## 立法會 Legislative Council

LC Paper No. CB(1)799/09-10 (These minutes have been seen by the Administration)

Ref: CB1/PL/ITB/1

#### Panel on Information Technology and Broadcasting

#### Minutes of meeting held on Monday, 9 November 2009, at 2:30 pm in Conference Room A of the Legislative Council Building

**Members present**: Dr Hon Samson TAM Wai-ho, JP (Chairman)

Hon LEE Wing-tat (Deputy Chairman)

Hon CHEUNG Man-kwong Hon CHAN Kam-lam, SBS, JP

Hon LAU Kong-wah, JP Hon Emily LAU Wai-hing, JP

Hon Andrew LEUNG Kwan-yuen, SBS, JP

Hon WONG Ting-kwong, BBS, JP Hon Ronny TONG Ka-wah, SC

Hon Cyd HO Sau-lan Hon WONG Yuk-man Hon IP Kwok-him, GBS, JP

Hon Mrs Regina IP LAU Suk-yee, GBS, JP

**Members absent**: Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP

Hon Timothy FOK Tsun-ting, GBS, JP

Public officers attending

Agenda item IV

Mr Duncan PESCOD, JP

Permanent Secretary for Commerce and Economic

Development (Communications and Technology)

Mr Jeremy GODFREY

Government Chief Information Officer

Mr Stephen MAK, JP

Deputy Government Chief Information Officer (Consulting and Operations)

Mr Victor LAM

Assistant Government Chief Information Officer (Business Transformation)

#### Agenda item V

Mr Gregory SO, JP

Under Secretary for Commerce and Economic Development

Mr Duncan PESCOD, JP

Permanent Secretary for Commerce and Economic Development (Communications and Technology)

Mr Alan SIU, JP

Deputy Secretary for Commerce and Economic Development (Communications and Technology)

Mrs Marion LAI, JP

Director-General of Telecommunications

**Clerk in attendance**: Ms YUE Tin-po

Chief Council Secretary (1)3

**Staff in attendance** : Mr Bonny LOO

Assistant Legal Advisor 3

Ms Annette LAM

Senior Council Secretary (1)3

Ms May LEUNG

Legislative Assistant (1)6

#### Action

#### I. Confirmation of minutes of meeting

(LC Paper No. CB(1)123/09-10 -- Minutes of meeting held on 15 October 2009)

The minutes of the meeting held on 15 October 2009 were confirmed.

#### II. Information paper issued since last meeting

(LC Paper No. CB(1)2489/08-09(01) -- Submission from a member of the public expressing views on regulation of person-to-person telemarketing calls

LC Paper No. CB(1)2560/08-09(01) -- Broadcasting Authority Annual Report 2007-2008)

2. <u>Members</u> noted that the above papers had been issued for the Panel's information.

#### III. Date of next meeting and items for discussion

(LC Paper No. CB(1)240/09-10(01) -- List of outstanding items for discussion

LC Paper No. CB(1)240/09-10(02) -- List of follow-up actions)

#### Special meeting on 19 November 2009

3. <u>The Chairman</u> reminded members that a special meeting would be held on Thursday, 19 November 2009 from 9:00 am to 12:45 pm in the Chamber of the Legislative Council (LegCo) Building to receive views from deputations and members of the public on public service broadcasting and the future of Radio Television Hong Kong. <u>Members</u> noted that a general notice had been posted on the LegCo website to invite submissions from the public. Apart from the invitations issued to some 30 organizations, the 18 District Councils had also been invited to give views on the subject.

#### Regular Panel meeting in December 2009

- 4. <u>Members</u> noted that the next regular Panel meeting would be held on 14 December 2009 at 2:30 pm to discuss the following items:
  - (a) Progress update on the review of the Administration of Internet Domain Names in Hong Kong;
  - (b) Digital terrestrial television update; and
  - (c) Review of Film Development Fund.
- 5. <u>Ms Emily LAU</u> suggested that the Administration be invited to brief the Panel on the Government's overall policy on the development of digital audio broadcasting as soon as practical. She also suggested the Administration to update members on the progress of the mid-term review of the domestic free television programme service licences of Asia Television Limited and Television Broadcasts Limited and also to brief members on the public views collected during the review

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The Secretariat

before finalizing its recommendations to the Chief Executive-in-Council. The Chairman instructed the Secretariat to follow up with the Administration.

