

# Accreditation Council

## Statement of Intent

1 July 2016 – 30 June 2020



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### **Vision**

To be a world-class provider of accreditation, certification and related services, providing value-added assurance of competence and compliance, in a financially sustainable manner.

### **Purpose**

Adding value to business through formal recognition of technical competence, and through continuous quality improvement.

### **Customer Value**

- Allows access to overseas markets
- Formal recognition of competence
- A commitment to raising the quality bar

### **Council Goals**

- To cost-effectively provide authoritative, independent recognition of the competence of laboratories, inspection bodies and radiology practices across all sectors of industry where accreditation adds value.
- To provide a cost-effective trade facilitation mechanism and enable access to international markets through acceptance of test reports from IANZ accredited organisations by overseas regulators, and to provide assurance of compliance for imported products.
- To be New Zealand's leading provider of assurance services, focusing on certification and compliance with standards.
- Maintain financial sustainability without Crown funding.



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## 1. Overview

In collaboration with the Minister of Commerce and Consumer Affairs, and the passing of the new Standards and Accreditation Act, this will be an enduring SOI and unless there are significant strategic or contextual changes, the next one will be produced in 2019.

The Accreditation Council (the Council), trading as International Accreditation New Zealand (IANZ) adds value to businesses by providing independent assurance of their technical competence.

This is vital for the New Zealand economy and the Country's exporters.

By providing independent assurance of technical competence and providing confidence that products are safe, IANZ accreditation improves business performance and assists in increasing quality for the benefit of all New Zealanders. Through IANZ accreditation, overseas regulators also have assurance that test results are reliable, and thus New Zealand products are safe and true to label. Regulatory acceptance of test reports enables exporters to reduce compliance costs, and gives certainty regarding access to overseas markets.

Technical competence is also essential in areas such as food safety, medical testing and other health services, to give assurance for consumers and the public using these services.

IANZ accredits laboratories that provide critical diagnostic testing and medical imaging, as well as those testing for product safety. Inspection bodies are also accredited for domestic food safety inspection, engineering safety (e.g. cranes; pressure equipment), and fire sprinkler inspection. All Building Consent Authorities (BCA's) are also accredited by IANZ.

The Council also offers certification services through its 75% owned subsidiary, Telarc SAI Limited (Telarc), New Zealand's largest certification body. Telarc audits compliance against food safety, quality, health and safety, and environmental management system standards.

Telarc certification provides independent assurance that management systems (quality, environmental, food safety, and health and safety) comply with International and New Zealand standards. Organisations and Regulators utilise certification for a number of reasons including – business improvement, customer demand, minimisation of risk and to create recognised benchmarked consistency for producers in highly visible and environmentally challenged industries. Having the Telarc tick of approval is used by industry and organisations alike to differentiate their products and services both locally and internationally.

To assist customers and businesses to meet the requirements of accreditation or certification, the Council also offers training services through its training division, the New Zealand Quality College (NZQC). Where overseas agencies require assistance, this is provided by the NZQC on a commercial basis.

During the next four years, IANZ will continue to work with regulators and international organisations to help with increasing New Zealand's exports, both with existing products into new markets, and with innovation in technology, developing new products for export.

Telarc is working with industry, regulators and businesses alike to establish how it can provide professional, independent, meaningful assessments, including gap analysis, to improve quality, environmental, health and safety, food safety and public safety performance.

IANZ and Telarc both meet international standards for bodies of their type (Appendix 1) and are regularly evaluated to ensure compliance.

## 2. Strategic Objectives 2016 – 2020

Detailed targets for 2016/2017 are set out in the Statement of Performance Expectations (SPE).

### IANZ (Accreditation)

#### Customer focus

1. Better value generation by aligning audit processes with client's management objectives.
2. Further develop IANZ technological infrastructure to improve the efficiency of assessments and accreditation delivery.
3. Continue to build on the relationships with regulators to better target accreditation services, both in the domestic sector, and to facilitate access to export markets.

#### Innovations within current operations

1. Work with existing clients to provide new (extension) assessments to meet new overseas market access requirements, and with new clients to provide recognition of their competence, thus adding value to their business operations.
2. Provide assessments for clients seeking new recognition of competence in both the health sector (new medical testing and radiology developments) and in safety critical areas (P lab remediation of houses, new workplace drug testing laboratories).
3. Develop assessments for new clients across all programmes in a timely manner, providing independent recognition of their technical competence.
4. Work towards a paperless environment.

#### Contribution to the Government's Business Growth Agenda (BGA) by extending current IANZ competencies into new areas

- a. Develop (in conjunction with Ministry of Health (MoH) and professional Colleges) new programmes in the health sector.
- b. Develop (in conjunction with Ministry for Primary Industries (MPI) and Local Government) new accreditation programmes for food safety inspection, and extend laboratory accreditation services to meet any new overseas market access requirements.
- c. Develop (in conjunction with Ministry of Business, Innovation and Employment (MBIE)) new accreditation programmes targeting Government priorities in reducing compliance costs for business, and facilitating infrastructure development.

#### Enhancing Governance

1. Grow the value of processes.
2. Undertaking governance reviews.

#### Benchmarking

1. Undertake benchmarking of fees against other professional service providers and overseas accreditation bodies.

### Telarc (Certification)

#### Growing business

1. It is Telarc's stated Strategic objective that it will increasingly provide both existing and new customers with timely, relevant and professional services with particular focus on growing its presence in the Health & Safety and Food Safety segments.

#### Automating business

1. Telarc is investing in providing its people with state of art phones and laptops to ensure that both its audit process and the customers engaged in it are not subject to communication and or information capture breakdowns. Additionally, Telarc is investing in standardising its information capture protocols to increasingly be able to provide business and regulators with benchmarking information across branches, regions, industries and technical areas.

## Working with customers

1. Telarc is investing in resource to provide an increasingly proactive service to its 1,500 customers throughout New Zealand. Annual customer surveys have highlighted areas and organisations where Telarc can enhance its already strong position in the marketplace. By increasing the level of resource in its business development area they will look to continue to grow its reputation through the provision of a more intimate experience for its customers.

## NZQC (Training)

### Market positioning

1. The Council's training division maintains the leading position as New Zealand's provider for accreditation and certification related training.
2. Enhance organisational profile and processes to optimise customer awareness and efficiencies.

