



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HIKINA WHAKATUTUKI

**TRADING
STANDARDS**

Presentation to APLMF
08 November 2018 – Christchurch New Zealand
Trading Standards – Risk Based Enforcement

Martin Rushton

Principal Advisor MBIE Trading Standards



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



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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



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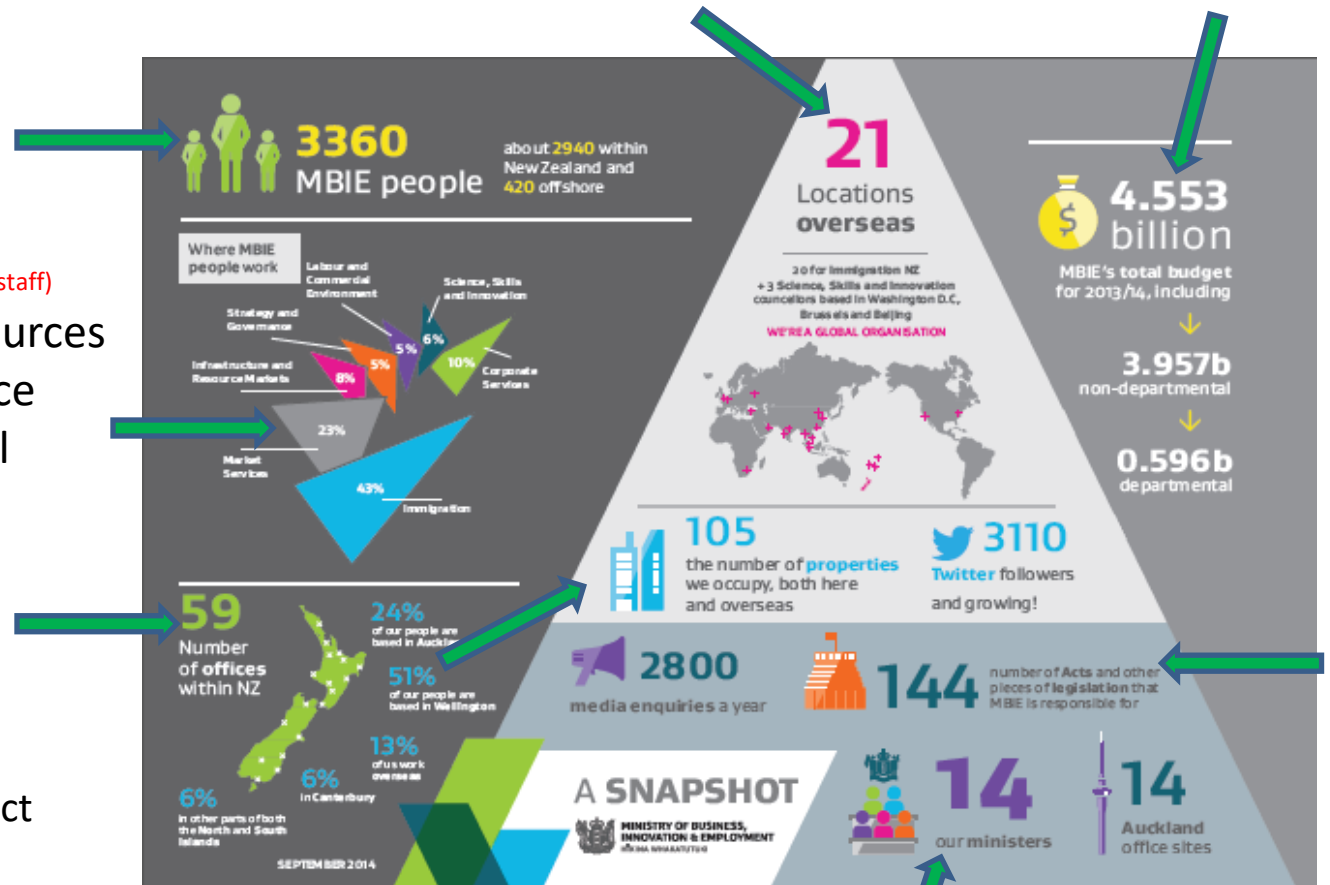
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Overview of the Ministry of Business Innovation and Employment (MBIE)

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



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The Trading Standards logo, featuring the words "TRADING STANDARDS" in a bold, sans-serif font. Below the text is a horizontal bar with a gradient of colors: blue, purple, and orange.

