

Australian Government

Department of Industry, Science and Resources National Measurement Institute

# Legal metrology priorities 2023–24



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## Australia's measurement system underpins confidence in trade

The Department of Industry, Science and Resource's purpose is to help the government build a better future for all Australians through enabling a productive, resilient and sustainable economy, enriched by science and technology.

The National Measurement Institute (NMI) is a division of the department. It maintains Australia's measurement system by administering the *National Measurement Act 1960* (the Act).

The Act:

- establishes a national system of units and standards of measurement
- provides for their uniform use throughout Australia to ensure traceability of measurement
- regulates measurement-based transactions, including sales of measured quantities and packaged goods
- sets out specific requirements for measuring instruments used for trade.

#### **Regulation of measurement**

Legal metrology refers to the legislative and regulatory framework that underpins measurements and measuring instruments used for trade and legal purposes.

Consistency and certainty in measurement supports fair and open competition by providing a level playing field for businesses. This ensures that market participants of all sizes and financial strengths follow the same rules and have equal opportunity to compete.

Organisations trade more than \$1 trillion worth of goods, services and utilities involving measurement in Australia each year. Reliable measurements help consumers and businesses make informed buying decisions. More broadly, this supports efficient markets. Reducing regulatory burdens for industry can lower costs to businesses and encourage innovation. It is also important that the regulatory environment strikes the right balance between efficient markets and community expectations.

To support this, NMI's regulatory approach aligns with the 3 principles of the government's <u>Regulator Performance Guide</u>. The <u>National</u> <u>Measurement Institute Compliance Policy</u> includes further information on our regulatory approach.

# A vision of trusted measurement for Australia

Australia's measurement legislation and associated activities support a vision of trusted measurement for Australia.



#### **Our objectives**

To achieve this vision, NMI's measurement regulator aims to achieve the following objectives:

- 1. Measuring instruments are fit for purpose. Measuring instruments used for trade give accurate and reliable information under different conditions.
- 2. Measurements are made correctly. The measurement system ensures that Australians have confidence in measurement results.

- 3. Measurements used in trade are accurate. Consumers and business get the amount they have paid for.
- 4. We have the people and capabilities to deliver. We invest meaningfully in our people and frameworks to get the job done.

#### 2023–24 priorities

NMI's measurement regulator aims to achieve the following priorities and outcomes for each objective in the 2023–24 financial year. Priorities may link to one or more of our objectives.

#### Objective: Measuring instruments are fit for purpose

#### **Priorities**

- Assess and approve the design of measuring instruments used for trade.
- Inspect recently verified instruments across a range of industry sectors to ensure they have been tested correctly.
- Ensure verifiers have the knowledge and skills to verify a wide variety of measuring instruments.
- Administer and monitor the servicing licensing framework to support the integrity of verification work.
- Test weighbridges, flowmeters, and other complex instruments in the following industry sectors (Complex Measuring Instrument Program):
  - waste and recycling
  - mining critical minerals
  - mini fuel tanker and mobile refuelling.

#### Performance measures

- 70% of all pattern approval certificates are issued within 90 days of application using stop the clock methodology.
- 90% of reported licensing non-compliances are considered, actioned or reported in accordance with internal procedures.
- Complete verifier assessments within 3 months of receipt.
- Instrument compliance levels increase following NMI intervention.

#### Objective: Measurements are made correctly

#### Priorities

- Provide calibration services for trade measurement inspectors, servicing licensees, verifiers, other regulators and businesses, including manufacturers. This will ensure reference standard equipment is accurate and traceable to Australian primary standards of measurement.
- Participate in international forums to:
  - influence and adapt International Organisation of Legal Metrology (OIML) recommendations for the Australian market
  - support innovation to help Australian businesses be internationally competitive.
- Innovate and engage with partners, industry sectors, businesses, government and the community to maintain Australia's measurement system.
- Provide administrative and monitoring functions to support the effective appointment of third parties to perform regulatory functions.
- Promote good measurement practice by providing measurement training services to verifiers, weighbridge operators, government agencies and other businesses involved in commercial measurement.
- Businesses are aware of their obligations.
   Whenever possible, the NMI will work
   co-operatively to promote good measurement
   practice and reduce the risk of non-compliance.

#### Performance measures

- 90% of reference standards of measure are calibrated within 21 days.
- Number of training courses delivered.
- 95% of authorised third party applications are resolved within 90 days of application.
- 95% of licences are issued within 28 days from receipt of applications (servicing or public weighbridge licence).
- Number of international engagements (Regulator Performance Resource Management Guide 128 Principle 3: Collaboration and engagement).
- Number of completed formal stakeholder engagement sessions (Regulator Performance Resource Management Guide 128 Principle 3: Collaboration and engagement).
- Trade measurement enquiries acknowledged within 5 business days and aimed to be resolved within 3 weeks. (Regulator Performance Resource Management Guide 128 Principle 1: Continuous improvement and building trust).



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### Objective: Measurements used in trade are accurate

#### **Priorities**

- Inspect businesses within the agricultural supply sector to inform the industry risk profile (Marketplace Intelligence Program).
- Actioning of regulatory responses to non-compliance by businesses and individuals are timely, consistent, proportional and transparent, with a focus on changing non-compliant behaviour.
- Inspect businesses through week-long concentrated programs in the below sectors to raise awareness and compliance with trade measurement legislation ('Pack it right' Concentrated Program):
  - international foods
  - wholefoods and health foods.



