



Hope your 2016 is off to a great start. In this issue of IANZ Argus, we take a look at the Trans Pacific Partnership, the recent issue of the quality of steel imports, a visit to IANZ by the Minister of Commerce and Consumer Affairs, an ASEAN meeting in Melbourne and the courses on offer at the NZ Quality College.

1. **Minister talks trade during IANZ visit**

Minister of Commerce and Consumer Affairs Paul Goldsmith talked extensively about import and export trade during a recent visit to IANZ. He and chief executive Dr Llew Richards discussed concerns about counterfeit and fake goods coming into New Zealand from some overseas countries.



“The Minister is very well aware of the value of accreditation and the confidence we have in test reports that come from accredited laboratories overseas,” says Dr Richards.

“The problems occur when products arrive that haven’t been tested in accredited labs so we have no idea about the validity of the test results that

accompany them. In other cases, the test reports themselves are counterfeit. We talked at length about the processes we have in place to address these issues.” Of particular concern was the recent issue about the quality of steel imports (see article below).

The Minister and Dr Richards also talked about IANZ’s future programmes and strategic direction. “It was a very positive and constructive meeting.”

Dr Richards says officials in Wellington are well aware of the benefits of accreditation, particularly when writing policy about compliance mechanisms and conformity of standards.

2. The pitfalls of importing materials

The quality and acceptability of imported materials such as steel and building products has again been in the news. Dr Richards says one of the main drivers with this issue is, as always, price. “If you are seeking low prices by sourcing from offshore make sure you understand the pitfalls and know how to guard against them. Bargain-priced materials that cannot prove their quality may end up as so much scrap.



“There should always be two considerations when purchasing anything - price and quality. Price is easy to compare but quality is more complicated. Quality is commonly defined as ‘fitness for purpose’. With steel, for example, there are many uses for it, different shapes of products and a range of properties. Design engineers understand the requirements of their designs and specify characteristics of materials accordingly.

“To ensure consistency, published Standards often specify the test methods that must be used to establish the grade. These are good systems that have stood the test of time and work well in Australia and New Zealand, as everyone works to the same standards.”

However, in the wider world, each economy tends to work to their own local Standards or to international Standards. Many Standards for steel are similar, but not identical.

“Problems arise when materials, bought with incomplete specifications, arrive on-site, accompanied by paperwork that does not match the designer’s specification. Disputes and delays are the result and those extra costs can quickly outstrip the apparent savings gained on the purchase price. The keenly-priced, but unacceptable, product no longer looks such a bargain.”

Dr Richards says a second pitfall relates to the trustworthiness of documentation presented with any product. A robust worldwide system of accreditation ensures test and inspection results are technically reliable. When IANZ started a certificate/report assessment service in 2005 most of the certificates presented related to imported consumer products and the level of non-compliance was approaching 30%. Over recent years the level of non-compliance has dropped to around 10% for these products.

However, recently IANZ has started receiving copies of test certificates and reports related to imported steel where the level of non-compliance in the paperwork has been very high.

“This is certainly cause for concern. The solution is to make sure specifications are very clear and detailed when ordering materials. Quote Standards for material grades, require testing in accredited laboratories and make sure the test reports or certificates carry the national accreditation body’s symbol.

“If there is doubt about the authenticity of test reports or certificates, IANZ can help to verify their reliability and, where appropriate, liaise with the relevant overseas accreditation body,” says Dr Richards.

IANZ can also provide guidance on the accreditation process, which economies operate equivalent accreditation programmes and contact details for the overseas accreditation authorities.

3. TPP is good news for New Zealand

All Kiwis like to travel and buy goods from overseas. But sometimes we pay up to twice the price for something in New Zealand than we would pay overseas. In some cases, we export goods that have great difficulty getting into overseas countries – possibly because of high tariffs (duties), sometimes for technical or regulatory reasons.



Dr Richards says one of the great benefits for New Zealand from the Trans Pacific Partnership (TPP) signed in February is there is now a mechanism to address these technical and regulatory issues which are barriers to trade. New Zealand has a very open, liberal trading system that requires products to be safe, but does not impose a lot of red tape. Other countries can take a different approach and New Zealand exports can face significant regulatory obstacles.

“We have a global regime to ensure products can be tested to make sure they are safe, and for those test results to be accepted in other countries (more than half of New Zealand exports must be tested in accredited laboratories, prior to export). Unfortunately, some regulators in other countries add additional bureaucratic hurdles which have the effect of slowing down, or even stopping, New Zealand exports.

