

**Senate Community Affairs Committee**  
**ANSWERS TO ESTIMATES QUESTIONS ON NOTICE**  
**SOCIAL SERVICES PORTFOLIO**  
**2014-15 Additional Estimates Hearings**

**Outcome Number: 1.12 Programme Support for Outcome 1 Question No: SQ15-000300**

**Topic: Social Security Expenditure**

**Hansard page: Written**

**Senator Moore, Claire** asked:

1. The Minister for Social Services said “over the next decade and beyond, over a generation, our social services expenditure will swallow the Budget.” Do you agree with this statement?
2. What evidence can you produce to demonstrate the validity of this?
3. Is the Department aware that last year, Allianz produced 2014 Pension sustainability index, which found that Australia’s pension was the most sustainable in the world, and the least in need of reform? Doesn’t that suggest that the Minister was wrong?
4. Has the Department seen a report in the Australian in February of last year which included analysis from the National Centre for Social and Economic Modelling (NATSEM) found that in the last 12 years, Australia’s welfare spending has in fact decreased as a share of total expenditure? Doesn’t that suggest that the Minister is wrong?
5. Is the Department aware that according to the most recent data from the OECD on welfare spending in OECD countries, Australia spends 8.6 per cent of GDP on cash payments, compared with the OECD average of 12.1?
6. Is the Department aware that this makes Australia the third lowest spender on cash payments as a percentage of GDP in the OECD?
7. Considering all this evidence, does the department agree with the Minister that "over a decade social service expenditure will swallow the budget"?

**Answers:**

1. This question is asking for an expression of opinion.
2. Federal budget projections are the responsibility of the Department of the Treasury. Treasury projections over the long term of various components of public spending are discussed in the 2015 Intergenerational Report *Australia in 2055*.
3. The Department is aware of the Allianz 2014 Pension sustainability and Australia’s ranking. The report looks at all components of retirement income systems, including the Superannuation Guarantee and private savings in the case of Australia - not only at the Age Pension.

The second part of this question is asking for an expression of opinion.

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4. Yes.

The second part of this question is asking for an expression of opinion.

5. Yes.

6. Yes.

7. This question is asking for an expression of opinion.