

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 2017–18 **\$178.2m**

Establishment ceiling 2017–18 (notional annual mid-point salary value) representing an estimated 39 non-directorate posts as at 31 March 2017 rising by 15 posts to 54 posts as at 31 March 2018..... **\$30.5m**

In addition, there will be an estimated four directorate posts as at 31 March 2017 and as at 31 March 2018.

Commitment balance..... **\$500.0m**

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

	2015–16 (Actual)	2016–17 (Original)	2016–17 (Revised)	2017–18 (Estimate)
Financial provision (\$m)	3.9	14.7	14.7 (—)	15.5 (+5.4%)
				(or +5.4% on 2016–17 Original)

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. This includes the support provided by the Under Secretary and the Political Assistant. 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

	2015–16 (Actual)	2016–17 (Original)	2016–17 (Revised)	2017–18 (Estimate)
Financial provision (\$m)	7.1	28.7	24.6 (–14.3%)	162.7 (+561.4%)
				(or +466.9% on 2016–17 Original)

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.

Head 135 — GOVERNMENT SECRETARIAT: INNOVATION AND TECHNOLOGY BUREAU

Brief Description

5 The Bureau 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,
- promote measures that support technology start-ups,
- 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 improving the people's daily living and addressing 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.

7 In 2016–17, the Bureau:

- secured funding approval for the various funding schemes and programmes announced in the 2016 Policy Address to promote innovation and technology development in Hong Kong,
- prepared for the setting up of the \$500 million Innovation and Technology Fund for Better Living for financing projects that make use of innovation and technology to improve Hong Kong people's daily life,
- oversaw the introduction of new/enhanced funding schemes and support programmes by the Innovation and Technology Commission,
- monitored the implementation of the Hong Kong Science Park expansion and new Industrial Estate policy by the Hong Kong Science and Technology Parks Corporation to promote "re-industrialisation",
- oversaw the enhancement of public Wi-Fi services,
- monitored the consultancy study on the development of a smart city blueprint for Hong Kong,
- monitored the implementation of various initiatives by Cyberport to enhance support for the information and communications technology industry,
- prepared for the signing of the Memorandum of Understanding with the Shenzhen Municipal Government to jointly develop the Lok Ma Chau Loop, and
- promoted collaboration with Mainland and overseas science and research institutions.

Matters Requiring Special Attention in 2017–18

8 During 2017–18, the Bureau will:

- continue to examine policy issues and co-ordinate the Government's efforts in promoting innovation and technology,
- promote the use of innovation and technology within the Government to improve public service,
- launch the Innovation and Technology Fund for Better Living,
- co-ordinate the development of the Hong Kong/Shenzhen Innovation and Technology Park in the Lok Ma Chau Loop,
- continue to promote collaboration with Mainland and overseas science and research institutions,
- continue to monitor the implementation of initiatives of the Hong Kong Science and Technology Parks Corporation in promoting R&D and "re-industrialisation",
- monitor the initiatives of the Hong Kong Productivity Council in promoting "re-industrialisation",
- continue to monitor Cyberport's enhanced support to information and communications technology industry,

**Head 135 — GOVERNMENT SECRETARIAT: INNOVATION AND
TECHNOLOGY BUREAU**

- continue to oversee the further enhancement of public Wi-Fi services, and
- continue to oversee the drawing up of the digital framework and technical standards for smart city development.

