

**TRADING
STANDARDS**



Trading Standards Compliance Strategy

JANUARY 2024



MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

Te Kāwanatanga o Aotearoa
New Zealand Government



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

Ministry of Business, Innovation and Employment (MBIE) Hīkina Whakatutuki – Lifting to make successful

MBIE develops and delivers policy, services, advice and regulation to support economic growth and the prosperity and wellbeing of New Zealanders.

MORE INFORMATION

Information, examples and answers to your questions about the topics covered here can be found on our website: www.mbie.govt.nz.

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Purpose of this document

Our Compliance Strategy outlines Trading Standards' role as an operational unit within the Ministry of Business, Innovation and Employment (MBIE), and describes how we help to achieve MBIE's goal of "growing Aotearoa New Zealand for all".

The purpose of this document is to outline our regulatory operating model and includes information about who our core audiences are, how we protect businesses and consumers, our regulatory partners, how we make decisions on interventions and the regulatory tools we use for responding to non-compliance under the following areas of expertise:

Who We Are

At Trading Standards, we administer and enforce legislation in relation to trade measurement and fuel quality. In doing so, we protect consumers in Aotearoa New Zealand by ensuring they have access to accurate measurement, and quality motor vehicle and marine fuel.

Our Legislation and Regulations

To carry out our activities, we are authorised and warranted under the following legislation:

Trade Measurement

- › Weights and Measures Act 1987
- › Weights and Measures Regulations 1999

Fuel Quality (road, biofuel and marine)

- › Energy Act 1989
- › Engine Fuel Specifications Regulations 2011
- › Annex VI of the International Maritime Organisation Convention for the Prevention of Pollution from Ships (MARPOL) in relation to marine fuel



What We Do for Aotearoa New Zealand

We work with Aotearoa New Zealand businesses to protect consumers and build market confidence by promoting a level playing field for business, which supports domestic and international trade.







Trade Measurement

Our weights and measures legislation provides important controls needed for accurate measurement in relation to commercial and consumer goods and weighing and measuring equipment used for trade purposes.

Fuel Quality Monitoring

Our fuel quality legislation specifies the parameters for the quality and compositional requirements of automotive (petrol, diesel and biofuel) and marine fuel.

Our Core Principles

<p>We are... customer centric </p> <p>We work with interested parties and our regulatory colleagues to identify issues and improve our services. Our responses are targeted and timely. We help people to find the right pathway within the regulatory landscape.</p> <p>We work closely with others nationally and internationally to administer our regulatory regimes, locate gaps in coverage, develop our expertise, and provide a response to issues.</p>	<p>Targeted </p> <p>We use our suite of regulatory tools in a proportionate way to promote compliance. Based on what is required, we use a mix of proactive and reactive strategies.</p> <p>Our actions are tailored to the severity of risk or harm and take into account the characteristics of the regulated party. We recognise that most people wish to comply but also that we have a responsibility to use enforcement when necessary.</p>	<p>Fair and consistent </p> <p>We treat people fairly and respectfully by maintaining high service standards, recognising cultural differences, and responding consistently where circumstances are similar.</p> <p>We are professional when interacting with the public and our stakeholders. We always act in accordance with our powers and ensure the taxpayer is receiving value for money.</p>
<p>Contributors to excellence </p> <p>We stay up to date and contribute to national and international standards development, working groups and fora. We lead and promote best practice in our work areas.</p> <p>We focus on continuous improvement of our service delivery through use of Quality Systems and ISO Accreditation.</p>	<p>Transparent </p> <p>We act transparently by promoting an understanding of our functions and enforcement activities. We communicate in plain language over the most effective channels.</p>	<p>Evidence and Data led </p> <p>We continuously develop our expertise and ensure we are up to date on emerging issues. We collect evidence and use it to target interventions for our compliance activity.</p> <p>We actively monitor, investigate and develop risk based responses to emerging national and international compliance issues.</p>

How Data Informs our Regulation

Verified insights from real data informs the actions we take. This includes any area of compliance where the data has revealed a need for us to either act or develop a focused strategy. Gathering real-time data allows us to keep on top of changing businesses and consumer's needs; increasing compliance, deterring concerning market behaviours, and ultimately ensuring our systems and legislation remain fit-for-purpose and serving the people of Aotearoa New Zealand.

For example, we collect fuel samples from vendors and test them to ensure they meet the safety and quality parameters specified in the Engine Fuel Specifications Regulations. A statistically based plan is used to develop the sample collection, which we continually assess and adapt based on the information and data gathered.

