Head 47 —INFORMATION TECHNOLOGY SERVICES DEPARTMENT

Controlling officer: the Director of Information Technology Services will account for expenditure under this Head.

Estimate 2000–01 .... **$668.4m**

Establishment ceiling 2000–01 (notional annual mid-point salary value) representing an estimated 971 non-directorate posts at 31 March 2000 reducing by four posts to 967 posts at 31 March 2001.. **$461.4m**

In addition there will be an estimated 19 directorate posts at 31 March 2000 reducing by one post to 18 directorate posts at 31 March 2001.

Controlling Officer's Report

Programmes

Programme (1)	Use of Information Technology (IT) in Government	These programmes contribute to Policy Area 17: Information Technology and Broadcasting (Secretary for Information Technology and Broadcasting).
Programme (2)	IT Infrastructure and Standards	
Programme (3)	IT in the Community	

Detail

Programme (1): Use of IT in Government

	1998–99 (Actual)	1999–2000 (Approved)	1999–2000 (Revised)	**2000–01 (Estimate)**
Financial provision ($m)	546.1	583.6 (+6.9%)	548.4 (–6.0%)	**565.0 (+3.0%)**

Aim

2 The aim is to promote and enable the extensive adoption and use of IT in the Government.

Brief Description

3 The Director of Information Technology Services is the Government's IT advisor. The Information Technology Services Department (ITSD) provides advice and assistance to bureaux and departments in identifying and planning for their individual and collective IT needs. It works to ensure the timely and cost-effective delivery of quality IT solutions, including IT programme development, enhancement, maintenance and on-going support. In addition, ITSD assists bureaux and departments in developing their IT management and capability to take full advantage of the benefits of IT.

4 In 1999–2000, the Department:

- will have completed two Information Systems Strategy Studies/Reviews, 31 feasibility studies and implementation of 122 computer applications for bureaux and departments;

- has set up the Information Technology Solution Centre, the Chief Information Officers' Forum and the Information Technology Users' Group to promote the use of IT in the Government and to strengthen the IT management capability of bureaux and departments to take full advantage of the benefits of IT; and

- has made all the mission-critical administrative computer systems maintained by ITSD Year 2000 compliant.

5 The key performance measures in respect of use of IT in the Government are:

Target

	Target	1998 (Actual)	1999 (Actual)	**2000 (Plan)**
percentage of services rendered meeting requirements set out in Service Level Documents agreed with users....	100.0	99.5	100.0	**100.0**

Indicators

	1998 (Actual)	1999 (Actual)	**2000 (Estimate)**
no. of departments with Government Office Automation (GOA) facilities............	29	48	**67**
no. of workstations per 1 000 civil servants...	406	424	**462**
no. of departmental IT plans in place...	25	27	**30**

	1998 (Actual)	1999 (Actual)	**2000** **(Estimate)**
results of post-implementation reviews on completed projects			
percentage completed on schedule..	55.8	73.1	**75.0**
percentage completed within budget	100.0	100.0	**99.0**
percentage meeting agreed specifications......................................	100.0	98.9	**99.0**
percentage achieving intended benefits..	97.7	100.0	**97.0**

	1998–99 (Actual)	1999–2000 (Estimate)	**2000–01** **(Estimate)**
total value of work undertaken in the year ($m)	926	1,198	**1,117**
total value of work outsourced in the year ($m)	389	768	**726**

Matters Requiring Special Attention in 2000–01

6 During 2000–01, the Department will:

- complete the implementation of the GOA programme;

- continue to work with user departments to outsource IT activities;

- roll out the Confidential Mail projects in bureaux and departments; and

- assist bureaux and departments in the feasibility studies and implementation projects related to the Electronic Service Delivery scheme.

Programme (2): IT Infrastructure and Standards

	1998–99 (Actual)	1999–2000 (Approved)	1999–2000 (Revised)	**2000–01** **(Estimate)**
Financial provision ($m)	25.5	53.4 (+109.4%)	58.4 (+9.4%)	**71.3** **(+22.1%)**

Aim

7 The aim is to help develop IT infrastructure and standards to facilitate data exchange and transactions between Government and the community and within the community.

