

Report to Council**Agenda item 7.1****Post travel report by Councillor Philip Le Liu: InnoEx Forum, Hong Kong, April 2023****27 June 2023****Presenter:** Councillor Philip Le Liu**Purpose and background**

1. The purpose of this report is to provide Council with information on the travel undertaken by Councillor Philip Le Liu to represent City of Melbourne (CoM) at the InnoEx Forum (InnoEx), associated events and to undertake other meetings with officials in Hong Kong between 12 and 15 April 2023.
2. Councillor Le Liu was invited by the Hong Kong Trade Development Council (HKTDC) to attend InnoEx which was hosted by the Government of the Hong Kong Special Administrative Region in conjunction with the HKTDC.
3. InnoEx was held concurrently with two conferences, namely the Digital Economy Summit and Web3 Festival along with a number of tech fairs and exhibitions.

Key issues

4. CoM's International Engagement Framework recognises the importance of Melbourne as a major economic hub in the Asia-Pacific region. The Framework also acknowledges the economic value and benefits of fostering innovation and supporting start-ups.
5. InnoEx and the conferences highlighted the importance of tech-enabled innovation as a key contributor to economic growth and the overall welfare and success of communities worldwide. Through a range of forums, panel discussions, seminars and exhibitions, participants were showcased cutting-edge smart solutions and technology-driven innovations, such as AI, robotics, smart living, as well as advancements in transportation and mobility. In addition to featuring cutting-edge technologies and disruptive innovations, discussion sought to foster the importance of collaboration among government and enterprise entities across different regions and sectors.
6. Attendees included representatives from international government, industry, business, academia, and research and development centres. The tech fairs brought together nearly 3000 exhibitors from 20 countries and regions and attracted over 66,000 buyers from some 160 countries and regions, including Mainland China, Association of Southeast Asian Nations (ASEAN), Korea, Taiwan, USA, Japan, India and Russia. Over 50,000 local and international visitors attended the events.
7. Councillor Le Liu's participation in InnoEx was supported by a program of meetings and engagements allowing him to engage with diplomatic, government and business leaders located in the Asia Pacific region or visiting Hong Kong for the event.
8. Whilst in Hong Kong, Councillor Le Liu also explored the approach to the provision of affordable housing and the significant focus and investment by government towards tackling the problem.
9. Included as Attachment 2 is an overview of key activities, observations and opportunities identified during Councillor Le Liu's visit. These will be further discussed with Council officers.

Recommendation

10. That Council notes:
 - 10.1. The report by Councillor Philip Le Liu on travel to Hong Kong to attend the InnoEx Forum and associated conferences and to participate in other meetings with officials between 12 and 15 April 2023 at a cost to Council of \$12,786.09.
 - 10.2. That the observations and opportunities for further engagement on concepts considered during the visit will be further discussed with Council officers.

Attachments:

1. Supporting Attachment (Page 2 of 6)
2. Key observations and activities - InnoEx Forum (Page 3 of 6)

Supporting Attachment

Finance

1. The costs associated with Councillor Le Liu's travel were primarily met by CoM. The HKTDC funded registration fees. CoM's contribution totalled \$12,786.09 which included airfare (\$7,161.10), accommodation (\$4,311.56) and incidentals (\$1,313.43).

Conflict of interest

2. No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a general or material conflict of interest in relation to the matter of the report.

Relation to Council policy

3. The Executive Officer Councillor Liaison has confirmed that the travel costs accord with the requirements of the travel guidelines outlined in the Council Expenses Policy.
4. The objectives associated with travel undertaken align with key policy positions adopted by Council namely:
 - 4.1. Those aligned to Council Plan 2021–25 strategic objectives 'innovation ecosystem' and 'access and affordability'.
 - 4.2. The International Engagement Framework – Melbourne as a global city.