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



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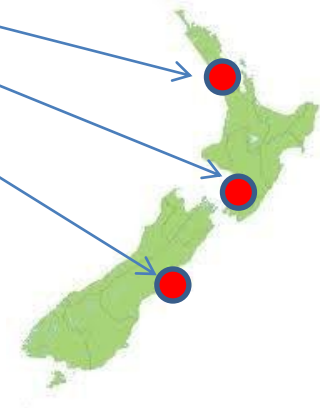
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Trading Standards



- 5 core functional areas
- 3 operational locations
- \$4 million budget
- ISO 9000 / ISO 17025 Accredited



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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



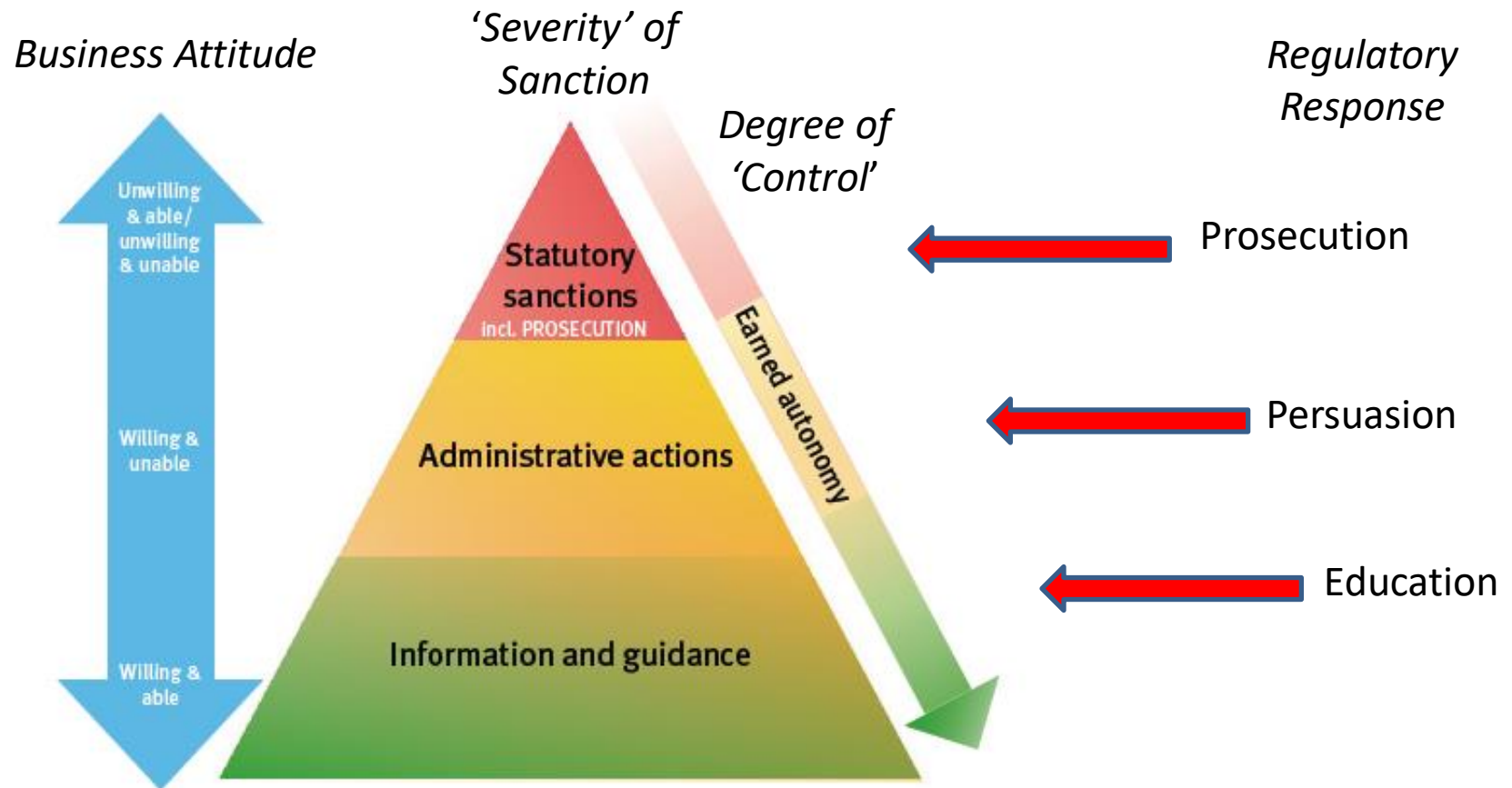
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Approach to Regulation in New Zealand