# IV. Capital Works Reserve Fund Head 710 Computerization Subhead A007GX – New administrative computer systems

(LC Paper No. CB(1)240/09-10(03) -- Administration's paper on Capital Works Reserve Fund Head 710 Computerization Subhead A007GX - New administrative computer systems)

#### Presentation by the Administration

6. At the invitation of the Chairman, the Permanent Secretary for Commerce and Economic Development (Communications and Technology) (PSCED(CT)) briefed members on the 2010-2011 funding requirements under the Capital Works Reserve Fund (CWRF) Head 710 Computerization Subhead A007GX (the proposed block allocation) for the implementation of administrative computer systems and consultancies for feasibility studies and systems development. PSCED(CT) sought members' support for the proposed block allocation of \$715 million which was \$115 million (about 19%) higher than the provision of \$600 million for 2009-2010. Details of the funding requirements and new projects seeking funding under the proposed block allocation were set out in the Administration's paper (LC Paper No. CB(1)240/09-10(03)).

#### **Discussion**

Criteria for awarding contracts and job creation in information technology sector

- 7. Mrs Regina IP said that the financial downturn had dealt a heavy blow to the information technology (IT) sector, resulting in a high unemployment rate and serious job losses. She noted with concern that under the existing Government procurement policy and tendering exercise, most of the Government IT projects were awarded to large IT companies and service providers, leaving few business opportunities for local small and medium sized enterprises (SMEs). She enquired about the criteria for outsourcing and awarding contracts, the number of Government projects that were awarded to local IT SMEs, and the progress that had been achieved by the Administration in providing more business opportunities for local IT SMEs under the overall Government procurement policy and the Government Procurement Agreement under the World Trade Organization (WTOGPA).
- 8. In response, <u>PSCED(CT)</u> said that the implementation of the Government IT projects and the various initiatives under the Digital 21 Strategy, which formed the blueprint for the development of information and communications technology in Hong Kong, were expected to help drive job growth for the IT sector both within the Government and the private sector. The recruitment of civil service staff in the Analyst Programmer grade within the Government had been expedited.

The Government Chief Information Officer (GCIO) informed members that under the Standing Offer Agreement for Quality Professional Service administered centrally by the Office of the Government Chief Information Officer (OGCIO), about 25% of the projects in number and 12% in value were awarded to IT SMEs over the last four years. A number of contracts awarded to large multi-national companies did in turn involve SMEs as sub-contractors. Moreover, there were also several local IT contractors who were no longer categorized as SMEs because of their business growth. To enhance transparency and encourage private sector participation, information on all approved and proposed IT projects had been published on the Digital 21 Strategy website for public viewing since May 2009. Interested SMEs could have a better understanding of the projects concerned and be in a better position to bid for the projects during the tender exercise.

9. The Deputy Government Chief Information Officer (DGCIO) said that under the first Digital 21 Strategy, the Government had set the policy of outsourcing at least two-thirds of the new projects. In fact, by now more than 90% of the projects were outsourced and a noticeable number of contracts were awarded to SMEs. Some SMEs, through business expansion, had subsequently fallen outside the definition of SMEs (enterprises employing less than 50 employees). On the guiding principles and criteria for awarding contracts, he said that apart from price considerations, other factors such as quality, track record and experience of the bidder would also be taken into account. At members' request, the Administration undertook to provide further information on the guiding principles/criteria for awarding contracts for outsourced Government IT projects, as well as the number of projects funded from the block allocation that were awarded to SMEs in the IT sector last year. DGCIO however pointed out that OGCIO did not have information across the whole of Government as departments might award contracts to large companies which in turn sub-contract to SMEs, and it might not be always possible to make the distinction between local and overseas SMEs.

