



Legal Metrology Compliance in 2021–22

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*Cover image: Assistant Trade Measurement Officers Alana Dargham, Anton Jerkic and Jessica Le at an audit of fruit and vegetable retailers. Image credit: Kylie Kluger.*

# What is Trade Measurement?

Trade measurement refers to buying and selling of goods and services where the value is determined by measurement.

Studies in Australia, the USA and Canada have estimated that the total value of trade transactions involving measurement (including packaged goods and utility metering) accounts for at least 50 per cent of Gross National Income1. Of this amount, around a quarter is accounted for by retail transactions with the remaining three quarters being business to business transactions. Based on these estimates, the total value of trade transactions involving measurement in Australia is currently more than $970 billion a year.

Consistency and certainty in measurement supports fair and open competition. It provides a level playing field for business by ensuring that all market participants, irrespective of their size or financial strength, follow the same rules and have equal opportunity to compete.

Reliable representations of measurements help consumers and businesses make informed purchasing decisions. More broadly, they support the efficient operation of the market.

# Regulation of Trade Measurement

The National Measurement Institute (NMI), a division of the Australian Government Department of Industry, Science and Resources, administers the [*National Measurement Act 1960*](https://www.legislation.gov.au/Details/C2016C00085)and associated regulations to ensure that for trade purposes:

* measuring instruments are fit for purpose
* measurements are made correctly
* representations about measurements are accurate.

To help businesses comply with their legal obligations, NMI’s trade measurement inspectors:

* test measuring instruments, inspect packaged goods and review business practices
* provide advice on meeting compliance obligations
* take enforcement action when necessary.

Inspectors usually wear branded clothing and show an ID card to the business owner/operator at the commencement of an audit. However, inspectors can also make incognito ‘trial purchases’ to assess whether businesses are, for example, correctly operating scales and allowing for the weight of packaging during over‑the‑counter transactions.

NMI takes a risk‑based approach when targeting compliance activities and determining the appropriate and proportionate regulatory response where non-compliance is identified.

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.

## A Note about Compliance

Non‑compliance can take many forms:

* inappropriate measurement practices which can include not adjusting the shop scales to account for the weight of packaging in over the counter transactions
* measurement labels that do not meet regulatory requirements
* short measure packaged goods
* using measuring instruments that are unapproved or inaccurate.

Not all instances of non‑compliance necessarily affect the integrity of measurement‑based transactions. Where measurement errors are found they are usually relatively minor and large errors are quite rare.

Where non‑compliance is assessed as resulting in a low level of harm and there is minimal likelihood of continued non‑compliance an inspector will issue a non‑compliance notice, and may provide advice if appropriate. A follow‑up visit will check that any issues identified have been corrected. This is the most common enforcement action.

However, even minor measurement errors can have a significant impact on competition and consumer detriment when considered in aggregate.

1 Birch, J (2003) ‘Benefit of Legal Metrology for the Economy and Society’, International Committee of Legal Metrology.

# Summary of 2021–22 Compliance Activity and Outcomes

## COVID-19 Response

In order to comply with various movement restrictions and to reduce the risk of COVID‑19 transmission to our staff and within the community, trade measurement field audit activity was suspended or restricted for significant periods in many parts of the country during 2021–22.

Where a return to fieldwork has been possible, NMI has carefully assessed risks for each industry sector and followed safe work method statements to mitigate these risks. We will continue to follow physical distancing guidelines and hygiene practices as part of our COVID‑Safe Plan. We remain committed to ensuring staff and clients stay safe.

NMI has also been conscious of the need to show flexibility in its regulatory approach during this time, allowing businesses to continue to operate under difficult circumstances while still ensuring that consumers are protected. This has included, after appropriate risk assessments:

* reviewing enforcement actions for non-compliance where traders are suffering financial hardship as a result of the contraction in business activity
* extending Regulation 13 Certificates where access to trade measurement laboratories or verifying authorities has been affected by travel restrictions
* considering payment terms for regulatory administration fees.