How Intelligence Shapes our Work Programme

At Trading Standards, we also use our real-time data insights to inform our work programme and to deploy our resources where they are needed the most, providing the best value to the people of Aotearoa New Zealand.

Every year we will produce a detailed and comprehensive annual report to communicate the measurable outcomes of our programme of work. Businesses and consumers can feel confident that we've completed what we set out to achieve.

The details of our proposed work programme for 2023-24 are as follows:

Trade measurement

- › Raise awareness of compliance tools - 28-day notice
- › Specific project work – Milk measurement
- › High capacity weighing instruments.
- › Market surveillance poultry and cured/preserved fish.

Fuel quality monitoring

- › Raise awareness with industry of service station housekeeping standards.
- › Specific project work – Develop and reinstate a forecourt audit procedure.

Māori/Tikanga Engagement

We will draw on an understanding of broader Te Ao Māori concepts, integrating this into the way we think about compliance and partnership with Māori.

This may involve open thinking approaches to compliance when it comes to partnering with Māori. As part of the compliance tool kit, it may be appropriate to consider other approaches such as:

- › Seeking guidance from MBIE Market Integrity Māori Principal Advisors, and
- › Engagement with Iwi and Kaumātua.

Our Approach to Attaining Compliance



How We Promote Compliance

Education and engagement

Our preferred approach is to provide information, education, and tools to enable businesses to comply with their obligations under the legislation we support.

Consistency and trust

We also aim to apply a consistent approach in the way we work, which provides businesses with confidence in their interactions with us.

Knowledge and evidence-based

Our actions always take into consideration business behaviour and their history, as we seek to apply the appropriate compliance tool for the situation using an evidence and risk-based approach.

Trading Standards Compliance Tools

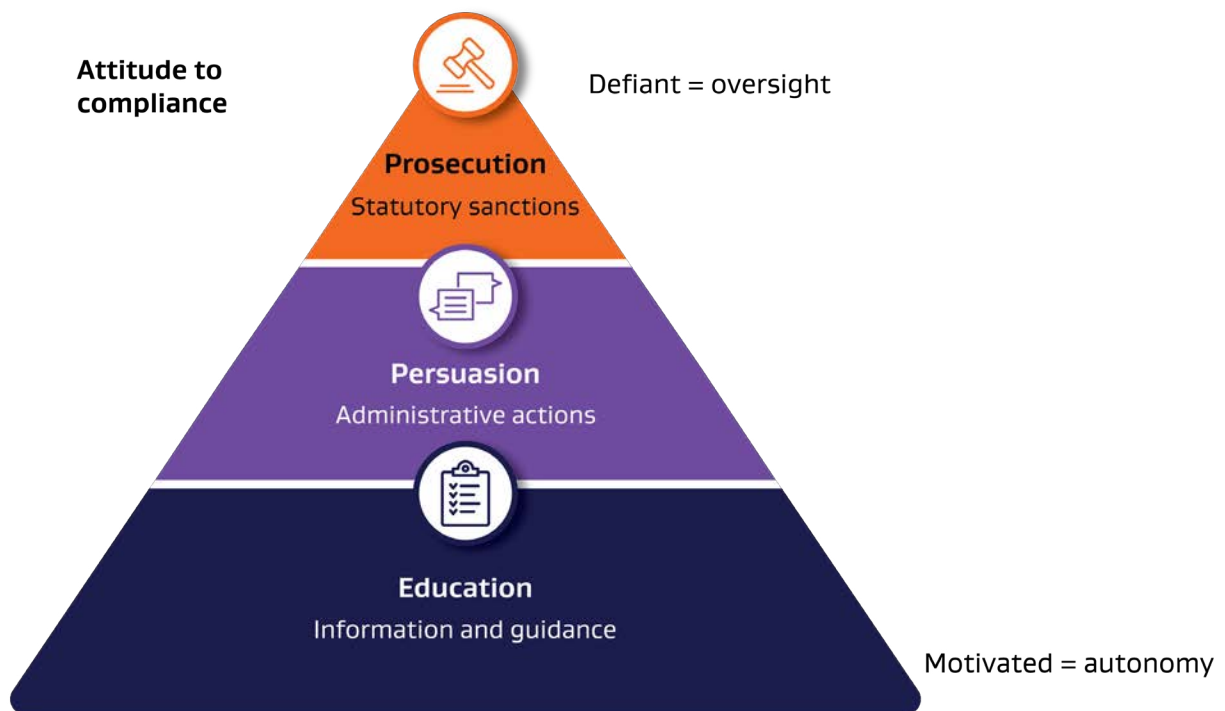
The table below provides a summary of the different non-regulatory and regulatory* tools that Trading Standards uses, which are further detailed in Appendix 2 and 3.