Head 135 — GOVERNMENT SECRETARIAT: INNOVATION AND TECHNOLOGY BUREAU

ANALYSIS OF FINANCIAL PROVISION

Programme	2015-16 (Actual) (\$m)	2016-17 (Original) (\$m)	2016-17 (Revised) (\$m)	2017-18 (Estimate) (\$m)
(1) Director of Bureau's Office	3.9	14.7	14.7	15.5
(2) Innovation and Technology.....	7.1	28.7	24.6	162.7
	11.0	43.4	39.3 (-9.4%)	178.2 (+353.4%)
				(or +310.6% on 2016-17 Original)

Analysis of Financial and Staffing Provision

Programme (1)

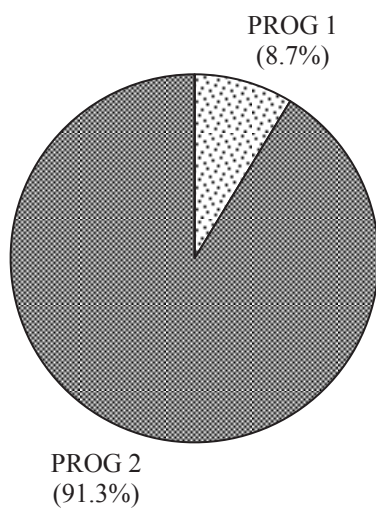
Provision for 2017-18 is \$0.8 million (5.4%) higher than the revised estimate for 2016-17. This is mainly due to the increased provision for salaries and general departmental expenses in 2017-18.

Programme (2)

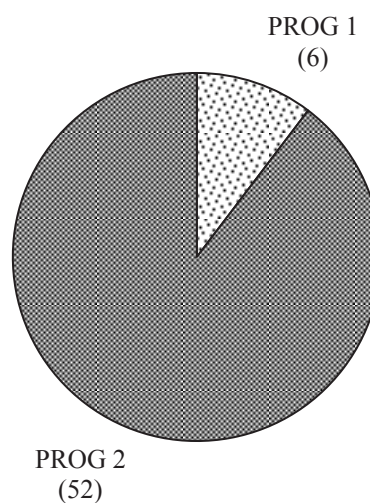
Provision for 2017-18 is \$138.1 million (561.4%) higher than the revised estimate for 2016-17. This is mainly due to the increased cash flow requirement for the Innovation and Technology Fund for Better Living, increased cash flow requirement for capital item, and increased provision for salaries and general departmental expenses in 2017-18. In addition, there will be an increase of 15 posts in 2017-18.

Head 135 — GOVERNMENT SECRETARIAT: INNOVATION AND TECHNOLOGY BUREAU

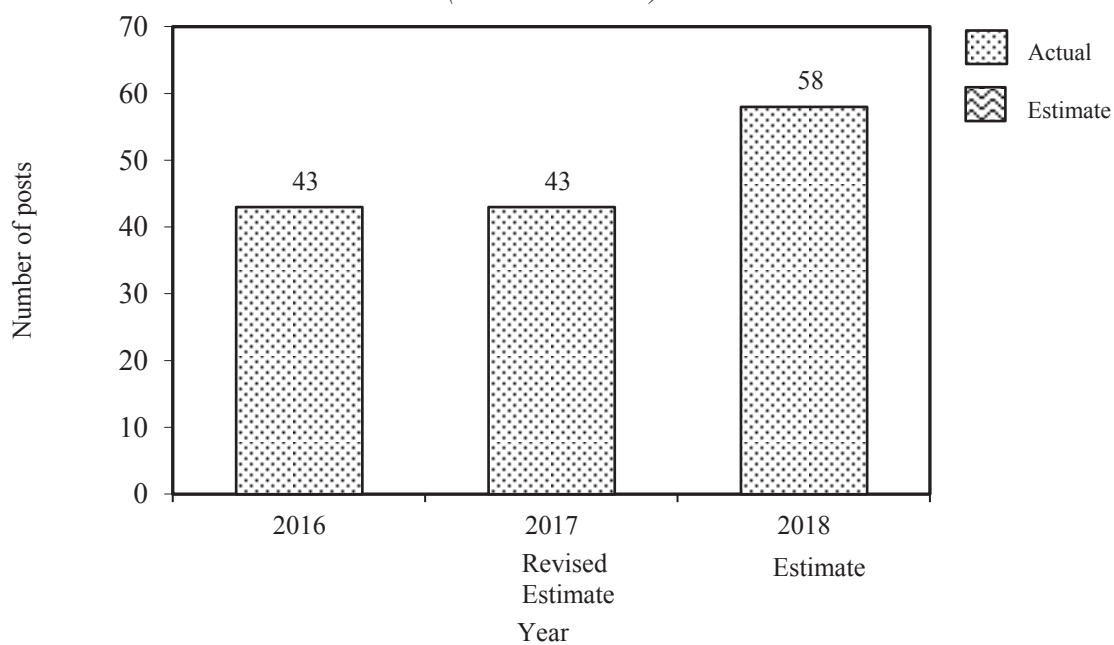
*Allocation of provision
to programmes
(2017-18)*