*Image credit: Juanmonino, Getty Images.*

## Trader Audits

In 2021–22, NMI’s trade measurement inspectors:

* audited over 3,100 business premises (includes initial and follow‑up audits)
* tested around 7,100 measuring instruments
* inspected more than 470 weighbridges
* inspected more than 17,000 lines of packaged goods (almost 60,000 individual packages) for correct measure and measurement labelling.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Year | Trader audits | Measuring instruments | Weighbridges | Packaged lines | Individual packages |
| 2015–16 | 10,123 | 15,240 | 960 | 80,163 | 319,616 |
| 2016–17 | 10,218 | 17,093 | 1154 | 87,939 | 355,448 |
| 2017–18 | 9,633 | 14,906 | 965 | 71,799 | 271,375 |
| 2018–19 | 7,586 | 15,887 | 614 | 70,183 | 256,507 |
| 2019–20 | 7,600 | 13,588 | 479 | 78,290 | 203,320 |
| 2020–21 | 4,842 | 14,049 | 594 | 25,990 | 100,139 |
| 2021–22 | 3,131 | 7,118 | 473 | 17,360 | 59,862 |

As noted above, the most common enforcement response is for inspectors to provide advice and conduct follow-up inspections to ensure non-compliance is rectified. Most businesses are keen to do the right thing and promptly rectify trade measurement breaches once they are made aware of them. The success of this approach is demonstrated by 93.7 per cent of all businesses inspected found to be complying with the law after follow‑up audits were undertaken, up from 68.7 per cent of 2,529 traders found to be fully compliant after an initial audit in 2021–22.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Year | Initial audits | Initial non-  compliance | Follow-up audits | Follow-up non-  compliance | Estimated final non- compliance |
| 2015–16 | 7,634 | 2,558 (33.5%) | 2,489 | 380 (15.3%) | 5.1% |
| 2016–17 | 7,761 | 2,732 (35.2%) | 2,257 | 382 (16.9%) | 5.9% |
| 2017–18 | 7,282 | 2,545 (34.9%) | 2,351 | 422 (17.9%) | 6.3% |
| 2018–19 | 6,357 | 2,127 (33.5%) | 1,229 | 237 (19.3%) | 6.5% |
| 2019–20 | 5,736 | 1,932 (33.7%) | 1,864 | 470 (25.2%) | 8.5% |
| 2020–21 | 3,587 | 1,222 (34.1%) | 1,255 | 337 (26.9%) | 9.2% |
| 2021–22 | 2,529 | 791 (31.3%) | 602 | 121 (20.1%) | 6.3% |

While a high proportion of non-compliance is relatively minor and usually quickly addressed when identified by trade measurement inspectors, trader types with a greater incidence of non‑compliance requiring more serious enforcement action in 2021–22 included:

* fuel retailers
* fruit and vegetable retailers
* importers
* licensed premises
* meat retailers
* recycling and resource recovery wholesalers
* supermarkets.

Enforcement actions used against some of the above trader types is included later in this report.

## Measuring Instruments

Australia’s trade measurement laws require that measuring instruments used for trade are of an approved type, have been verified by a licensed technician before use, and are accurate at all times while in use. NMI authorises servicing licensees to undertake verifications.

7,118 measuring instruments were tested in 2021–22, with 258 (3.6 per cent) found to be inaccurate to consumer disadvantage. During the year, 186 (2.6 per cent) of instruments tested were found to be inaccurate in the consumers’ favour.

In 2021–22, instrument categories with the greatest proportion of instruments tested found to be inaccurate to consumer disadvantage included:

* retail fuel dispensers (petrol and diesel) –with 5.7 per cent of 3,970 tested
* weighing instruments (30 kg or less) –with 0.8 per cent of 2,096 tested
* weighbridges –with 0.8 per cent of 473 tested
* beverage dispensers –with 2.1 per cent of 326 tested
* weighing instruments (30 kg to 3 tonnes) –with 4 per cent of 50 tested.

