



EXECUTIVE MINUTE

on

JOINT COMMITTEE OF PUBLIC ACCOUNTS AND

AUDIT REPORT No. 512

Report of the inquiry into the administration of Commonwealth regulations

General comments

The Department of Industry, Science and Resources (the Department) welcomes the opportunity to respond to the recommendations of the Joint Committee of Public Accounts and Audit in its *Report 512: Report of the inquiry into the administration of Commonwealth regulations*.

The Department agrees to Recommendations 4, 5 and 6 to provide further information, and has attached data and analysis in response to each recommendation to assist with the Committee's deliberations.

The department aims to continuously improve its regulatory approach to ensure it is a contemporary and transparent regulator, in alignment with best-practice principles outlined in the *Regulatory Performance Resource Management Guide 128* (RMG 128). This includes implementing the recommendations from the earlier audit, *Trade Measurement Compliance Activities (Auditor-General's Report No.5 of 2023–24)*. As we noted in our response to that audit, continuous improvement in how the National Measurement Institute (NMI) undertakes compliance activity is important given rapid technological change and the shifting geostrategic environment. The increasing costs of administering Australia's trade measurement laws and the ongoing difficulty of recovering the high fixed costs incurred delivering NMI's essential services limit how quickly improvements can be implemented.

22 September 2025

Recommendation No: 4

The Committee recommends the Department of Industry, Science and Resources provides to the Committee the detailed analysis it relies upon to be certain it is comprehensively regulating its target population, as required under the *National Measurement Act 1960*, prior to undertaking contracted regulatory activities on behalf of other entities.

Summary of response: Agreed**Supporting rationale:**

The Department follows a step-by-step process to determine the annual compliance programs and allocate resources for its regulatory activities under the *National Measurement Act 1960*, as well as for other entities. Since trade measurement activities may overlap with work for other entities, resource allocation for specific programs is done simultaneously. When conducting regulatory activities in the field, an inspector can assess compliance with multiple elements, including contracted regulatory activities for other entities. For example, during a single visit, an inspector may check the measurement accuracy of a fuel pump, collect a fuel sample for quality testing, and ensure that tobacco products are sold in plain packaging.

The detailed analysis the Department relies upon to comprehensively regulate its target population is set out in **Table 1**. The table summarises a series of documents, with an overview of how these are used to determine annual program plans and allocate resources, how they provide input, and a description of their content or how the content is compiled. These documents are available to the Committee on request, subject to confidentiality provisions in Section 19H of the *National Measurement Act 1960*.

Trader compliance rates at the time of the initial audit have remained stable or increased (see **Table 2**). The Department interprets this data as confirming that the work undertaken on behalf of other entities has not negatively impacted the compliance of the regulated population since commencing regulatory activities on behalf of the Department of Health, Disability and Ageing in 2013 and the Department of Climate Change, Energy, the Environment and Water in 2020–21.

Table 1: Summary of analysis used to prioritise regulatory activities and inform 2025–26 compliance programs

Document	Document type (input type)	Description
1. All industry risk assessments	Risk assessment input – Excel spreadsheet	All industry risk assessment data from the trade measurement data base since 2016 combined with relevant industry data from IBISWorld aligned to Australian and New Zealand Standard Industrial Classification (ANZSIC) codes. Tabs include industry risk assessment summary by ANZSIC, industry risk assessment by trader type data (previous 1, 3 and 5 years), industry risk assessment by ANZSIC data from the previous 1, 3 and 5 years, and industry risk assessment by ANZSIC data since 2016.
2. Compliance data	Risk assessment input – 3 Excel spreadsheets	All instances of non-compliance categorised by measurement legislation sections and significance. Data is presented by trader type, instrument category, trial purchases and prepackaged articles. Data is from the previous 1, 3 and 5 years.
3. Complaints report	Risk assessment input – Excel spreadsheet	Complaint data, including the complaint type and outcome.
4. Enforcement action report	Risk assessment input – Excel spreadsheet	A summary of enforcement actions taken against trader types in the previous 1, 3 and 5 years.
5. Detailed program considerations	Analytical document that combines risk assessment input data – Excel spreadsheet	Key analytical document that combines risk assessment data, stakeholder feedback, compliance history, enforcement data and industry statistics to inform program targets. Program inclusions and exclusions are recorded in this spreadsheet.
6. Program overview	Resourcing input – Excel spreadsheet	Key input to determine the available trade measurement inspector resources for the financial year. Available resources are linked within an overview of all trade measurement targets and program targets undertaken on behalf of other Commonwealth departments.
7. Program summary	Summary of the detailed program considerations and description of the entire compliance program planning process – Word document	Summarises the key information in document 5, lists the detailed stakeholder feedback and explains how program resourcing is decided.

