

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 2021–22	\$838.4m
Establishment ceiling 2021–22 (notional annual mid-point salary value) representing an estimated 175 non-directorate posts as at 31 March 2021 reducing by 15 posts to 160 posts as at 31 March 2022	\$131.2m
In addition, there will be an estimated 17 directorate posts as at 31 March 2021 and as at 31 March 2022.	
Commitment balance	\$924.0m

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).
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

	2019–20 (Actual)	2020–21 (Original)	2020–21 (Revised)	2021–22 (Estimate)
Financial provision (\$m)	16.6	18.4	18.1 (–1.6%)	19.8 (+9.4%)
				(or +7.6% on 2020–21 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

	2019–20 (Actual)	2020–21 (Original)	2020–21 (Revised)	2021–22 (Estimate)
Financial provision (\$m)	200.7	365.2	274.1 (–24.9%)	321.9 (+17.4%)
				(or –11.9% on 2020–21 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 2020–21, the Bureau:

- 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 talent;
- coordinated the support for the innovation and technology sector under the Greater Bay Area Youth Employment Scheme to provide job opportunities for local Science, Technology, Engineering and Mathematics (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 Innovation and Technology Fund for Better Living to finance projects that would make use of innovative application of technologies to improve Hong Kong people's daily life or address the needs of specific community groups;
- 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, including the enhancement of the "Technology Voucher Programme", as well as the introduction of the "Research Talent Hub", the "STEM Internship Scheme" and the "Public Sector Trial Scheme Special Call for Projects for the Prevention and Control of Coronavirus Disease 2019 in Hong Kong";
- 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 progress of smart city initiatives and formulate the *Smart City Blueprint for Hong Kong 2.0*;
- oversaw 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;

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- oversaw 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 planning for Cyberport expansion;
 - 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;
 - kick started discussion with Shenzhen Municipal People’s Government (SMPG) on joint policy for the Shenzhen-Hong Kong Innovation and Technology Cooperation Zone (the Cooperation Zone), which comprises HSITP and the Shenzhen Innovation and Technology Zone (SITZ) and the idea to use certain existing areas of the SITZ before the completion of the first batch of buildings in HSITP, with a view to realising the “one zone, two parks” concept;
 - 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.
- 8 The key performance indicators are:

Indicators

	2019 (Actual)	2020 (Actual)	2021 (Estimate)
Innovation and Technology Fund for Better Living			
Eligible application received.....	45	42	50
Projects approved.....	9	8	12
Approved projects being monitored.....	25	33	44

Matters Requiring Special Attention in 2021–22

- 9 During 2021–22, the Bureau will:
- 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;
 - 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 and Multi-functional Smart Lampposts pilot project;

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- 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 planning for Cyberport expansion;
- continue to take forward the development of the HSITP in the Lok Ma Chau Loop, with the target to complete the first eight buildings in phases from 2024 to 2027;
- together with SMPG, continue to work out a package of joint policy for the Cooperation Zone and the arrangements to use certain existing areas of the SITZ before the completion of the first batch of buildings in HSITP, and thus lay the foundation for realising the "one zone, two parks" concept; and
- continue to support the development of the Guangdong-Hong Kong-Macao Greater Bay Area into an international innovation and technology hub.

Programme (3): Efficiency Office

	2019–20 (Actual)	2020–21 (Original)	2020–21 (Revised)	2021–22 (Estimate)
Financial provision (\$m)	284.4	315.6	314.2 (–0.4%)	496.7 (+58.1%)
				(or +57.4% on 2020–21 Original)

Aim

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

Brief Description

11 Key areas of work are to:

- support the Government in promoting innovation and technology, and assist in taking forward reforms or projects 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 to improve licensing services;
- 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).