## Packaged Goods

Of the 17,360 lines of packaged goods tested in 2021–22, 679 or 3.9 per cent were found to contain less product than stated on the label, with most discrepancies relatively small (shortfall less than 5 per cent). Packaged goods product types with the greatest proportion of incorrect measure in 2021–22 included:

* chemicals (industrial) –15.4 per cent of 26 packaged lines
* fruit and vegetable (fresh) –4.5 per cent of 3,363 packaged lines
* health foods –3.2 per cent of 474 packaged lines
* meat (fresh) –7.1 per cent of 3991 packaged lines
* meat (processed) –6.8 per cent of 675 packaged lines
* seafood (fresh) –7.6 per cent of 105 packaged lines.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Pre-packed Article Failure Reason | Chemicals | Fruit & Veg | Health Food | Meat fresh | Meat  processed | Seafood |
| PPA Marking – Measurement Marking Compliance | 0 | 13 | 7 | 7 | 1 | 0 |
| PPA Marking – Measurement Statement | 0 | 142 | 171 | 9 | 10 | 0 |
| Shortfall -Non AQS - Group Test <1% | 0 | 0 | 0 | 8 | 0 | 0 |
| Shortfall -Non AQS - Group Test > 1 % and =< 5% | 0 | 13 | 1 | 25 | 0 | 0 |
| Shortfall -Non AQS - Group Test > 5 % | 0 | 4 | 0 | 0 | 0 | 0 |
| Shortfall –Non AQS – Single Article =< 1 % | 0 | 40 | 0 | 139 | 10 | 6 |
| Shortfall –Non AQS – Single Article >1% and  =<5 % | 4 | 47 | 10 | 25 | 13 | 0 |
| Shortfall –Non AQS – Single Article > 5 % | 0 | 39 | 4 | 12 | 22 | 0 |

Further details on compliance and enforcement activity and outcomes in 2021–22 are provided below.

The results outlined in this report were used in developing NMI’s inspection priorities for trade measurement compliance activity in 2022–23. A copy of the [2022–23 National Compliance Plan](https://www.industry.gov.au/data-and-publications/national-measurement-institute-national-compliance-plan)2 is available on the NMI website.

2 https://[www.industry.gov.au/data-and-publications/national-measurement-institute-national-compliance-plan](http://www.industry.gov.au/data-and-publications/national-measurement-institute-national-compliance-plan)

# Concentrated National Audits

After an initial trial in 2018–19, NMI has adopted concentrated national audits as an integral part of our compliance and enforcement strategy. Under this program type, all trade measurement inspection activity nationally is focused on a single industry sector over a specific time period.

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

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

Three concentrated national audit programs were scheduled to be undertaken in 2021–22:

* independent supermarkets
* licenced premises
* importers.

The licensed premises and independent supermarkets programs were modified and the importers program was undertaken as an annual program due to restrictions associated with on‑site inspection activities resulting from the COVID‑19 pandemic.

The data in this section of the report specifically refers to inspection outcomes from concentrated audits. In the remainder of the report this data is aggregated with data from inspections conducted over all of 2021–22.

## Independent Supermarkets

As supermarket purchases represent a significant proportion of daily consumer measurement-related transactions, NMI closely monitors compliance in this sector. A concentrated audit of major supermarkets and independent grocery stores was undertaken from 9 to 13 May 2022.

As part of the audit NMI’s trade measurement inspectors:

* visited 346 business premises
* tested 728 measuring instruments
* checked 6,544 packaged article lines
* conducted 291 trial purchases.

Non‑compliance was found at 157 (45.3 per cent) of the 346 business premises audited, including:

* 35 measuring instruments not verified
* 25 measuring instruments inaccurate outside Maximum Permissible Error (MPE) to consumer advantage
* 9 measuring instruments inaccurate outside MPE to consumer disadvantage.