### Developing New Training Programmes

1. As new standards, regulations and criteria continue to be developed across all industry sectors, NZQC will develop new training courses to meet new demands.

## International

### Export Trade Facilitation

1. IANZ will work with MBIE to reduce technical trade barriers.
2. IANZ will leverage APLAC networks at the technical, policy and governance levels to assist with Free Trade Agreements (FTA's).
3. IANZ will assist MBIE with trade negotiations for Europe and the Regional Comprehensive Economic Partnership (RCEP) and further development of the China/Association of Southeast Asian Nations (ASEAN) FTA's.

## Council

### Financial Sustainability

1. The Council has operated in a totally user funded environment since 1988, and receives no Crown funding. While investments in new initiatives can be significant, the Council is building financial reserves to cover at least four months operational costs, to cover unexpected trading costs, to allow for investment in new accreditation areas, and to ensure ongoing financial viability.
2. The Council has decided to invest in three core areas:
  - a. Staff – particularly training in new sectors (e.g. sales/market development).
  - b. In new programmes – particularly food safety inspection; and non-traditional medical testing (e.g. point of care testing in pharmacies, and diagnostic testing by physicians).
  - c. Trade facilitation - using the global accreditation networks to reduce technical barriers to trade.
3. Ensure financial viability (without recourse to the Crown) is maintained. A critical part of this activity is ensuring that IANZ is fully financially viable in its own right.



Paul Connell  
Chairman  
April 2016



Lindsey Lawton  
Council Member  
April 2016

### 3. Nature and Scope of Operations

#### Nature of the Council

The Accreditation Council (Council) is responsible to the Minister of Commerce and Consumer Affairs and is a user-funded, not for profit, autonomous Crown Entity, originally established under the Testing Laboratory Registration Act 1972 but now operating under the Standards and Accreditation Act 2015.

The Council consists of five to seven members appointed by the Minister and is the governing board for the purposes of the Crown Entities Act 2004.

The Council operates as IANZ for provision of accreditation services; as NZQC for all training activities; and as a separate company, Telarc, for certification services. Telarc is a Crown Entity Subsidiary under the Crown Entities Act 2004, and is registered under the Companies Act 1993. It is 75% owned by the Council and 25% owned by ASX listed SAI Global Limited (SAI Global). Telarc has its own Board of Directors and operates independently from IANZ.

#### Scope of Operations

IANZ accreditation is formal independent recognition of competence of the conformity assessment body (e.g. laboratory, inspection body, radiology practice, proficiency testing provider, reference materials producer) for a specific scope of activity. This accreditation provides assurance that the results of tests and safety inspections from laboratories and inspection bodies are accurate and can be relied upon. This assurance is based on a rigorous peer assessment of the effectiveness of the operations of such organisations against international and New Zealand standards.

IANZ is also the New Zealand monitoring authority for the Organisation for Economic Co-operation and Development (OECD) Good Laboratory Practice (GLP) compliance, which ensures acceptance of safety testing data for veterinary medicines, agricultural chemicals, pharmaceuticals and other chemicals.

Assessments of clients are generally undertaken annually (some programmes once every two years), with a full technical assessment (including IANZ lead assessors and independent technical experts) every three to four years. Annual surveillance assessments are undertaken by an IANZ lead assessor, trained in the specific sector under review. Technical experts assist with the technical assessments, and normally volunteer their time for IANZ assessments.

Telarc certification provides formal independent recognition of compliance with specific management system standards or product standards. Telarc is a leading New Zealand certification and standards compliance business, providing full services in quality, environmental, food safety, and health and safety management systems certification. The recent amendments to the Health and Safety at Work Act have seen increasing demand for Telarc to provide a pragmatic gap analysis for Board members and Senior Leadership teams to assess their performance at a Governance level. This has led to the successful launch of a Good Governance Gap analysis audit tool.

NZQC, a division of IANZ, is New Zealand's leading training provider for accreditation, certification, and other compliance services. Courses are offered in auditor training, standards compliance, and technical issues associated with accreditation and certification, such as a guide to uncertainty in measurement.

IANZ has also signed international arrangements with International Laboratory Accreditation Cooperation (ILAC) and APLAC that require overseas accreditation bodies to accept test and inspection reports from New Zealand accredited organisations on the same basis as if they were accredited in their own country.

#### Operating Standards

To ensure the quality of its services, and maintain its international and domestic credibility, the Council adheres to the following international standards:

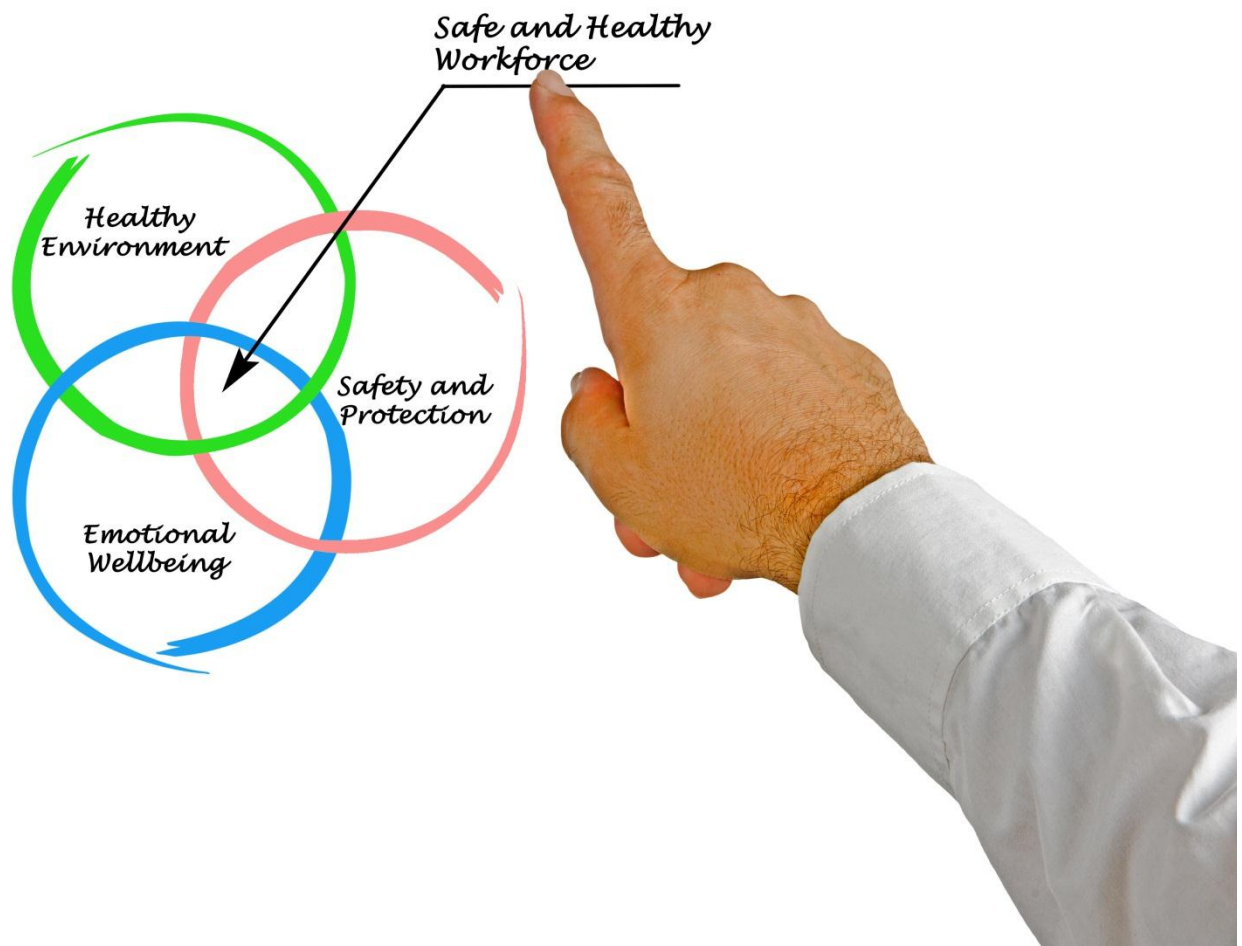


## Accreditation Body Standard

To operate as an accreditation authority, IANZ complies with ISO/IEC 17011 *Conformity Assessment – General Requirements for Accreditation Bodies Accrediting Conformity Assessment Bodies*. In addition, it meets the requirements of ILAC, and APLAC. IANZ is evaluated every four years by APLAC representatives to ensure continuing compliance. The last full evaluation was in March 2015, and formal confirmation of MRA signatory status in June 2015, and the next is scheduled for March 2019. IANZ also had an evaluation by an OECD evaluation team for the GLP compliance monitoring programme in 2013 (no non-conformities).

## Certification Body Standard

To operate as a certification body, Telarc complies with ISO/IEC 17021 *Conformity Assessment – Requirements for Bodies Providing Audit and Certification of Management Systems*. Annual assessment of Telarc against this standard is undertaken by the Trans-Tasman accreditation authority for certification bodies, JAS-ANZ. The last full assessment was completed in January – February 2016 with no major non-conformances identified across its Management system (including Dairy, Herd Testing and Electrical and Gas Public Safety), Food Safety or Adventure Activity portfolios.



## 4. Functions and Strategies

### Overview

The Council, trading as IANZ, is a world recognised accreditation provider, giving cost effective assurance of competence. Figure 1 illustrates where the Council adds value to New Zealand Business through four key lines of operation.

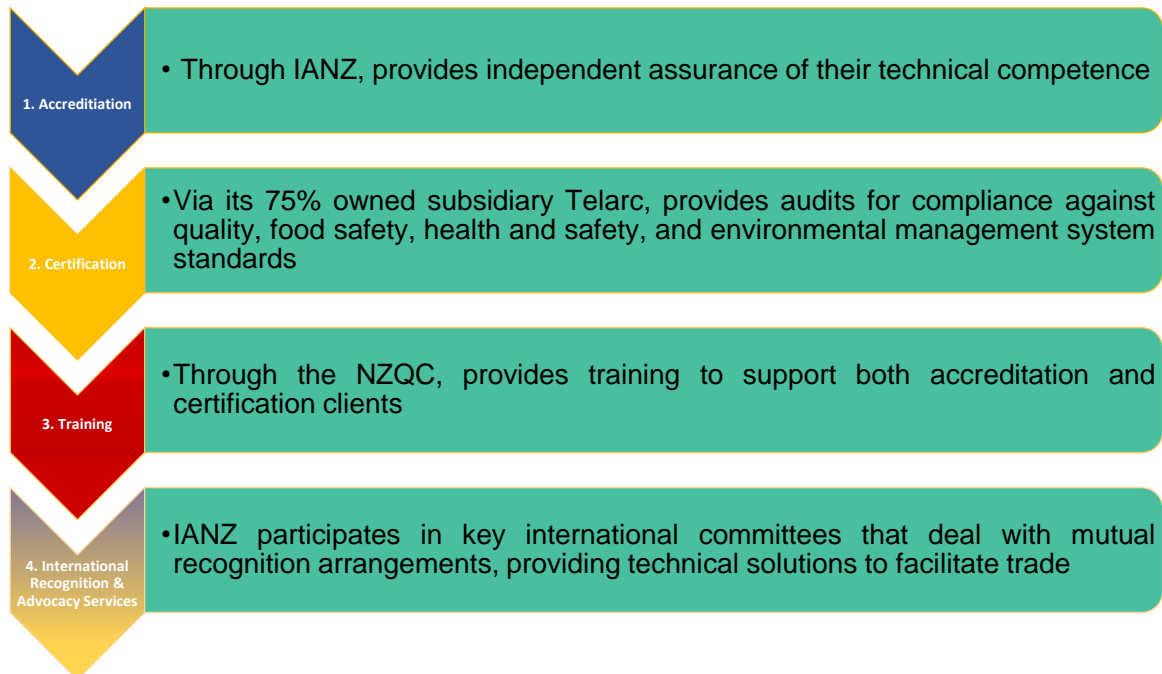


Figure 1: Council's four key lines of operation

IANZ's overall operating environment has continued to improve over the past few years.

The main focus continues on areas of the domestic economy, especially new areas providing assurance of compliance, where IANZ independent recognition of competence can add greater value for both clients and taxpayers. A number of new initiatives are also underway in conjunction with IANZ's peer body in Australia, the National Association of Testing Authorities (NATA). These will ensure delivery of equivalent accreditations in both Australia and New Zealand for common trans-Tasman programmes, enabling exporters to access the Australian market with certainty and low compliance costs.