Brief Description

8 The Department provides support to the Information Technology and Broadcasting Bureau (ITBB) in developing IT infrastructure and setting of standards so as to keep Hong Kong in the forefront of IT development and to promote a wider use of IT in Hong Kong. The Department will seek to develop an information infrastructure with an open common interface through which the Government, business and the general public can interact easily and securely. It will also seek to introduce common standards which apply to both the public and private sectors.

9 In 1999–2000, the Department has:

- assisted in the award of the contract for the supply of the system for the implementation of the first phase of the Electronic Service Delivery scheme;

- assisted in the establishment of a legal framework for electronic commerce through the enactment of the Electronic Transactions Ordinance;

- established the Certification Authorities Recognition Office and the Advisory Committee on the Code of Practice for Recognized Certification Authorities; and

- published the Hong Kong Supplementary Character Set to facilitate the use of Chinese in electronic communication in Hong Kong.

Matters Requiring Special Attention in 2000–01

10 During 2000–01, the Department will:

- help to implement the first phase of the Electronic Service Delivery scheme to be launched in October 2000;

- establish and maintain an architecture for adoption of public key infrastructure technology and use of digital certificates in Government applications as well as communication with the public;

- maintain the secure central Internet gateway for communication between Government bureaux/departments and the community through the Internet;

- continue to participate in international efforts in the development of Chinese language coding standards (ISO 10646); and

- implement progressively a common interface for using Chinese in electronic communications and data exchanges between the Government and the community.

Programme (3): IT in the Community

	1998–99 (Actual)	1999–2000 (Approved)	1999–2000 (Revised)	**2000–01** **(Estimate)**

	1998–99 (Actual)	1999–2000 (Approved)	1999–2000 (Revised)	**2000–01 (Estimate)**
Financial provision ($m)	2.7	32.7 (+1 111.1%)	29.1 (–11.0%)	**32.1 (+10.3%)**

Aim

11 The aim is to promote the wider use of IT in the community in order for Hong Kong to thrive and compete internationally.

Brief Description

12 The Department provides support to ITBB in fostering the development of the local IT industry and in promoting and facilitating the wider use of IT in the community. It helps to promote awareness and understanding of IT and its applications through an active promotion programme. It also works in close partnership with the local IT industry, academic and other professional bodies to encourage the cross-fertilisation of ideas and to promote the use of new and emerging technologies within the community.

13 In 1999–2000, the Department has:

- undertaken programmes to promote the awareness and use of IT in the community;

- launched roving shows and exhibitions in preparation for the implementation of the first phase of the Electronic Service Delivery scheme in October 2000;

- conducted seminars to encourage the private sector, especially the small and medium-sized enterprises, to engage in electronic commerce;

- set up the Chinese Language Interface Advisory Committee to help establish and promote a common interface for electronic communication in Chinese; and

- held forums on IT-related issues with the local IT industry, academic and other professional bodies.

Matters Requiring Special Attention in 2000–01

14 During 2000-01, the Department will continue to work with ITBB in:

- preparing for the launch of the first phase of the Electronic Service Delivery scheme in October 2000;

- implementing programmes to encourage the private sector to engage in electronic commerce;

- implementing projects which help to promote the use of IT within the community;

- promoting the development of the local IT industry and business;

- promoting IT awareness, skills and competence throughout the community; and

- collecting benchmarking statistics on the use of IT in Hong Kong.

ANALYSIS OF FINANCIAL PROVISION

Programme	1998–99 (Actual) ($m)	1999–2000 (Approved) ($m)	1999–2000 (Revised) ($m)	2000–01 (Estimate) ($m)
(1) Use of IT in Government	546.1	583.6	548.4	**565.0**
(2) IT Infrastructure and Standards	25.5	53.4	58.4	**71.3**
(3) IT in the Community	2.7	32.7	29.1	**32.1**
	574.3	669.7 (+16.6%)	635.9 (–5.0%)	**668.4 (+5.1%)**