Further details on compliance audit outcomes in 2021–22 and comparison with results from 2019–21 are provided below.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Year | Inaccurate measuring instrument | Packaged goods (short measure) | Packaged goods (labelling) | Trading Practices |
| 2019–20 | 145 (12.1%) | 309 (3.1%) | 214 (2.1%) | 88 (28.3%) |
| 2020–21 | 54 (13.7%) | 77 (4.0%) | 46 (2.4%) | 25 (30.1%) |
| 2021–22 | 64 (9.0%) | 202 (3.1%) | 160 (2.5%) | 88 (27.9%) |

Whilst most non‑compliance detected was corrected by traders on advice from inspectors, NMI issued 218 non-compliance notices for the following breaches:

* 48 related to measuring instruments
* 91 related to packaged goods; and
* 79 for failure of trading practice (shortfall offences from trial purchases).

Some stores were issued with more than one non‑compliance notice or a non‑compliance notice covering more than one breach.

Trade measurement compliance of independent supermarkets will continue to be monitored as part of NMI’s 2021–22 [National Compliance Plan](https://www.industry.gov.au/publications/national-measurement-institute-national-compliance-plan)3.

3 [https://www.industry.gov.au/data-and-publications/national-measurement-institute-national-compliance-plan](https://www.industry.gov.au/publications/national-measurement-institute-national-compliance-plan)

## Licensed Premises

In response to the level of non‑compliance detected in this industry sector across instruments and trading practices, a concentrated national audit was undertaken from 21 to 25 March 2022 with further audits carried out from 26 to 29 April 2022. This concentrated national audit included inspections of licensed premises including pubs, clubs, breweries, sporting venues and hotels.

As part of the concentrated national audit, NMI’s trade measurement inspectors:

* visited 404 business premises
* tested 281 measuring instruments
* checked 33 packaged article lines
* conducted 139 trial purchases.

Non‑compliance was found at 105 (25.9 per cent) of the 404 licensed premises audited and included 46 failed trial purchases.

While most non‑compliance detected was relatively minor and corrected by traders on advice from inspectors, NMI issued the following enforcement actions:

* 5 warning letters.

Further details on compliance audit outcomes in 2021–22 and comparison with results from 2019–21 are provided below.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Inaccurate Measuring Instrument | | | | |
| Year | Consumer advantage | Consumer disadvantage | Not verified | Trading Practices |
| 2019–20 | 3 (0.2%) | 40 (3.8%) | 47 (4.4%) | 212 (24.1%) |
| 2020–21 | 2 (1.3%) | 6 (3.9%) | 3 (1.9%) | 14 (18.7%) |
| 2021–22 | 8 (3.0%) | 5 (1.8%) | 7 (2.6%) | 96 (23.3%) |



*A/g Assistant Manager (QLD and NSW) Ivan Geritz inspecting a licensed premises as part of the 2021-2022 concentrated audit program. Image credit: Kylie Kluger.*

# Enforcement Actions

NMI inspectors issue non-compliance notices whenever any breaches of trade measurement law are identified during trader audits.

Enforcement action of a more serious nature is taken when:

* continued non‑compliance is detected after a notice has been previously issued
* a breach detected in an initial audit is particularly severe such as significant shortfall in multiple product lines
* contraventions are of high public interest/impact.

Available enforcement actions include:

* warning letters
* infringement notices with associated fines
* enforceable undertakings
* referral to the Commonwealth Director of Public Prosecutions (CDPP) for injunction or potential prosecution.

Any enforcement action, such as a warning letter or infringement notice, may cover more than one breach of trade measurement law.

The value of fines associated with infringement notices in 2021–22 was $1,110 per offence. NMI issued 18 infringement notices with $28,860 in associated fines.