### Factors Affecting Functions and Strategies

#### 1. Accreditation (through IANZ)

In this mature market, only limited growth is expected in testing and calibration laboratory accreditation. This is mainly through greater penetration of the laboratory customer base, with current clients seeking accreditation for a greater range of testing activity. A greater uptake from radiology practices is also forecast in recognition of the value of IANZ accreditation. IANZ is also now providing solutions for regulators in risk mitigation through IANZ assessments of compliance. The major opportunities for step change in the delivery of IANZ services occur when market or legislative needs drive a requirement for new accreditation/certification programmes. These are as follows:

#### Food Safety Inspection Programme

The start-up for the planned accreditation of MPI – approved auditors of Food Safety Plans involving IANZ inspection body accreditation is likely to begin during 2016, with new regulations to come into effect from 1 March 2016. High risk food sectors will be targeted initially.



## **Building Consent Authority Accreditation – renewal of contract with MBIE**

The scheme whereby IANZ performs the role of the accreditation body for the Building Consent Authority (BCA) is currently under review. IANZ is working with MBIE throughout the review process to achieve improved operational efficiencies and cost benefits through streamlining of the regulations to avoid duplication, more flexibility in the assessment process and new fees regulations. It is expected that a new contract will be developed for review and sign off during the 2016-17 year.

## **National Screening Unit – assessment for Breast Screening providers**

IANZ has previously provided assessments for the NSU with two full rounds of assessments having been completed (each of three years duration). New standards have been developed and implemented over the past two years and IANZ is currently in discussion with the NSU regarding a new contract for assessment of providers. Any assessments will extend at least through to 2019.

## **New Health Services**

A growing area of activity in the medical arena is patient testing outside of medical laboratories. To ensure the accuracy and reliability of such testing, IANZ is developing a programme for point of care testing (medical blood tests outside a laboratory, e.g. at a patient's bedside or inside a pharmacy). This will require a new standard (criteria) to be developed, and IANZ is expected to complete this during the 2016-17 year. A new programme to look at diagnostic near patient testing (e.g. vascular and respiratory testing by physicians) is also under development and criteria are being developed in conjunction with overseas accreditation bodies.

## **2. Certification (through Telarc)**

Telarc operates in a very competitive local market against several very large local, and international, certification bodies. In the last 12 months Telarc has retained its market share in the management system (predominantly ISO) space while increasing its number of JAS-ANZ registered clients by 3%. In the Food Safety segment, Telarc has doubled (revenue) the size of its business over the last 12 months. The Health and Safety Good Governance gap audit continues to support significant growth and opportunities in Telarc's Health and Safety portfolio.

ISO 9001 (Quality) has seen very little growth globally over the last few years with the recent ISO survey showing a 1% increase in global certificates (mostly driven by Mexico). ISO 14001 (Environment) has shown better growth at 7% globally. The Asia Pacific region as a whole, only grew 1.9% between 2013 and 2014. At 3%, Telarc is growing slightly above the region average. Most of the growth experienced by Telarc is coming in the currently smaller Health and Safety arena, with 30% growth experienced in the last 12 months. Telarc continues to grow its food sector business in New Zealand through an increasingly stronger branch (partnership) like relationship with its 25% shareholder SAI Global. This is particularly evident through the support Telarc gives to SAI Global as it works with large trans-Tasman and European retailers buying food from New Zealand for their supermarkets.

Telarc has identified Food Safety and the Health & Safety segments as core growth opportunities for its business. Food Safety as a total market is growing at around 6% per annum. This, combined with increasing levels of demand for MPI's FSP (Food Safety Programme v's local Council Food Safety Programme), to assess retailers against, has seen Telarc's revenue grow significantly. This, combined with its ongoing investment in technology to support Food Safety audits, provides increasing opportunities for improved and consistent data capture. This in turn leads to a far deeper pool of Food Safety related data to provide meaningful analysis for private enterprise and government departments alike.

Health and Safety is very topical currently as a direct result of the introduction of the new Health & Safety at Work Act. The demand for pragmatic (i.e. bottom up) gap analysis and deployment of accredited management systems is growing exponentially. Telarc is well set up to support this growth with a high proportion of its auditors signed off against AS/NZS4801 and OHSAS 18001 - the two current recognised H&S management system standards used in both the New Zealand and Australian markets.

## **3. Training (via NZQC)**

The lift in both public and in-house course attendance reflects a lift in economic activity. While the number of certifications to ISO standards has levelled off over the past decade, revised standards have given

NZQC opportunities to revisit competencies within the client base. NZQC also has a role in assisting various local and central government agencies in the understanding and implementation of management system standards, and the regulatory frameworks that may be associated therewith.

Accreditation courses, particularly for inspection body accreditation, and other courses for auditing skills (environmental, food safety and quality systems auditing) will grow as new programmes come on stream over the next three years. The revision of ISO 9001 in 2015 has provided NZQC with the opportunity to run workshops with both commercial and non-commercial organisations. Courses are also run for overseas agencies on request. This gives New Zealand the opportunity to promote New Zealand solutions to other countries on a commercial basis.

## 4. International Recognition

Testing and inspection certificates from IANZ accredited organisations are recognised in over 80 countries through the ILAC Mutual Recognition Arrangement (MRA), and other agreements. The effect of this MRA is that products exported from New Zealand should be able to go directly onto the market in overseas countries without further testing or inspection. IANZ continues to work with ILAC to grow the number of countries whose accreditation bodies are signatories to the MRA, and to achieve greater recognition of accreditation by regulators in major markets. IANZ accreditation of laboratories and inspection bodies provides the rigour and assurance that overseas regulators require, enabling direct market access for products exported from New Zealand.

To achieve the Government's export growth targets, it is essential that products from New Zealand continue to be able to be placed directly on the market, and that this facilitation mechanism is used more, either by regulators in overseas countries moving to use accreditation and the ILAC MRA, or through new government to government Free Trade Agreements (FTA) with New Zealand.

Many countries now require imported products from New Zealand to be tested or inspected by laboratories or inspection bodies accredited by IANZ. In some cases, such as for meat and dairy products, the requirement for testing in accredited laboratories is a New Zealand regulatory requirement, negotiated as part of the trade access requirement for other countries. If such products are not tested (and meet the importing country's requirements), they must be tested in the overseas country, prior to being placed on the market. Such additional cost and delays mean that many products would not be able to be exported.