- Inspect and educate businesses located in regional, remote and First Nations communities (Regional, Remote and First Nations Communities Program). This will ensure that industry and consumers are not unfairly disadvantaged because of their locality.
- Undertake testing of products sold by length (Marketplace Intelligence Program).
- Inspect the quantity in packaged goods to ensure it matches the label. This includes retailers and suppliers of high-demand seasonal Christmas products such as hams, seafood and confectionary (Seasonal Concentrated Program).
- Inspect over-the-counter transactions

   in previously targeted industries (Compliance
   Confidence Program) to evaluate change in the
   behaviour and ensure ongoing compliance.
   Industries targeted by Compliance Confidence
   Program in 2023–24 are:
  - meat, fish, and poultry retailers
  - fruit and vegetable retailers
  - delicatessen and smallgoods retailers.
- Provide an easily accessible way for complaints to be made.

#### Performance measures.

- We take proportionate regulatory action within internal timeframes in response to non-compliance (Regulator Performance Resource Management Guide 128 Principle 2: Risk based and data driven).
- Follow-up audits are completed within 28 days. The time can be extended in cases where the trader is in a remote or regional area.
- The majority of follow-up audits show an increase in compliance levels.
- Review and publish an updated National Measurement Institute National Compliance Policy (Regulator Performance Resource Management Guide 128 Principle 2: Risk Based and Data Driven).
- Complaints are acknowledged within 5 business days and aimed to be resolved within 3 weeks. (Regulator Performance Resource Management Guide 128 Principle 1: Continuous improvement and building trust).

## Objective: We have the people and capabilities to deliver

#### Priorities

- Reforming Australia's measurement legislation. This is a once-in-a-generation opportunity to create a framework that is future-focused, principles-based and will meet Australia's measurement needs for decades to come. The reforms will modernise outdated and prescriptive legislation while balancing the needs of government, industry and the community.
- Be a regulator of choice for the Australian Government and deliver work programs under inter-departmental memorandum of understanding (MoUs).
- Support enhancements to customer relationship management systems.
- Develop the skills and abilities of all our people through appropriate training and professional development.
- Maintain registered training organisation compliance to support the delivery of quality training.
- Be an employer of choice. Provide a workplace that is physically and psychologically safe, diverse and offers flexibility to its people.

#### Performance measures

- Deliver work programs under inter-departmental MoUs.
- We attract and retain the right people for our roles.
- Build staff capability though internal and external training opportunities (Regulator Performance Resource Management Guide 128 Principle 1: Continuous improvement and building trust).
- Laboratory quality systems are maintained to a standard that enables measurement standards and pattern approval services.



#### Industry compliance

NMI's measurement regulator combines market intelligence, consumer complaints, stakeholder feedback and compliance history to inform national inspection programs.

Annual inspection programs run throughout the financial year, with trade measurement inspectors participating in multiple programs at the same time.

In addition, risk based single trader programs are in operation during the financial year.

Trade measurement inspectors use program plans to inform inspection planning and responses to complaints or in-field intelligence. NMI's measurement regulator may also work with industry sectors and businesses who need specialist advice or support to meet their measurement regulation responsibilities. These requests may inform future inspections in the financial year. The 2023-24 compliance targets were informed by:

- 1, 3 and 5 year risk assessments for industry sectors and businesses
- anecdotal feedback from trade measurement inspectors
- stakeholder feedback
- current cost of living pressures
- identified growth sectors and emerging markets.



The table below shows the 2023–24 program activities and rationale for selection.

Program / Industry focus	Focus	Туре	Reasoning
International foods and wholefoods	<ul> <li>Pre-packaged goods</li> <li>Over-the-counter transactions</li> </ul>	Targeted	<ul><li>Compliance history</li><li>Stakeholder feedback</li></ul>
High demand/turnover products	Christmas goods	Targeted	<ul><li>Cost-of-living pressures</li><li>Inform industry risk profile</li></ul>
Waste and recycling	<ul><li>Weighbridges</li><li>Wheeled load weighers</li></ul>	Annual	<ul><li>Stakeholder feedback</li><li>Growth industry</li></ul>
Mini fuel tanker and mobile refuelling	Truck-mounted flow meters	Annual	<ul> <li>Significant risk of harm due to quantity and value of commodities traded</li> </ul>
Critical minerals	<ul> <li>Complex measuring instruments such as weighbridges and belt weighers</li> </ul>	Annual	Emerging market
Products sold by length	<ul> <li>Wholesalers of products sold by length, such as plastic wrap</li> </ul>	Annual	<ul> <li>Inform industry risk profile</li> <li>Recent implementation of a new test procedure</li> <li>Stakeholder feedback</li> </ul>
Agricultural supplies	<ul> <li>Retailers and wholesalers of pre-packaged goods</li> </ul>	Annual	<ul> <li>Inform industry risk profile</li> <li>We could not complete the previous program during 2019–20 because of the COVID-19 pandemic</li> </ul>

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