These documents are available to the Committee on request, subject to the confidentiality provisions in Section 19H of the *National Measurement Act 1960*.

Table 2: Initial compliance rates from 1 July 2013 to 30 June 2024

Year	Initial audits	Initial compliance
2013–14	7,236	4,278 (59%)
2014–15	8,131	4,901 (60%)
2015–16	7,634	5,076 (66%)
2016–17	7,761	5,029 (65%)
2017–18	7,282	4,737 (65%)
2018–19	6,357	4,230 (66%)
2019–20	5,736	3,804 (66%)
2020–21	3,587	2,365 (66%)
2021–22	2,529	1,738 (69%)
2022–23	3,183	2,124 (67%)
2023–24	3,634	2,437 (67%)

Sources: Data published in legal metrology compliance reports: [National data 2013–14](#), published in 2014; [Trade measurement compliance in 2014–15](#), published in 2015; [Legal metrology compliance in 2021–22](#), published 8 December 2022; [Compliance with measurement regulation in 2023–24](#), published 11 November 2024.

Recommendation No: 5

The Committee recommends the Department of Industry, Science and Resources provides to the Committee data on the actual scope of activities undertaken by inspectors during trader audits in each of the years from 2017–18 to the present, to support its evidence to the Committee that the number of trader audits has declined because inspectors are conducting more comprehensive audits.

Summary of response: Agreed**Supporting rationale:**

Our annual program plans (legal metrology priorities) determine inspectorate audit activities. Data from these activities is recorded in the Department's Trade Measurement Activity and Reporting System (TMARS) and published in our annual compliance reports.

Inspectors will undertake a combination of assessments at an audit, depending on the compliance program. These include checks for instrument accuracy, prepackaged article weights, marking and labelling of prepackaged articles, over the counter transactions, and activities related to trading practices (also known as 'secret shopper' or trial purchases). Outcomes from these compliance assessments may require additional time to gather evidence, including lines of questioning on quality assurance systems and employee training, and inspecting associated records.

The number of separate audit elements, volume of testing, and the compliance outcomes will determine the amount of time spent at premises. This is in addition to time spent entering data, preparing reports and compiling evidence briefs (enforcement actions). More activities also require increased office time to complete data entry to comply with record-keeping obligations. Over time, the volume of data to be captured has increased to align with the requirements of RMG 128 and the findings of the [Trade Measurement Compliance Activities performance audit report \(Auditor-General Report No.5 of 2023–24\)](#).

Tables 3, 4 and 5 demonstrate that there is a correlation between lower audit numbers and increased instrument testing (more comprehensive instrument focus) across the 2020–21 and 2021–22 financial years (**Table 3**). A similar correlation is demonstrated for a more comprehensive focus on prepackaged products in audits from 2022–23 to 2024–25 (**Table 4**), and for trading practices audits from 2022–23 to 2023–24 (**Table 5**). For example, the number of packages tested in 2024–25 was almost twice the number of packages tested in 2017–18.

Table 3: Instrument testing – increased activity per trader audit in 2020–21 and 2021–22

Year	Trader audits (total)	Measuring instruments tested	Measuring instruments tested per audit
2017–18	9,633	14,906	1.6
2018–19	7,586	15,887	2.1
2019–20	7,600	13,588	1.8
2020–21	4,842	14,049	2.9
2021–22	3,131	7,118	2.3
2022–23	4,410	7,651	1.7
2023–24	5,161	8,526	1.7
2024–25	4,123	6,201	1.5

Sources: Data for 2017–18 to 2018–19 from [Legal metrology compliance in 2021–22](#), published 8 December 2022; data for 2019–20 to 2023–24 from [Compliance with measurement regulation in 2023–24](#), published 11 November 2024; data for 2024–25 from TMARS, accessed 8 September 2025.

Table 4: Prepackaged lines testing – increased activity per trader audit in 2022–23, 2023–24 and 2024–25

Year	Trader audits (total)	Prepackaged lines tested	Prepackaged lines tested per audit
2017–18	9,633	71,799	7.5
2018–19	7,586	70,183	9.3
2019–20	7,600	78,290	10.3
2020–21	4,842	25,990	5.4
2021–22	3,131	17,360	5.5
2022–23	4,410	29,966	6.8
2023–24	5,161	61,623	11.9
2024–25	4,123	55,615	13.5

Sources: Data for 2017–18 to 2018–19 from [Legal metrology compliance in 2021–22](#), published 8 December 2022; data for 2019–20 to 2023–24 from [Compliance with measurement regulation in 2023–24](#), published 11 November 2024; data for 2024–25 from TMARS, accessed 8 September 2025.