It should be noted that the CDPP determines whether to take forward a referral to prosecution. Prosecutions may also conclude in the year subsequent to any referral.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Year | Non-  compliance notice | Warning letter | Infringement notice | Enforceable Undertaking | Referral to CDPP | Conviction |
| 2015–16 | 2,938 | 207 | 87 ($85,100) | 0 | 7 | 1 |
| 2016–17 | 3,687 | 306 | 74 ($69,300) | 0 | 3 | 3 |
| 2017–18 | 3,614 | 239 | 58 ($65,250) | 0 | 1 | 0 |
| 2018–19 | 2,753 | 74 | 37 ($43,050) | 0 | 3 | 1 |
| 2019–20 | 2,234 | 188 | 100 ($123,900) | 2 | 1 | 1 |
| 2020–21 | 1,787 | 40 | 12 ($18,510) | 2 | 1 | 0 |
| 2021–22 | 926 | 35 | 18 ($28,860) | 0 | 0 | 0 |

As shown in the table below, in 2021–22 the most common breaches subject to a warning letter were short measure packaged goods and trading practices, while the most common breaches subject to an infringement notice were short measure in packaged goods. Trading practices breaches include not correctly operating scales and not allowing for the weight of packaging during over‑the‑counter transactions. As noted above, an enforcement action may cover more than one breach.

### Breaches by enforcement action 2021–22

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Enforcement action | Inaccurate measuring instrument | Packaged goods (short measure) | Packaged goods (labelling) | Trading Practices |
| Warning letter | 14 | 31 | 5 | 31 |
| Infringement notice | 4 | 15 | 0 | 7 |

## Convictions

No convictions were recorded in 2021–22.

# Compliance and Enforcement by Trader Type

As noted above, more serious enforcement actions are imposed where severe and continued non‑compliance is detected. Certain trader types continued to have relatively higher rates of more serious non‑compliance during 2021–22, reflecting ongoing issues in those sectors.

Higher rates of serious non‑compliance detected among some trader types in 2021–22 resulted in higher risk traders being the subject of further investigation through the 2022–23 concentrated national audit programs.

The data in this section aggregates results from all inspections conducted throughout 2021–22, including those from concentrated audit programs.

## Meat Retail

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Year | Initial audits | Non- compliant | Follow-up audits | Non- compliant | Warning letters | Infringement notices |
| 2017–18 | 856 | 418 (49%) | 414 | 61 (15%) | 41 | 4 ($3,900) |
| 2018–19 | 467 | 176 (38%) | 161 | 28 (17%) | 8 | 6 ($7,350) |
| 2019–20 | 610 | 309 (51%) | 193 | 47 (24%) | 74 | 14 ($15,750) |
| 2020–21 | 176 | 68 (39%) | 187 | 65 (35%) | 9 | 2 ($2,220) |
| 2021–22 | 78 | 36 (46%) | 35 | 6 (17%) | 4 | 1 ($2,220) |

### Breaches by enforcement action 2021–224

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Enforcement action | Inaccurate measuring instrument | Packaged goods (short measure) | Packaged goods (labelling) | Trading Practices |
| Warning letter | 0 | 17 | 0 | 4 |
| Infringement notice | 0 | 1 | 0 | 1 |

## Supermarkets

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Year | Initial audits | Non- compliant | Follow-up audits | Non- compliant | Warning letters | Infringement notices |
| 2017–18 | 1,547 | 593 (38%) | 545 | 101 (19%) | 54 | 13 ($17,550) |
| 2018–19 | 2,062 | 881 (43%) | 298 | 59 (20%) | 16 | 11 ($12,600) |
| 2019–20 | 1,186 | 304 (26%) | 317 | 74 (23%) | 10 | 9 ($9,450) |
| 2020–21 | 757 | 152 (20%) | 305 | 72 (24%) | 8 | 3 ($3,330) |
| 2021–22 | 493 | 179 (36%) | 93 | 21 (23%) | 5 | 4 ($4,440) |

### Breaches by enforcement action 2021–22

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Enforcement action | Inaccurate measuring instrument | Packaged goods (short measure) | Packaged goods (labelling) | Trading Practices |
| Warning letter | 0 | 2 | 0 | 11 |
| Infringement notice | 1 | 3 | 0 | 0 |

4 Breach numbers may not have resulted in the same number of enforcement actions. I.e. 3 breaches may result in one warning letter.

