

# **LEGISLATIVE COUNCIL BRIEF**

## **Noise Control Ordinance (Chapter 400)**

### **NOISE CONTROL (AMENDMENT) BILL 2000**

#### **INTRODUCTION**

At the meeting of the Executive Council on 1 February 2000, the Council ADVISED and the Chief Executive ORDERED that the Noise Control (Amendment) Bill 2000 (at Annex) should be introduced into the Legislative Council.

#### **BACKGROUND AND ARGUMENT**

2. The current provisions of the Noise Control Ordinance (NCO) do not contain sufficient deterrent against a body corporate committing noise offences. Under the existing provisions of the NCO, the maximum penalty is a fine of \$100,000 for the first conviction, and \$200,000 for the second or subsequent conviction. There are no terms of imprisonment under the NCO. The existing maximum fine levels have been in effect since 1994 when they were doubled in order to increase the deterrent effect. Notwithstanding the substantial increase in maximum fine levels, efforts to promote good practices and vigorous enforcement actions, there are still many noise complaints and offences under the NCO.

3. Noise complaints amounted to more than 40% of all pollution complaints in the past few years. In particular, complaints and offences arising from construction and commercial/industrial activities have become an increasing concern. The numbers of complaints and convictions related to these activities between 1996 and 1998 are as follows:

<u>Noise complaints</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
Construction noise:	2,027	1,888	2,201
Commercial/industrial noise:	2,101	2,424	2,356

<u>Noise Offence Convictions</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
Construction noise:	117	364	299
Commercial/industrial noise:	100	64	81

4. Under the NCO, the Environmental Protection Department (EPD) may initiate proceedings against any person who commits an offence. If an offence is committed, EPD will prosecute either individual owners of non-corporate companies or the corporate company whichever is applicable. These offenders could be the owners of the industrial or commercial premises, or the main contractors and/or the sub-contractors as appropriate in cases involving construction activities. For cases involving owners or contractors who are individual proprietors, they would be personally prosecuted under the NCO. For cases involving bodies corporate, both the bodies corporate and their management could be subject to prosecution under the existing NCO. But in effect only the bodies corporate are prosecuted because of difficulty in holding the management liable, due to a lack of explicit provision for imposing personal liability on the management of the body corporate concerned.

5. Individual proprietors were involved in some 24, 45 and 31 percent of the first convictions in 1996, 1997 and 1998 respectively, but in less than 10 percent in 1996 and less than 3 percent in 1997 and 1998 for second or subsequent convictions. These figures suggest that individual owners or business proprietors are less likely to repeat an offence, as they are held personally liable for an offence.

6. Violations of the NCO by bodies corporate are much more serious. Among the 380 conviction cases related to construction and commercial/industrial activities in 1998, close to 85% (321) involved corporate entities. In the three years between 1996 and 1998, 44 companies were convicted five times or more. Twelve of these companies have more than ten convictions. They included two construction companies which have been convicted 33 times and 24 times for construction noise offences. These repeated offences indicate that some corporate management tend to give less regard to compliance with NCO due to a lack of personal liability for the

actions of their companies. A number of them may even treat the fines imposed on the body corporate as part of the project cost.

7. Under other environmental legislation (i.e. Air Pollution Control Ordinance, Water Pollution Control Ordinance, Waste Disposal Ordinance, Environmental Impact Assessment Ordinance), there are provisions for holding the management of a body corporate liable for an offence committed by the body corporate. These provisions are considered to have good deterrent effect as the management of these corporations could be held personally liable for offences. Indeed, bodies corporate are less likely to commit the offences repeatedly under the other environmental legislation, as compared with NCO.

## **EFFECTS OF NOISE OFFENCES ON THE COMMUNITY**

8. A construction noise permit would normally be issued only if the construction noise in residential areas can be kept within 65 dB(A) up to 11:00pm in the evenings and throughout the day on holidays, and 50 dB(A) from 11:00pm to 7:00 am. Most of the construction noise convictions involved the use of powered mechanical equipment such as cranes, excavation machines or concreting machines in building development sites late in the evening or on public holidays. The typical noise level of these activities may reach 80dB(A) at nearby residential blocks, thus seriously depriving many residents of a period of rest after 7 p.m. or before 7 a.m. on weekdays or on public holidays.

9. For commercial/industrial noise, most convictions involved the operation of ventilation systems, water pumps or workshops. The typical noise levels in nearby residential flats are in the range of 60-75dB(A), affecting people's daily activities at home.

10. The 380 conviction cases in 1998 affected over 100,000 people. Almost all involved substantial and organized work on public holidays or work extending long into restricted hours and creating significant disturbance to the community.

## **THE NOISE CONTROL (AMENDMENT) BILL 2000**

11. To deter noise offences by a body corporate, it is proposed that the NCO be amended to state explicitly that when the offender is a body corporate, the management of that body corporate commits a like offence. This means that both the body corporate and the responsible persons within the body corporate could be prosecuted and fined for the same noise offence committed by the body corporate. The intention is to state explicitly the responsibility of the management of bodies corporate to prevent the violation of the NCO by such bodies. The proposed amendments do not seek to increase the existing maximum fine levels or impose heavier penalties on either the body corporate or the management of that body.

12. Under the proposed amendments, the directors involved in the management of a body corporate are held responsible for offences committed by the body corporate. Directors holding honorary or non-executive posts (i.e. those that are not concerned in the management of the body corporate), will not be held responsible. For the purpose of the proposed amendments, owners corporations registered under the Building Management Ordinance are not regarded as bodies corporate due to their voluntary nature of the office bearers may deter owners from participating in the management committee of an owners corporation if they were held personally liable for environmental offences. Other ordinances such as the Environmental Impact Assessment Ordinance also exclude owners corporations from the definition of “body corporate”.