Table 5: Trial purchases (audit of trading practices) – increased activity per trader audit in 2022–23 and 2023–24

Year	Trader audits (total)	Trial purchases (audit trading practices)	Trial purchases per audit
2017–18	9,633	1,433	0.15
2018–19	7,586	1,096	0.14
2019–20	7,600	1,325	0.17
2020–21	4,842	732	0.15
2021–22	3,131	521	0.17
2022–23	4,410	1,342	0.30
2023–24	5,161	1,276	0.25
2024–25	4,123	788	0.19

Sources: Data for 2017–18 to 2021–22 from Legal Metrology Branch internal reports (June monthly reports); data for 2022–23 to 2023–24 from the relevant annual compliance report; data for 2024–25 from TMARS, accessed 8 September 2025.

Recommendation No: 6

The Committee recommends the Department of Industry, Science and Resources provides to the Committee, in deidentified format, a report detailing the regulatory action it has taken when an infringement notice has been issued but non-compliance is detected during a follow-up audit. This report is to be provided each six months, commencing from the 2022–23 year. This report is to be provided to the Committee to the conclusion of 2025–26.

Summary of response: Agreed***Supporting rationale:***

The Department follows an escalating enforcement model; however, its National Compliance Policy does not mandate escalation for each subsequent offence. One of the guiding principles is proportionality. Most offences are low level and typically stem from process or system failures rather than deliberate misconduct.

The Department often issues subsequent infringement notices for recurring offences, escalating penalty values when necessary to reflect the repeat nature and frequency of the non-compliance. The choice of regulatory response is intended to influence behaviour and support improved compliance.

An analysis of infringement notices supports this proportionate approach. A summary of the 64 infringement notices from 1 July 2022 to 30 June 2025 is provided (**Table 6**) detailing subsequent findings at a follow-up audit. For each of the 14 cases where non-compliance was detected at follow-up, further actions undertaken are reported (

Table 7 (a)–(f)), separated into successive six-month periods following the recommendation.

Further reports will be provided to the Committee on a six-monthly basis in March and September 2026 to cover the data period requested (i.e. to the conclusion of 2025–26).

Table 6: Analysis of 64 infringement notices and findings at a follow-up audit, 1 July 2022 to 30 June 2025

Number of infringement notices	Percentage of infringement notices)	Finding at follow-up audit	Notes
41	64%	Compliant	No further action required.
11	17%	Non-compliant – further action taken	Issues not rectified, insufficient change to trader behaviour and further action taken. See Table 7 for details.
3	4.5%	Non-compliant – minor issues	Trader behaviour changed, minor non-compliance identified but compliant at further follow-up visit. See Table 7 for details.
5	8%	Not followed up (system issue)	All infringement notices in this category were issued prior to a system update in November 2023. At that time, inspectors were required to manually schedule follow-up visits, and this step was occasionally missed. In response to the ANAO audit, automated scheduling was introduced. These 5 businesses will be revisited in 2025–26.
4	6.5%	Business closed	Business no longer trading, no action required.
Total: 64	Total: 100%		

Table 7: Actions taken when an infringement notice has been issued but non-compliance is detected during a follow-up audit, 1 July 2022 to 30 June 2025

(a) July to December 2022

Note: 9 infringement notices were issued during this 6-month period. This table lists the only case that was non-compliant at follow-up audit.

Ref	Summary	Detail
a1	Non-compliances found at 1st revisit but compliant at 2nd revisit.	<p>Background to original penalty</p> <p>26/07/2022 – Audit conducted as a follow-up to previous failed inspections. 2 inaccurate scales and all products were sold over the counter gross weight.</p> <p>01/12/2022 – \$1,110 penalty issued.</p> <p>Further regulatory action</p> <p>20/03/2023 – Follow-up inspection – Failed trial purchase, labelling issues, 2 inaccurate scales.</p> <p>05/09/2023 – Compliant – Both scales reverified and automatic tare allowance programmed for all products.</p>

(b) January to June 2023

Note: 9 infringement notices were issued during this 6-month period. This table lists the 3 cases that were non-compliant at follow-up audit.