Compliance by Instrument Type

The basis of any trade measurement transaction is an accurate measuring instrument. As in previous years, in 2021–22 more than 85.1 per cent of instruments tested were found to be fully compliant with legislative requirements. 3.6 per cent of measuring instruments were found to be inaccurate to consumer disadvantage. There were 2.6 per cent of instruments found to be inaccurate in favour of the consumer.

An instrument was deemed non‑compliant if one or more of the following was found:

* not verified by an authorised servicing licensee (or without a verification mark)
* failed to measure accurately –regardless of whether the inaccuracy resulted in consumer disadvantage or consumer advantage
* did not meet other standards necessary to comply with legislation, such as display issues; eccentricity; inadequate sealing; or data plate irregularities.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Year | Instruments tested | Compliant | Not verified | Inaccurate (consumer advantage) | Inaccurate (consumer disadvantage) | Other non-  compliance |
| 2015–16 | 15,240 | 12,623  (82.8%) | 587 (3.9%) | 563  (3.7%) | 261  (1.7%) | 1,206  (7.9%) |
| 2016–17 | 17,093 | 14,664  (85.8%) | 829 (4.8%) | 571  (3.3%) | 309  (1.8%) | 720  (4.3%) |
| 2017–18 | 14,906 | 12,605  (84.6%) | 872 (5.9%) | 557  (3.7%) | 339  (2.3%) | 533  (3.5%) |
| 2018–19 | 15,887 | 13,184  (83.0%) | 611 (3.9%) | 1144  (7.2%) | 385  (2.4%) | 563  (3.5%) |
| 2019–20 | 13,588 | 11,753  (86.5%) | 415 (3.1%) | 505  (3.7%) | 342  (2.5%) | 573  (4.2%) |
| 2020–21 | 14,049 | 12,104  (86.2%) | 413 (2.9%) | 473  (3.4%) | 341  (2.4%) | 718  (5.1%) |
| 2021–22 | 7,118 | 6,054  (85.1%) | 305  (4.3%) | 186  (2.6%) | 258  (3.6%) | 315  (4.4%) |



*Assistant Trade Measurement Officers Jory McIntrye and Jessica Le conducting a compliance audit at a supermarket. Image credit: Phil Fitzgerald.*

The instrument types with an above average proportion found to be inaccurate to consumer disadvantage have been relatively consistent over recent years. The increase in fuel dispensers inaccurate to consumer disadvantage is expected as the audits undertaken in the current year were targeted to high risk trade groups.

|  |  |  |  |
| --- | --- | --- | --- |
| Instrument type | Year | Instruments tested | Inaccurate (consumer  disadvantage) |
| Fuel dispensers (petrol and diesel) | 2015–16 | 2923 | 85 (2.9%) |
| 2016–17 | 1260 | 54 (4.3%) |
| 2017–18 | 1434 | 91 (6.3%) |
| 2018–19 | 3883 | 211 (5.4%) |
| 2019–20 | 3699 | 193 (5.2%) |
| 2020–21 | 6258 | 245 (3.9%) |
| 2021–22 | 3970 | 227 (5.7%) |
| Weighing instruments (30 kg to 3 tonnes) | 2015–16 | 364 | 16 (4.4%) |
| 2016–17 | 475 | 23 (4.8%) |
| 2017–18 | 346 | 18 (5.2%) |
| 2018–19 | 298 | 13 (4.4%) |
| 2019–20 | 179 | 5 (2.8%) |
| 2020–21 | 54 | 4 (7.4%) |
| 2021–22 | 50 | 2 (4.0%) |
| Beverage dispensers | 2015–16 | 865 | 35 (4.0%) |
| 2016–17 | 945 | 62 (6.6%) |
| 2017–18 | 1113 | 34 (3.1%) |
| 2018–19 | 401 | 16 (4.0%) |
| 2019–20 | 1486 | 61 (4.1%) |
| 2020–21 | 152 | 6 (4.0%) |
| 2021–22 | 326 | 7 (2.1%) |

## Compliance of Retail Fuel Dispensers

Of 3970 fuel dispensers tested in 2021–22, 87 (2.2 per cent) were delivering more fuel than indicated on the display to the benefit of consumers while 227 (5.7 per cent) were delivering less fuel.