13. The proposed legislative amendments provide for a due diligence defence. In line with international practices, it would be a due diligence defence if the management can demonstrate that a proper system has been established and was in effective operation to prevent the offence. There is no explicit statutory defence provision for the management for offences related to carrying out construction works during restricted hours without a construction noise permit. The permit system has been in operation for nearly 10 years and there should not be any excuse for the management of a body corporate to ignore this basic requirement.

14. To facilitate the management in discharging their statutory

responsibility, EPD will issue a Code of Practice to provide practical guidance on good management practices to prevent violation of the NCO. Compliance with the Code of Practice will constitute valid ground for accepting a due diligence defence. The Code of Practice will be in line with guidelines and practices adopted in many developed countries. It is intended to help the management to prevent, in a proactive manner, the operations and activities of a body corporate from violating the NCO. We have commenced consultation with the trades and professional organisations concerned on a preliminary draft of the Code of Practice since November 1999. We will continue this consultation process in parallel with the legislative amendment exercise with a view to developing an effective and practicable tool for the trades.

15. To enable the management of a body corporate to take all reasonable preventive steps before they are prosecuted for noise offences, EPD will warn the directors and officers concerned of their personal liability under the NCO and will remind them of their responsibilities when a noise offence has been committed by the body corporate. The department will prosecute the directors and officers concerned if the body corporate continues to violate the NCO despite the warning.

16. We propose that the amended provisions should come into operation on a day to be appointed by the Secretary for the Environment and Food by notice in the Gazette. We will give reasonable time for consultation with the trades and professional organisations on the Code of Practice and for the management to put in place a proper system within the body corporate to prevent violations of the NCO before we bring the amended provisions into operation.

## **HUMAN RIGHTS IMPLICATIONS**

17. The Department of Justice advises that the Bill is consistent with the human rights provisions of the Basic Law.

## **FINANCIAL AND STAFFING IMPLICATION**

18. There are no financial and staffing implications.

## **ECONOMIC IMPLICATIONS**

19. There will be no significant economic implications on the trades and industries concerned. The NCO was enacted in 1988 and the current proposal merely spells out explicitly the responsibility of the management of a body corporate to prevent violations of the NCO.

## **ENVIRONMENTAL IMPLICATIONS**

20. The proposed amendments will help to deter repeated violations by a body corporate. This should reduce serious noise disturbance to the community.

## **PUBLIC CONSULTATION**

21. The Advisory Council on the Environment was consulted on 29 November 1999. The Council fully supported the proposal.

22. The Legislative Council Panel on Environmental Affairs (EA panel) was consulted in March 1999 and again in December 1999. The present proposal has, as far as practicable, taken on board the views expressed by the Panel. The Panel indicated support for the proposal at its meeting on 20 December 1999 and asked the Administration to introduce the legislative amendment as soon as possible.

23. We have also consulted and considered the views of various stakeholders including Provisional District Boards (PDBs), labour unions, and the trades, associations and companies concerned on the proposal. Representatives of labour unions of the trades involved in noisy activities such as ship building, steel and construction, generally welcomed the idea of making the management responsible. They considered that the proposal would improve their working environment. Briefing sessions were held to obtain the views of PDBs. Some PDBs also invited us to attend their meetings to discuss the subject. In general, they supported the proposal and suggested that the persons to be held responsible should be clarified in the proposed amendments. Green groups were also consulted. They supported the proposal and urged the Administration to proceed with the amendment as soon as possible.

24. The Hong Kong Construction Association (HKCA) had reservations on the proposed amendments. They suggested that the Administration should adopt a non-punitive approach and look into ways to assist the construction industry to raise awareness through education and training among those engaged in the industry. They also proposed to work with EPD to develop an effective Code of Practice for noise control at construction sites, without amendment to the NCO. In response, we re-affirmed our intention to work in partnership with the HKCA and others in the construction industry to continue to promote awareness and good practice. However, given the serious noise disturbance to the community caused by NCO violations, a multi-pronged approach would need to be adopted. In view of the large number of construction sites under the control of construction companies and their higher incidence of repeated violations, companies which with overall responsibility for the conduct of their subcontractors and workers at construction sites must take steps to ensure compliance with the provisions of the NCO. We indicated that the proposed amendment was to ensure that the company management would take all reasonable preventive steps to prevent violation of the NCO. There was a due diligence defence for management of a body corporate and the authority would issue a Code of Practice under the proposed legislation to guide and facilitate company management in discharging their responsibilities in this regard.

25. The Administration will maintain liaison with the HKCA and representatives of other relevant trades and professional organisations on the proposal. EPD will work with the HKCA and others to strengthen and further develop the draft Code of Practice for the trades on good management practices to prevent NCO violations.

## **LEGISLATIVE TIMETABLE**

26. The legislative timetable of the Amendment Bill will be –

Publication in the Gazette	3 February 2000
First Reading and commencement	16 February 2000

of Second Reading debate

Resumption of Second Reading                      to be notified  
debate, committee stage and  
Third Reading

27.            A press release will be issued on 3 February 2000.

## **ENQUIRY**

28.            For any enquiries on this brief, please contact Mr Howard Chan,  
Principal Assistant Secretary, Environment and Food Bureau, at 2848 2251.

**Environment and Food Bureau**  
**February 2000**