Ref	Summary	Detail
b1	Minor non-compliances found at 1st revisit but compliant at 2nd revisit.	<p>Background to original penalty</p> <p>14/09/2022 – Two audits were conducted at different premises as a follow-up to a previous failed audit and an audit of the compliance agreement in place. 4 prepackaged lines were gross weight, 4 scales were unverified, 1 scale was inaccurate.</p> <p>25/01/2023 – \$1,110 penalty issued for unverified scale.</p> <p>Further regulatory action</p> <p>06/03/2023 – All issues rectified other than 3 lines that had an insufficient tare allowance.</p> <p>01/05/2023 – Follow-up inspection – compliant.</p>
b2	Repeated non-compliance found at follow-up inspections. Enforcement action decision pending.	<p>Background to original penalty</p> <p>13/05/2022 – Follow-up to previously issued infringement notice. 2 scales found unverified, all products sold over the counter gross weight, and 11 prepackaged lines contained a shortfall.</p> <p>07/02/2023 – \$2,220 penalty issued.</p> <p>Further regulatory action</p> <p>24/08/2023 – Follow-up inspection – 2 failed trial purchases, unmarked prepackages and unverified/inaccurate scales.</p> <p>16/01/2024 – Follow-up inspection – 2 failed trial purchases, unmarked prepackages and unverified/inaccurate scales.</p> <p>27/05/2025 – Follow-up inspection – 3 failed trial purchases, unverified/inaccurate scales, investigation completed, file submitted on 02/09/2025 to Investigations and Compliance Section (internal) with a recommendation for multiple penalties to be issued.</p>
b3	Repeated non-compliance found at revisits. Enforcement action pending.	<p>Background to original penalty</p> <p>6/12/2022 – Audit conducted as a follow-up to 3 previous failed audits. 2 trial purchases failed, 4 prepackaged lines were gross weight/inadequate tare.</p> <p>02/05/2023 – \$1,110 penalty issued for failed trial purchase.</p> <p>Further regulatory action</p> <p>13/06/2023 – Follow-up inspection – Trial purchase failed, unmarked prepackaged articles, 3 prepackaged lines with shortfall.</p> <p>10/09/2024 – Follow-up inspection – Trial purchase was not possible as officer was identified upon entering the store, minor fails identified.</p> <p>15/09/2025 – Follow-up inspection – Minor non-compliance identified. Enforcement actions pending.</p>

(c) July to December 2023

Note: 11 infringement notices were issued during this 6-month period. This table lists the 2 cases that were non-compliant at follow-up audit.

Ref	Summary	Detail
c1	Non-compliance found at revisits. Further infringement notice issued, now compliant.	<p>Background to original penalty</p> <p>21/03/2023 to 19/04/2023 – Visits at 4 retail stores in the same chain found multiple prepackaged line shortfalls. Packaging tares were being set centrally but no controls were in place to ensure staff used the correct packaging.</p> <p>13/07/2023 – \$6,875 penalty issued for 5 prepacked lines with shortfall.</p> <p>Further regulatory action</p> <p>11/08/2023 to 22/09/2023 – Follow-up visits at 7 stores identified further non-compliance. 2 prepackaged product lines that failed the previous inspections were still incorrect.</p> <p>07/12/2023 – \$6,875 in fines issued. Worked with business to improve systems.</p> <p>04/06/2024 – Revisited and found to be compliant.</p>
c2	Minor non-compliance found at 1st revisit but compliant at 2nd revisit.	<p>Background to original penalty</p> <p>05/07/2023 – Follow-up audit to retail store. Still no packaging tares for over the counter products in system as per previous inspection.</p> <p>24/08/2023 – \$1,565 penalty issued.</p> <p>Further regulatory action</p> <p>10/04/2024 – Retailer had introduced package tares for all items. During trial purchase, one item passed and one failed due to staff error.</p> <p>28/10/2024 – Revisited and found to be compliant.</p>

(d) January to June 2024

Note: 13 infringement notices were issued during this 6-month period. This table lists the 4 cases that were non-compliant at follow-up audit.