Compliance Tool	Trade Measurement	Fuel Quality
Education and advice	✓	✓
Creation of industry Codes of Practice	✓	✓
Standards and requirements set in legislation*	✓	✓
Accreditation of companies and individuals*	✓	✗
Investigation of complaints and emerging issues	✓	✓
Market surveillance and inspections	✓	✓
Negotiated resolutions	✓	✓
28-day notice	✓	✗
Warning letter	✓	✓
Infringement offence notices*	✓	✗
Prosecution*	✓	✓

How We Decide What Compliance Tool to Use

We use several interventions and tools to encourage compliance or to respond to non-compliance. The tools we use depend on the situation, for example we have:

- › Proactive tools like information and education to help people understand what they need to do to comply with the legislation, and
- › Reactive tools like compliance notices, warnings, infringements fees and prosecution for when businesses don't comply with our legislation.



Informing the Public

We will publish the outcomes of prosecution cases where appropriate unless there are legal or other compelling reasons not to. This is intended to:

- › Act as a deterrent for other potential offenders, who are or would consider offending in the same way.
- › Provide information and education on the relevant statutory obligations.

Feedback and Complaints

We value consumer feedback and are grateful for any comments and complaints we receive from the public, as this allows us to investigate and act against unfair and/or fraudulent market practices.

Receiving accounts about businesses or individuals, who may be conducting unfair or uninformed practices, helps us identify the issues that are causing the most harm to the people of Aotearoa New Zealand, and informs where we should be deploying our resources.

Our online complaint form can be accessed [here](#).

Annual Reporting

At the end of every financial year, we will upload annual reports for both trade measurement and fuel quality monitoring onto our Trading Standards website.

The fuel quality monitoring annual reports can be found [here](#).

Evaluation and Review

Our strategy will be reviewed on a regular basis, as part of our commitment to continuous improvement, and adjusted accordingly to reflect changes in our priorities, identified issues of concern and / or emerging trends, as the result of data analysis.

To support these reviews, we will undertake regular data informed evaluations of our compliance and enforcement activities, weighing the costs and benefits of these activities. We may also seek the views of outside agencies or interested parties to support our findings.

Trade Measurement

We are responsible for the administration and enforcement of the trade measurement system provided for in the Weights and Measures Act 1987 (the Act) and Weights and Measures Regulations 1999.

The Act maintains a system of trade measurement (also known as a legal metrology), which helps ensure that goods traded by quantity are exchanged based on recognised, informed, and accurate weights and measures.

To support the above objective, the Act provides for an accreditation scheme, which allows private businesses and individuals to verify and certify weighing and measuring equipment used for trade purposes. Generally, around 50 organisations and 250 individuals are accredited at any one time.

Our four main areas of work are:

Enforcement

We investigate and respond to complaints and enquiries from consumers and businesses. We encourage businesses to comply with legislation – by way of advice and guidance – to help ensure accuracy when goods are weighed and measured. We do this through market surveillance, compliance inspections and enforcement actions. We inform and educate consumers to help them make transactional decisions with confidence.

Accreditation

We accredit private sector organisations and individuals (known as ‘Accredited Persons’) to test and confirm the accuracy of weighing and measuring equipment used for trade purposes.

Laboratory

We provide International Accreditation New Zealand (IANZ) ISO 17025 accredited metrology laboratory services to ensure the accuracy of weighing and measuring equipment used for trade. These laboratories verify both domestic and international standards.

Approvals

We provide approvals for weighing and measuring equipment, a mandatory requirement before they can be used for trade purposes. This helps to ensure the equipment can produce accurate results and minimise the risk of fraud.

Trade Measurement Regulatory Tools

We employ several regulatory tools to protect the interests of businesses and consumers in Aotearoa New Zealand.

These tools also regulate the Enforcement and Accreditation areas of our work, as listed above under *Trading Standards compliance tools*, and detailed in Appendix 2.



Fuel Quality Monitoring

We are responsible for the administration and enforcement of the fuel quality monitoring scheme that is provided in the Energy Act 1989 and Engine Fuel Specifications Regulations 2011.

The regulations identify set parameters and properties of the fuel. We ensure fuel businesses comply with these standards.