Works on the 'Braithwaite Pyramid' principles



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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



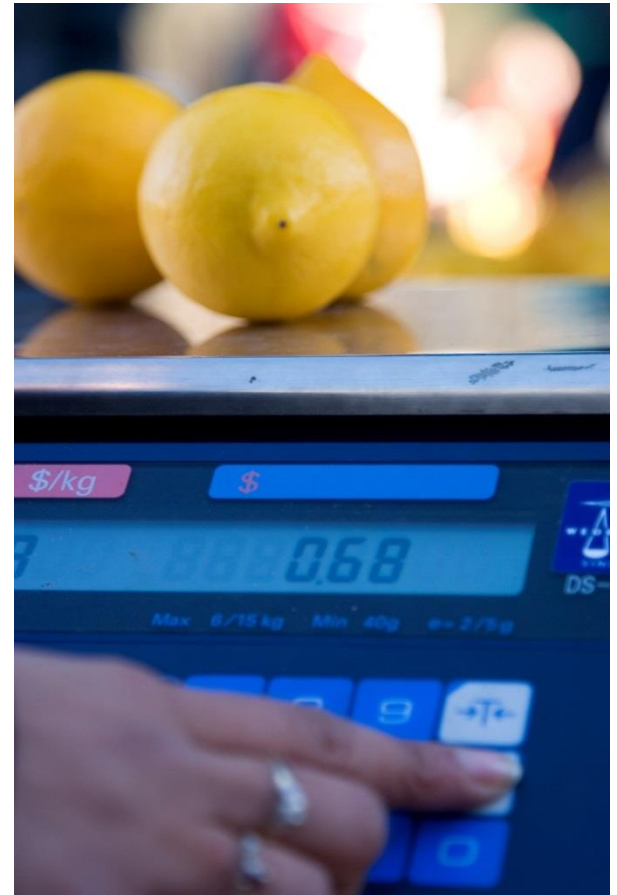
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Trade Measurement Overview

