



ASIA-PACIFIC
LEGAL METROLOGY FORUM

**25th APLMF Meeting
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Zealand**

Economy Report - 2018

Australia

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SECTION 1 – Organisation and structure for metrology

Organisation Structure

NMI Australia (NMIA)

NMIA is a division within the Department of Industry, Innovation and Science. It is Australia's peak measurement body responsible for trade measurement and biological, chemical, legal and physical metrology. Our vision is to provide measurement policy, science and regulation that underpins the economy and well-being of Australia. NMIA is currently focusing on greater engagement with and increasing services to the energy, health, environment and food sectors.

Update on new CEO

- Previous NMIA Chief Executive Officer, Jane Coram announced her departure with NMIA.
- Dr Bruce Warrington, has commenced the role of NMIA Chief Executive Officer in May 2018; whilst he continues as his role as the Chief Metrologist.

Legal Metrology Branch

NMIA's Legal Metrology Branch administers Australia's trade measurement infrastructure. Its policy aims are to provide an efficient and effective national trade measurement system across Australia for the community, business and government. NMIA focus on achieving this by building confidence in all aspects of trade measurement through a unified, national metrological system.

The Legal Metrology Branch's consists of five sections – Policy and Pattern Approval and Licensing; Business Services, Compliance & Communications; Measurement Law Review; Training and Technology Transfer; and Trade Measurement Services. Training and Technology Transfer provides services across all branches of NMIA.

The branch's objectives are to maintain a high level of general awareness and transparency in trade measurement transactions; to ensure an effective compliance framework; and to continually improve trade measurement.

Regulator performance structure and reporting requirements

NMIA annually self-assesses its performance against a set of Key Performance Indicators (KPI's) in the government's Regulator Performance Framework. The framework consists of six outcomes-based KPI's focused on reducing regulatory burden, communications, risk-based and proportionate approaches, efficient and coordinated monitoring, transparency and continuous improvement. NMIA is required to review how it operates and the imposition it creates when administering regulation.

NMIA publishes an annual report which is based on its self-assessment and is externally validated by stakeholders. The report identifies the extent to which NMIA is achieving the KPIs in the Framework and supports NMIA to recognise areas for improvement.

Legislative Frameworks

Update on the Measurement Law Review

In November 2017, the Australian Government [announced](#) the first comprehensive review of Australia's measurement legislation since the commencement of the *National Measurement Act 1960*. The [Measurement Law Review](#) (the Review) aims to simplify, streamline and modernise Australia's measurement framework to ensure it meets Australia's measurement needs now and into the future.

The Review is presently in its initial [public consultation phase](#), discussion papers have been released for feedback in May 2018. The review continues to examine:

1. Scope of Australia's Measurement Laws
2. Traceability
3. Measuring Instruments
4. Transactions Based on Measurement
5. Third-party Arrangements
6. Compliance Arrangements

International arrangements and engagement

Meetings attended

Australia was represented at the following international meetings since the 2017 APLMF meeting:

- NMIA hosted the OIML Certification System (OIML-CS) meeting in March 2018;
- As secretariat, Australia held an OIML TC 12: Electrical Quantities meeting in May 2018
- Australia hosted a seminar on the new OIML Certification System (OIML - CS) and other significant developments in international metrology held in March 2018.
 - Australia has become an issuing authority for Non-automatic weighing instruments: R 76: 1992 & R 76: 2006;
 - Australia will continue to be actively engaged in the development of the OIML - CS, with representation on the Management Committee and Review Committee. Australia will continue to become a Utilizer and Issuing Authority for a range of instrument categories.
- 52nd CIML Meeting;
- TC 9/SC 1 - Revision of non-automatic weighing instruments: R 76: 2006;
- TC 9/SC 2 – New recommendation for continuous totalising automatic weighing instruments of the arched chute type;
- TC 9/SC 9 – Software requirements; and
- International Electrotechnical Commission (IEC) TC 13/WG 11, to improve liaison between OIML and IEC with the objective of improving harmonisation of standards.

International Training

- NMIA held an information program from 7 May 2018 to 11 May 2018 in Australia, to provide technical support to six officers from the Indonesian Directorate of Metrology. The information program was to provide the participants greater understanding of Australia's metrological control system, particularly with respect to type approval and evaluation in relation to R 76 and R 49.

SECTION 2 – Key activities of 2017/18

Working with industry

Public consultations

In the period November, 2017 to October, 2018 the following public consultations were undertaken:

- Continuous totalizing automatic weighing instruments of the arched chute type: comment sought;
- Revision of R 139 Compressed gaseous fuel measuring systems for vehicles: comment sought;
- Review of criteria for acceptance of test results for pattern approval;
- Consultation on Cost Recovery Models for Regulatory Functions; and
- A seminar on the new OIML Certification System and other significant developments in international metrology held in March 2018;
- Approval standards for electricity meters used for trade
 - A paper with flexible pathways for pattern approval of electricity meters used for trade was published in response to the public consultation that was carried out in 2015.

Grain quality measurement

NMIA hosted the 18th Grain Quality Measurement Committee (GQMC) meeting in March 2018, which included representatives from the Australian grain marketers, producers and growers, processing industries (e.g. flour mills) and stock feed lots industries as well as grain research organisations. NMIA provided updates on the status of the OIML recommendations applicable to the grain industry; and on government priorities and their implications for the work carried out by NMIA, including resultant potential impact for the grain industry.