MARPOL (The International Convention for the Prevention of Pollution from Ships) impose obligations on ship operators in relation to emissions and on suppliers of marine fuel around the specifications of fuel they supply.

We work collaboratively with Maritime New Zealand to co-ordinate and ensure an effective delivery of the marine fuel regulatory scheme. Maritime New Zealand is responsible for 'ship' side regulatory and operational activities and Trading Standards is responsible for 'shore' or 'supply' side regulatory and operational activities.

Our two main areas of work are:

Sampling, analysing and evaluating results

Fuel samples are collected and sent to an independent laboratory for testing and analysis in accordance with our annual national sampling programme. We evaluate the results to ensure the quality of the fuel meets its requirements.

Enforcement

As we evaluate and respond to complaints and enquiries from businesses and consumers, we encourage companies to comply with legislation, by way of advice and guidance. We do this through fuel sampling, investigation, and enforcement actions.

Fuel Quality Monitoring, Automotive and Marine, Regulatory Tools

We employ several regulatory tools to protect the interests of businesses and consumers in Aotearoa New Zealand.

These tools also regulate our enforcement actions, as listed above under *Trading Standards compliance tools*, and detailed in Appendix 3.



Appendix 1

OUR REGULATORY LANDSCAPE

Trade Measurement	
Maritime NZ	Regulates the weight of shipping containers for export from New Zealand
Ministry of Health	Regulates the accuracy of medical equipment and devices
Ministry of Transport	Regulates the accuracy of taxi meters
Measurement Standards Laboratory	Regulates and provides New Zealand's physical measurement standards in accordance with the International System (SI) of units
Police	Calibrates and maintains the accuracy of speed cameras and their own weighbridges
NZ Transport Agency Waka Kotahi	Callibrates and maintains the accuracy of speed cameras

Fuel Quality - Automotive specifics	
Energy Efficiency Conservation Authority	Regulates the Vehicle Emissions and Energy Economy Labelling Programme
Environmental Protection Authority	Regulates, approves, and enforces hazardous substances controls
Ministry of Business, Innovation and Employment (MBIE) - Energy & Resource Markets	Advises on, fuel liquid fuel markets, evolving technologies and fuel security
Ministry for the Environment	Investigates alternative fuels and impacts on climate change, develops emissions reduction plan
NZ Transport Agency Waka Kotahi	Regulates land transport legislation
Worksafe NZ	Regulates the use of hazardous substances, health, and exposure monitoring
American Society for Testing Materials (ASTM)	Develops test methods and best practice for the industry
International Organisation for Standards (ISO)	Develops test methods and best practice for the industry
Fuel Quality - Marine specifics	
Maritime NZ	National regulatory, compliance and response agency for the safety, security, and environmental protection of coastal and inland waterways
Ministry of Transport	Chairs the Maritime Security Oversight Committee; responsible for overseeing New Zealand's maritime security arrangements
International Maritime Organisation	International Convention for the Prevention of Pollution from Ships, MARPOL

Appendix 2

OUR TRADE MEASUREMENT COMPLIANCE TOOLS

Enforcement			
Regulatory tool	Who are we targeting and why?	What actions, harms or risks are we addressing?	When do we prioritise the use of this intervention?
Education and advice	All businesses. Used at any time during our interactions with them.	Aims to minimise the risk of a non-compliance occurring or re-occurring.	This is an ongoing intervention that seeks to minimise non-compliance.
28-day notice	Non-compliant business. Used to seek a formal resolution to a minor breach of legislation.	A 28-day notice is appropriate for a minor non-compliance where there is no intent to defraud or no significant consumer harm.	This intervention is generally used when a minor non-compliance is discovered, and no prior action has been taken against the business.
Warning letter	Non-compliant business. Used to seek a formal resolution to a breach of the legislation.	A warning letter is appropriate where there is no intent to defraud of no significant consumer harm.	A letter of warning is sent in most cases when a non-compliance is discovered.
Infringement notice	Non-compliant business. Where there is deliberate non-compliance and/or for repeat offenders.	Where a warning letter has not corrected the non-compliant practice or the non-compliance is severe enough, in the first instance, to justify issuing an infringement notice.	Infringement notices are generally issued to a business when a warning letter has not been complied with and a prosecution is not justified. Infringement notices are expected to be the most used regulatory sanction.
Prosecution	Non-compliant business. Where there is deliberate non-compliance and/or for repeat offenders.	Where initial attempts to correct the non-compliant practice have failed and/or consumers or businesses are significantly harmed, or there is a high risk of significant harm.	Prosecution is a regulatory sanction that is generally pursued when the non-compliance is deliberate, causes detriment to consumers and/or businesses, or is in the public interest. Cases to be submitted for prosecution will be carefully considered by Trading Standards management and in line with MBIE's prosecution policy.

