

Head 135 — GOVERNMENT SECRETARIAT: INNOVATION AND TECHNOLOGY BUREAU

Controlling officer: the Permanent Secretary for Innovation and Technology will account for expenditure under this Head.

Estimate 2016–17 **\$43.4m**

Establishment ceiling 2016–17 (notional annual mid-point salary value) representing an estimated 27 non-directorate posts as at 31 March 2016 rising by 12 posts to 39 posts as at 31 March 2017..... **\$21.3m**

In addition, there will be an estimated four directorate posts as at 31 March 2016 and as at 31 March 2017.

Controlling Officer's Report

Programmes

Programme (1) Director of Bureau's Office This programme contributes to Policy Area 27: Intra-Governmental Services (Secretary for Innovation and Technology).

Programme (2) Innovation and Technology This programme contributes to Policy Area 17: Information Technology and Broadcasting (Secretary for Innovation and Technology).

Detail

Programme (1): Director of Bureau's Office

	2014–15 (Actual)	2015–16 (Original)	2015–16Δ (Revised)	2016–17 (Estimate)
Financial provision (\$m)	—	—	4.7	14.7 (+212.8%)

Δ The Innovation and Technology Bureau (ITB) was established on 20 November 2015. The revised estimate for 2015–16 represents the provision required for the five months from November 2015 to March 2016.

Aim

2 The aim is to ensure the smooth operation of the Office of the Secretary for Innovation and Technology.

Brief Description

3 The Office of the Secretary for Innovation and Technology is responsible for providing support to the Secretary for Innovation and Technology in undertaking political work. The office is also responsible for providing administrative support to the Secretary for Innovation and Technology in carrying out his duties. The work includes the planning, co-ordination and implementation of all arrangements for the Secretary's public, media and community functions.

Programme (2): Innovation and Technology

	2014–15 (Actual)	2015–16 (Original)	2015–16Δ (Revised)#	2016–17 (Estimate)#
Financial provision (\$m)	—	—	7.9	28.7 (+263.3%)

Δ The ITB was established on 20 November 2015. The revised estimate for 2015–16 represents the provision required for the five months from November 2015 to March 2016.

The figures include \$1,229,000 in 2015–16 and \$2,949,000 in 2016–17 which have been transferred from the relevant provisions for the "Innovation and Technology" programme under Head 55 – Government Secretariat: Commerce and Economic Development Bureau (Communications and Creative Industries Branch), Head 47 – Government Secretariat: Office of the Government Chief Information Officer and Head 155 – Government Secretariat: Innovation and Technology Commission following the establishment of the ITB.

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Aim

4 The aim is to promote sustained and diversified economic and social development through developing the local innovation and technology industries, driving the upgrading and transformation of our overall economic structure, thereby enhancing Hong Kong's competitiveness and improving the people's quality of life.

Brief Description

5 The ITB formulates holistic innovation and technology policies, thereby fostering the development of innovation and technology and related industries in Hong Kong.

6 The Bureau's main responsibilities are to:

- promote research and development (R&D) collaboration with the world's top-notch science and research institutes,
- formulate policies to promote "re-industrialisation" through the development of smart production and high value-added industries,
- encourage private sector investments in technology start-ups and R&D activities,
- support the formulation of digital framework and technical standards for smart city development,
- promote the development of Hong Kong as a connected Wi-Fi city and facilitate the application of data in a more open manner,
- promote the adoption of innovation and technology in assisting to address social issues,
- formulate policies to support the use of local technology products and services,
- formulate policies to augment the pool of innovation and technology talents, and
- encourage collaboration among institutions in developing innovation and technology.

Matters Requiring Special Attention in 2016–17

7 During 2016–17, the Bureau will:

- examine policy issues and co-ordinate the Government's efforts in promoting innovation and technology,
- monitor the implementation of the expansion plan of the Hong Kong Science Park,
- monitor the implementation of the new Industrial Estate policy,
- monitor Cyberport's enhanced support to information and communication technology start-ups,
- promote the collaboration with Mainland and overseas science and research institutions,
- oversee the further enhancement of public Wi-Fi services,
- oversee the drawing up of the digital framework and technical standards for smart city development,
- oversee the preparation for establishing a funding scheme for University Grants Committee-funded institutions to carry out more theme-based mid-stream and translational research,
- oversee the preparation for establishing a funding scheme for co-investing with private funds on a matching basis for investment in technology start-ups, and
- prepare for the establishment of a funding scheme for financing projects that make use of innovation and technology to improve Hong Kong people's daily life.

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ANALYSIS OF FINANCIAL PROVISION

	2014-15 (Actual) (\$m)	2015-16 (Original) (\$m)	2015-16 (Revised) (\$m)	2016-17 (Estimate) (\$m)
Programme				
(1) Director of Bureau's Office	—	—	4.7	14.7
(2) Innovation and Technology.....	—	—	7.9	28.7
	—	—	12.6	43.4
				(+244.4%)

Analysis of Financial and Staffing Provision

Programme (1)

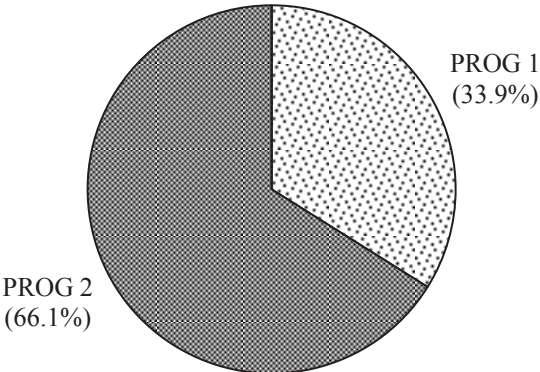
Provision for 2016-17 is \$10.0 million (212.8%) higher than the revised estimate for 2015-16. This is mainly due to the full-year effect on salaries and general departmental expenses in 2016-17.

