

## A closer watch on subventions

The warning sounded by the Financial Secretary, Mr Philip Haddon-Cave on Wednesday, on the escalating costs of our social welfare budget, serves to demonstrate how necessary it is to monitor the disbursements of public money to avoid duplication between funds going to subvented agencies and payments of public assistance and infirmity allowances to individuals.

He reminded the Legislative Council that taking recurrent and capital subventions together overall, a fifth of total public expenditure is disbursed by subvented organisations – hence the increasing interest by the Director of Audit in how it is spent.

He spoke of the need for the financial administration “to be conducted at the highest possible level of efficiency” and later went one step further in suggesting the need for “a lot of hard rethinking” to ascertain the extent to which social services need to be expanded in view of the large amounts now being handed out in public assistance and infirmity allowances.

In other words if more and more people are now qualifying for cash handouts from the Social Welfare Department does the Government need to subsidise the existing agencies to the same extent?

It would seem that the first requirement is a careful survey to determine how many people receiving cash payments are either still making use of welfare agencies or have stopped using them. At the same time, in what way has the rapid growth of cash payments affected the work of the agencies?

Some agencies have already begun re-examining their role not just because of the counter-attraction of cash handouts but because of changing social and economic conditions in the area in which they operate.

This has demonstrated reduced demand for some services they perform but at the same time new areas of need have been exposed.

This seems to be the right time for the introduction of a greater measure of control – if only to avoid duplication and overlapping. For it would seem that the work of the agencies has grown to such an extent that there is no detailed knowledge within the SWD of how the considerable sums being allocated in subventions are being spent.

The periodic reports submitted by the agencies coupled with statistics and balance sheets do not guarantee that public money is being spent on areas of real need. It may be wondered how often fresh guidelines are given and how many inspections are made other than for purely ceremonial occasions.

This is not to suggest that agencies are indulging in waste, extravagance or mismanagement, but it is time an overall survey was carried out to see how the work of the agencies can be rationalised and streamlined both in the interests of the people they serve and the taxpayers.