Accreditation			
Regulatory tool	Who are we targeting and why?	What actions, harms or risks are we addressing?	When do we prioritise the use of this intervention?
Minor non-compliance	Non-compliant Accredited Person.	Where an Accredited Person has been found to be operating outside their conditions of accreditation or failing to perform their duties or functions to a satisfactory standard, and the issue needs addressing by the Accredited Person.	This documented request is generally used when we require more information from an Accredited Person to ascertain the severity of an issue.
Corrective action request	Non-compliant Accredited Person.	Where an Accredited Person has been found to be operating outside their conditions of accreditation or failing to perform their duties or functions to a satisfactory standard, and the issue requires a formal investigation to be conducted by the Accredited Person.	A corrective action request is sent to an Accredited Person when there is a perceived or actual risk to the accuracy of measurement and/or when a non-compliance has been discovered. Via formal documentation.
Warning letter	Non-compliant Accredited Person.	Where an Accredited Person has been found to be operating outside their conditions of accreditation or failing to perform their duties or functions to a satisfactory standard. This applies to cases where suspension/ amendment/revocation is not justified.	A warning letter is generally sent when a non-compliance has been detected or when a corrective action request has not been resolved.

Amendment of accreditation	Non-compliant Accredited Person. Where there is evidence of continued failure to perform duties to an acceptable standard, or a person has been convicted of carrying out the duties of an Accredited Person when not authorised.	Where an Accredited Person has been found to be operating outside their conditions of accreditation or failing to perform their duties or functions to a satisfactory standard. This may apply to cases where a corrective action request or a letter of warning have been inadequately addressed.	This is generally used when the competency of an Accredited Person is in question and their accreditation is amended until they remedy the issue(s).
Suspension of accreditation	Non-compliant Accredited Person. Where there is evidence of continued failure to perform duties to an acceptable standard, or a person has been convicted of carrying out the duties of an Accredited Person when not authorised.	Where an Accredited Person has been found to be operating outside their conditions of accreditation or failing to perform their duties or functions to a satisfactory standard. This may apply to cases where a corrective action request or a letter of warning have been inadequately addressed.	When an Accredited Person continues to be non-compliant, their accreditation is suspended for up to 28 days, or until they remedy the issue(s).
Revocation of accreditation	Where there is evidence of continued failure to perform their duties to an acceptable standard, or a person has been convicted of carrying out the duties of an Accredited Person when not authorised.	Where suspension has not been a sufficient tool to remedy the poor performance, or the accredited Person actions are significant enough to warrant their accreditation being revoked.	Revocation is generally used when an Accredited Person is non-compliant and previous interventions have not changed their behaviour(s) or they are convicted of an offence under Section 32(fa) of the Act.
Prosecution	Non-compliant Accredited Persons. Where there is deliberate non-compliance and/or for repeat offenders.	Where initial attempts to correct the non-compliant practice have failed and/or consumers or businesses are significantly harmed (or there is a high risk of significant harm).	Prosecution is an option when an Accredited Person is alleged to have committed an offence under Section 32 of the Act.

Appendix 3 - Our Fuel Quality Compliance Tools

Regulatory tool	Who are we targeting and why?	What actions, harms or risks are we addressing?	Do we prioritise the use of this intervention?
Education and advice	Fuel importers, suppliers, distributors, and retailers, used at any time during our interactions with them.	Aims to minimise the risk of a non-compliance occurring or re-occurring.	This is an ongoing intervention that seeks to minimise non-compliance.
Warning letter	Non-compliant fuel importers, suppliers, distributors, and retailers. Used to seek a formal resolution to a breach of the legislation.	A warning letter is appropriate for a non-compliance where there is no intent to defraud or no significant consumer harm.	A warning letter is sent in most cases when non-compliance is discovered.
Prosecution	Non-compliant fuel retail companies, fuel suppliers and importers. Deliberate non-compliance and/or for repeat offenders.	Where initial attempts to correct the non-compliant practice have failed and/or consumers or businesses are significantly harmed or there is a high risk of significant harm.	Prosecution is a regulatory sanction that is generally pursued when the non-compliance is deliberate, causes detriment to consumers, or is in the public interest. Cases to be submitted for prosecution will be carefully considered by Trading Standards management and in line with MBIE's prosecution policy.



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