

Submission

by

Business|NZ

to the

Ministry of Consumer Affairs

on the

Average Quantity System

**Proposed Amendments to the Weights and
Measures Regulations 1999**

2 July 2001

PO Box 1925
Wellington
Ph: 04 496 6555
Fax: 04 496 6550

This submission is presented by Business New Zealand
incorporating the regional founder members of the organisation and affiliated
organisations. The organisation represents business and employer interests in all
matters affecting the business sector.

Members of Business New Zealand

Apparel & Textile Federation of NZ	NZ Chambers of Commerce & Industry
Aviation Industry Assn of NZ Inc	NZ Fire Equipment Assn
Baking Industry Research Trust	NZ Footwear Assn
Brush Manufacturers Assn of NZ	NZ Institute of Management
Building Service Contractors of NZ	NZ Meat Industry Assn
Bus & Coach Assn NZ Inc	NZ National Flooring Assn Inc
Canterbury Employers' Chamber of Commerce	NZ Nursery & Garden Industry Assn
Canterbury Manufacturers Assn	NZ Orchards & Vineyards Assn of Employers
Casting Technology of NZ Inc	NZ Paint, Ink, Resin & Adhesives Manufacturers Fed
Collision Repair Assn	NZ Painting Contractors Fed
Corporation of Insurance Brokers of NZ Inc	NZ Post Ltd
Electrical Contractors Assn of NZ Inc	NZ Private Hospitals Assn
Employers & Manufacturers Assn (Central)	NZ Private Physiotherapists' Assn
Employers & Manufacturers Assn (Northern)	NZ Retail Meat & Allied Trades' Fed Inc
Federated Farmers of NZ	NZ Seafood Industry Council Ltd
Forest Owners Assn of NZ	NZ Society of Master Plumbers
Furniture Assn of NZ	NZ Stevedoring Employers Assn Inc
Health Funds Assn of NZ	NZ Tanners Assn
Hospitality Assn of NZ	NZ Taxi Federation Inc
Insurance Council of NZ Inc	NZ Vegetable & Potato Growers Fed
Investment Savings & Insurance Assn	Otago-Southland Employers' Assn
Liquid Fertiliser Manufacturers Assn of NZ	Pharmacy Guild of NZ (Inc)
Local Government NZ	Plastics New Zealand
Motor Trade Assn (Inc)	Printing Industries NZ
Nat Assn of Retail Grocers & Supermarkets of NZ Inc	Registered Master Builders' Fed
Newspaper Publishers Assn of NZ	Retail Merchants Assn of NZ
NZ Association of Bakers (Inc)	Road Transport Forum NZ
NZ Carpet Manufacturers Assn	Textile Care Federation of NZ

AVERAGE QUANTITY SYSTEM

PROPOSED AMENDMENTS TO THE WEIGHTS AND MEASURES REGULATIONS 1999

SUBMISSION BY BUSINESS NEW ZEALAND

2 JULY 2001

1. Business New Zealand is the leading national organisation representing the interests of New Zealand's business and employing sectors comprising some 76,000 individual enterprises. Business New Zealand champions policies that would transform and accelerate the growth of high value added goods and services to significantly improve the prosperity of all New Zealanders.
2. Business New Zealand supports proposals to change the Weights and Measures Regulations to enable the adoption of the Average Quantity System (AQS), as set out in the discussion document released by the Ministry of Consumer Affairs in May 2001.
3. We particularly endorse the statement in the discussion document (page 3) that adopting AQS would bring New Zealand 'into line with international trading partners and allow for easier export where quantity marking is an issue'.
4. We see it as being particularly important for an internationally recognised system for determining deficiencies in packaging to be adopted as widely as possible. We are pleased that New Zealand will be joining significant trading partners such as the European Union, Japan and the United States in adopting the AQS. The adoption of the AQS should help reduce compliance costs for our exporters and importers as well as provide an internationally recognised measure for the protection of consumers.
5. We also note that Australia is currently considering the adoption of the AQS in the near future. Australia remains New Zealand's largest trading partner: 20.3% of our exports are destined for Australia and 21.8% of our imports are

sourced from that country. For the 12 months ended April 2001 two-way merchandise trade reached almost \$13 billion.

6. Australia and New Zealand's economies have always been closely related, but they have become increasingly integrated since the implementation of the Australia New Zealand Closer Economic Relations and Trade Agreement from the early 1980s. As part of this process there has been considerable harmonisation of commercial practices and regulatory standards (for example, through the Trans-Tasman Mutual Recognition Arrangement). As a result, many businesses now consider the two countries to be virtually a single market. With the amount of two-way trade between Australia and New Zealand, it is important for all concerned (be they exporters, importers, producers for the domestic market, retailers, and consumers on both sides of the Tasman) that there should be consistent systems in place for determining deficiencies in packaging. Therefore, we look forward to Australia's early adoption of the AQS.
7. Business New Zealand has no specific comment on any of the proposed regulations and we have not had any issues with them brought to our attention. However, we would be concerned if, in their implementation, the regulations were to result in increased compliance costs to business. We are therefore reassured by the comment on page 11 of the document that states: *'the intention of the proposed regulations is to provide straightforward rules that can be followed by the enforcement agency, consumers, and especially business. They should create a framework to allow a new system to flourish without prescribing methods of compliance. They should not leave any loopholes that could lead to confusion for packers, importers or retailers.'*
8. We would expect the regulations to be drafted and implemented in a manner consistent with that statement.
9. Business New Zealand also notes that the Ministry of Consumer Affairs has been instructed to set up a panel, made up of representatives of business, to review the final draft of the regulations before they are implemented. We

welcome this initiative and agree that it should be a useful precaution to ensure effective regulation. However, we also believe that it could be useful for this panel to survive for a short period of time into the implementation phase, which would help to ensure that there is a forum to discuss any issues that might arise while the new regime settles down and that any identified problems can be readily addressed.