IANZ is further developing relationships with overseas accreditation authorities, to better facilitate trade issues (involving testing), and to be able to deal more proactively with any issues of technical concern. New arrangements have recently been signed, aimed at further enhancing trade with China, and Chinese Taipei.

The TPPA was signed in February 2016. Under the Agreement there is a mechanism to encourage regulators to use accreditation. Using accreditation is actually a means of reducing bureaucracy and red-tape, but there is still a lot of protection from some regulators in some signatory countries. Through our ILAC colleagues (accreditation bodies in other countries) we will be promoting the TPPA, and its implications. It also gives us (NZ) the right to question overseas regulators when they add additional bureaucratic requirements on top of the formal ILAC mutual recognition arrangement (which enables regulators to accept test and inspection certificates from accredited laboratories in New Zealand). IANZ will also be taking a more active role in APLAC, one of the Specialist Regional Bodies of APEC. All TPPA signatories are also members of APEC.

In addition to significant involvement (at both technical and policy levels) with APLAC, ILAC and the OECD Working Group on Good Laboratory Practice (GLP), IANZ will also give support to Ministry of Foreign Affairs and Trade (MFAT), and MBIE in assisting with trade negotiations. IANZ continues to assist with specific issues involving technical barriers to trade, with particular focus on opportunities in the USA, Japan and China. The Council will increase the recognition of IANZ accreditation by regulators in our overseas major trading partners with the targeted introduction of one new regulator of a major trading partner accepting accreditation from New Zealand during the 2016-17 year. IANZ will also provide ongoing assistance during free trade negotiations with the European Union (EU), and within the Regional Comprehensive Economic Partnership (RCEP) framework.

Independence is a critical requirement under the international standard that applies to all accreditation authorities and IANZ is regularly evaluated by an international team to ensure that it meets both this standard, and a number of other technical requirements set by ILAC. IANZ is a full member of ILAC, and its regional sub-group APLAC, and participates actively in the technical meetings of both groups. During the 2012 ILAC General Assembly, IANZ was one of the inaugural signatories for the new Global MRA for accreditation of inspection bodies.

While it is difficult to predict the timing for introduction of new accreditation programmes that are mandated by legislation, or other regulatory drivers, IANZ continues to work with the relevant agencies in the development of new accreditation programmes.

In addition to food safety inspection and point of care patient diagnostic testing outlined above, IANZ is also developing accreditation programmes for test certifiers, and for near patient diagnostic testing. These programmes are expected to be introduced progressively over the next three to five years.



## 5. IANZ's Contribution

IANZ's activities contribute to the achievement of Government's priorities as detailed below.

