

EXPLANATORY STATEMENT

Select Legislative Instrument 2008 No. 121

Issued by the Authority of the Minister for Small Business, Independent Contractors,
and the Service Economy

National Measurement Act 1960

National Measurement Amendment Regulations 2008 (No. 1)

The principal objects of the *National Measurement Act 1960* (the Act) are to:

- establish a national system of units and standards of measurement of physical quantities;
- provide for the uniform use of those uniform units and standards of measurement throughout Australia;
- co-ordinate the operation of the national system of measurement; and
- provide for a system of verification of utility meters used for trade.

Section 20 of the Act provides, in part, that the Governor-General may make regulations, not inconsistent with the Act, prescribing all matters required or permitted by the Act to be prescribed, or necessary or convenient to be prescribed for carrying out or giving effect to the Act.

The Commonwealth has sole responsibility for the pattern-approval function in Australia under the Act. This is a specialised service for which the Commonwealth charges fees.

Subsection 20(1)(1) of the Act enables the *National Measurement Regulations 1999* (the Principal Regulations) to prescribe a fee for activities undertaken in respect of the examination and certification of patterns of measuring instruments. Schedule 13 to the Principal Regulations prescribes fees for pattern approval activities. Pattern approval is granted to a design of a measuring instrument which meets the requirements of the national measurement legislation which ensure that it is suitable for use for regulatory purposes including trade.

The purpose of the Regulations is to amend the Principal Regulations to change the rates charged for pattern approval activities. The relevant cost components have been identified for recovery under the Australian Government's Cost Recovery Guidelines.

The underlying principle behind the Guidelines is that agencies should set charges to recover all the costs of products or services where it is efficient and effective to do so, where the beneficiaries are a narrow and identifiable group and where charging is consistent with Australian Government policy objectives. The identified cost components of the fees are: salaries; operational expenses; property expenses; Comcare; and depreciation of assets.

Section 90B of the Principal Regulations defines three levels of fees depending on the kind of measuring instrument. Level 1 is for simple devices such as spirit measure

cups. Level 2 is for devices such as fuel dispensers and load cells. Level 3 is for devices such as bulk flow meters.

Under the fee changes, most fees are increased to meet cost recovery requirements that take into account the increased hourly cost of labour and other costs directly associated with the pattern approval of measuring instruments. Some fees have decreased because the processes involved have become more efficient. The increases depend on the type of measuring instrument being tested: 2% for weighing instruments; 3% for flowmeters; 9% for grain protein measuring instruments; 4% for evidential breathalysers; and 4% for utility meters. Fees for pattern approvals granted under mutual acceptance agreements (i.e. agreements that accept overseas test results) are increased by 6%.

The fee changes are designed to bring this activity into line with provisions of the Cost Recovery Impact Statement of the Department of Innovation, Industry, Science and Research.

Details of the Regulations are set out in the Attachment.

The Regulations are a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.

The Regulations will commence on 1 July 2008.

ATTACHMENT**Details of the *National Measurement Amendment Regulations 2008 (No. 1)*****Regulation 1 – Name of Regulations**

This specifies the name of the Regulations as the *National Measurement Amendment Regulations 2008 (No. 1)*.

Regulation 2 - Commencement

Regulation 2 provides that the Regulations commence on 1 July 2008.

Regulation 3 – Amendment of *National Measurement Regulations 1999*

This provides that Schedule 1 amends the *National Measurement Regulations 1999* (the Principal Regulations).

Schedule 1 – Amendments

Item 1 - Schedule 13, substitution of a revised Schedule 13

This item replaces the current Schedule 13 with a revised Schedule 13. The revised Schedule 13 makes provisions for the following:

- the prescription of revised fees for the examination and certification of volume, weighing and dimensional measuring instruments and utility meters by the National Measurement Institute;
- the prescription of revised fees for the examination and certification of patterns of measuring instruments by the National Measurement Institute;
- the prescription of revised additional fees for the use of equipment in examination of instruments by the National Measurement Institute;
- the prescription of fees for the examination and certification of evidential breath analysers and grain protein measuring instruments by the National Measurement Institute; and
- a number of minor editorial changes are also made to further improve the clarity and ease of use of the schedule.

The revision of existing fees is based on identified cost components that should be recovered under the Australian Government Cost Recovery Guidelines. This has led to most fees being increased in order to meet cost recovery and some fees being decreased because the processes involved have become more efficient.