



Terms of reference – conformance policy and infrastructure review

The Ministry of Business, Innovation & Employment (MBIE) is reviewing New Zealand’s conformance system to ensure it is working well to support a strong economy, the wellbeing of people and the environment, and Government priorities.

Definition and purpose of conformance infrastructure

New Zealand’s conformance infrastructure is made up of regulations, institutions and arrangements for assessing conformity. Conformity assessment is the mechanism for assuring that goods, services and practices that claim to meet a relevant standard actually have met the standard.

New Zealand’s conformance infrastructure includes two third party accreditation bodies and numerous conformity assessment bodies. The accreditation bodies, which certify and oversee the conformity assessment bodies, are International Accreditation New Zealand (IANZ) and the Joint Accreditation System of Australia and New Zealand (JAS-ANZ).

The system aims to protect people and the environment from harm and support competitive trade by giving people:

- assurance that goods, services and practices meet standards, requirements and quality expectations; and
- confidence that the accreditation and audit system that oversees conformity assessment is effective.

Purpose of review

The purpose of this review is to understand and prepare advice about the health of New Zealand’s conformance system, how it is performing and how it is being used by people, businesses and regulators. It is a priority for the Minister of Commerce and Consumer Affairs (the Minister). It supports MBIE’s regulatory stewardship responsibility to take a proactive approach to monitoring its regulatory systems. The end product will be a mid-2018 review report to the Minister with advice on the status quo, opportunities for change, and next steps.

In scope

The review comprises an initial phase of work that will describe the effectiveness and sustainability of New Zealand’s conformance system and place it in context of the global standards and conformance system. It includes considering:

- the regulatory and normative frameworks that underpin the system;
- the way the system is being used by people, businesses and government; and
- emerging international practice and benchmarks for regulatory systems.

Subject to the agreement and direction of the Minister, MBIE would consider any detailed options or proposals for change and draft a Cabinet paper later as a subsequent project (next phase).



Key questions within scope

Accreditation and conformity assessment can be tools used in a wide range of regulatory systems, or can be used voluntarily by firms. The review will look at where and when accreditation and conformity assessment is used and what value this adds to the economy. It will consider the following questions of use and effectiveness:

- Where is third party accreditation currently being used in regulation?
- When and how should regulators be using third party accreditation?
- Is there sufficient understanding and confidence among regulators, firms and consumers about the role of accreditation and conformity assessment, including the voluntary use of third party conformity assessment?
- Does New Zealand have sufficient quality, breadth and depth of conformity assessment bodies?
- How well equipped are our accreditation bodies to proactively identify opportunities for accreditation and conformity assessment to deliver additional value to the economy?
- How effective is conformance policy in reducing barriers to trade?
- How valid are the conformance system's underlying assumptions about the desirability of third party accreditation and the small size of the New Zealand market requiring the present infrastructure?
- How may new and emerging technologies impact on the conformance system?

New Zealand's accreditation system differs to some other countries in that services are provided by two recognised authorities, IANZ and JAS-ANZ. The review will consider the following questions of sustainability:

- What are the advantages and disadvantages in having two accreditation bodies (with, in some cases, overlapping functions)?
- What are international expectations in this area?
- How well do IANZ and JAS-ANZ work together? What is the extent and effectiveness of their international outreach activity, and relationships with government?

The review will also consider the role and responsibilities of Telarc Limited. Telarc Limited is a conformity assessment body and subsidiary of the Accreditation Council (which also operates IANZ).

Out of scope

The scope excludes reviewing the standards system that was reviewed in 2012. The scope will take account of but not directly include New Zealand's measurement system (i.e. legal and physical metrology). The review will inevitably identify sector specific technical conformance issues and challenges, but the scope excludes assessing and diagnosing problems with sectoral regulatory regimes that come into contact with conformance infrastructure. It includes considering the role of conformity assessment bodies in the infrastructure, but excludes directly reviewing the performance of the bodies.



Approach

The review involves targeted stakeholder engagement and desktop research and analysis. A steering group of up to eight experts and senior policy practitioners from MBIE and a selection of other relevant government agencies will guide the review.

Stakeholder engagement is important because the conformance system spans government, industry and consumers. Close involvement of key stakeholders in assessing the effectiveness and sustainability of conformance infrastructure will result in better evidence and information about the performance of the infrastructure, including any opportunities for improvements.

The main stakeholder engagement activity will be a pulse-check survey of stakeholders in line with the key questions above. The review team will summarise and analyse the responses along with its own findings. In addition, the review team will prioritise regular engagement meetings with IANZ and JAS-ANZ and other relevant government agencies and industry bodies.

Timeframe and deliverables

The first phase deliverable, a report with advice on the effectiveness and sustainability of the conformance infrastructure, opportunities and next steps, will be provided to the Minister in August 2018.