Admin

10. Mr WONG Yuk-man expressed reservation on the Government's reliance on outside consultancy and outsourcing. He held the view that the Government should have its own in-house IT personnel and programmers to support its internal IT development and formulate IT strategies. GCIO replied that each department had set up its own Information Technology Management Unit (ITMU) to provide direct advice and support to the lines of business of bureaux and departments while OGCIO would provide central services and advice. Government IT staff were mainly deployed in project management and the management of contractors and vendors, as well as to advise bureaux and departments on the use of IT technologies to achieve policy objectives, enhance productivity, and improve customer services. In response to Mr WONG's enquiry whether the Government would consider the use of free software such as open office, DGCIO said that free software including open source software, if considered applicable and suitable, would be used.

#### Enhancing transparency

- 11. Referring to the Digital Strategy 21 website, Mr WONG Yuk-man said that only information including a list of project titles and the responsible departments were available in the website. He opined that more details of the projects should be provided to enhance transparency. GCIO advised that further project details could be downloaded from the website.
- 12. In response to Mr WONG Yuk-man's remark that the tender bids and quotations for Government projects were generally on the high side, <u>DGCIO</u> said that on the contrary, there had been industry feedback that keen competition in the open tendering process had in fact forced the price down. <u>Mr WONG</u> remained unconvinced and requested the Administration to provide relevant statistics and information in this regard. In this connection, <u>the Chairman</u> held the view that consideration should be given to publishing tender-related statistics and information on the website for transparency.

#### Expediting the implementation of E-Government initiatives

- 13. Mr CHAN Kam-lam supported the new projects under the proposed block vote so as to enable more efficient delivery of Government services to the public and improve convenience. He however was disappointed that despite years of implementation of the Digital 21 Strategy and the E-Government initiatives, Hong Kong still lagged behind the Mainland in respect of the electronic patient record system, and that it was only recently that the public was able to submit returns to the Inland Revenue and the Rating and Valuation Department via the online service. He called on the Government to expedite the implementation of E-Government initiatives and to set a target date for all payments to the Government and applications for licences to be made available online.
- 14. <u>GCIO</u> replied that the objectives of the E-Government initiatives were to promote and encourage a greater use of information and communications technology to enhance operational efficiency and improve customer service delivery, and to provide the public with the services they need in an efficient and convenient manner. The success in service delivery would be indicated by comparing customer satisfaction with the delivery of public services with customer satisfaction with the delivery of services by the best commercial and voluntary organizations. Key Performance Indicators (KPIs) were developed for measuring progress towards the defined Statements of Desired Outcomes for the five action areas under the Digital 21 Strategy. He said that the clinical management system of the Hospital Authority was among the best in the world which would form a good basis for future sharing of electronic health records with patients' consent between healthcare professionals in both the public and private sectors.
- 15. <u>GCIO</u> further said that most of the Government services were currently available online. Through increasing personalization of Government services, efforts would be made to enhance user friendliness of such services. Another focus of work was to increase the use of electronic payment transactions. The

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well-received GovHK one-stop access portal aimed at transforming the Government-centric model of service delivery, where bureaux and departments operated within their own silos, to a citizen-centric approach that put emphasis on meeting the needs of the users through cross-departmental collaboration and service integration. Initiatives would be taken to proactively identify opportunities for joining up services across departments, rationalize service delivery channels, and to build shared systems for common business processes in service delivery. The ultimate goal was to improve quality of public services, enhance operational efficiency of the Government and increase the overall utilization of Government information and services delivered via the Internet.