12 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 2020, it received around 4 744 000 calls and 498 000 emails or other communications from the public. The key performance measures of 1823 are:

Targets

	Target	2019 (Actual)	2020 (Actual)	2021 (Plan)
calls that can be answered within 12 seconds (%).....	80	68	62	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 2021–22

13 During 2021–22, the Efficiency Office will:

- align its resources and projects to support the promotion of innovation and technology;
- 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
- 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

	2019–20 (Actual) (\$m)	2020–21 (Original) (\$m)	2020–21 (Revised) (\$m)	2021–22 (Estimate) (\$m)
Programme				
(1) Director of Bureau’s Office	16.6	18.4	18.1	19.8
(2) Innovation and Technology	200.7	365.2	274.1	321.9
(3) Efficiency Office	284.4	315.6	314.2	496.7
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	501.7	699.2	606.4 (–13.3%)	838.4 (+38.3%)
				(or +19.9% on 2020–21 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2021–22 is \$1.7 million (9.4%) higher than the revised estimate for 2020–21. This is mainly due to the increased provision for salaries and general departmental expenses in 2021–22.

Programme (2)

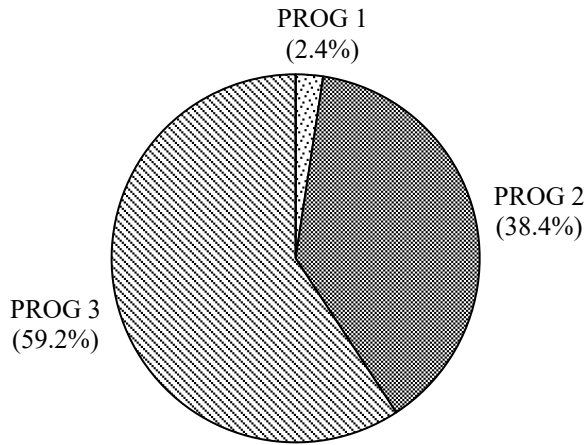
Provision for 2021–22 is \$47.8 million (17.4%) higher than the revised estimate for 2020–21. This is mainly due to the increased cash flow requirement for non-recurrent and capital items, partly offset by the decrease in general departmental expenses due to lapse of time-limited provision in 2021–22. There will be a decrease of six posts in 2021–22.

Programme (3)

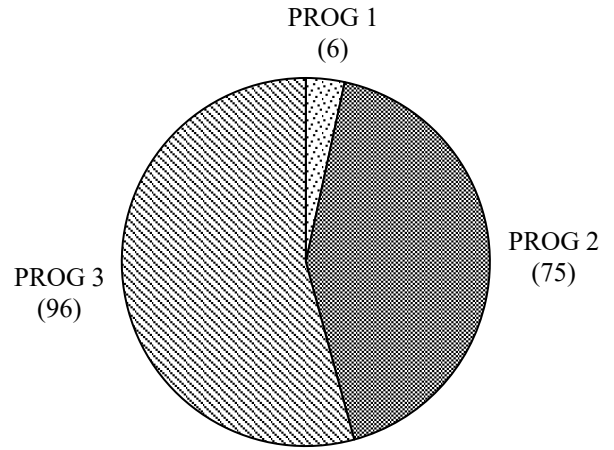
Provision for 2021–22 is \$182.5 million (58.1%) higher than the revised estimate for 2020–21. This is mainly due to the cash flow requirement for the SIE Fund as well as anticipated increase in general departmental expenses. There will be a decrease of nine posts in 2021–22.