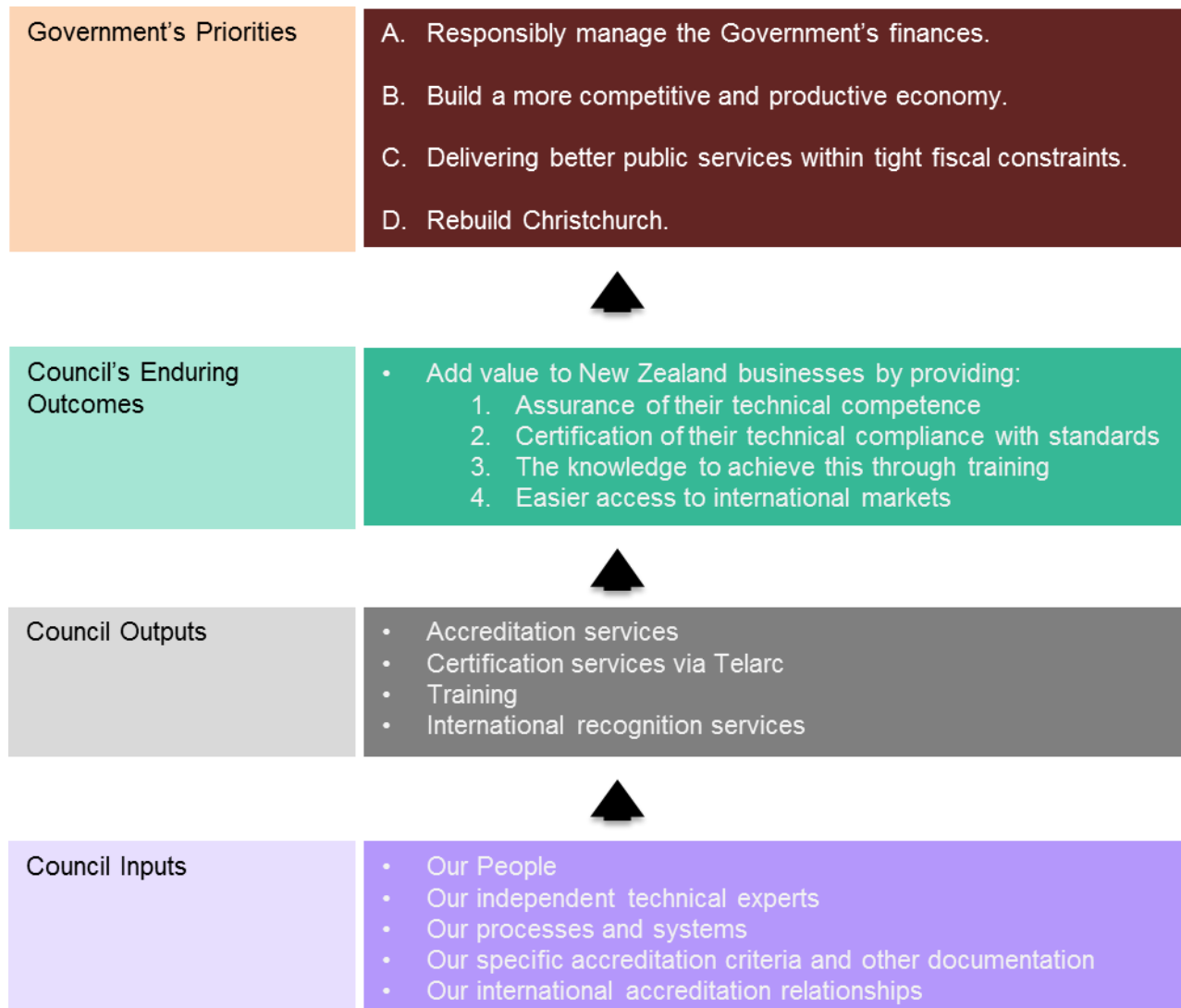
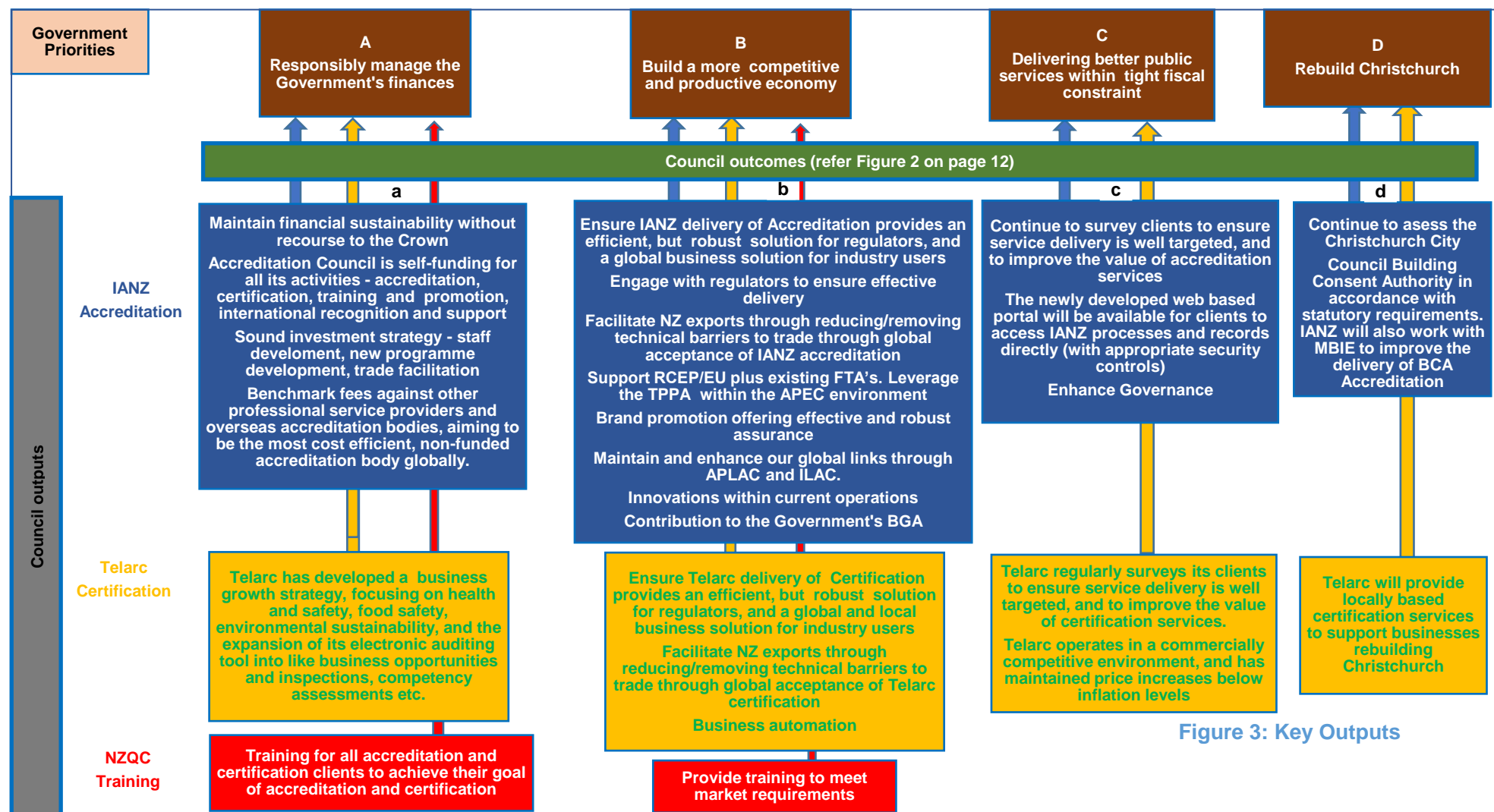


Figure 2: IANZ's Contribution

## • Strategic Goals and Milestones

This section presents how Council intends to perform its functions and conduct its operations in order to achieve its key outputs in the period 2016-2020. Strategic goals with specific measures have been developed to quantify the key outputs as follow





## 6. Measuring Performance

Detailed performance measures for 2016/2017 are set out in the SPE.

- **Outcome 1: IANZ - Adding value to NZ business by providing assurance of their technical competence including through compliance with standards**

### Output Deliverables - Accreditation Services:

- 2) Customer Focus
  - a. IANZ will build on the relationship with existing clients and regulators in the development of new accreditation programmes to ensure they meet regulatory requirements as well as achieving ILAC requirements for independent recognition of competence (**Outcome 1b**).
  - b. Electronic invoicing and the promotion of the web based portal enabling ease of access to documents by clients (**Outcome 1c**).
  - c. Continuing regular (quarterly internal and yearly external) customer surveys to ensure accreditation is adding value to clients, and to improve the service delivery to increase the benefits provided by accreditation (**Outcome 1c**).
  - d. IANZ will work with MBIE to improve the delivery of BCA accreditation (**Outcome 1d**).
- 3) Innovations within current operations (**Outcome 1b**)
  - a. Provide new (extension) assessments for existing clients to meet new overseas market access requirements.
  - b. Enhanced administration processes and the promotion of a paperless environment utilising the recently implemented electronic data record management system.
  - c. Develop internal system capability in relation to the implementation of the New Zealand Business Number (NZBN).
- 4) Contribution to the Government's BGA by extending current IANZ competencies into new areas (**Outcome 1b**)
  - a. Develop and provide new accreditation programmes for near patient testing and food safety inspection in accordance with specific requirements.
- 5) Enhance governance (**Outcome 1c**)
  - a. Participate in development programmes at the Governance level for Council members.
  - b. Utilisation of Performance Improvement Framework tools to review organisational performance.
  - c. Implement a mechanism for self-review of Council and senior management team performance.
- 6) Benchmarking (**Outcome 1a**)
  - a. Benchmark fees against other professional service providers and overseas accreditation bodies, aiming to be the most cost efficient, non-funded accreditation body globally.