- 16. The Chairman noted that while some bureaux and departments were more advanced in the process of computerization and automation, some were dragging their feet in IT development and in the adoption of e-business solutions. He urged the OGCIO to step up its efforts, draw up comprehensive and integrated strategies, and put in place measures to promote and assist those bureaux and departments that were relatively slow in automation and computerization to catch up on E-Government initiatives. He asked whether the Administration would provide regular updates on those bureaux and departments that had lagged behind in computerization and automation.
- 17. In response, <u>DGCIO</u> said that the OGCIO had encouraged bureaux and departments to review their overall business operations and service delivery to proactively identify opportunities for integrating E-Government into their overall business plans so as to improve services to the public and to attain greater efficiency and productivity. Apart from the department's own ITMU, a number of task groups were set up to keep bureaux and departments informed of the policy direction of the E-Government initiatives and to facilitate the integration of E-Government into their overall business. <u>PSCED(CT)</u> added that it was not the case that some departments were not keen on computerization. In fact, some project proposals submitted were turned down for further refinement.
- 18. Speaking from his personal experience, Mr LEE Wing-tat expressed disappointment that statements taken by the Police were still hand-written which was time consuming and had caused much inconvenience to the public. He asked whether the OGCIO had set up a mechanism to assess IT capability of every Government department. GCIO replied that each department had its own ITMU. The focus of the OGCIO was to put in place IT strategy, methodology, best practices and standards, and to enhance the IT skills and knowledge of the people in the ITMU so as to enable them to inspire and support their departmental management to use information and communications technology for business transformation, and to achieve their policy objectives and improve the delivery of customer service. DGCIO informed the meeting that he understood that the Hong Kong Police Force (HKPF) was drawing up an IT proposal to facilitate officers in In this connection, the Chairman instructed the the taking of statements. Secretariat to write to the HKPC for an update on the matter.

The Secretariat

(*Post-meeting note*: The information provided by the Administration was circulated to members vide LC Paper No. CB(1)746/09-10(01) issued on 22 December 2009.)

Enquiries about individual project proposal

- 19. Mr CHAN Kam-lam enquired about the project on voting validation and vote counting automation system of the Registration and Electoral Office (REO). He said that a long-term plan should be drawn up having regard to the possible changes in various modes of voting validation and counting. DGCIO assured members that the REO would be advised to take the factors into consideration. He said that according to the information provided by REO, the initiative was recommended by the Independent Committee of Experts and optical mark recognition technology was being proposed for voting validation and counting automation.
- 20. Noting that the estimated requirements of the project did not exceed \$10 million and therefore did not require Finance Committee (FC) approval, Ms Emily LAU asked whether the policy had been discussed by the relevant Legislative Council Panel.. Members considered that the subject should be discussed at the Panel on Constitutional Affairs before the IT proposal was taken forward. The Administration undertook to refer members' views to the Constitutional and Mainland Affairs Bureau.
- 21. Mr CHAN Kam-lam enquired about the item on the installation of a new set of Central Cyber Government Offices live broadcasting equipment at New Central Government Complex at Tamar. DGCIO advised that webcasting service had been available on the Government intranet for a number of years. The proposed project, at an estimated cost of \$3.209 million, was to enable Government officers to continue receiving such live broadcast service after the relocation to the new Central Government Complex at Tamar. In response to Ms LAU's enquiry about the projects to support Government agencies to relocate to the New Government Complex at Tamar, DGCIO said that 23 project proposals were received so far. Other Government agencies might put in their requirements as and when necessary.
- 22. <u>Ms Emily LAU</u> enquired about the system security and the protection of personal data in the process of computerization and in taking forward the Government electronic projects. <u>DGCIO</u> replied that the proposed projects were individual systems for which data were stored under individual system's storage or under the relevant bureau/department's central data storage. He assured members that measures would be in place to safeguard system security and personal data privacy in accordance with the security needs and the security level required for each system.

Admin

#### Summing up

23. Noting that members did not have any objection to the proposed block allocation, the Chairman concluded that the Panel supported in principle the proposal for consideration by the Public Works Subcommittee.