Ref	Summary	Detail
d1	Non-compliance found at revisits. Further infringement notice issued (e2).	<p>Background to original penalty</p> <p>04/09/2023 to 28/09/2023 – 7 follow-up visits found non-compliances in prepackaged articles, over the counter products and scale inaccuracies.</p> <p>19/01/2024 – \$7,825 penalty issued.</p> <p>Further regulatory action</p> <p>04/06/2024 – Further non-compliance identified at visits to multiple stores but improvements in systems – continued in e2 (further infringement notice was issued).</p>
d2	Non-compliance found at revisits. Further infringement notice issued and now compliant.	<p>Background to original penalty</p> <p>08/11/2023 to 17/11/2023 – Visits to 3 stores identified a lack of tares for over the counter transactions. Likely that same issue present in all 13 stores in chain.</p> <p>23/01/2024 – \$3,130 penalty issued.</p> <p>Further regulatory action</p> <p>14/05/2024 – Further non-compliance identified at visits to multiple stores. Company had instituted tares and quality assurance checks but had not addressed BYO packaging issues.</p> <p>09/07/2024 – \$4,695 penalty issued for 2 failed trial purchases and one prepackaged line with shortfall.</p> <p>29/07/2024 – Follow-up inspection – Trial purchases passed.</p>
d3	Non-compliance found at revisit. Further infringement notice issued and now compliant.	<p>Background to original penalty</p> <p>27/02/2024 – Follow-up visit to small retailer following warning letter. Failed over the counter trial purchase again.</p> <p>13/05/2024 – \$1,565 penalty issued.</p> <p>Further regulatory action</p> <p>09/08/2024 – Follow-up inspection failed over the counter trial purchase again and 4 prepackaged lines found with shortfall.</p> <p>10/10/2024 – \$3,130 penalty issued for failed trial purchase and one failed prepacked line.</p> <p>13/01/2025 – Follow-up inspection – Revisit compliant.</p>
d4	Minor non-compliance found at 1st revisit but compliant at 2nd revisit.	<p>Background to original penalty</p> <p>30/04/2024 to 06/05/2024 – Follow-up to a warning letter, 3 retail stores visited and multiple non-compliances relating to scales, over the counter trial purchases and prepackages found.</p> <p>18/06/2024 – \$6,260 penalty issued.</p> <p>Further regulatory action</p> <p>14/10/2024 – Follow-up inspection – Trial purchase failed, scales and prepackages passed. Investigation identified store point of sale (POS) system had crashed overnight and erased all tares. Business was fixing issue.</p> <p>03/12/2024 – Follow-up inspection – Inspector visited second store, and 3 trial purchases passed.</p>

(e) July to December 2024

Note: 14 infringement notices were issued during this 6-month period. This table lists the 3 cases that were non-compliant at follow-up audit.

Ref	Summary	Detail
e1	Non-compliance found at revisit. Further infringement notice issued (e3).	<p>Background to original penalty</p> <p>18/03/2024 – Follow-up to a warning letter found unverified scales, failed over the counter trial purchases and unmarked prepackages.</p> <p>10/07/2024 – \$1,565 penalty issued.</p> <p>Further regulatory action</p> <p>09/09/2024 – Follow-up inspection, further non-compliance detected – continued in e3 (further infringement notice was issued).</p>
e2	Non-compliance found at revisits. Warning letter issued and inspection pending.	<p>Background to original penalty</p> <p>04/06/2024 to 25/07/2024 – Continuation from d1 – Follow-up visits at 8 retail stores, noted that business had brought in quality assurance measures since last penalty, scales were largely compliant, most over the counter tares had been updated and prepackaged shortfalls were minimal.</p> <p>23/09/2024 – \$3,130 penalty issued for a failed over the counter trial purchase and a prepack shortfall.</p> <p>Further regulatory action</p> <p>17/03/2025 and 18/03/2025 – Follow-up inspections at 2 stores conducted, minor non-compliance relating to ‘mark-down’ prepackages found.</p> <p>24/07/2025 – Warning letter issued. Follow-up audits scheduled for September 2025.</p>
e3	Non-compliance found at revisit. Further infringement notice issued and now compliant.	<p>Background to original penalty</p> <p>09/09/2024 – Continuation from e1 – Follow-up inspection found same issues as previous inspection.</p> <p>10/10/2024 – \$4,695 penalty issued.</p> <p>Further regulatory action</p> <p>26/11/2024 – At follow-up, all issues fixed other than over the counter purchases at seafood counter.</p> <p>17/02/2025 – \$1,650 penalty issued.</p> <p>23/04/2025 – Follow-up inspection – Trial purchase and prepackages compliant.</p>

(f) January to June 2025

Note: 8 infringement notices were issued during this 6-month period. This table lists the only case that was non-compliant at follow-up audit.

Ref	Summary	Detail
f1	Non-compliance found at revisit. Further inspection pending.	<p>Background to original penalty</p> <p>07/02/2025 – Inspection referral following earlier warning letter. 6 out of 16 prepackaged lines tested failed, of which 2 were the subject of the warning letter.</p> <p>17/06/2025 – \$3,300 penalty issued.</p> <p>Further regulatory action</p> <p>07/07/2025 – Follow-up inspection – Single package beyond 5% shortfall. Further follow-up audit scheduled for September 2025.</p>