

Head 135 — GOVERNMENT SECRETARIAT: INNOVATION, TECHNOLOGY AND INDUSTRY BUREAU

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

Estimate 2023–24 **\$608.2m**

Establishment ceiling 2023–24 (notional annual mid-point salary value) representing an estimated 158 non-directorate posts as at 31 March 2023 reducing by six posts to 152 posts as at 31 March 2024..... **\$131.4m**

In addition, there will be an estimated 17 directorate posts as at 31 March 2023 rising by one post to 18 posts as at 31 March 2024.

Commitment balance..... **\$178.6m**

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, Technology and Industry).
Programme (2) Innovation and Technology	This programme contributes to Policy Area 17: Information Technology and Broadcasting (Secretary for Innovation, Technology and Industry).
Programme (3) Efficiency Office	This programme contributes to Policy Area 27: Intra-Governmental Services (Secretary for Innovation, Technology and Industry).

Detail

Programme (1): Director of Bureau's Office

	2021–22 (Actual)	2022–23 (Original)	2022–23 (Revised)	2023–24 (Estimate)
Financial provision (\$m)	18.2	19.7	19.6 (–0.5%)	20.0 (+2.0%)
				(or +1.5% on 2022–23 Original)

Aim

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

Brief Description

3 The Office of the Secretary for Innovation, Technology and Industry is responsible for providing support to the Secretary for Innovation, Technology and Industry 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, Technology and Industry 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.

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Programme (2): Innovation and Technology

	2021–22 (Actual)	2022–23 (Original)	2022–23 (Revised)	2023–24 (Estimate)
Financial provision (\$m)^	219.2	233.4	198.9 (–14.8%)	221.0 (+11.1%)
				(or –5.3% on 2022–23 Original)

^ For comparison purpose, the figures include relevant provisions for the staff cost which have been transferred from the former Head 55 — Government Secretariat: Commerce and Economic Development Bureau (Communications and Creative Industries Branch) due to re-organisation of the Government Secretariat with effect from 1 July 2022.

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 “new industrialisation” through the development of smart production and high value-added industries;
- promote measures that support technology start-ups;
- develop innovation and technology 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 2022–23, the Bureau:

- promulgated the Hong Kong Innovation and Technology Development Blueprint to set out major policies under four broad development directions;
- continued to implement 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 “new industrialisation”;
- oversaw the preparatory work and the launch of the “City Innovation and Technology Grand Challenge”;

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- 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”;
- 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;
- 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 (ITC) and the Office of the Government Chief Information Officer (OGCIO) in promoting innovation and technology development and special measures undertaken to support the Government’s overall anti-epidemic work;
- supported the Hong Kong Science and Technology Parks Corporation (HKSTPC) with ITC to explore with the Hospital Authority the use of its clinical data for R&D;
- supported the development of the Guangdong-Hong Kong-Macao Greater Bay Area into an international innovation and technology centre under the 14th Five-Year Plan;
- 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 Co-operation Zone (the Co-operation Zone), which comprises HSITP and the Shenzhen Innovation and Technology Zone (SITZ);
- continued to take forward the planning of the development of new land earmarked for innovation and technology uses to be provided by the Ma Liu Shui reclamation project and relocation of Sha Tin Sewage Treatment Works;
- promoted collaboration with Mainland and overseas science and research institutions;
- provided support to local universities to develop facilities for scientific research;
- provided support to the Steering Committee on Innovation and Technology; and
- provided support to the Committee on Innovation, Technology and Re-industrialisation.

Matters Requiring Special Attention in 2023–24

8 During 2023–24, the Bureau will:

- actively promote Hong Kong’s new opportunities to the Mainland and overseas, including collaboration with the Office for Attracting Strategic Enterprises (OASES) to attract high-potential or representative innovation and technology enterprises to set up or expand their businesses in Hong Kong and top-notch innovation and technology talents to bring with them their business or R&D outcomes to Hong Kong;
- 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;
- take forward the planning of the setting up of InnoLife Healthtech Hub in HSITP, which will focus on aspects related to life and health disciplines;
- continue to oversee the work 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 and the second Advanced Manufacturing Centre to expedite “new industrialisation”;
- continue to oversee the implementation of the “City Innovation and Technology Grand Challenge”;

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- 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 funding schemes and support programmes under the “Innovation and Technology Fund”;
- 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 implementation of “iAM Smart” Platform;
- commence preparation for the Smart City Blueprint for Hong Kong 3.0;
- continue to provide secretariat support to the Digital Economy Development Committee;
- 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 with the development of 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 and optimising its functions with a view to attracting enterprises and talent to Hong Kong in collaboration with the OASES;
- together with SMPG, continue to promote the development of the Co-operation Zone, including the set up of the Shenzhen branch of Hong Kong Science Park in SITZ;
- continue to support the development of the Guangdong-Hong Kong-Macao Greater Bay Area into an international innovation and technology centre under the 14th Five-Year Plan;
- continue to support local universities to develop facilities for scientific research;
- together with ITC, continue to support HKSTPC to explore with the Hospital Authority the use of its clinical data for R&D; and
- continue to 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

