

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 2022–23 **\$705.8m**

Establishment ceiling 2022–23 (notional annual mid-point salary value) representing an estimated 160 non-directorate posts as at 31 March 2022 reducing by six posts to 154 posts as at 31 March 2023 **\$127.7m**

In addition, there will be an estimated 17 directorate posts as at 31 March 2022 and as at 31 March 2023.

Commitment balance..... **\$323.8m**

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).
Programme (3) Efficiency Office	This programme contributes to Policy Area 27: Intra-Governmental Services (Secretary for Innovation and Technology).

Detail

Programme (1): Director of Bureau's Office

	2020–21 (Actual)	2021–22 (Original)	2021–22 (Revised)	2022–23 (Estimate)
Financial provision (\$m)	17.1	19.8	18.6 (–6.1%)	19.7 (+5.9%)
				(or –0.5% on 2021–22 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

	2020–21 (Actual)	2021–22 (Original)	2021–22 (Revised)	2022–23 (Estimate)
Financial provision (\$m)	200.2	321.9	208.3 (–35.3%)	231.2 (+11.0%)
				(or –28.2% on 2021–22 Original)

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Aim

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

Brief Description

5 The Bureau formulates holistic innovation and technology policies to foster 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;
- promote "re-industrialisation" through the development of smart production and high value-added industries;
- promote measures that support technology start-ups;
- develop technological research infrastructure;
- encourage private sector investments in technology start-ups and R&D activities;
- foster smart city development;
- develop Hong Kong into a Wi-Fi connected city and facilitate open data applications;
- promote the innovative application of technologies in improving people's daily life 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 2021–22, the Bureau:

- launched the "Global STEM Professorship Scheme" to strengthen support for local universities to attract world-renowned Science, Technology, Engineering and Mathematics (STEM) scholars as well as their teams to work in Hong Kong;
- continued to oversee the setting up of *InnoHK* research clusters in the Hong Kong Science Park to foster international R&D collaboration;
- continued to monitor the implementation of enhanced tax deduction for expenditure incurred by enterprises on qualified R&D activities;
- oversaw the operation of the "Technology Talent Admission Scheme" to facilitate enterprises' engagement of overseas and Mainland R&D talents;
- co-ordinated the support for the innovation and technology sector under the Greater Bay Area Youth Employment Scheme to provide job opportunities for local STEM graduates;
- oversaw the implementation of the "Re-industrialisation Funding Scheme" and the development of the Microelectronics Centre to expedite "re-industrialisation";
- oversaw the preparatory work and the launch of the City Innovation and Technology Grand Challenge;
- continued to implement the TechConnect (block vote) to support technology projects of government departments to enhance operational efficiency and service quality;
- monitored the implementation of funding schemes and support programmes under the Innovation and Technology Fund;
- oversaw the implementation of the "Distance Business Programme" to support enterprises to continue their business and services during the epidemic;
- continued to monitor the implementation of the Innovation and Technology Venture Fund to stimulate private investment in local innovation and technology start-ups;
- continued to monitor the implementation of smart city initiatives in the *Smart City Blueprint for Hong Kong 2.0*;
- continued to oversee the implementation of the new open data policy requiring bureaux and departments (B/Ds) to release their datasets in accordance with their annual open data plans;
- continued to oversee the enhancement of public Wi-Fi services;

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- oversaw the planning for and implementation of smart city infrastructure projects including “iAM Smart” Platform, Multi-functional Smart Lampposts and the Next Generation Government Cloud Infrastructure/Big Data Analytics Platform;
- oversaw the construction of the government data centre complex to support the long-term demand for data centre services in the Government;
- monitored the implementation of various initiatives by Cyberport to enhance support for the information and communications technology industry, including the implementation of the Cyberport expansion project;
- oversaw the work of the Innovation and Technology Commission and the Office of the Government Chief Information Officer in promoting innovation and technology development and special measures undertaken to support the Government’s overall anti-epidemic work;
- supported the development of the Guangdong-Hong Kong-Macao Greater Bay Area into an international innovation and technology hub;
- took forward the development of the Hong Kong-Shenzhen Innovation and Technology Park (HSITP) in the Lok Ma Chau Loop;
- collaborated with Shenzhen Municipal People’s Government (SMPG) to promote the development of the “one zone, two parks” of the Shenzhen-Hong Kong Innovation and Technology Cooperation Zone (the Cooperation Zone), which comprises HSITP and the Shenzhen Innovation and Technology Zone (SITZ);
- promoted collaboration with Mainland and overseas science and research institutions;
- supported the Steering Committee on Innovation and Technology; and
- supported the Committee on Innovation, Technology and Re-industrialisation.