Programme (2)

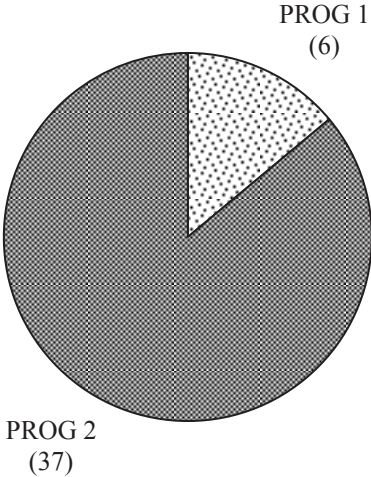
Provision for 2016-17 is \$20.8 million (263.3%) higher than the revised estimate for 2015-16. This is mainly due to the full-year effect on salaries and general departmental expenses in 2016-17. In addition, there will be an increase of 12 posts in 2016-17.

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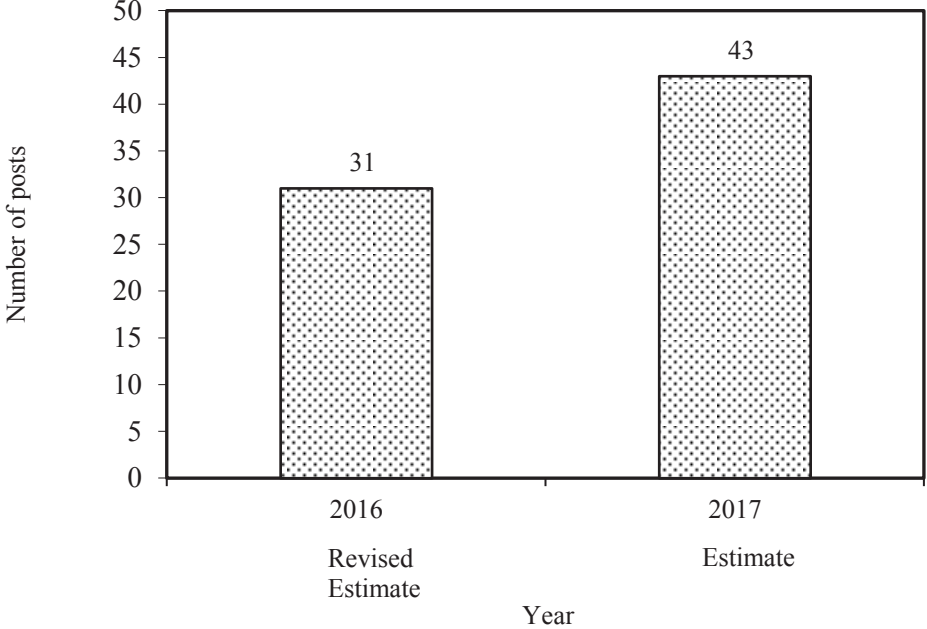
Allocation of provision to programmes (2016-17)



Staff by programme (as at 31 March 2017)



Changes in the size of the establishment (as at 31 March)



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Sub-head (Code)	Actual expenditure 2014-15	Approved estimate 2015-16	Revised estimate 2015-16	Estimate 2016-17
	\$'000	\$'000	\$'000	\$'000
Operating Account				
Recurrent				
000	Operational expenses	—	—	12,636
	Total, Recurrent	—	—	12,636
	Total, Operating Account	—	—	12,636
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	Total Expenditure	—	—	12,636
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Details of Expenditure by Subhead

The estimate of the amount required in 2016–17 for the salaries and expenses of the Innovation and Technology Bureau (ITB) is \$43,379,000. This represents an increase of \$30,743,000 over the revised estimate for 2015–16.

Operating Account

Recurrent

2 Provision of \$43,379,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of ITB. It represents an increase of \$30,743,000 (243.3%) over the revised estimate for 2015–16 which covers expenditure for only five months as compared with the full-year provision for 2016–17.

3 The establishment as at 31 March 2016 will be 31 posts. It is expected that there will be an increase of 12 posts in 2016–17. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2016–17, but the notional annual mid-point salary value of all such posts must not exceed \$21,312,000.

4 An analysis of the financial provision under *Subhead 000 Operational expenses* is as follows:

	2014–15 (Actual) (\$'000)	2015–16 (Original) (\$'000)	2015–16 (Revised) (\$'000)	2016–17 (Estimate) (\$'000)
Personal Emoluments				
- Salaries.....	—	—	7,296	28,232
- Allowances.....	—	—	655	1,823
- Job-related allowances.....	—	—	2	2
Personnel Related Expenses				
- Mandatory Provident Fund contribution.....	—	—	26	102
- Civil Service Provident Fund contribution.....	—	—	42	535
Departmental Expenses				
- General departmental expenses	—	—	4,615	12,685
	—	—	12,636	43,379