	2021–22 (Actual)	2022–23 (Original)	2022–23 (Revised)	2023–24 (Estimate)
Financial provision (\$m)	482.9	454.9	450.2 (–1.0%)	367.2 (–18.4%)
				(or –19.3% on 2022–23 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;

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- 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 “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 2022, there were around 6 472 000 calls and 712 000 emails or other communications from the public. The key performance measures of 1823 are:

Targets

	Target	2021 (Actual)	2022 (Actual)	2023 (Plan)
calls that can be answered within 12 seconds (%).....	80	71	61¶	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

- ¶ In 2022, 1823 provided additional support to various COVID-19 related hotlines including the Department of Health COVID-19 hotline, COVID-19 vaccination programme hotline, the Return2hk scheme and Come2hk scheme hotline and Hong Kong Health Code hotline. Due to the fifth wave of the epidemic, the calls from the public increased substantially by 39 per cent as compared with 2021 while the manpower of 1823 was seriously affected, especially in the first half of 2022. 1823 had taken various measures to address the issue, including increasing manpower, streamlining work flow and adoption of technology.

Matters Requiring Special Attention in 2023–24

12 During 2023–24, 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 of 1823; and
- work with the SIE Fund Task Force to supervise and support the implementation of innovative programmes by a new batch of intermediaries for incubating social innovators and ventures; and continue to supervise and support the operation of the “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

Programme	2021–22 (Actual) (\$m)	2022–23 (Original) (\$m)	2022–23 (Revised) (\$m)	2023–24 (Estimate) (\$m)
(1) Director of Bureau's Office	18.2	19.7	19.6	20.0
(2) Innovation and Technology	219.2	233.4	198.9	221.0
(3) Efficiency Office	482.9	454.9	450.2	367.2
	720.3‡	708.0‡	668.7‡ (–5.6%)	608.2 (–9.0%)
				(or –14.1% on 2022–23 Original)

‡ For comparison purpose, the figures have been adjusted to reflect the provisions for the relevant programme under this Head due to the re-organisation of the Government Secretariat with effect from 1 July 2022.

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2023–24 is \$0.4 million (2.0%) higher than the revised estimate for 2022–23. This is mainly due to the increased provision for general departmental expenses, partly offset by the decreased provision for salaries.

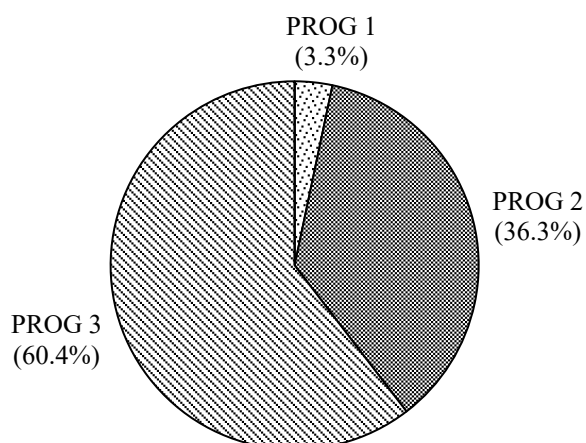
Programme (2)

Provision for 2023–24 is \$22.1 million (11.1%) higher than the revised estimate for 2022–23. This is mainly due to the increased cash flow requirement for the TechConnect (block vote) and provision for salaries and general departmental expenses. There will be a decrease of three posts in 2023–24.

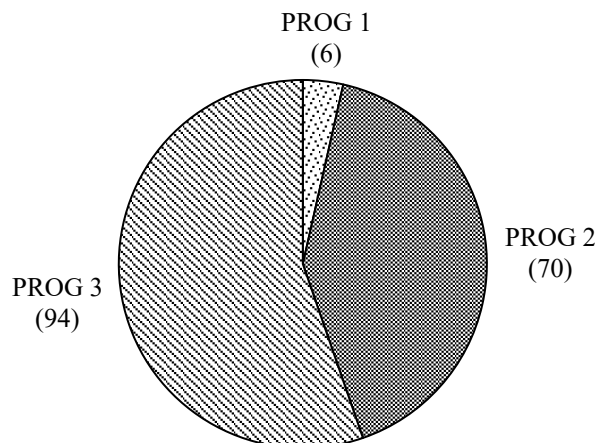
Programme (3)

Provision for 2023–24 is \$83.0 million (18.4%) lower than the revised estimate for 2022–23. This is mainly due to the decreased cash flow requirements for the SIE Fund. There will be a decrease of two posts in 2023–24 upon the transfer of the Youth Portal currently overseen by the Efficiency Office to the Home and Youth Affairs Bureau on 1 April 2023.