“What the TPP agreement does is introduce a mechanism where all regulators in 12 countries can take advantage of the benefits and efficiencies provided by accreditation. It also allows New Zealand to take action if goods are stopped because of non-acceptance overseas of the conformity assessment process, such as testing, here in New Zealand.”

While, the big wins for New Zealand may well come from the reduction in tariffs, Dr Richards says the TPP agreement is much more than that. “It actually offers the opportunity to really streamline the regulatory process – remove the red-tape and bureaucracy, and actually make a real difference in trade facilitation.”

The 12 countries in the TPP are New Zealand, Australia, Brunei, Canada, Chile, Japan, Peru, Malaysia, Mexico, Singapore, Vietnam and the United States.

4. Benefits of CER promoted in Melbourne

The benefits of Closer Economic Relations (CER) between New Zealand and Australia were outlined at an ASEAN meeting in Melbourne last month.

Organised by the Australian’s Department of Foreign Affairs and Trade, the conference brought together the 10-member Association of Southeast Asian Nations (ASEAN) for a CER Integration Partnership Forum

IANZ chief executive Dr Llew Richards was asked to present at the meeting.



“CER has worked brilliantly for New Zealand and Australia so we talked about how the CER concept could be applied in an ASEAN context. Like the ASEAN nations, Australia and New Zealand have different sized economies, different regulatory structures and different political systems but that hasn’t stopped open trade between us,” says Dr Richards.

“We wanted to sell the message to ASEAN that, even if their economies are different, the CER model could still work very well for them.

“One thing New Zealand and Australia do have in common is the same conformity assessment infrastructure so we discussed the advantages of IANZ working with our Australian counterpart NATA.”

IANZ often sources technical experts from NATA and vice versa and the two accreditation bodies also work together closely at Board level. “This is a mutually beneficial practice to make sure accreditation is optimised as much as it can be so we used this as an example of good practice which the ASEAN nations could consider,” says Dr Richards.

The 10 ASEAN members are Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam. The purpose of ASEAN is to accelerate economic growth, social progress and cultural development in the region, while also promoting regional peace and stability.

5. **NZQC boosts training programme**

The New Zealand Quality College continues to expand and update its already highly-regarded training programme.



Worksafe’s new health and safety requirements, which came into effect in April, has seen increased uptake for NZQC’s safety-focused courses, while the popular Internal Auditing and Laboratory Quality Management courses are filling up fast.

One of the NZQC’s most popular programmes is the two day ISO9001 Quality Management Systems, which focuses on the world’s most popular Standard and how it can improve your business. This course has been updated to reflect the new 2016 Standard while an additional new course covers only the changes to the Standard.

The ISO14001 Environmental Management Systems Standard has been updated too so that course has also been expanded.

NZQC runs courses in Auckland, Wellington and Christchurch. For larger organisations, tailored tuition can be held in-house for groups of five and more. For more information, go to www.nzqc.co.nz

6. Food safety vital for both consumer health and NZ economy

With thousands of food outlets across the country and dairy, meat and wine exports worth \$21 billion a year, food safety has never been more important.

The Food Act 2014 came into force on 1 March, establishing a new verification regime with businesses to be ranked according to their level of risk. The agencies doing the verification of higher risk processes will need to be accredited under ISO17020 to demonstrate their competence.



International Accreditation New Zealand (IANZ) undertakes this work and already assesses several verification agencies who voluntarily sought accreditation under previous legislation.

“Every higher risk food business in New Zealand, like food manufacturers and exporters, now needs a Food Control Plan (FCP), customised for their operations. Accredited verifiers go into those premises to assess compliance with the FCP,” says Geoff Hallam, regulatory affairs manager at IANZ.

He says low risk businesses such as service stations and dairies, selling packaged and dried goods, are allowed to use a template FCP provided by the Government and, for that level of risk, verification will be exclusively by local authorities.

Restaurants and cafes are generally medium risk, although that depends on factors like the type of food they offer, the potential for contamination or deterioration and the number of people they feed.

IANZ already accredits food testing laboratories across the dairy, meat, seafood, honey and wine industries, and is recognised in about 80 economies, including all NZ’s major trading partners.

“For many products, the price they fetch is based on test results, eg. the fat content in butter or milk products, so buyers of those products need assurance that the information they get is prepared by competent, accredited laboratories,” says Hallam.