



Australian Government
Department of Industry,
Innovation and Science

National
Measurement
Institute



National Compliance Plan 2019–2020

Legal Metrology Branch

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Our Principles

NMI is committed to ensuring that its legal metrology compliance activities will be consistent with best-practice approaches to regulation, including following the principles of proportionality, consistency and transparency.

Proportionality

Any regulatory response will be proportionate to the impact of any actual or potential harm.

Consistency

We will take a consistent approach when interpreting, applying and enforcing national trade measurement legislation.

Transparency

As a regulator, we will be accessible, provide clear guidance on all aspects of our legislation, and be open about our policies, processes and, where permitted, our decisions.

Our Service Aims

All NMI staff involved in compliance activities work within a clear framework of service aims and standards as outlined in our Legal Metrology Service Charter:

Efficiency

We respond to client and stakeholder requests in the stated timeframes.

Clarity

We demonstrate sound technical or legal knowledge and provide customers with unambiguous guidance.

Empathy

We seek to understand customer needs.

Professionalism

We are friendly, polite, and always conscious of how we represent legal metrology as a service of the Australian Government.

Accountability

We accept and respond to stakeholder feedback and keep stakeholders informed of the processes we undertake to address their enquiries and complaints

A Risk-Based Approach to Minimise Harm

The aim of NMI's administration of legal metrology regulatory compliance is to minimise harm without creating unnecessary compliance costs or burdens for business.

We measure risk in terms of the harm and likelihood of regulatory non-compliance. Some of the factors used to determine harm include:

- impact on confidence in the measurement system
- extent of financial detriment to consumers or industry
- impact on maintaining a level playing field for business competition
- ability of consumers to make informed purchasing decisions.

In assessing risk we consider the impact of any single instance and/or the cumulative effect of many individual instances of non-compliance.

We use a risk-based approach when:

- prioritising the development and maintenance of legal metrology infrastructure (for example, pattern approval standards, National Instrument Test Procedures and appointment of Authorities)
- targeting compliance activities
- determining the appropriate and proportionate regulatory response where non-compliance is identified.

Recognising compliance history

Consideration of risk when determining regulatory responses will also be guided by previous compliance history. For example, NMI may:

- consider appropriate levels of surveillance for particular traders that have demonstrated a commitment to compliance through adoption of robust quality assurance systems or an industry code of conduct
- prioritise responding to complaints received about potential breaches of trade measurement law based on the compliance record of industry sectors and/or particular traders.

Program-Driven Compliance Activities

NMI combines market intelligence, consumer complaints and stakeholder feedback with compliance history to plan and implement targeted inspection programs for industry sectors that have a higher risk of non-compliance with the requirements of trade measurement law.

NMI undertakes pilot programs to assess the level of risk associated with non-compliance in particular or emerging industry sectors. These pilot programs are used to determine whether a targeted program needs to be introduced.

NMI allocates a small portion of its resources to maintain a base level of compliance monitoring activity through random audits. These provide visibility in the wider market. The 'potential' for a low-risk entity to be subject to some form of compliance activity can be a sufficient incentive for these entities to continue to voluntarily meet their obligations.

NMI also takes advantage of the presence of its trade measurement inspection force in the field to undertake market surveillance and investigation activities on behalf of other Commonwealth agencies, such as the Department of Health and the Australian Competition and Consumer Commission.

2019-2020 Compliance Programs

Concentrated National Audit Programs

Under this program methodology, first introduced in 2018-19, all trade measurement inspectors will be involved together in a concentrated national audit, focused on a single industry sector over a specific time period, to assess compliance with trade measurement regulations.

Two major factors determining which traders are targeted in these national audits will be:

- previously identified non-compliance
- relative market shares of industry participants.

Four concentrated national audit programs will be undertaken in 2019-20.

Major Supermarkets

Major supermarket audits will include a focus on the compliance of measuring instruments as well as products that are packed 'in-store' (such as bakery goods) and supermarkets' own brands, as these represent an increasing part of the retail offering.