#### V. Review on regulation of person-to-person telemarketing calls

(LC Paper No. CB(1)240/09-10(04) -- Administration's paper on person-to-person telemarketing calls

LC Paper No. CB(1)240/09-10(05) -- Paper on the operation of the Unsolicited Electronic Messages Ordinance prepared by the Legislative Council Secretariat (background brief)

LC Paper No. CB(1)262/09-10 Administration's paper on (tabled at the meeting person-to-person telemarketing and subsequently issued via email on calls (power-point presentation 10 November 2009) materials))

#### Presentation by the Administration

24. With the aid of powerpoint presentation, the Director-General of Telecommunications (DG of T) briefed members on the results of the two opinion surveys commissioned by the Office of the Telecommunications Authority (OFTA) in respect of person-to-person (P2P) telemarketing calls and actions to be taken in the light of the information collected from the surveys, details of which were set out in the Administration's paper (LC Paper No. CB(1)240/09-10(04)).

#### **Discussion**

Regulation of person-to-person telemarketing calls

- 25. Mr Ronny TONG expressed disappointment that although 81% of the respondents in the general telephone survey considered that P2P telemarketing calls did cause them inconvenience, the Administration remained unconvinced that the situation was serious enough to warrant regulation by legislation. He opined that P2P telemarketing calls, which caused inconvenience and nuisance to recipients and were also an abuse of personal data and privacy as evidenced in the rampant illegal sale of personal data, should be regulated by way of legislation.
- 26. Mr WONG Ting-kwong agreed with Mr Ronny TONG that legislation should be introduced to regulate P2P telemarketing calls. He recapitulated that the proposed Committee Stage amendment moved by him in respect of the regulation of P2P telemarketing calls had been objected to when the Unsolicited Electronic

Messages Ordinance (UEMO) (Cap. 593) was enacted by the Legislative Council on 23 May 2007. Referring to the incident of the Chief Executive receiving a telemarketing call whilst meeting with President HU Jintao and his own experience of receiving such calls through mobile roaming service whilst overseas, Mr WONG opined that there was a need to introduce further regulation to contain the problem. He doubted whether voluntary self-regulation by the industry by way of the code of practice (CoP) could effectively stop unsolicited and unwanted telemarketing calls. He urged the Administration to take concrete measures to tackle the problem which had become increasingly serious, causing not only inconvenience but also nuisance to the public.

- 27. The Under Secretary for Commerce and Economic Development (USCED) advised that most business establishments in Hong Kong were small and medium-sized enterprises which relied on P2P telemarketing calls to market their products/services. In drawing up the UEMO in 2006, the Administration, after considering different views and in order to strike a balance between the need to protect the rights of the public and allowing the development of legitimate electronic marketing in Hong Kong, had excluded such calls from the ambit of the UEMO to avoid undermining the development of legitimate electronic marketing in Hong Kong. He highlighted that P2P telemarketing calls did bring economic benefits to certain call recipients and the industry. Some respondents found such calls useful in bringing them product information and benefits. About 21% of the respondents in the public survey had made or agreed to make commercial transactions during P2P telemarketing calls. The results of the industry survey also found that companies were able to generate business and increase sales volumes through P2P telemarketing calls. One-third of the respondents of the industry survey quoted a success rate of 5.1% to 10% for telemarketing calls and another one-third quoted a success rate of over 10%.
- 28. Mr Ronny TONG questioned in what ways the regulation of P2P telemarketing calls by legislation would thwart businesses development, and enquired about the sectors that would be particularly affected. He held the view that business establishments could market their services and products through advertising instead of relying on P2P telemarketing calls. Mr LEE Wing-tat also questioned the rationale for not regulating P2P telemarketing calls as in the case of the regulation of pre-recorded telephone messages. He doubted the effectiveness of the voluntary compliance approach by way of CoP where no penalty would be imposed for non-compliance. He was of the view that members of the public should have a right to unsubscribe from P2P telemarketing calls and that an unsubscribe mechanism should be in place for call recipients to opt out from receiving further P2P telemarketing calls. He opined that the companies and the employers concerned, instead of the employees, should be held responsible for non-compliance.
- 29. <u>DG of T</u> advised that according to the industry survey, four main business sectors, namely finance, telecommunications, call centres and insurance together made more than 90% of P2P telemarketing calls. These business sectors would be the hardest hit in the event of regulation. <u>USCED</u> and <u>DG of T</u> however agreed