*Staff by programme
(as at 31 March 2018)*



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



Head 135 — GOVERNMENT SECRETARIAT: INNOVATION AND TECHNOLOGY BUREAU

Sub-head (Code)		Actual expenditure 2015–16	Approved estimate 2016–17	Revised estimate 2016–17	Estimate 2017–18
		\$'000	\$'000	\$'000	\$'000
Operating Account					
	Recurrent				
000	Operational expenses	10,959	43,379	39,313	68,215
	Total, Recurrent	10,959	43,379	39,313	68,215
	Non-Recurrent				
700	General non-recurrent	—	—	—	100,000
	Total, Non-Recurrent	—	—	—	100,000
	Total, Operating Account	10,959	43,379	39,313	168,215
Capital Account					
	Plant, Equipment and Works				
697	TechConnect (block vote)	—	—	—	10,000
	Total, Plant, Equipment and Works	—	—	—	10,000
	Total, Capital Account	—	—	—	10,000
	Total Expenditure	10,959	43,379	39,313	178,215

Head 135 — GOVERNMENT SECRETARIAT: INNOVATION AND TECHNOLOGY BUREAU

Details of Expenditure by Subhead

The estimate of the amount required in 2017–18 for the salaries and expenses of the Innovation and Technology Bureau is \$178,215,000. This represents an increase of \$138,902,000 over the revised estimate for 2016–17 and \$167,256,000 over the actual expenditure in 2015–16.

Operating Account

Recurrent

2 Provision of \$68,215,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Innovation and Technology Bureau. The increase of \$28,902,000 (73.5%) over the revised estimate for 2016–17 is mainly due to the increased departmental expenses, and increased salary provision arising from the creation of new posts.

3 The establishment as at 31 March 2017 will be 43 posts. It is expected that there will be an increase of 15 posts in 2017–18. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2017–18, but the notional annual mid-point salary value of all such posts must not exceed \$30,484,000.

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

	2015–16 (Actual) (\$'000)	2016–17 (Original) (\$'000)	2016–17 (Revised) (\$'000)	2017–18 (Estimate) (\$'000)
Personal Emoluments				
- Salaries.....	6,982	28,232	23,955	35,932
- Allowances.....	645	1,823	2,377	2,673
- Job-related allowances.....	—	2	2	2
Personnel Related Expenses				
- Mandatory Provident Fund contribution.....	23	102	75	161
- Civil Service Provident Fund contribution.....	43	535	435	1,485
Departmental Expenses				
- General departmental expenses	3,266	12,685	12,469	27,962
	10,959	43,379	39,313	68,215

Capital Account

Plant, Equipment and Works

5 Provision of \$10 million under *Subhead 697 TechConnect (block vote)* provides funding support to bureaux/departments for implementing projects which improve quality, efficiency or effectiveness of public service delivery by the adoption of technology or to make use of technology to improve operations that will bring benefits to members of public.

Head 135 — GOVERNMENT SECRETARIAT: INNOVATION AND TECHNOLOGY BUREAU

Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2016	Revised estimated expenditure for 2016–17	Balance
			\$'000	\$'000	\$'000	\$'000
<i>Operating Account</i>						
700		<i>General non-recurrent</i>				
	801	Innovation and Technology Fund for Better Living	500,000	—	—	500,000
		Total	500,000	—	—	500,000