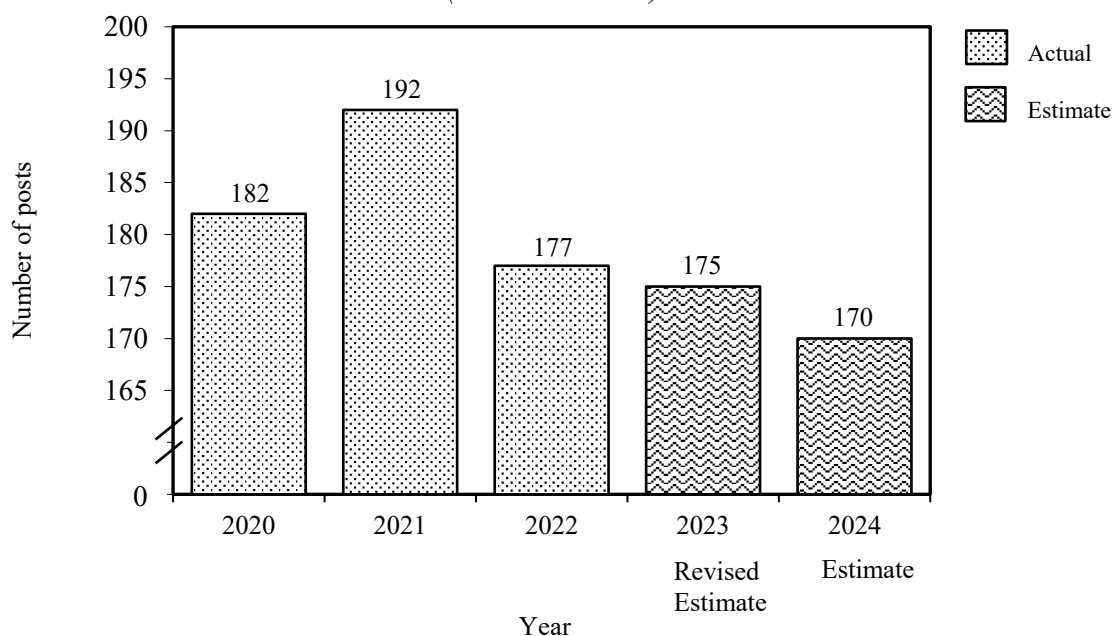
*Allocation of provision
to programmes
(2023-24)*



*Staff by programme
(as at 31 March 2024)*



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



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Sub-head (Code)		Actual expenditure 2021–22	Approved estimate 2022–23	Revised estimate 2022–23	Estimate 2023–24
		\$'000	\$'000	\$'000	\$'000
Operating Account					
	Recurrent				
000	Operational expenses	431,071	421,294	417,194	433,490
	Total, Recurrent.....	431,071	421,294	417,194	433,490
	Non-Recurrent				
700	General non-recurrent	180,436	145,200	145,200	60,400
	Total, Non-Recurrent.....	180,436	145,200	145,200	60,400
	Total, Operating Account	611,507	566,494	562,394	493,890
Capital Account					
	Plant, Equipment and Works				
697	TechConnect (block vote).....	108,807	139,301	106,308	114,359
	Total, Plant, Equipment and Works.....	108,807	139,301	106,308	114,359
	Total, Capital Account.....	108,807	139,301	106,308	114,359
	Total Expenditure	720,314	705,795	668,702	608,249

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Details of Expenditure by Subhead

The estimate of the amount required in 2023–24 for the salaries and expenses of the Innovation, Technology and Industry Bureau (ITIB) is \$608,249,000. This represents a decrease of \$60,453,000 against the revised estimate for 2022–23 and \$112,065,000 against the actual expenditure in 2021–22.

Operating Account

Recurrent

2 Provision of \$433,490,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of ITIB.

3 The establishment as at 31 March 2023 will be 175 posts. It is expected that there will be a decrease of five posts in 2023–24. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2023–24, but the notional annual mid-point salary value of all such posts must not exceed \$131,403,000.

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

	2021–22 (Actual) (\$'000)	2022–23 (Original) (\$'000)	2022–23 (Revised) (\$'000)	2023–24 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	141,313	146,575	146,859	154,184
- Allowances	5,802	5,337	4,603	5,012
- Job-related allowances.....	—	3	66	3
Personnel Related Expenses				
- Mandatory Provident Fund contribution	388	236	317	278
- Civil Service Provident Fund contribution	8,194	9,895	9,504	11,336
Departmental Expenses				
- General departmental expenses	275,374	259,248	255,845	262,677
	431,071	421,294	417,194	433,490

Capital Account

Plant, Equipment and Works

5 Provision of \$114,359,000 under *Subhead 697 TechConnect (block vote)* is for the funding support to bureaux/departments for implementing projects costing over \$200,000 but not exceeding \$10 million each with a view to improving the 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 31.3.2022	Revised estimated expenditure for 2022–23	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	145,200	178,600
		Total	500,000	176,200	145,200	178,600