that potential economic benefits of P2P telemarketing calls should not override the rights of the public to unsubscribe from unwanted P2P telemarketing calls. regulation by legislation might not be proportionate to the nature or degree of the issue at hand, some form of regulation was necessary. In this connection. administrative measures would be put in place to protect the rights of call recipients and to minimize inconvenience to them. Companies engaged in P2P telemarketing calls would be urged to comply voluntarily with CoP and pledge compliance for the public to monitor. Companies would also be urged to maintain an in-house unsubscribe list and step up efforts to honour unsubscribe requests. parallel, publicity programmes would be mounted to educate members of the public of their right to unsubscribe from unwanted calls and on how to protect themselves from receiving further P2P telemarketing calls by making use of the unsubscribe mechanism. In the event that administrative measures were ineffective in tackling the problem posed by P2P telemarketing calls, further measures, such as regulation by legislation, would be considered.

- 30. Mr WONG Ting-kwong noted that 57% of the respondents in the public opinion survey considered that P2P telemarketing calls should be regulated, of which 42% supported regulation by legislation and 15% supported regulation by voluntary CoP. He disagreed that regulation by legislation was not necessary at the present stage and queried the basis of the Administration's view that there was no overwhelming support to regulate such calls.
- 31. In response, <u>DG of T</u> explained that while 15% supported a voluntary compliance approach, 29% of the respondents did not consider that there was a need to regulate P2P telemarketing calls, and 13% was undecided or did not know whether there was such a need. Moreover, nearly half of the respondents in the public opinion survey indicated that they would continue the telephone conversation to see if they were interested, and about 21% of them had made commercial transactions during P2P commercial calls. As such, the survey findings presented an overall picture that generally speaking, there was no overwhelming support for regulation by legislation.
- 32. Mr WONG Yuk-man remained unconvinced. He said that there was a case for regulation as only 29% of the respondents did not consider regulation necessary while 42% of the respondents supported regulation by legislation. He maintained that the surveys conducted were scientific academic studies and the findings should be relied on as basis for a policy decision.
- 33. In view of the time difference and the relative high cost of roaming charges incurred through mobile roaming service, Mr WONG Ting-kwong and Mr WONG Yuk-man opined that it was not only disturbing to receive P2P telemarketing calls whilst overseas but also unfair for call recipients to bear the cost of such roaming calls. Sharing a similar view, the Chairman urged the Administration to come up with concrete measures to effectively tackle the problem caused by P2P telemarketing roaming calls.

- 34. In response, <u>DG of T</u> said that the public opinion survey findings showed that among the 555 respondents who had mobile phones with SIM card supporting roaming service, only 20% had received P2P telemarketing calls through mobile roaming service over the past 30 days prior to the survey. The mean and median of roaming charges incurred during the said period were HK\$48 and HK\$25 respectively. She said that according to the telemarketing industry, their staff, once aware that the calls were roaming calls, would hang up immediately.
- 35. Mr CHEUNG Man-kwong referred to the survey findings that 81% of the respondents considered that P2P telemarketing calls did cause them inconvenience, and that only 21% of the respondents who had made unsubscribe requests found that their requests were honoured. He said that such a situation was undesirable and that call recipients who felt inconvenienced or disturbed by P2P telemarketing calls would very often vent their resentment at the callers, most of whom were youngsters paid with a meagre wage. While he appreciated the need to allow for the development of legitimate telemarketing, he considered appropriate regulation of such calls equally important to protect the rights of the public. He called on the Administration to strictly enforce the voluntary CoP and urge the industry companies to strengthen the unsubscribe mechanism and put in place proper internal controls to ensure that unsubscribe requests were recorded and honoured. He said that strict compliance with the CoP by the four business sectors which made most of the calls might help significantly reduce the inconvenience and nuisance caused to the public. Failing that, the Government would have to resort to tougher measures including legislative measures. He also suggested that consideration be given to assign a special prefix to telemarketing calls so that call recipients could identify the calls and decide whether to take the calls right at the beginning.
- 36. <u>DG of T</u> said that due to technical restriction, the assignment of a special prefix for telemarketing calls would not address all the problems as some roaming services might not display the prefix of roaming calls. <u>PSCED(CT)</u> reiterated that voluntary compliance approach was the first step towards tackling the problem of P2P telemarketing calls. The Administration would continue to monitor the situation. If it was found that further measures were necessary, such as regulation by legislation, the Administration would seek the views of the Panel accordingly.

