

'WASTE OF RESOURCES'

Gov't to pay P5B for rent in 2014

By Norman Bordadora

VARIOUS agencies of the government will spend almost P5 billion to pay rent for office spaces in 2014, the chair of the Senate committee on finance said yesterday.

Sen. Francis Escudero, the chair of the panel that will scrutinize the proposed P2.26-trillion national budget, said this was "a waste" and proposed the government shift from renting to owning its office space in the next three years.

Escudero said the P4.745 billion earmarked in the 2014 budget for the rent of office spaces and other equipment was "a waste of much needed resources vis-à-vis long term investments and other needed capitalization."

Escudero said reducing the whopping rent allocation could substantially help address classroom shortages and boost medical funding for indigents in all government hospitals.

"By way of policy, the government should make a shift in three years and should not be renting office space anymore," Escudero said.

Under the 2014 budget proposal, the secretary of the Department of Foreign Affairs was given the biggest rental allocation at P742.9 million.

It is followed by the Bureau of Internal Revenue at P531.5 million; the Department of Interior and Local Government-Philippine National Police at P279.4 million; the Department of Trade and Industry-Office of the Secretary, P270.4 million; the Supreme Court and the trial courts, P212.8 million.

The senator said renting spaces was "like throwing money down the drain."

"Yes, we need spaces and buildings to operate and function properly. Machines that are essential to an agency operation are a must. But renting is a short term solution with no long term gains in terms of helping us to efficiently allocate scarce resources," Escudero said.

Escudero said he has been looking into mechanisms so that in three years' time government agencies can already do away with renting office buildings and other equipment.

"The government should already endeavor to own infrastructure and equipment that are central to their respective operations. It's absurd, the government owns land and we have the resources, why not build our own buildings on our own properties? Or acquire staple equipment?" Escudero said.

Escudero said the government should encourage a lease-to-own scheme which provides fund programming that does not require a lump sum expense but will allow us to eventually own the facility.

Escudero mentioned the DFA as one agency that has already configured such a scheme. He said other agencies should follow suit.

"The approach in the budget proposal, where almost all expenditures are itemized, is a first in the country's budget history, and allows for leeway, flexibility and foresight in terms of planning for departmental spending—which includes putting up the agency's own building," Escudero said.