Matters Requiring Special Attention in 2022–23

8 During 2022–23, the Bureau will:

- continue to implement the “Global STEM Professorship Scheme” to strengthen support for local universities to attract world-renowned STEM scholars as well as their teams to work in Hong Kong;
- plan for the setting up of InnoLife Healthtech Hub in HSITP, which will focus on aspects related to life and health disciplines;
- continue to oversee the setting up of *InnoHK* research clusters in the Hong Kong Science Park to foster collaboration with international science and research institutions;
- continue to monitor the implementation of the “Re-industrialisation Funding Scheme” and the development of the Microelectronics Centre to expedite “re-industrialisation”;
- continue to oversee the implementation of the City Innovation and Technology Grand Challenge;
- continue to monitor the implementation of enhanced tax deduction for expenditure incurred by enterprises on qualified R&D activities;
- continue to monitor the implementation of the “Technology Talent Admission Scheme”;
- continue to monitor the implementation of the Innovation and Technology Venture Fund;
- continue to oversee the opening up of more datasets by B/Ds under the new open data policy;
- continue to promote the adoption of innovation and technology by B/Ds through the Smart Government Innovation Lab and the TechConnect (block vote);
- continue to oversee the enhancement of public Wi-Fi services;
- continue to oversee the implementation of “iAM Smart” Platform;
- continue to monitor the implementation of initiatives in the *Smart City Blueprint for Hong Kong 2.0*;
- continue to oversee the measures undertaken by the Innovation and Technology Commission and the Office of the Government Chief Information Officer to support the Government’s overall anti-epidemic work;
- continue to monitor the implementation of initiatives by Cyberport to support the information and communications technology industry;
- continue to take forward the Cyberport expansion project;
- continue to press ahead the development of the HSITP in the Lok Ma Chau Loop, with the target to complete the first eight buildings in phases from end-2024, and to explore expediting the development of HSITP;

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- together with SMPG, continue to promote the development of the Cooperation Zone, including the set up of the Shenzhen branch of Hong Kong Science Park in the SITZ in which two new facilities will be established: “GBA InnoAcademy” as a resource centre, training hub and exchange platform for talent, and “GBA InnoExpress” nurturing start-ups and supporting innovation and technology (I&T) enterprises to attract foreign investments and go global;
- continue to support the development of the Guangdong-Hong Kong-Macao Greater Bay Area into an international innovation and technology hub; and
- take forward the planning of the development of various new sites earmarked for innovation and technology uses including the San Tin Technopole and new land provided by the Ma Liu Shui reclamation project and relocation of Sha Tin Sewage Treatment Works, etc.

Programme (3): Efficiency Office

	2020–21 (Actual)	2021–22 (Original)	2021–22 (Revised)	2022–23 (Estimate)
Financial provision (\$m)	309.4	496.7	493.4 (–0.7%)	454.9 (–7.8%)
				(or –8.4% on 2021–22 Original)

Aim

9 The Efficiency Office aims to accelerate innovation for improvement of services and operations across the Government, and promote cross-sectoral collaboration between the Government and stakeholders to design and implement better services for the community.

Brief Description

10 Key areas of work are to:

- support the Government in promoting innovation and technology, and assist in taking forward initiatives in the public sector in collaboration with stakeholders to enhance public services and efficiency in operations through the application of technology, and innovation in business processes;
- provide consultancy services to B/Ds for business process re-engineering, organisation restructuring, performance measurement, knowledge management and change management, and assist them to obtain external consultancy services as appropriate;
- co-ordinate the Government’s efforts on business facilitation and streamlining of government services to improve licensing and public services delivery;
- oversee the operation of the 1823 contact centre as a one-stop service for the public to access government information and make complaints, and as a data analytics platform for B/Ds to improve their services; and
- oversee the operation of the Youth Portal and Social Innovation and Entrepreneurship Development Fund (SIE Fund).

11 The Efficiency Office continues to provide overall direction and enhancement services for 1823. The contact centre provides 24-hour one-stop service to handle public enquiries for 23 departments as well as public complaints about government service. In 2021, it received around 4 649 000 calls and 641 000 emails or other communications from the public. The key performance measures of 1823 are:

Targets

	Target	2020 (Actual)	2021 (Actual)	2022 (Plan)
calls that can be answered within 12 seconds (%).....	80	62	71	80
callers that have their enquiries addressed at the first time of calling (%).....	95	99	99	99
customer satisfaction (out of a five-point scale).....	4.0	4.5	4.5	4.5

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Matters Requiring Special Attention in 2022–23

12 During 2022–23, the Efficiency Office will:

- continue to promote the adoption of innovation and technology by B/Ds to improve government services;
- facilitate B/Ds to develop business-friendly measures to improve regulatory efficiency and transparency to further enhance the environment for doing business in Hong Kong;
- work closely with B/Ds to identify and implement projects to streamline government services;
- further improve the service channels for 1823 and enhance the Youth Portal to improve its information dissemination related to youth development; and
- continue to work with the SIE Fund Task Force to supervise and support the design, development and operation of an inclusive “Gerontechnology Platform” by the appointed intermediary for fostering the development and application of gerontechnology in Hong Kong.