- 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



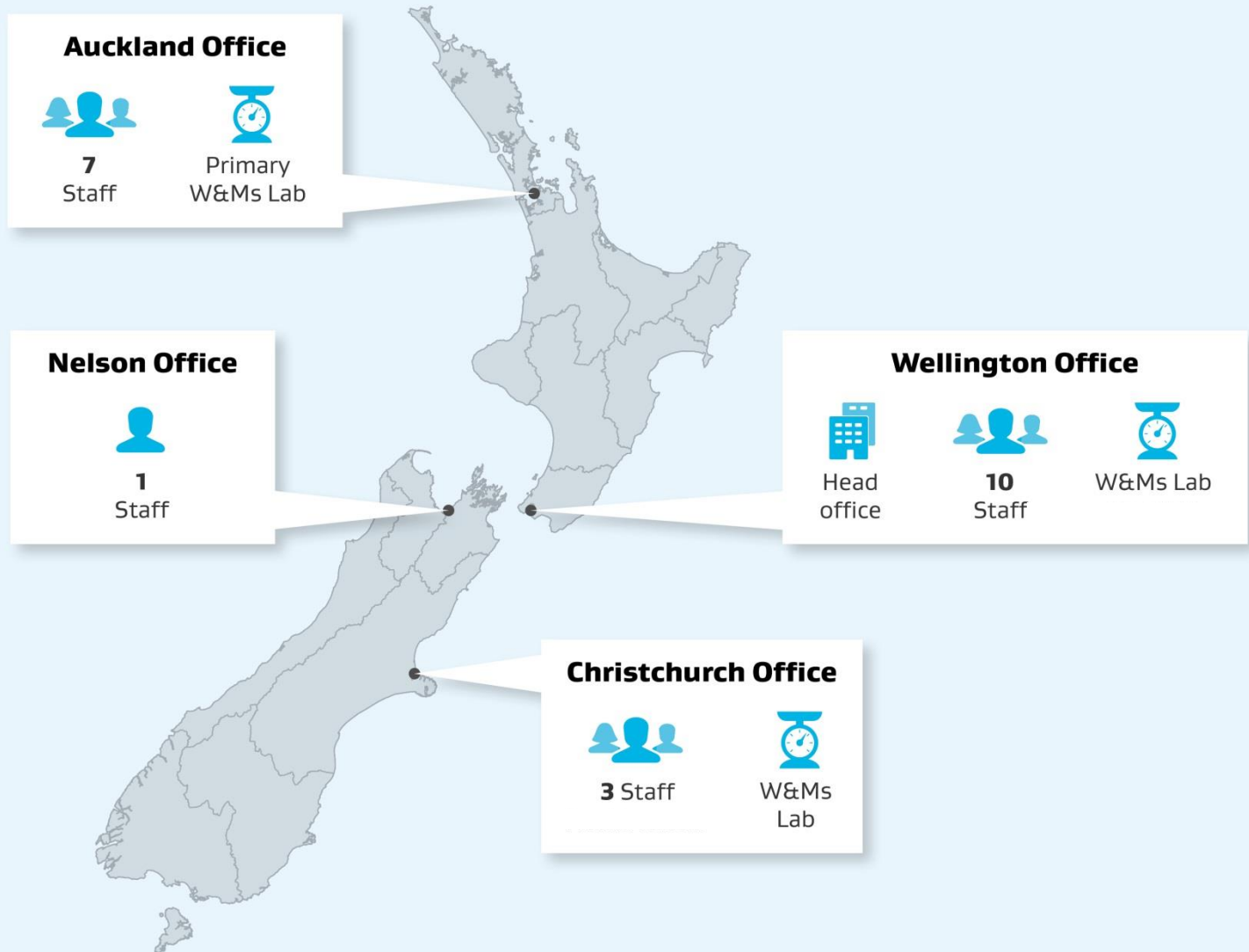
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How is this achieved?

- Oversight of a Type Approval System
- Manage Accreditation scheme
- Maintaining traceability of standards
- Market surveillance and enforcement



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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



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Accreditation Scheme

Accreditation Scheme	Count
Count of AP Organisations	50
Count of AP Individuals	262
Count of AP Classes	561



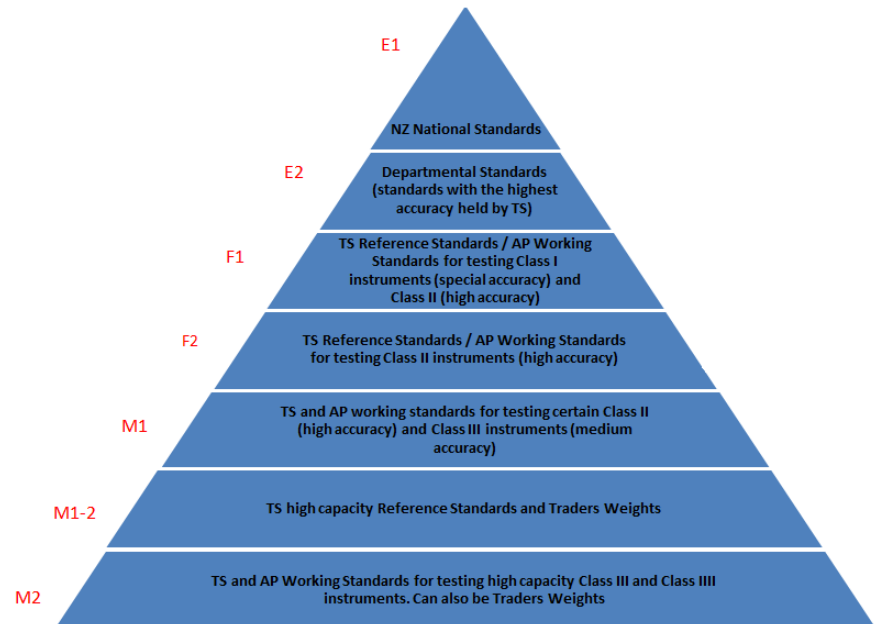
- Accredited individuals verify **45,000** approved instruments in-situ at trade premises using physical standards of known accuracy
- Internationally recognised testing and examination procedure
- Trading Standards annually calibrates **7000** standards of mass and volume. All traceable to national standards

