

NEW NATIONAL TRADE MEASUREMENT REGULATIONS

NOVEMBER 2009

On 1 July 2010 trade measurement will become the responsibility of the National Measurement Institute.

The National Measurement Institute (NMI) is Australia's peak measurement organisation, a division of the Department of Innovation, Industry, Science and Research in the Australian Government. NMI is responsible for maintaining the primary standards of measurement and providing the legal and technical framework for the dissemination of measurement standards.

On 11 September 2009 new national trade measurement regulations commenced in preparation for the transition of trade measurement responsibilities from state and territory jurisdictions to the Commonwealth.



Q WHEN WILL THE NEW REGULATIONS START?

A Most of the regulations that impact on business come into effect on 1 July 2010, the transition date. The enforcement provisions of the National Measurement Act 1960 do not commence until this date. Therefore some provisions in both the Act and the Regulations, relating to trade measuring instruments and packaging do not come into effect until the transition date.

State and territory trade measurement legislation and regulation will remain in effect until 1 July 2010.

Q WHAT ARE THE NEW REGULATIONS?

A The National Trade Measurement Regulations 2009 are based on the Uniform Trade Measurement Legislation (UTML) currently administered by the state and territory governments.

The Regulations cover:

- the use of measuring instruments for trade
- testing and verification of measuring instruments in use for trade
- transactions by measurement
- prepackaged articles
- licensing of public weighbridges and instrument verifying businesses (servicing licensees).

NMI undertook extensive consultation with industry peak bodies, businesses, consumer groups, individuals and all the state and territory authorities, as part of the process of adapting the UTML into Commonwealth regulation.

Q WHAT HAS CHANGED FOR PACKAGING REQUIREMENTS?

A The only significant change has been the introduction of Average Quantity System regulation under the 'shortfall' provisions of the Regulations.

Now there are two ways of determining whether a package contains a shortfall.

In the UTML system, shortfall provisions stipulate that a deficiency from the quantity stated on the label should not exceed more than 5 per cent in any one package. There can be no average deficiency from the quantity stated on the label within a sample of randomly selected packages.

Alternatively, the Average Quantity System (AQS) is a method based on internationally set statistical sampling techniques. AQS uses the measure of the average quantity, together with the scatter around the average, of a sample of prepackaged articles in order to gauge regulatory compliance. It is a method that largely applies to sizeable production runs.

AQS was introduced, with wide support from industry, as part of the amendments to the National Measurement Act 1960. AQS brings Australia in line with international packaging practice and puts Australian businesses on an equal footing with international competitors. A key advantage of the AQS is that it may allow businesses to avoid 'over-filling'.

From 1 July 2010, industry will be able to choose to comply with AQS standards or the existing UTML standards.

If you are a packer or importer of prepackaged goods, you should become familiar with all packaging requirements.

A more detailed guide to AQS requirements will be produced for businesses prior to the transition date.

Q WHAT OTHER LABELLING REQUIREMENTS SHOULD BUSINESSES BE AWARE OF?

A Under the National Trade Measurement Regulations 2009, unit pricing provisions only relate to the display of price per kilogram for certain packaged food products such as cheese, mushrooms and meats that are packed in random weights. These provisions have not changed.

However, businesses should be aware of changed regulations under the Trade Practices Act 1974 governing the display of unit prices for the sale of groceries by some grocery retailers that came into effect on 1 July 2009. To find out if these new requirements apply to your business, refer to the Australian Competition & Consumer Commission website www.accc.gov.au.

Q WHAT OTHER CHANGES WILL COME INTO EFFECT AFTER TRADE MEASUREMENT BECOMES A COMMONWEALTH RESPONSIBILITY?

A The aim of the Commonwealth has been to minimise impacts on business. Most of the changes that will come into effect on 1 July 2010, will relate to the 'back-end' administration of trade measurement.

You will still be able to use the same servicing licensee that you currently use for testing and calibrating your trade measuring instruments. The difference will be that your servicing licensees or public weighbridge licensees will be reporting to, and have their licence arrangements with, NMI rather than your current state or territory trade measurement authority.



FOR MORE INFORMATION...

Refer to the NMI website for updates on the progress of the National Trade Measurement Transition Project www.measurement.gov.au

Refer to the Comlaw website for the National Measurement Act 1960 and National Trade Measurement Regulations 2009 www.comlaw.gov.au

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