### Milestones

- For one New Zealand regulator to be using accreditation in a new sector by 2018.
  - For a point of care accreditation programme, and one accreditation programme for near patient testing to be developed by 2017.
  - Provide 100% of accreditation requirements specified by regulators.
  - Full implementation of the NZBN by 2018.
- **Outcome 2: Telarc - Adding value to NZ businesses by providing certification of their technical compliance with standards both locally and internationally**

### Output Deliverables – Certification Services:

- 1) Growing business (**Outcome 2a**)



- a. Growth in the number of certified clients in food and non-food standards.
  - b. Provide relevant, professional, timely and accurate auditors as and when required.
  - c. Maintain auditor productivity at a level that delivers the commercial needs of Telarc while ensuring that the well-being of the auditor is maintained from a Health & Safety perspective.
- 2) Automating business (**Outcome 2b**)
- a. Enhance business processes through the provision of appropriate electronic devices to staff and the implementation of specific auditing software.
- 3) Working with customers
- a. To ensure Telarc can audit new customers in an efficient manner (**Outcome 2b**).
  - b. To achieve a NPS (Net Promoter Score) of +40 as a customer satisfaction score (**Outcome 2c**)
  - c. To continue to support the re-build effort underway in Christchurch (**Outcome 2d**).

### Milestones

- Grow the number of food and non-food certificates as represented on the MPI and JAS-ANZ certified organisation lists contained on their websites.
- Continue to grow the number of industry specific assessments outside of the traditional MPI and JAS-ANZ framework – Good Governance, Dairy Water Accord, NZTA Rail Audit etc.

## • Outcome 3: NZQC - Adding value to NZ business by providing the knowledge to achieve this through training

### Output Deliverables – NZQC:

- 1) Market Positioning (**Outcome 3a**)
  - a. Brand refreshment implementation and customer awareness campaigns.
  - b. Development of new website allowing for automated electronic interface with clients.
- 2) Developing New Training Programmes (**Outcome 3b**)
  - a. NZQC is working with IANZ Programme Managers and Regulators to develop revised training courses as new/revised Standards become available.

### Milestones

- The enduring target is two new/revised courses per year.
- ## • Outcome 4: International - Adding value to NZ business by providing easier access to international markets.

### Output Deliverables – International Recognition Services:

- 1) Export trade facilitation (**Outcome 4b**)
  - a. To provide an accreditation service that enables all new Overseas Market Access Requirements to be met.
    - i. To ensure IANZ accreditation meets the needs of MPI, MBIE, and other regulators involved in export markets, IANZ will continue to apply trade specific criteria. This will include assessment of new test methods, as notified by regulators, and to confirm the ability of New Zealand to meet overseas market access requirements.
  - b. To provide an accreditation programme that facilitates Technical Innovation
    - i. To increase exports, there needs to be growth in innovative product development. IANZ provides accreditation to laboratories in all product sectors, to ensure that testing of new products is valid and able to be internationally recognised. IANZ also works proactively with clients to enable new testing methodology to be accredited, and accepted on global markets. New innovative products can then be placed directly into overseas markets.

- c. Implementing Council – specific priorities
  - i. To gain the maximum benefit from IANZ accreditation, it is essential that test results from New Zealand laboratories are accepted directly in overseas markets. IANZ works with New Zealand trade negotiators (MFAT and MBIE) to endeavour to have mutual recognition of conformity assessment systems as part of new trade agreements, and to grow the recognition in existing agreements (e.g. China and ASEAN Australia New Zealand Free Trade Agreements (AANZFTA)). IANZ will provide continual support for all trade agreements currently under negotiation.
  - ii. In addition, IANZ works with ILAC to grow the international use of accreditation by regulators. A recent success was the decision by the United States Consumer Products Safety Commission to recognise accreditation under the ILAC MRA for the testing of lead paint on children's toys. During the coming year, IANZ's target is to achieve new recognition by at least one regulator in one of our major trading partners. IANZ is also working with ILAC to increase the number of countries whose accreditation authorities are signatories to the ILAC MRA. With over 80 countries now receiving ILAC recognition, our target is to grow this number during the coming year.
- d. To maintain full membership and signatory status of the ILAC MRA
  - i. Enhance internal audit programmes to ensure compliance with the relative standards.

#### **Milestones:**

- For at least four new regulators in New Zealand's major trading partners' jurisdiction to use the ILAC MRA as the basis of regulatory approvals by 2020, thus, benefitting New Zealand trade.
- For at least two New Government trade agreements, or extension (into new product categories) to an existing trade agreement, to be under negotiation by 2020, using accreditation of conformity assessment as the basis of acceptance.

#### **• Council**

#### **Deliverables:**

- 1) Financial sustainability without resource to the Crown
  - a. To better understand the direct and indirect costs of its actions on businesses and the wider economy, the Council is continually reviewing its accreditation programmes, numbers of accreditations, investment in new accreditation programmes and internal operating costs to aid in the delivery of better public services and increase the added value of accreditation to clients.
- 2) Investment
  - a. The Council is creating an investment strategy to develop its staff, additional accreditation services programmes and the expansion of trade facilitation.

#### **Milestone:**

- Develop an investment plan and monitor progress through the performance improvement framework.

## 7. Organisational Health and Capability

### Quality Improvement

Inherent in the operating standards adhered to by IANZ and Telarc (see Appendix 1) is the implementation of sound quality management practices based on ISO 9001. To ensure full compliance is maintained, six-monthly internal assessments are conducted. Any corrective actions required will be addressed and remedied prior to the next evaluation.

### Assurance of Performance

The Baldrige Criteria for business excellence have been adopted by IANZ to help improve operational performance. Adherence to the Baldrige Criteria allows the Council to develop and maintain a high level of excellence in the workplace.

### Health and Safety

The Council regards the health and safety of all its employees of paramount importance. A comprehensive policy (supported by operational procedures) has been implemented to ensure workplace safety. This policy is annually reviewed by Council, and both IANZ and Telarc are audited externally to show compliance against the AS/NZS 4801 standard for occupational health and safety management. Furthermore, compliance and pertinent matters relating to health and safety are reported on and discussed at all Council meetings.