The great majority of dispensers inaccurate to consumer disadvantage were inaccurate in the range of one to three times the maximum permissible error of 0.3 per cent. This equates to between 30 cents and 90 cents for every $100 of fuel delivered. While this is a relatively small sum for an individual consumer, if applied to 5.7 per cent of all fuel sales in the year it amounts to between $9m and $29m in aggregate detriment for the community.

NMI will continue to closely assess trade measurement compliance at retail fuel sites as part of its [National Compliance Plan for 2022–23](https://www.industry.gov.au/publications/national-measurement-institute-national-compliance-plan)5.

|  |  |  |  |
| --- | --- | --- | --- |
| Year | Petrol and diesel dispensers tested | Inaccurate  (consumer advantage) | Inaccurate (consumer  disadvantage) |
| 2015–16 | 2923 | 140 (4.8%) | 85 (2.9%) |
| 2016–17 | 1260 | 51 (4.0%) | 54 (4.3%) |
| 2017–18 | 1434 | 31 (2.2%) | 91 (6.3%) |
| 2018–19 | 3883 | 157 (4.0%) | 211 (5.4%) |
| 2019–20 | 3699 | 191 (5.2%) | 193 (5.2%) |
| 2020–21 | 6258 | 221 (3.5%) | 245 (3.9%) |
| 2021–22 | 3970 | 87 (2.2%) | 227 (5.7%) |

## Consumer Complaints

Consumer concern about this issue is reflected in complaints to NMI about potential breaches of trade measurement law, of which almost two thirds relate to allegations of short measure from fuel dispensers (liquid and gas). Only 35 (13.3 per cent) of 264 fuel related complaints received in 2021–22 were found to be justified when investigated, consistent with results in previous years.

|  |  |  |  |
| --- | --- | --- | --- |
| Year | Total complaints received | Fuel (liquid and gas) complaints | Fuel complaints justified  (consumer disadvantage) |
| 2015–16 | 724 | 459 (63%) | 10 (2.2%) |
| 2016–17 | 672 | 411 (61%) | 18 (4.4%) |
| 2017–18 | 782 | 511 (65%) | 16 (3.1%) |
| 2018–19 | 767 | 494 (64%) | 31 (6.3%) |
| 2019–20 | 651 | 403 (62%) | 14 (3.5%) |
| 2020–21 | 449 | 260 (58%) | 17 (6.5%) |
| 2021–22 | 536 | 372 (69%) | 16 (3.0%) |

5 <https://www.industry.gov.au/publications/national-measurement-institute-national-compliance-plan>

## Public Weighbridge and Servicing Licensee Compliance

Businesses across Australia rely on the capability of licensed third‑party organisations in order to comply with the requirements of the Act and to help maintain the metrological infrastructure for trade measurement. NMI appoints organisations called Servicing Licensees to verify the accuracy of trade measuring instruments before first use or after repair. NMI also appoints Public Weighbridge Licensees to ensure weighbridges made available to the public are operated in accordance with regulatory requirements.

Compliance activities to help ensure the integrity of the licensing system, include:

* quality management audits of Servicing Licensees and Public Weighbridge Licensees, including through the Weighbridge Testing program
* audits of recently verified measuring instruments to ensure that verification is being undertaken correctly.

We also monitor Servicing Licensee compliance through a number of metrics, such as:

* appropriate and timely reporting of measuring instrument verifications
* auditing of test reports submitted for complex instrument verifications
* Licensees being authorised to verify relevant instrument subclasses
* verifications being performed by verifiers holding appropriate competency for specific instrument types.