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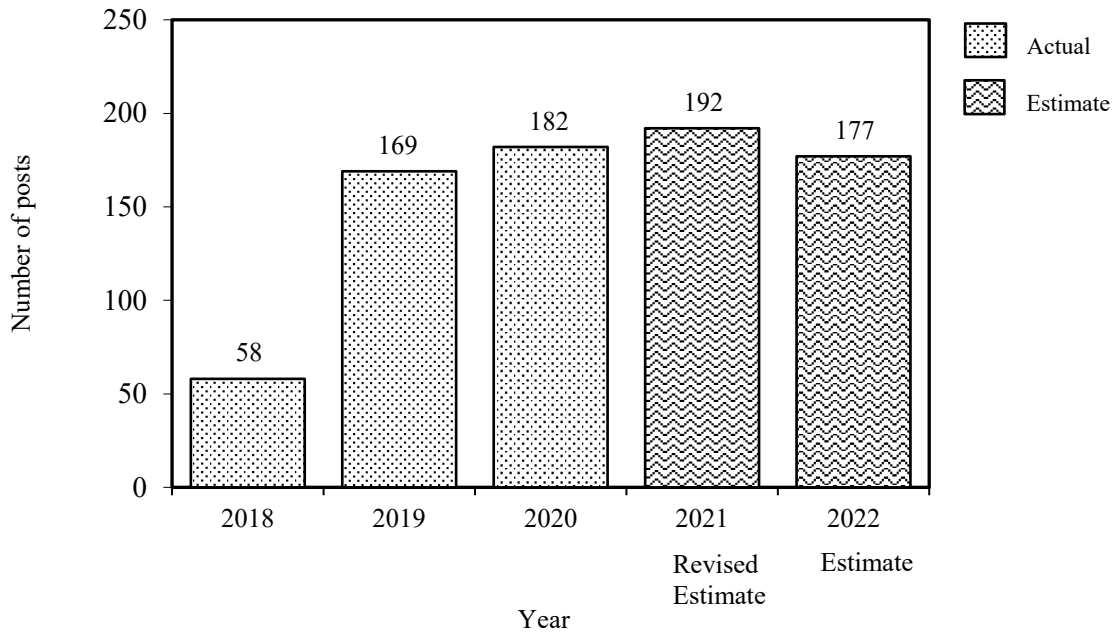
Allocation of provision to programmes (2021-22)



Staff by programme (as at 31 March 2022)



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



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Sub-head (Code)	Actual expenditure 2019–20	Approved estimate 2020–21	Revised estimate 2020–21	Estimate 2021–22	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses	384,106	483,228	468,294	451,663
	Total, Recurrent.....	384,106	483,228	468,294	451,663
Non-Recurrent					
700	General non-recurrent	17,739	50,000	36,200	227,000
	Total, Non-Recurrent.....	17,739	50,000	36,200	227,000
	Total, Operating Account	401,845	533,228	504,494	678,663
Capital Account					
Plant, Equipment and Works					
697	TechConnect (block vote).....	99,822	165,983	101,868	159,740
	Total, Plant, Equipment and Works.....	99,822	165,983	101,868	159,740
	Total, Capital Account.....	99,822	165,983	101,868	159,740
	Total Expenditure	501,667	699,211	606,362	838,403

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Details of Expenditure by Subhead

The estimate of the amount required in 2021–22 for the salaries and expenses of the Innovation and Technology Bureau (ITB) is \$838,403,000. This represents an increase of \$232,041,000 over the revised estimate for 2020–21 and \$336,736,000 over the actual expenditure in 2019–20.

Operating Account

Recurrent

2 Provision of \$451,663,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of ITB.

3 The establishment as at 31 March 2021 will be 192 posts. It is expected that there will be a decrease of 15 posts in 2021–22. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2021–22, but the notional annual mid-point salary value of all such posts must not exceed \$131,168,000.

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

	2019–20 (Actual) (\$'000)	2020–21 (Original) (\$'000)	2020–21 (Revised) (\$'000)	2021–22 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	138,437	155,099	147,103	155,426
- Allowances	5,492	4,762	4,576	3,723
- Job-related allowances.....	1	3	2	3
Personnel Related Expenses				
- Mandatory Provident Fund contribution	442	380	486	350
- Civil Service Provident Fund contribution	5,558	7,588	7,483	9,141
Departmental Expenses				
- General departmental expenses	234,176	315,396	308,644	283,020
	384,106	483,228	468,294	451,663

Capital Account

Plant, Equipment and Works

5 Provision of \$159,740,000 under *Subhead 697 TechConnect (block vote)* represents an increase of \$57,872,000 (56.8%) over the revised estimate for 2020–21. 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 \$'000	Accumulated expenditure to 31.3.2020 \$'000	Revised estimated expenditure for 2020–21 \$'000	Balance \$'000
<i>Operating Account</i>						
700		<i>General non-recurrent</i>				
	801	Innovation and Technology Fund for Better Living.....	500,000	39,797	36,200	424,003
	803	Injection into the Social Innovation and Entrepreneurship Development FundΨ	500,000Ψ	—	—	500,000
		Total	<u>1,000,000</u>	<u>39,797</u>	<u>36,200</u>	<u>924,003</u>

Ψ This is a new item, funding for which is sought in the context of the Appropriation Bill 2021.