Environmental sustainability

5. The carbon emissions resulting from air travel were offset with the purchase of credits.

Key observations and activities -

InnoEx Forum and associated exhibition and conferences, Hong Kong

1. The InnoEx Forum and exhibition

- 1.1. The conference was one of three major conferences during the week, including the Digital Economy Summit 2023 and Web3 Festival 2023. The exhibition was supported by the Hong Kong (HK) government and attended by key decision-makers in promoting HK as a 'Smart City' in the region and also to the world. HK will be one of the key cities in the 'Smart City' cluster of the Greater Bay Area initiative, an integrated economic area zone aimed at taking a leading role globally by 2035.
- 1.2. Canada and France were prominent in promoting their expertise and start-ups with pavilions across the exhibitions to capture interest from the HK capital market for investment. There were also talks and forums from the countries that promoted their expertise and showcased their home-grown start-ups to not only the local HK market but also visiting Mainland China investors.
- 1.3. While most of the solutions or ideas on display were in the digital world, there were also a large proportion of innovative solutions that address key issues in areas such as waste, transport, and asset management.
- 1.4. Two internationally recognised experts delivered keynotes at InnoEx, namely the following:
 - Dr Ayesha Khanna, CEO of Addo AI, who addressed attendees on 'Winning with AI: How Innovative Leaders Drive Growth', Dr Khanna stated "Having AI assistants gives visionary leaders a competitive advantage both in terms of innovation and speed to market. With generative AI, we are seeing the emergence of more interactive, accessible and affordable AI assistants, transforming work in every industry and allowing humans to amplify their potential for strategic and creative thinking. However, like any technology, new AI techniques must be governed and regulated to manage risks. Regions, like the European Union and countries like China and the United States, consider AI governance a necessary complement to supporting the AI revolution".
 - Futurist and strategy consultant Mr Matthew Griffin delved into the impact of technology on various industries during his speech. In his address he stated "Today, the rate of change is overwhelming leaders, and the rate of value destruction, as entire industries are disrupted by new technologies and business models, is accelerating with an estimated \$50 trillion worth of GDP value set to be destroyed in the next decade. However, with an estimated \$210 trillion worth of new value being created by these same shifts, there has never been so much opportunity for organisations to move into new markets and 10X their revenues. To embrace these opportunities though, companies have to explore new technologies and concepts outside of their own industries, experiment with them, become comfortable with risk-taking, embrace new business models and go to markets, and become experts in execution".



Image: InnoEx Opening



2. Key highlights from the exhibition

2.1. **Waste** – A trial food waste collection educational scheme in a public rental housing estate that rewards and gives the user points that can be redeemed elsewhere.



Image: Food Waste Collection

2.2. **Eating Healthy** – Food awareness by secondary school students. A winning project led by HK high school students that scans the barcode of food you consume to learn more about it.

2.3. **Transport** – A demonstration of an integrated solution that links all modes of transport (cars, trains, buses, ferries, and others) and shows, in real-time, how busy each channel is to allow the user to make a smart travel decision.



Image: Smart Mobility: The Real-time Adaptive Traffic Signal System

2.4. **Asset management** – A variety of asset management systems and tools was showcased. One used drones and AI to help survey and detect building conditions but was also able to search and identify materials based on their composition (this could be another cost-effective way to the cladding solution).

2.5. **Drones** – Drone entertainment is very mature in Asia and one provider is already providing the service to Sydney.

2.6. **AI** – Using AI and sensors to process not only image, video and sound but now also smell.

3. Forum and discussions: Key takeaways of Digital Economy Summit 2023 and Web3 Festival 2023

- 3.1. Investment and using the concept of a 'Digital Twin' in the virtual world to test policy decisions and forecasting. 'Smart City' policies need to be supported and matched by digital infrastructure.
- 3.2. A number of comparisons to Singapore and an opportunity to learn from their policies of upskilling and retraining citizens. For example, providing devices to all secondary students and retraining bus drivers to pilot drones. HK to put innovation at the centre of all issues and problems – 'innovate our way out'.
- 3.3. More focus will be put on data instead of technology. The standardisation of data will be key, as it will allow better collaboration and unlock value and trust for everyone using it.
- 3.4. Government cannot do it alone and needs industry support and investment from the private sector. There is at times too much red tape and inefficiencies between government, industry, and the private sector. For example, an investor is required to go to many different places and people to talk to industry and government, wasting a lot of time in between.
- 3.5. More of HK's younger generation is pivoting towards the digital world and the opportunities it provides, such as Web3. Firms like Createra, a gaming firm and platform that engages with a community with over 15 million young content creators, promotes content creation and allows users to monetize their ideas in the digital world. They recently closed a \$10 million series-A funding with a16z, a venture capital firm, to help creators to create, engage and distribute value in 3D worlds.