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ANALYSIS OF FINANCIAL PROVISION

	2020–21 (Actual) (\$m)	2021–22 (Original) (\$m)	2021–22 (Revised) (\$m)	2022–23 (Estimate) (\$m)
Programme				
(1) Director of Bureau's Office	17.1	19.8	18.6	19.7
(2) Innovation and Technology	200.2	321.9	208.3	231.2
(3) Efficiency Office	309.4	496.7	493.4	454.9
	526.7	838.4	720.3 (–14.1%)	705.8 (–2.0%)
				(or –15.8% on 2021–22 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2022–23 is \$1.1 million (5.9%) higher than the revised estimate for 2021–22. This is mainly due to the increased provision for salaries and general departmental expenses.

Programme (2)

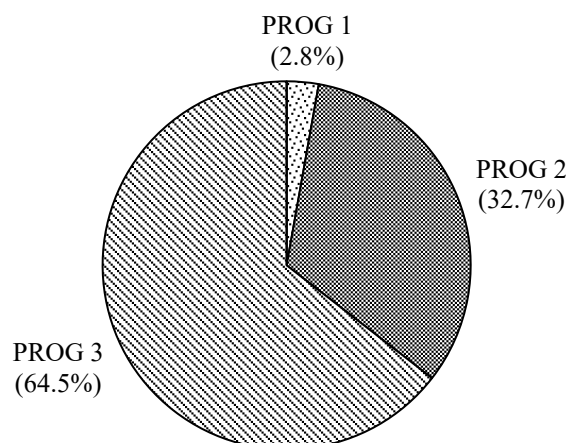
Provision for 2022–23 is \$22.9 million (11.0%) higher than the revised estimate for 2021–22. This is mainly due to the increased cash flow requirement for the TechConnect (block vote) and provision for general departmental expenses, partly offset by the decreased cash flow requirement for the Innovation and Technology Fund for Better Living transferred to the Innovation and Technology Fund. There will be a decrease of six posts in 2022–23.

Programme (3)

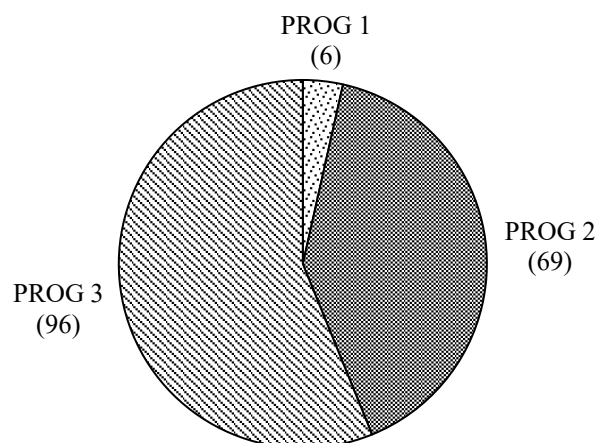
Provision for 2022–23 is \$38.5 million (7.8%) lower than the revised estimate for 2021–22. This is mainly due to the decreased cash flow requirement for the SIE Fund and provision for general departmental expenses.