Domestic training

- In 2017- 2018 the Training and Technology Transfer Section offered classroom-based training courses and consultancies only, with 146 participants attending 33 face-to-face legal metrology courses.
- Re-development of e-learning commenced for the following courses (with completion expected by November 2018):
 - Verifying fuel dispensers,
 - Verifying non-automatic weighing instruments,
 - Weighbridge operations.
- A new training course was developed for the verification of beverage measures.

Protecting consumers

The fundamental principle of NMI's National Compliance Policy is to minimise harm without creating unnecessary compliance costs or burdens for business. This approach incorporates three compliance principles:

1. Proportionality – any regulatory response is proportionate to the impact of any actual or potential harm.
2. Consistency – a consistent approach is taken when interpreting, applying and enforcing national trade measurement legislation.
3. Transparency – NMIA is accessible, provides clear guidance on all aspects of our legislation and is open about our policies, processes and, where permitted, its decisions.

2017-2018 Compliance Programs

National Targeted Programs

From an analysis of compliance history, together with consideration of the number of businesses and value of measurement transactions, NMIA determines the level of risk associated with non-compliance across industry sectors. Based on this analysis, the following industries will be the focus of national targeted inspection activities in 2017–2018:

- Meat, Fish and Poultry Retailing
- Supermarket and Grocery Stores (Turnover < \$2m)

Prepackaged Frozen Seafood

NMIA will be undertaking inspections in the 2018-19 FY towards providing confidence that the declared weight of prepackaged frozen seafood does not include external water or ice glaze.

Waste Management

Weight and volume based charging is increasingly prevalent in the waste management and recycling sector. Some industry participants have raised concerns with NMIA about levels of compliance with trade measurement legislation, particularly in relation to use of approved and verified measuring instruments. NMIA will engage with industry stakeholders and government departments to assess the level of risk within the industry and the need for any ongoing commitment of resources.

Data Collection and Monitoring Programs

Community Savings

To underpin the analysis used to develop targeted risk programs, NMI will continue to capture data on likely financial loss suffered by customers in trade measurement transactions across a broad range of industry, including a focus on audits of petrol stations.

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.

Programs Working with other External Agencies

Tobacco Plain Packaging – Department of Health

Trade measurement inspectors are appointed as authorised officers by the Department to 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.

Rapid Response

When required, inspection activity will be initiated immediately in response to Government priorities and stakeholder intelligence where significant market failure is identified and not covered by other compliance programs.

SECTION 3 – Future focus

New initiatives planned (next 1-2 years)

Measurement Law Review

As reported above, NMIA is conducting a thematic review of the entire national measurement legislative framework, including holistic and comprehensive analysis of all legislative instruments made under the *National Measurement Act 1960*.

Some of the remaining Measurement Law Review discussion papers will be open for consultation from late 2018 to early 2019. Input received will inform a series of reform options that will be made available for public comment before being submitted to the Australian Government for consideration in 2020.

Regulating to prevent harm rather than measurement accuracy

NMIA continues to develop and implement a regulatory framework primarily focused on minimising harm associated with the consequence and likelihood of non-compliant activity. While measurement accuracy underpins the metrological framework it is no longer the primary driver in our activities. Factors to evaluate likely 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.
- Impact on innovation, regulatory burden and international harmonisation

National Compliance Plan

The National Compliance Plan for 2018-2019 has been launched and aimed to help support confidence in the accuracy for measurements used in trade for Australian consumers and businesses.

The compliance principles are applied to implement program-driven compliance activities to:

- Plan and implement national targeted inspection programs for industry sectors that have a higher risk of harm resulting from non-compliant activity;
- Undertake pilot programs to assess the level of risk associated with non-compliance in specific or emerging industry sectors and then determine whether a national targeted program is required; and
- A base level of compliance monitoring through random audits which provide marketplace visibility.

Emerging issues – challenges and opportunities

OIML-CS

Australia will continue to be actively engaged in the development of the OIML - CS, with representation on the Management Committee and Review Committee. Currently, NMIA has become an Issuing Authority for Non-automatic weighing instruments: R 76: 1992 & R 76: 2006. NMIA will continue to become a Utilizer and Issuing Authority for a range of instrument categories.

Conformity to Type (CTT)

NMIA has implemented a CTT program for water meters and continues to work on the expansion of its CTT program to other instrument categories. As mentioned above NMIA is participating within OIML-CS and intends to become a Utilizer and Issuing Authority for a range of other instrument categories. Subsequently, NMIA propose to expand and use the CTT program as a mechanism to monitor any risks and/or harm across a range of measuring instrument categories. The expansion of the CTT program will also help NMIA to maintain confidence towards the manufacturing of measuring instruments in accordance with its pattern (type).

NMIA continues to build engagement with regional counterparts to obtain a mutually beneficial approach to the monitoring of the manufacture of measuring instruments.

Shift to Principles-Based Legislation

The Australian Government is committed to reducing the amount of prescription in regulations and to have more principles-based legislation. By having a clear articulation of the underpinning policies for legal metrology, innovative technologies could be accommodated in the legal metrology system more easily, brought to market sooner and not be delayed due to prescriptive arrangements.