The use of personal data in direct marketing

37. Mr Ronny TONG, Mr WONG Ting-kwong and Ms Cyd HO expressed grave concern about the abuse of personal data and privacy in P2P telemarketing calls. In response, USCED said that the Personal Data (Privacy) Ordinance (PDPO) (Cap. 486) contained provisions concerning the use of personal data in direct marketing. Data Protection Principle Three provided that without the data subject's prescribed consent, personal data should not be used for purposes other than the purpose for which the data were collected or for a directly related purpose. Under section 34 of the PDPO, a data user who used personal data for direct marketing purposes had to cease using such data if the data subject so requested. As such, a call recipient could request the caller to stop using his personal data for

direct marketing purposes under the PDPO. Non-compliance with relevant provisions under the PDPO carried a penalty of fine at level 3.

#### Establishment of a complaint mechanism

- 38. Ms Cyd HO expressed reservation over the regulation of telemarketing calls by legislation, particularly those involving opinion poll and surveys conducted by academic institutions and the media. She said that legislative control might curtail free flow of information and freedom of speech. Noting that as many as 491 000 calls were made per day and that 24% of the calls were made after 9:00 pm, she opined that additional measures should be introduced to stop repeated unsolicited calls and to tackle the inconvenience caused by P2P telemarketing calls to recipients. She suggested that OFTA should provide a one-stop centralized complaint channel for call recipients to lodge complaints and establish a complaint mechanism to act upon complaints.
- 39. In response, <u>USCED</u> and <u>DG of T</u> reiterated that under the voluntary CoP, industry companies would be urged to maintain an in-house do-not-call list and establish a system to effectively respond to unsubscribe requests. Companies would also be urged to post on their websites their CoP and their pledge to it to enable the public to monitor their compliance. Apart from regulation under the PDPO, industry sectors/associations mindful of the need to maintain good reputation of the industry would impose sanctions for non-compliance. She added that even though OFTA had no legal power to investigate complaint cases relating to P2P telemarketing calls under the current legislation, as in the case of consumer complaints on contractual disputes in telecommunications services, intervention by OFTA might however lead to a satisfactory settlement.

Employment opportunities created by telemarketing calls

40. The Chairman and Mr WONG Ting-kwong enquired about the number of local telemarketing companies/call centres in Hong Kong and the number of local employees employed for making P2P telemarketing calls. DG of T replied that some companies deployed an in-house team for making outbound calls, some outsourced outbound call service to a call centre while some companies adopted a mixed operation. It was therefore difficult to have an accurate estimate. However, according to the telemarketing industry, the employment headcount was estimated at tens of thousands. At members' request, the Administration undertook to provide statistics on the number of local telemarketing companies/call centres in Hong Kong and the number of local employees hired by such business establishments.

Admin

#### Summing up

41. <u>The Chairman</u> requested the Administration to take note of members' views and update the Panel on the progress of the implementation of the voluntary CoP in six months' time.

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### VI. Any other business

42. There being no other business, the meeting ended at 4:30 pm.

Council Business Division 1
<u>Legislative Council Secretariat</u>
31 December 2009