Retail Fuel

Compliance monitoring has identified that the proportion of retail fuel dispensers inaccurate to consumer disadvantage doubled between 2016-16 and 2017-18, from 2.4 per cent to 4.8 per cent. This trend was confirmed during the 2018-19 Retail Fuel audit program.

Meat, Fish and Poultry Retail

This program will include a particular focus on traders identified as non-compliant during the 2017-18 Meat, Fish and Poultry Retail program.

Licensed Premises

This program will focus on the sale of beer and prescribed spirits in licensed premises to ensure consumer are receiving correct measure.

National Targeted Programs

Livestock Saleyard

The livestock industry is economically significant to Australia. In 2016-17 the beef cattle industry alone, including slaughter and live exports, had a gross value of more than \$12 billion¹. This program will assist in:

- developing an in-depth understanding of sales practices within the livestock industry
- addressing any trade measurement compliance issues identified, such as ensuring correct measurement and transparency in the measurement process.

Remote and Indigenous Communities

As part of our commitment to ensuring that industry and consumers are not unfairly disadvantaged as a consequence of their locality, NMI will ensure that time is spent in remote locations including indigenous communities to increase awareness of trade measurement requirements and assess compliance with trade measurement legislation.

Weighbridge Testing

Weighbridges are a fundamentally important measurement instrument in industries that contribute significantly to Australian GDP such as mining, agriculture, livestock and transport. NMI will continue to deliver a program of weighbridge inspection tests across metropolitan and regional areas. We are also further enhancing our harm assessment processes to ensure that we prioritise higher risk sites.

Compliance Confidence

NMI will continue to target a selection of traders and industry groups found to be non-compliant in previous years, to evaluate their ongoing business practices. The results of these inspections will be used to determine the level of future engagement with these industries in order to address any systemic failure to commit to long term compliance.

Verified Instrument Audits

The integrity of most trade measurement transaction depends on accurate measuring instruments. NMI appoints organisations called Servicing Licensees to ensure trade instruments are accurate before being used (verification). This program will audit recently verified instruments to ensure that verification is being undertaken correctly.

Proactive High Risk

This program enables the allocation of resources to areas not the subject of specific National Program plans for 2019-20. It allows for inspection and investigation where suspected significant non-compliance is occurring by individual trader and flexibility in addressing regionally specific issues that may not impact nationally.

Emerging Industry Programs

Waste Management

Weight and volume based charging is increasingly prevalent in the waste management and recycling sector. We will continue our work in this area to analyse potential risks in the industry and assess the necessary level of regulatory involvement.

New Traders

This program will target newly registered traders to provide information on the requirements of trade measurement legislation and correct non-compliant measurement practices.

External Agency Programs

Tobacco Plain Packaging – Department of Health

Trade measurement inspectors are appointed as authorised officers by the Department of Health to undertake education and investigation activities in relation to compliance with the provisions of the Tobacco Plain Packaging Act 2011 and the Tobacco Plain Packaging Regulations 2011.

Country of Origin Labelling – Australian Competition and Consumer Commission

On behalf of the ACCC, NMI will conduct market surveillance in metropolitan, regional and remote areas across a broad range of businesses involved in the supply of food products (packaged and unpackaged), to assess compliance with the Country of Origin Food Labelling Information Standard 2016.

2019-2020 Compliance Targets

INSPECTION ACTIVITY	PERFORMANCE TARGETS
Provide broad coverage across industry sectors in metropolitan and regional areas	10,000 trader audits (including both initial and follow-up audits)
Test a wide range of instruments in use for trade	10,000 instruments
Test a wide range of pre-packaged articles	70,000 pre-packed article lines
Monitor trading practices	1000 'secret shopper' trial purchases

¹ Australian Bureau of Agricultural and Resource Economics and Sciences, Agricultural commodity statistics 2018