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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'



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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

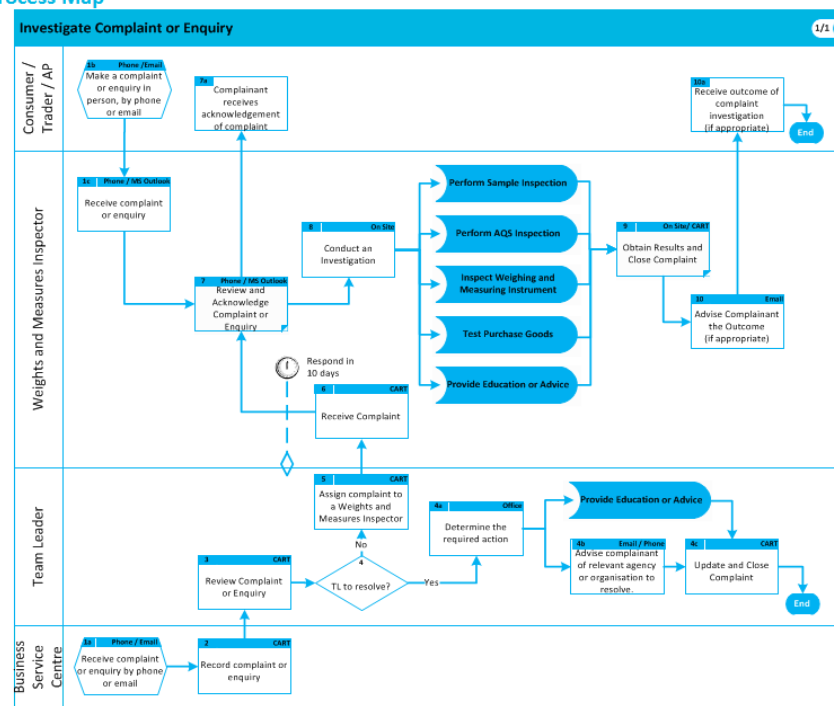


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Market Surveillance and Enforcement

