Presentation to APLMF
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Trading Standards – Risk Based Enforcement

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Overview of Presentation

• Profile of New Zealand and the role of MBIE
• Focussing Regulatory Effort and Resources
• The Role of Trading Standards in New Zealand
  ➢ Legal Metrology
  ➢ Fuel Quality Monitoring
  ➢ Product Safety
Profile of New Zealand

• Population – Just over 4 million
• Greater Auckland – around one third of the total
• Two Tier Governance – national and local authorities
• Light Regulatory Touch / Low Appetite for Risk
• Natural Resources – key to the economy
• Importance of Trade
Overview of the Ministry of Business Innovation and Employment (MBIE)

7 Branches

- Immigration
- **Market Services** (25% of staff)
- Infrastructure & Resources
- Strategy & Governance
- Labour & Commercial Environment
- Science & Innovation
- Corporate Services

Denotes a key fact
Functions of MBIE

MBIE undertakes a range of government functions and covers the portfolios of

• Strategic Policy
• Operational Policy
• ‘High Level’ Inter-agency Co-ordination (National and International)
• Regulation
• Licensing and Registration
• Advice – Business and Consumers
Legislative Areas covered by MBIE

- Building and Construction
- Commerce
- Communications and Information Technology
- Consumer Protection
- Economic Development
- Energy and Resources
- Housing
- Immigration
- Injury Prevention, Rehabilitation and Compensation
- Science and innovation
- Tourism
- Workplace Relations and Safety
Trading Standards

- 5 core functional areas
- 3 operational locations
- $4 million budget
- ISO 9000 / ISO 17025 Accredited
Key Legislation for Trading Standards

• Weights & Measures Act
• Fair Trading Act (Consumer Guarantees Act)
• Engine Fuel Specifications Regulations 2008 (Regulations)
• Auctioneers Act
• Motor Vehicles Sales Act
Approach to Regulation in New Zealand

Works on the ‘Braithwaite Pyramid’ principles

- Business Attitude
- ‘Severity’ of Sanction
- Degree of ‘Control’
- Statutory sanctions incl. PROSECUTION
- Earned autonomy
- Information and guidance
- Administrative actions

Regulatory Response:
- Prosecution
- Persuasion
- Education
Focussing Effort - Deploying Resources

• We all have finite resources
• Deploying resources to best effect
• How do we focus our efforts?

RISK

THE ISSUE / HAZARD x THE LIKLIHOOD OF OCCURANCE
Trade Measurement Overview

- Oversight of NZ trade measurement system
- To ensure consumers are provided with an accurate quantity of goods
- Primarily achieved by controlling the weighing and measuring instruments that are used for transactions where there is a reference to a quantity
- Advising retailers, packers and importers on their processes and procedures in relation to ensuring the correct quantity of prepacked and non-prepacked goods
How is this achieved?

– Oversight of a Type Approval System
– Manage Accreditation scheme
– Maintaining traceability of standards
– Market surveillance and enforcement
Instruments Used For Trade

45,000 approved instruments
In use in New Zealand
Type Approvals System

National Legislation

Weights and Measures Act 1987

International Body

Organización Internacional de Metrología Legal

International Acceptance Arrangement

• New Zealand is a **utilzer** in relation to the OIML Mutual Acceptance Arrangement

• A worldwide multilateral arrangement
Accreditation Scheme

Accredited individuals verify 45,000 approved instruments in-situ at trade premises using physical standards of known accuracy.

Internationally recognised testing and examination procedure.

Trading Standards annually calibrates 7000 standards of mass and volume. All traceable to national standards.

<table>
<thead>
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<th>Accreditation Scheme</th>
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<td>Count of AP Organisations</td>
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</table>
Maintaining Traceability of Standards

- Trading Standards provide laboratory testing services for Accredited Organisations
- All reference standards are traceable back to international standards e.g. to ‘La grand K’
Legislative Powers

• Entry into any premises or stop vehicle
  – W&M instruments
  – Goods kept / available for sale

• Require any person to make available for inspection instruments / goods

• Documents – examination / take copies

• Obtain warrant to enter private dwelling

• Seize W&M instruments / goods
Market Surveillance and Enforcement

- Goods sold by Net Quantity must comply with:
  - Labelling
  - Stated quantity

- W&M equipment within legal tolerance

- Premise inspections
  - Proactive (targeted)
  - Re-active inspections (complaints)
  - Projects (key / major areas)

- Fully Documented QMS
  - ISO 9001 and ISO 17025
Market Surveillance and Enforcement

Data Management System
Market Surveillance and Enforcement

Current month vs prior month differences:

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<th>Bashful</th>
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Colour Key: **Name** Inspector name with red background = No input in current month **Value** Value with green background = New data
Market Surveillance and Enforcement

Traders

• Offences
  Short quantity / labelling / obstruction / impersonating / non-compliant equipment / non-metric / purchaser misleading

• Enforcement Tools
  • Letters of Warnings
  • Infringement Offence Notice
  • Prosecution

• Enforcement Policy / Compliance Plans
• Crown prosecution guidelines
Market Surveillance and Enforcement

Accredited Persons

Controls

- Quality Manual and Procedures
- Accreditation Guide
- Technical Policies
- (Online Training Modules)

Enforcement Tools

- Corrective Action Request (please explain notice)
- Suspension (up to 28 days)
- Amend
- Revoke
Stakeholder Dialogue

Domestic
– Trade Associations
– Maritime NZ
– Ministry of Primary Industries
– Ministry of Transport
– Commerce Commission

Government

International
– OIML – International Organisation of Legal Metrology
– APEC – Asia Pacific Economic Community
– APLMF – Asia Pacific Legal Metrology Forum
– LMO - Legal Metrology Organisations
Risk also ‘drives’ other Trading Standards Activities
Fuel Quality Monitoring

The Engine Fuel Specifications Regulations 2008

• Statistically-based plan – 1200 sites in NZ
• Approximately 500 samples per annum
• Further samples are collected to allow for niche fuels and minor market-players, such as bio-diesel producers
• Samples are collected where information provided indicates there may be a non-compliance.
• International alignment
• Regular review of legal specifications
Product Safety Regulation in New Zealand

• A mix of product / sector specific underpinned by general provisions addressed by Ministry of Business Innovation and Employment (MBIE)
• A balance between a ‘light regulatory touch’ but underpinned with legal measures that meet with a low appetite for risk
Risk Assessment

**SCENARIO**

Child’s High Chair

Leg became detached

Child fell from chair

Sustained head injury
Thank you for your attention
Do you have any questions?