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2000–01 is $16.6 million (3.0%) higher than the revised estimate for 1999–2000. This is mainly due to the full-year provision for posts created in 1999–2000 and provision for maintaining additional computer hardware and software, partly offset by the net deletion of five posts in 2000–01 and savings from reduced operating expenditure under the Enhanced Productivity Programme.
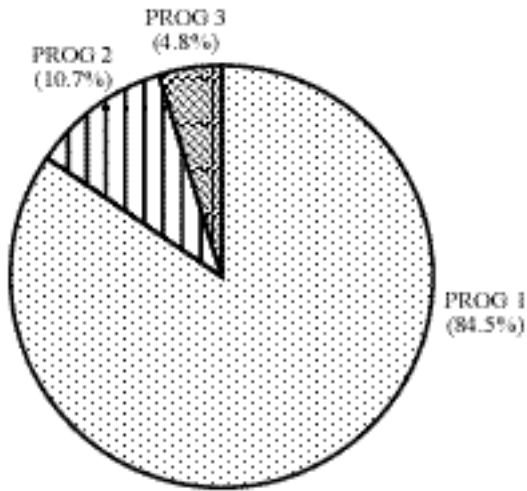
Programme (2)

Provision for 2000–01 is $12.9 million (22.1%) higher than the revised estimate for 1999–2000. This is mainly due to the full-year provision for posts created in 1999–2000 and the increased requirements for IT infrastructure and standards.
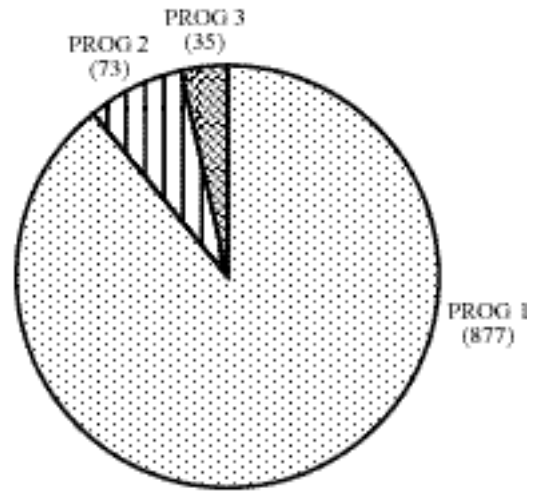
Programme (3)

Provision for 2000–01 is $3.0 million (10.3%) higher than the revised estimate for 1999–2000. This is mainly due to the full-year provision for posts created in 1999–2000.
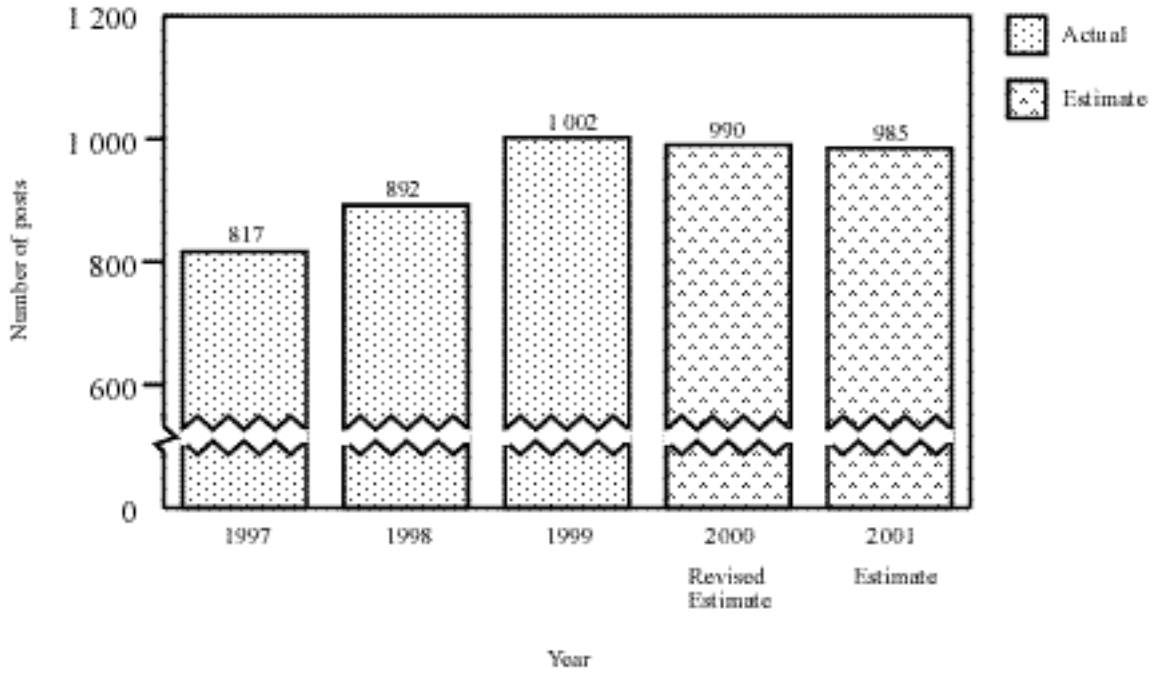
Allocation of provision
to programmes
(2000-01)