Image: Digital Economy Summit 2023 Panel Discussion



Image: The Smart Hong Kong Pavilion, source: HKTDC

4. Zero Carbon Building

- 4.1. A productive meeting was held with Patrick Lau, Advisory Committee Member from Build for Good. Following that, Councillor Le Liu undertook a site visit at the **Zero Carbon Building**, accompanied by Brian Pong, the Managing Director of Node 8 Limited. The Construction Industry Council's (CIC) **Zero Carbon Building (ZCB)** is a pioneering project to showcase state-of-the-art zero carbon building technologies and raise community awareness of sustainable living in Hong Kong.
- 4.2. The building goes beyond the traditional definition of zero carbon. It is connected to the local grid and produces on-site renewable energy, from a combination of photovoltaic panels and a biodiesel tri-generation system, to offset the power consumed on an annual basis. The excess is exported to the local grid to cover the embodied energy of its construction process and building materials.
- 4.3. The large-scale use of biodiesel as a renewable tri-generation fuel is also a first in Hong Kong. The system uses waste cooking oil to generate power, solving two problems – waste treatment and energy generation – in one go.

- 4.4. The ZCB also features Hong Kong's first urban native woodland with 220 native trees of over 40 species and a diversity of shrubs. The woodland creates a high quality ecosystem embedded in a built-up area to benefit both the environment and people.



Image: Zero Carbon Building, Hong Kong, source: [ARUP](#)

5. Affordable Housing - Modular Integrated Construction (MiC) Approach

- 5.1. The HK Government adopted the MiC approach in 2017 as it shortened the time of construction, reduced the cost, delivered high construction quality and is sustainable and environmentally friendly. The MiC can last up to 50 years.
- 5.2. One of the key projects using the MiC approach has been the development of **Transitional Housing Units**: *“The HK Government committed to promote the development of Transitional Housing in HK in order to relieve the pressure of families living in unpleasant conditions and those who have waited for public rental housing for a long time, the Chief Executive announced in the 2019 Policy Address the target of providing a total of 10,000 transitional housing units within the next three years. The Legislative Council approved the Government's proposal on setting up the \$HKD 5 billion Funding Scheme in March 2020 so as to facilitate NGOs to take forward transitional housing projects and increase transitional housing supply. In October 2021 the Government announced that it would further increase transitional housing by raising the target to 20,000 units. 90% of the transitional housing units will adopt Modular Integrated Construction” – CIC Brochure.*
- 5.3. Another project is the construction of Transitional Social Housing by MiC on an empty block of land on Nam Cheong Street in Sham Shui Po. It was the first Modular Social Housing Project adopting MiC by the HK Council of Social Service provided 89 units. The project commenced in August 2019 and was completed in July 2020 with the construction cycle only taking 6-7 days. Though the modules were dismantled in March 2023, they will be reused in a transitional housing project in Tai Po.
- 5.4. Other projects taking the MiC approach include:
- **Public Housing Development and Home Ownership Scheme** to deliver 8,420 units with anticipated completion in 2024 and other units by 2027 if not earlier.
 - **Light Public Housing Projects** set to deliver 30,000 units with anticipated completion in 2025 and others by Q4 2026 if not earlier.
 - **Construction of Temporary Quarantine Centres** using MiC of 14,094 units with the fastest only taking 25 days, delivering 118 units and the longest of 4 months delivering 10,000 units.
 - **Other projects** include hospitals, Kai Tak Community Isolation Facility, and even the Castle of Magical Dreams in Hong Kong Disneyland were constructed using MiC.