with memory, hearing and eyesight. The spectrum of disabilities arising from stroke, and their duration, varies from person to person. In some cases the disability may be minor and short-lived, such as partial loss of mobility in the arms or legs. However, in other cases there may be severe paralysis in the limbs or cognitive impairment that can last for several years or be permanent. Severe strokes can place a great burden on the coping mechanisms of carers and family as well as patients.

Stroke costs the economy around \$3 billion in lost productivity². Approximately one third of survivors are of working age.

¹ Deloitte Access Economics, The economic impact of stroke in Australia, National Stroke Foundation 2013. <http://strokefoundation.com.au/site/media/Final-Deloitte-Stroke-Report-14-Mar-13.pdf>

² Deloitte Access Economics, The economic impact of stroke in Australia, National Stroke Foundation 2013. <http://strokefoundation.com.au/site/media/Final-Deloitte-Stroke-Report-14-Mar-13.pdf>

According to Centrelink data, people with acquired brain injury account for 20,234 of people on the disability support pension in 2013.³ Stroke survivors are a high component of this tally. Stroke survivors also make up other disability types. Overall, nearly one third (131,000) of all stroke survivors are under 65 years of age. Many of these stroke survivors struggle with increased expenses and a reduction in income due to the disabilities acquired through their stroke. Many stroke survivors cannot afford personal carers and therefore rely on family members to take care of them during their rehabilitation – which may take several years. The impact of a stroke on families can be severe.

The National Stroke Foundation's 2013 survey of 1000 stroke survivors and carers across Australia, who have been living in the community for at least a year after their stroke, revealed that 96% had needs after their stroke and of those, 84% had needs that weren't being met.⁴ In terms of finance, 36% reported a loss in income while 60% reported an increase in expenses. Almost half (48%) were receiving a benefit from the government and 42% reported needing some form of financial assistance or advice. About a third of those that needed financial assistance reported that they either did not receive any or did not receive enough.

Response to a simpler and sustainable income support system

The NSF supports the simplification of the current system which is prohibitively complicated.

The NSF is concerned with the current review's suggestion that only wholly and permanently incapacitated people should receive the Disability Support Pension (DSP) and those that are partially or temporarily incapacitated should receive a Working Age Payment that will have a few tiers of payment levels, dependent on the ability to work.

Stroke survivors may take several years to recover, with some stroke survivors never completely recovering. Rehabilitation may require several hours of therapy a week for a range of treatments such as physiotherapy, speech therapy and occupational therapy. There is no definitive timeline as to how long recovery will take. It is recommended that stroke survivors not be moved on to a working age payment such as Newstart) which would require them to meet the activity test requirements such as applying for jobs and attending interviews. This may prevent them from receiving their required weekly treatment and delay their recovery. The NSF does acknowledge that some people with disabilities receiving working age payments may be exempt from activity test requirements and recommends that this be extended to all stroke survivors.

³ Deloitte Access Economics 2013, The economic impact of stroke in Australia.

⁴ National Stroke Foundation. 2013. The needs of stroke survivors in Australia. National Stroke Foundation (unpublished)

Working age payments are less income than the DSP and may further impact on a stroke survivor's capacity to afford necessary treatment and therefore hamper their recovery. Stroke survivors are currently constrained by the rebates allowed under the Medicare Benefits Schedule (MBS) with only five rebates provided per annum under the chronic disease management items for all allied health services required for recovery. This includes all physiotherapy and speech pathology. Stroke survivors with speech aphasia generally require more than five sessions and must therefore pay for the extra sessions out of their own pocket. If the proposed introduction of co-payments in the health sector is successful there will be even less capacity to pay for all necessary treatment and access support that aids recovery and enables survivors to regain independence and participate in community and workforce activities.

The NSF advocates for a preferred payment system architecture whereby all stroke survivors with a disability that affects their working capacity be allocated a DSP until they are ready to re-enter the workforce or receive the Age Pension. This will allow stroke survivors to concentrate on their recovery and increase their chances of return to active participation in the community, lowering longer terms costs.

The NSF also recommends that the gap between the DSP and top tier working age payment be marginal, so as to not lower the standard of living for those who are reclassified.

Response to rate structure

Adjustments to the rate structure of all payments must be made after consideration is given to the impending introduction of co-payments in health care. Stroke survivors require regular visits to doctors and other allied health professionals. They also require many medications to facilitate their recovery and prevent subsequent strokes. The increase in medical costs will place more financial pressure on recipients of payments and must be factored in when adjusting payment levels.

Response to strengthening individual and family capability

The current payment system lowers payments once work has been found – even part-time work. However, the overall change in a person's income as a result of the new employment may not translate into much more than when they were solely on welfare payments. This may therefore act as a disincentive for stroke survivors to gradually re-enter the workforce and instead focus on a full recovery before entering the workforce on a fulltime basis while remaining on welfare payments. Stroke survivors should maintain a level of income that is high enough to continue with their rehabilitation while also pursuing employment. If a stroke survivor can find temporary or part-time employment they should not be in a worse off financial position.

Carers of stroke survivors are often required 24 hours a day and have very little spare time. They are limited in their ability to access employment while caring full-time for a family member and often can only pursue study or training courses when given respite through a respite program provided by government or community groups. Carers can be better supported through increased participation in respite programs that will allow them to work or study and provide themselves a better chance of employment when their carer duties are reduced or no longer required.

Stroke survivors and their carers rely on the security of a strong, stable and uncomplicated welfare system that provides the opportunity to focus on their recovery and reintegrate back into their community and workforce. If stroke survivors were to have their income reduced, or be required to focus on obtaining employment more than on their recovery, there is a strong likelihood that their length of recovery time would be increased and their chances of fully integrating back into the life they had prior to their stroke would be hampered. It is in everyone's interests to allow stroke survivors to recover as quickly as possible by focusing predominantly on their health and recovery without other complications.

Yours Sincerely

A handwritten signature in cursive script that reads "Erin Lalor".

Dr Erin Lalor
Chief Executive Officer