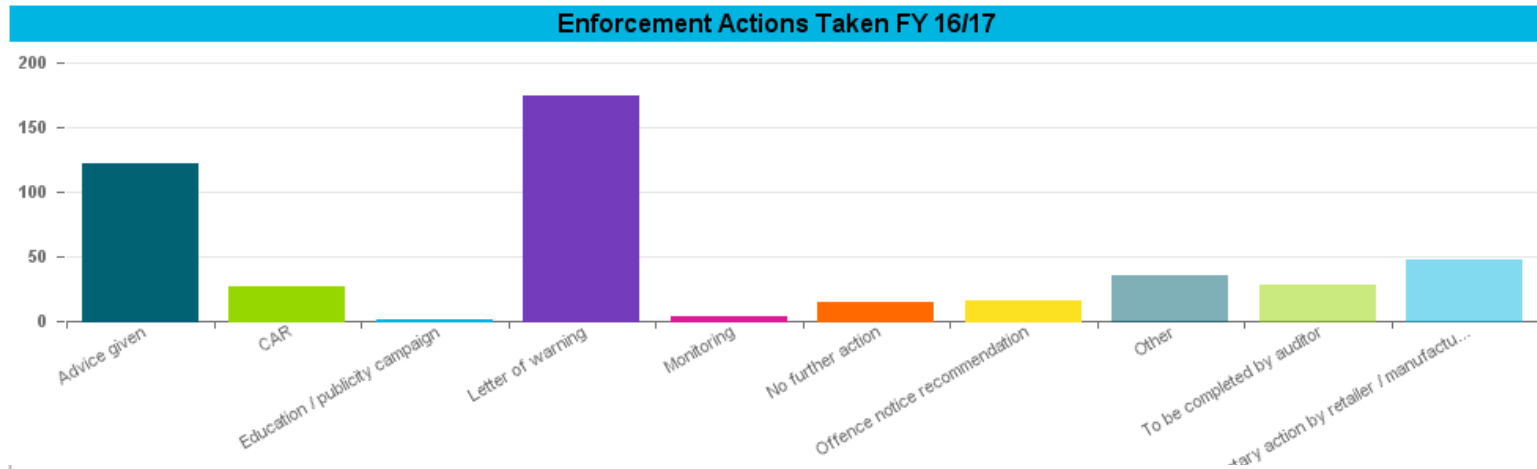
- Goods sold by Net Quantity must comply with:
 - Labelling
 - Stated quantity
- W&M equipment within legal tolerance
- Premise inspections
 - Proactive (targeted)
 - Re-active inspections (complaints)
 - Projects (key / major areas)
- Fully Documented QMS
 - ISO 9001 and ISO 17025

Process Map



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Market Surveillance and Enforcement



Current month vs prior month differences:

	Doc	Grumpy	Happy	Bashful	Sneezy	Sleepy	Dopey	Miss White
Weighing Instruments	29	4	1	5	20	0	0	8
Measuring Instruments	70	1	11	0	4	0	5	0
Goods Inspections	0	2	2	5	35	0	0	16
AQS	0	2	0	1	0	0	0	0
Inspections	10	3	4	4	10	0	2	7
Complaint/Enquiry	1	1	1	4	2	0	0	1
AP Observation	7	0	8	0	2	0	0	0

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



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Market Surveillance and Enforcement

Accredited Persons

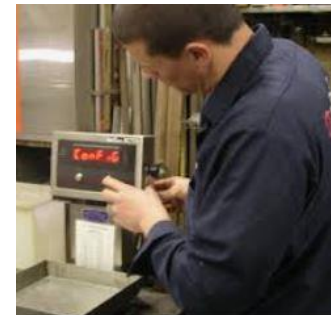
Controls

- 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



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Stakeholder Dialogue

Domestic

- Trade Associations



Government

- Maritime NZ
- Ministry of Primary Industries
- Ministry of Transport
- Commerce Commission



International

- OIML – International Organisation of Legal Metrology
- APEC – Asia Pacific Economic Community
- APLMF – Asia Pacific Legal Metrology Forum
- LMO - Legal Metrology Organisations



Organización Internacional de Metrología Legal



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Risk also 'drives' other Trading Standards Activities



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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



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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



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Risk Assessment

SCENARIO

Child's High Chair

Leg became detached

Child fell from chair

Sustained head injury

RISK ASSESSMENT NOMOGRAPH				v1.0b
Product:	High Chair		Supplier:	online store
			CART Ref:	
Maximum Potential Injury	Serious	<p>Child reported as having hit head. Fall could result in spinal injury depending on how the chair falls</p>		
Probability of Hazard Occuring	Possible	<p>Based on one reported incident and circumstances it is possible for the leg to detach and for the chair to fall.</p>		
Hazard Recognition	Improbable	<p>Typical consumer would not expect leg of chair to detach while shifting it.</p>		
Availability	General	<p>Product is widely available but significant competition and choice will act to limit availability.</p>		
Initial Risk Assessment	High	(65)	Save As...	
Final Risk	High	(65)	Print Page	

The nomograph diagram shows a path of risk assessment across five vertical scales. Red stars mark the following points: 'Serious' on the first scale, 'Possible' on the second, 'Improbable' on the third, 'Significant' on the fourth, and 'High' on the fifth. A red line connects these points from left to right.



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Thank you for your attention

Do you have any questions?



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