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Agencies fear SWD may go back on cash aid pledge

By HALIMA GUTERRES

Voluntary agencies say they are baffled by apparent inconsistencies between what the Governor, Sir Murray MacLehose, said at the Legislative Council last week and what they had been told by the Social Welfare Department.

The discrepancies centre round the new subvention system which will remove the "see-saw" effect of private donations on Government subvention.

Sir Murray had said that "funds raised privately will not affect the subvention system."

Why then, the agencies want to know, is the Social Welfare Department now demanding that they disclose their estimated income, apart from fees, in their applications for subvention in the 1982-83 year?

"If the Government is sincere in its stated intentions to disregard all private funds in the calculation of subvention why should the SWD want to know agencies' income?" asked the chairman of the Hongkong Council of Social Service's Working Group on Agency Finance, Professor John Jones.

Prof Jones said he is suspicious of the department's motives.

"The cost of a particular welfare service is the only relevant information that the

Social Welfare Department needs to decide on what percentage of subvention it will pay to Priority II services that will receive less than 100 per cent support from the Government.

"To go into the private income of agencies seems to me like a backdoor effort to perpetuate the 'see-saw' effect."

"It's as if the Governor was saying one thing and the department was doing quite another," he said.

Others were less strong in their criticism but the new twist in the subvention controversy has baffled them too.

The director of St James' Settlement, Mrs Grace Wan, said: "Frankly I think the move is superfluous."

"If the department wants to know our income from the Community Chest and private donations all it has to do is go back to our audited accounts for last year and from that they would get a fairly good idea."

"I fail to see the reason for this requirement," she said.

St James' has resolved the problem by simply not filling in the information in its application for subvention.

"We really cannot give any accurate figures because with the new subvention system coming into effect next year it would be difficult for us to gauge the reaction of donors," Mrs Wan said.

At a meeting of the Working Group on Agency Finance yesterday it was decided that

clarification must be sought from the Secretary for Social Services as previous explanations from the Director of Social Welfare, Mr Selwyn Alleyne, and a senior officer of the department failed to satisfy heads of agencies.

At a meeting with agency heads held on September 24 to answer questions about subvention applications for 1982-83, an Assistant Director of Social Welfare, Mr Law Chi-kin, was asked why information on income would be required when the new subvention policy disregards the income of an agency in calculating subventions.

Mr Law replied that since the department had not yet decided which services would be classified as Priority I (services to be subvented on full assessed costs) or Priority II (those that will attract less than 100 per cent costs), information on income would be useful in determining what percentage to accord a Priority II service.

But this was not accepted by agency heads attending the meeting who felt this would defeat one of the major purposes of the subvention system — to disregard private income and do away with the "see-saw" effect.

On the following day, the chairman of the Hongkong Council of Social Service, Mr Ho Sai-chu, wrote to Mr Alleyne, for an explanation.

In his reply on September 26, the director said: "To decide on the overall percent-



Prof Jones

ages we need to consider a number of factors and I am sure neither of us would wish to reach a decision that disregards entirely whether or not any agency is likely to be able to cope."

Prof Jones countered: "But that means we will be back to square one in that the more an agency receives in donations, or allocations from the Community Chest, the less it will receive in Government subvention."

It would also mean, said Mrs Wan, that agencies providing the same types of service will be receiving varying levels of subvention depending on their income and that is wrong.

"All agencies offering the same service in the Priority II category ought to get the same level of support from the Government," she said.