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In 2013, social protection outlay amounted to €1,390.4 million, an increase of 5.4 per cent when compared to 2012.

A Holistic View of Social Protection Expenditure: 2013

Since 2008, the National Statistics Office has published an annual publication entitled *Social Protection: Malta and the EU: 2014*. This year's edition is being issued in conjunction with this news release, which analyses the European System of Integrated Social Protection Statistics (ESSPROS) on a gross and net basis.

Gross social protection expenditure (Gross ESSPROS)

The ESSPROS core system collects data on the expenditure on social protection benefits made by public and private bodies to individuals and households, without any deduction of taxes and other obligatory levies payable on social benefits by beneficiaries. This expenditure is therefore considered as gross. Social protection data are compiled in line with the ESSPROS framework.

A brief time series on gross social protection outlay is provided in Table 1. In 2013, the total gross social protection outlay was €1,390.4 million, reflecting a €71.5 million rise over 2012. The highest increases were registered in Hospitals and Other Health Care (€34.2 million), Social Security Contributory Benefits (€20.0 million) and Social Security Non-Contributory Benefits (€11.9 million). Only four of the nineteen social schemes registered a decline in expenditure, with Treasury Pensions recording the largest decrease of €2.6 million.

Net social protection expenditure (Net ESSPROS)

For the first time the National Statistics Office is publishing data on net ESSPROS. The net social protection data considers the taxes and social contributions that are paid by the recipients of benefits. These taxes and social contributions have the effect of reducing the gross expenditure of General Government on social protection, and rationalising the extent to which social benefits increase recipients' disposable income. The aim of this module is to collect information that measures the impact of the fiscal system on gross social expenditure, in order to obtain net social protection outlay that is considered to be more comparable among countries.

Table 2 compares gross and net social outlay in order to shed light on various issues, namely the social schemes that are subject to tax, and the amount of tax revenue generated by social protection income. The total net social outlay in 2013 amounted to €1,362.3 million, resulting in a tax revenue of €28.1 million. This is €1.9 million more in this revenue stream over 2012. Only four schemes are subject to tax, with the highest revenue obtained through the Social Security Contributory Benefits scheme (€22.1 million) ■

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Table 1. Social protection expenditure, gross: 2011-2013

Scheme	2011	2012	2013	2013/2012	
				Change	% Change
	€ 000				
Social Security Contributory Benefits	561,161	604,939	624,928	19,989	3.3
Social Security Non-Contributory Benefits	166,834	177,620	189,529	11,909	6.7
Hospitals and Other Health Care Facilities	272,156	293,371	327,602	34,231	11.7
Social Welfare Standards	2,481	3,408	3,940	532	15.6
Non-Profit Institutions Serving Households	12,482	12,876	13,264	389	3.0
APPOĠĠ	3,852	4,244	4,515	271	6.4
SEDQA	1,612	1,509	1,774	265	17.5
Employment and Training Corporation	5,606	7,162	10,693	3,531	49.3
Sickness Days - Employers' Expenditure	36,439	38,516	39,380	864	2.2
Subsidies on Utilities	3,584	4,263	3,949	-314	-7.4
Energy Benefit	8,363	5,121	5,016	-106	-2.1
Housing Subsidies	77	79	352	273	343.9
Housing Authority Subsidies	12,159	5,400	6,907	1,507	27.9
Pensioners' Route Bus Subsidy	1,654	2,904	3,429	524	18.0
Pensioners' Gozo Ferry Boat Subsidy	1,211	1,273	1,373	100	7.9
Care of the Elderly and the Disabled	52,271	55,884	56,600	716	1.3
Treasury Pensions	86,393	89,951	87,329	-2,622	-2.9
MDD/MSCL/MSY Voluntary Retirement Scheme	3,691	3,423	3,573	150	4.4
Third-Country Nationals and Refugees	8,738	6,932	6,241	-691	-10.0
Total	1,240,763	1,318,876	1,390,393	71,518	5.4
Social protection as a percentage of GDP	18.0	18.3	18.4	-	-

Notes:

1. GDP statistics are in line with News Release No. 046/2015: Gross Domestic Product: 2014 dated 9 March 2015.
2. Totals may not add up due to rounding.

Table 2. Social protection expenditure, gross and net: 2011-2013

Scheme	2011			2012			2013		
	Gross	Net	Tax	Gross	Net	Tax	Gross	Net	Tax
	€000								
Social Security Contributory Benefits	561,161	543,347	17,814	604,939	584,181	20,759	624,928	602,797	22,132
Social Security Non-Contributory Benefits	166,834	166,814	19	177,620	177,596	24	189,529	189,500	29
Hospitals and Other Health Care Facilities	272,156	272,156	0	293,371	293,371	0	327,602	327,602	0
Social Welfare Standards	2,481	2,481	0	3,408	3,408	0	3,940	3,940	0
Non-Profit Institutions Serving Households	12,482	12,482	0	12,876	12,876	0	13,264	13,264	0
APPOĠĠ	3,852	3,852	0	4,244	4,244	0	4,515	4,515	0
SEDQA	1,612	1,612	0	1,509	1,509	0	1,774	1,774	0
Employment and Training Corporation	5,606	5,606	0	7,162	7,162	0	10,693	10,693	0
Sickness Days - Employers' Expenditure	36,439	34,973	1,466	38,516	36,910	1,606	39,380	37,611	1,769
Subsidies on Utilities	3,584	3,584	0	4,263	4,263	0	3,949	3,949	0
Energy Benefit	8,363	8,363	0	5,121	5,121	0	5,016	5,016	0
Housing Subsidies	77	77	0	79	79	0	352	352	0
Housing Authority Subsidies	12,159	12,159	0	5,400	5,400	0	6,907	6,907	0
Pensioners' Route Bus Subsidy	1,654	1,654	0	2,904	2,904	0	3,429	3,429	0
Pensioners' Gozo Ferry Boat Subsidy	1,211	1,211	0	1,273	1,273	0	1,373	1,373	0
Care of the Elderly and the Disabled	52,271	52,271	0	55,884	55,884	0	56,600	56,600	0
Treasury Pensions	86,393	83,080	3,313	89,951	86,057	3,894	87,329	83,125	4,204
MDD/MSCL/MSY Voluntary Retirement Scheme	3,691	3,691	0	3,423	3,423	0	3,573	3,573	0
Third-Country Nationals and Refugees	8,738	8,738	0	6,932	6,932	0	6,241	6,241	0
Total	1,240,763	1,218,152	22,612	1,318,876	1,292,593	26,283	1,390,393	1,362,259	28,134

Note: Totals may not add up due to rounding.

Methodological Notes

1. All data in this news release are in line with the European System of Integrated Social Protection Statistics (ESSPROS) Manual 2012 Edition (ISBN 978-92-79-24751-4). This methodology is mandatory for all EU Member States.
2. Data provided in this news release are compiled through the use of administrative records obtained from the Social Security Department, the Treasury Department, Transport Malta and the management accounts of various government entites.
3. The publication *Social Protection: Malta and the EU: 2014* can be found at:
http://nso.gov.mt/en/publicatons/Publications_by_Unit/Pages/A2-Public-Finance.aspx
4. All data in this release should be considered as provisional and therefore subject to revision.
5. More information relating to this news release may be accessed at:
Statistical Concepts: <http://nso.gov.mt/metadata/concepts.aspx>
Metadata: <http://nso.gov.mt/metadata/reports.aspx?id=171>
Glossary: http://nso.gov.mt/en/nso/Sources_and_Methods/Unit_A2/Public_Finance/Pages/ESSPROS.aspx