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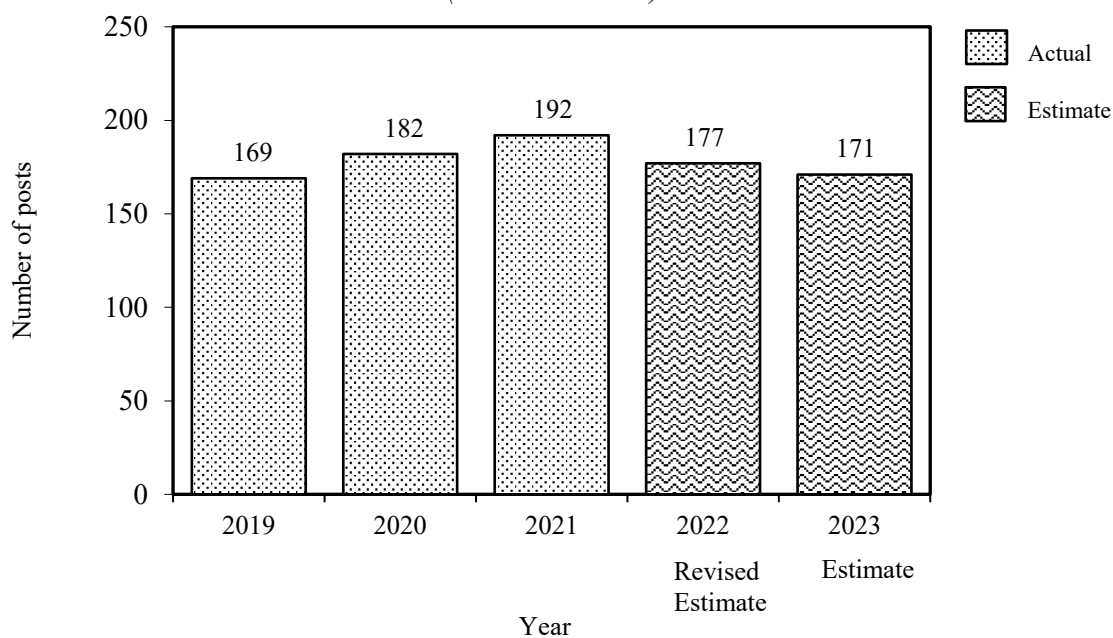
*Allocation of provision
to programmes
(2022-23)*



*Staff by programme
(as at 31 March 2023)*



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



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Sub-head (Code)		Actual expenditure 2020–21	Approved estimate 2021–22	Revised estimate 2021–22	Estimate 2022–23
		\$'000	\$'000	\$'000	\$'000
Operating Account					
	Recurrent				
000	Operational expenses	405,557	451,663	416,193	421,294
	Total, Recurrent.....	405,557	451,663	416,193	421,294
	Non-Recurrent				
700	General non-recurrent	31,017	227,000	180,436	145,200
	Total, Non-Recurrent.....	31,017	227,000	180,436	145,200
	Total, Operating Account	436,574	678,663	596,629	566,494
Capital Account					
	Plant, Equipment and Works				
697	TechConnect (block vote).....	90,110	159,740	123,697	139,301
	Total, Plant, Equipment and Works.....	90,110	159,740	123,697	139,301
	Total, Capital Account.....	90,110	159,740	123,697	139,301
	Total Expenditure	526,684	838,403	720,326	705,795

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Details of Expenditure by Subhead

The estimate of the amount required in 2022–23 for the salaries and expenses of the Innovation and Technology Bureau (ITB) is \$705,795,000. This represents a decrease of \$14,531,000 against the revised estimate for 2021–22 and an increase of \$179,111,000 over the actual expenditure in 2020–21.

Operating Account

Recurrent

2 Provision of \$421,294,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of ITB.

3 The establishment as at 31 March 2022 will be 177 posts. It is expected that there will be a decrease of six posts in 2022–23. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2022–23, but the notional annual mid-point salary value of all such posts must not exceed \$127,683,000.

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

	2020–21 (Actual) (\$'000)	2021–22 (Original) (\$'000)	2021–22 (Revised) (\$'000)	2022–23 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	144,839	155,426	142,720	146,575
- Allowances	4,821	3,723	5,773	5,337
- Job-related allowances.....	—	3	2	3
Personnel Related Expenses				
- Mandatory Provident Fund contribution	469	350	388	236
- Civil Service Provident Fund contribution	7,420	9,141	8,283	9,895
Departmental Expenses				
- General departmental expenses	248,008	283,020	259,027	259,248
	<u>405,557</u>	<u>451,663</u>	<u>416,193</u>	<u>421,294</u>

Capital Account

Plant, Equipment and Works

5 Provision of \$139,301,000 under *Subhead 697 TechConnect (block vote)* represents an increase of \$15,604,000 (12.6%) over the revised estimate for 2021–22. This reflects the increased funding support to bureaux/departments for implementing projects costing over \$200,000 but not exceeding \$10 million each which improve quality, efficiency or effectiveness of public services by the adoption of technology or to make use of technology to improve operations that will bring benefits to members of public.

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Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2021	Revised estimated expenditure for 2021–22	Balance
			\$'000	\$'000	\$'000	\$'000
<i>Operating Account</i>						
700		<i>General non-recurrent</i>				
	803	Injection into the Social Innovation and Entrepreneurship Development Fund..	500,000	—	176,200	323,800
		Total	500,000	—	176,200	323,800