### Licensing enforcement actions 2021–22

|  |  |
| --- | --- |
| Enforcement action | 2021–22 |
| Non-compliance advice email | 91 |
| Warning letter | 8 |
| Infringement notice | 1 |

# Compliance of Packaged Goods

In 2021–22, trade measurement inspectors examined 17,360 lines of packaged goods (59,862 individual packages) to check whether they:

* contained the correct amount (weight, volume or units) as displayed on the label
* displayed sufficient measurement marking (e.g. weight, price per kilogram and total price for the article) in the correct format and position
* included correct packer identification (name and street address of packer if packed within Australia or name and address of importer or seller).

Most discrepancies detected in packaged goods are usually relatively small. Discrepancies include inadequate measurement marking or the information on the label may not meet the minimum requirements for size and placement. Common errors can be corrected following advice from a trade measurement inspector.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Year | Packaged lines inspected | Individual packages | Lines with short measure | Lines with non- compliant  labelling |
| 2015–16 | 80,163 | 319,616 | 2,155 (2.7%) | 1,615 (2.0%) |
| 2016–17 | 87,939 | 355,448 | 3,111 (3.5%) | 4,589 (5.2%) |
| 2017–18 | 71,799 | 271,375 | 3,464 (4.8%) | 3,691 (5.1%) |
| 2018–19 | 70,183 | 256,507 | 1,621 (2.3%) | 1,606 (2.3%) |
| 2019–20 | 78,290 | 203,320 | 1,269 (1.6%) | 2,243 (2.9%) |
| 2020–21 | 25,990 | 100,139 | 1,194 (4.6%) | 1,125 (4.3%) |
| 2021–22 | 17,360 | 59,862 | 678 (3.9%) | 851 (4.9%) |

While meat and seafood consistently appear among the categories of packaged goods with the greatest proportion found to contain short measure, there has been considerable variation among other categories over recent years.

### Packaged goods short measure 2021–22

|  |  |  |  |
| --- | --- | --- | --- |
| Product type | Packaged lines inspected | Individual packages | Lines with short measure |
| Meat (Fresh) | 3,991 | 11,630 | 282 (7.1%) |
| Dairy (Cheese) | 1,518 | 4,143 | 35 (2.3%) |
| Meat (Processed) | 675 | 2,292 | 46 (6.8%) |
| Health Foods | 474 | 1,385 | 15 (3.2%) |
| Seafood (Frozen) | 198 | 740 | 8 (4.0%) |
| Fuel (Solid) | 94 | 520 | 2 (2.1%) |

# Fuel Quality Compliance

Following Machinery of Government changes in early 2020, Department of Industry, Science and Resources became responsible for administering compliance with the *Fuel Quality Standards Act 2000*. During the 2021–22 financial year NMI undertook sampling and testing to help maintain the integrity of liquid fuel composition throughout Australia.

During the 2021–22 financial year NMI conducted 384 fuel quality audits and non-compliance was found at 20 sites.

Of the 384 businesses audited;

* 364 (94.8 per cent) were found to be compliant
* 20 (5.2 per cent) were found to be non‑compliant.

Of the 20 businesses found to be non‑compliant, 19 fuel samples failed to conform to the fuel quality standards and 2 did not comply with the correct ethanol labelling requirements.

596 fuel samples were collected and analysed during the 2021–22 financial year. 19 (3.1 per cent) of the 596 samples were found to be non‑compliant for reasons including:

* 4 unleaded petrol samples had olefin volumes over the maximum limit of 18 per cent
* 3 unleaded petrol samples olefin volumes over the maximum limit of 18 per cent and had sulphur levels higher than the maximum 150 ppm
* 1 unleaded petrol sample had a research octane number result lower than the minimum 91.0
* 1 premium 98 petrol sample had a motor octane number result lower than the minimum 85.0
* 1 premium 98 petrol sample had sulphur levels higher than the maximum 50 ppm.
* 8 diesel samples had a flash point lower than the minimum 61.5°C
* 1 diesel sample had a water and sediment volume content higher than the 0.05 per cent maximum limit.

The NMI wrote to the non‑compliant sites to advise them of the outcome of the fuel sample analysis recommending that they undertake measures to ensure that they comply with the fuel quality standards and the fuel quality information standard.