創 新 科 技 及 工 業 局

香港添馬添美道二號
政府總部西翼二十樓

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Innovation, Technology and Industry Bureau

20/F West Wing, Central Government Offices,
2 Tim Mei Avenue, Tamar, Hong Kong

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來 函 編 號 Your Ref: /
電話 Tel: 3655 4787
圖 文 傳 真 Fax 2702 6036

By email

15 January 2025

Secretariat of the Panel on Information Technology and Broadcasting
Legislative Council
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong
(Attn: Mr Daniel SIN)

Dear Mr Sin,

**Meeting of 9 December 2024 of the Legislative Council
Panel on Information Technology and Broadcasting – Supplementary Information**

At the meeting of the Panel on Information Technology and Broadcasting on 9 December 2024, Members asked about the overall benefits of the projects under the "Capital Works Reserve Fund Head 710 Computerisation Subhead A007GX (Block Allocation)" (hereinafter referred to as the "New Administrative Computer Systems subhead"). Relevant supplementary information is provided below.

2. Projects under the "New Administrative Computer Systems subhead" can be broadly classified into four categories, namely: (i) digital government services; (ii) enhancing operational efficiency of the Government; (iii) system technology refresh; and (iv) IT security. In general, projects classified as system technology refresh and IT security could help avoid or reduce intangible or immeasurable costs arising from system obsolescence or IT security incidents (e.g. losses due to system interruptions or data leakage). As for the other two categories of projects (i.e. digital government services and enhancing operational efficiency of the government), they could yield some quantifiable benefits to be brought about by the following –

    (i)   Digitalisation of workflow: reducing the required processing time, procedures and human errors in the interactions between the public/ businesses and the Government, as well as within and between departments, through digitalisation of workflow and business process reengineering, thereby achieving overall cost savings.

    (ii)   Increased productivity: providing better and more up-to-date tools and resources through systems, enabling staff to accomplish more work within

the same timeframe.

     (iii) <u>Reduced physical resource requirements</u>: reducing the need for physical resources such as paper/ printing and storage space, saving not only direct material costs but also the costs associated with managing and maintaining these resources.

     (iv) <u>Duplicability and scalability</u>: computer systems can be more easily replicated or extended to other applicable areas (including other government departments) without the need for significant upfront costs.

3.   From 1 April 2021 to 30 November 2024 (i.e. the past three financial years and the first eight months of the current financial year), a total of 1 158 projects have been approved under the "New Administrative Computer Systems subhead".   About 60% of them (740 projects) belong to the categories "digital government services" or "enhancing operational efficiency of the Government" projects.

4.   Based on the information provided by policy bureaux and departments ("B/Ds"), the estimated overall quantifiable benefits of projects under the "New Administrative Computer Systems subhead" include the following –

     (i)   One-off non-recurrent cost savings of around $240 million, mainly arising from departments adopting central systems or electronic services (such as the centrally-managed messaging platform and central electronic form services);

     (ii)   Recurrent savings and cost avoidance in recurrent expenditure amounting to some $663 million per year, including savings or cost avoidance related to manpower, office space, paper and postage.

5.   In addition to the above-mentioned quantifiable benefits, B/Ds could expedite the digital transformation of government services through accelerating the development of information systems, providing more new and user-friendly services to citizens and businesses, while making timely enhancement to information security to protect government information systems and data from security threats and cyber-attacks, thereby supporting the smooth implementation of government policies and services.

6.   The Digital Policy Office ("DPO")'s Administrative Computer Projects Committee will conduct detailed assessment on each and every proposal for computerisation projects from B/Ds, taking into account factors such as project nature/ category, technical details, cost-effectiveness, implementation arrangements and schedule, as well as the priority accorded by subject bureaux.   The DPO will vet critically to ensure that each project receiving funding support is prioritised based on its urgency and cost-effectiveness, and aligns with the Government's objectives of promoting digital government that benefits citizens and businesses.   The DPO will also continuously monitor the progress and outcomes of the approved projects of B/Ds.

Yours sincerely,

(Arthur Chan Tsz-fung)
for Secretary for Innovation, Technology and Industry

<u>c.c.</u>
Digital Policy Office   (Attn: Mr Samson Siu)