PROG 3
(4.8%)

PROG 2
(10.7%)

PROG 1
(84.5%)

Staff by programme
(as at 31 March 2001)

PROG 3
(35)

PROG 2
(73)

PROG 1
(877)

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

Actual

Estimate

1 200

1 000

800

600

Number of posts

0

817

892

1 002

990

985

1997

1998

1999

2000
Revised
Estimate

2001
Estimate

Year

Head 47 —INFORMATION TECHNOLOGY SERVICES DEPARTMENT

Sub-head (Code)		Actual expenditure 1998–99	Approved estimate 1999–2000	Revised estimate 1999–2000	Estimate 2000–01
		$' 000	$' 000	$' 000	$' 000
	Recurrent Account				
	I — Personal Emoluments				
001	Salaries	383.424	436.736	400.479	**419,800**
002	Allowances	16.322	20.070	20.045	**20,070**
007	Job-related allowances	612	774	774	**774**
	Total. Personal Emoluments	400.358	457.580	421.298	**440,644**
	III — Departmental Expenses				
111	Hire of services and professional fees	87.795	103.654	103.654	**108,792**
117	Data processing..	66.379	79.165	77.615	**85,802**
149	General departmental expenses	19.766	29.323	33.326	**33,159**
	Total. Departmental Expenses	173.940	212.142	214.595	**227,753**
	Total. Recurrent Account	574.298	669.722	635.893	**668,397**
	Total Expenditure..	574.298	669.722	635.893	**668,397**

Details of Expenditure by Subhead

The estimate of the amount required in 2000–01 for the salaries and expenses of the Information Technology Services Department is $668,397,000. This represents an increase of $32,504,000 over the revised estimate for 1999–2000 and of $94,099,000 on actual expenditure in 1998–99.

Recurrent Account

Personal Emoluments

2 Provision of $440,644,000 for personal emoluments represents an increase of $19,346,000 over the revised estimate for 1999–2000 and takes into account salary increments for existing staff and the full-year provision for vacant posts filled in 1999–2000.

3 The establishment at 31 March 2000 will be 990 permanent posts. It is expected that a net five posts will be deleted in 2000-01.

4 Subject to certain conditions, the controlling officer may under delegated powers create or delete non-directorate posts during 2000-01, but the notional annual mid-point salary value of all such posts must not exceed $461,384,000 which will be gradually reduced to $441,786,000 upon the deletion of project-related posts as and when implementation of the projects has been completed in the course of the year.

5 Provision of $20,070,000 under *Subhead 002 Allowances* is for standard allowances.

6 Provision of $774,000 under *Subhead 007 Job-related allowances* is for standard job-related allowances.

Departmental Expenses

7 Provision of $108,792,000 under *Subhead 111 Hire of services and professional fees* is for employment of contract analyst/programmer services and acquisition of tactical and strategic technology-related support and information. The increase of $5,138,000 (5.0%) over the revised estimate for 1999–2000 is mainly due to the need to employ more contract analysts/programmers, partly offset by savings from reduced operating expenditure under the Enhanced Productivity Programme.

8 Provision of $85,802,000 under *Subhead 117 Data processing* is for the hire and maintenance of computer hardware, software and data preparation equipment. The increase of $8,187,000 (10.5%) over the revised estimate for 1999–2000 is mainly due to additional maintenance costs for new computer systems and networks, partly offset by savings from reduced operating expenditure under the Enhanced Productivity Programme.