### Employer of Choice

Following sound human resource management principles and using the core values embedded in the Baldrige Criteria to monitor progress, the Council aims to be an employer of choice. A low staff turnover goal of seven per cent or under per year is set as the Council's target.

### Equal Employment Opportunities

Sound employment policies are in place to ensure all staff and job applicants are treated equally. Equal numbers of males and females are currently employed. Half the Council staff are New Zealand pakeha with the remainder a mix of European, Maori, Pacific Island and Asian descent. Full job descriptions are provided for each position with key performance indicators set each year in conjunction with managers. Formal performance reviews are conducted annually, with informal assessments at six months. These ensure there is no discrimination in the appointment process, nor in the workplace.

### Staffing

Recruiting suitably qualified people for training as IANZ accreditation assessors remains difficult. Current staff numbers are adequate to meet requirements and the steady incremental growth expected for 2016-2017. Longer term, however, recruitment may be necessary with the activation of new programmes currently under development. Telarc continues to monitor its staffing levels and with the recent growth in Health and Safety and Food safety. Telarc has had to increase its staffing levels in the last 12 months from 36 to 40 to support the growth being experienced in predominantly the Food Safety area. Telarc have additionally recruited into the Management system auditor space to ensure that the potential retirement of its ageing workforce does not seriously impact its growth aspirations.

Since the accreditation training process takes a minimum of six months, loss of any key staff creates significant management issues. Nevertheless, the Council's staff retention targets continue to be achieved, assisted by annual salary benchmarking with similar professions and organisations.

#### • Figure 3: Staff numbers (FTE's) at 30 June

	2015	2016	2017	2018	2019	2020
IANZ	46	44	46	47	47	47
Telarc	36	40	40	42	42	42
<b>TOTAL</b>	<b>82</b>	<b>84</b>	<b>86</b>	<b>89</b>	<b>89</b>	<b>89</b>

## **Staff Improvement**

A learning and development programme ensures all staff members have the skills required to perform their roles. New appointees are inducted into all aspects of the organisation and comprehensive training is given in accreditation and certification processes. Any opportunities for improvement in quality are implemented on an on-going basis.

## **Technical Support**

IANZ relies on a sizeable team of technical experts from industry, universities, government agencies, etc. to complete the accreditation process. Many are volunteers, allowing IANZ to offer accreditation at a far lower cost than similar bodies overseas. In addition, technical standards are set by highly qualified Professional Advisory Committees for each of seven accreditation technical areas<sup>1</sup> to ensure robust outcomes. Such skilled on-going technical support is vital to achieving sound accreditation in New Zealand.

## **Accommodation and Administration**

Separate rental accommodation is maintained by IANZ and Telarc. Shared common administration facilities for information technology and finance are provided by IANZ, with Telarc paying an annual fee.

## **Investment Management and Asset Performance**

IANZ prudently manages its cash reserves through its investment policy which aligns with the CEA and Public Finance Act 1989. The IT infrastructure platform continues to be upgraded with focus applied on enhanced performance, efficiencies and risk mitigation in terms of disaster recovery. As a continuum to ongoing operational performance efficiencies, internal management systems are regularly reviewed and upgraded. The implementation of the M-Files electronic document management system, inclusive of a client web portal interface, will be developed further in the next few years. Computer and mobile devices utilised by staff, are regularly upgraded on average, every three years in line with best practice. IANZ participates in the government procurement programmes for computers and other services.

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<sup>1</sup> Chemical, Biological, and Dairy Testing Laboratories,  
Metrology and Calibration Laboratories,  
Mechanical, Applied Physics, Electrical Testing Laboratories,  
Medical Testing Laboratories,  
Radiology Services,  
Inspection Bodies,  
Building Consent Authorities.

## 8. Consultation, Transparency of Reporting and Performance Improvement Monitoring

The financial and organisational performance of the Council is reported annually to Parliament.

An annual Letter of Expectations from the Minister of Commerce and Consumer Affairs to the Council identifies relationship expectations and reporting requirements. It also acknowledges the required independence of the Council in carrying out its accreditation and certification functions. Through a comprehensive review process, the Council ensures the content of the SOI complies with the Crown Entities Act 2004 (CEA) section 141. Furthermore, the Council also reports all outcomes included in this SOI as part of its requirements under the CEA.

The Council is the primary monitor of organisational performance and utilises the Performance Improvement Framework model for the review process.

MBIE receives a quarterly analysis and performance overview. Comment on other significant issues is included where necessary. Quarterly updates of non-sensitive information will be placed on the IANZ website.

The Council also regularly communicates on all on-going operations with the monitoring MBIE.

Both the CEO's and Chairman continue to have regular meetings with MBIE officials as well as briefing discussions as needed.

The Council would consult the Minister of Commerce and Consumer Affairs before making any significant change to its business units or structure.



## 9. Council Members and Management

### Accreditation Council

Paul Connell (Chair)	Company Director, Auckland
Elizabeth Hopkins	Company Director, Christchurch
Howard Duff	Company Director, Wellington
Lindsey Lawton	Company Director, Auckland
John Boshier	Company Director, Wellington
(up to 2 vacancies)	

### IANZ Management

Dr Llewellyn Richards	Chief Executive
Marc Ferguson	Commercial Manager
Phillip Barnes	General Manager – Accreditation Services
Dr Greg Williams	General Manager – NZQC

### Telarc Board

David Bone (Chair)	Company Director, Auckland
Paul Connell	Company Director, Auckland
Vikki Brannagan	Company Director, Auckland
Geoff Richardson	Chief Financial Officer, SAI Global

### Telarc Management

Philip Cryer	Chief Executive
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## Appendix 1

### Accreditation and Certification Standards

- **IANZ Accreditation**

Sector programme	Standard	Title
Laboratory accreditation, testing and calibration	NZS ISO/IEC 17025	General requirements for the competence of testing and calibration laboratories
Laboratory accreditation, medical testing	NZS ISO 15189	Medical laboratories - Requirements for quality and competence
Inspection body accreditation	AS/NZS ISO/IEC 17020	conformity assessment – Requirements for the operation of various types of bodies performing inspection
Radiology service	New Zealand Code of Radiology Management Practice	
Good Laboratory Practice Compliance Monitoring Programme	The OECD Principles of Good Laboratory Practice	
Proficiency Testing Provider accreditation	ISO/IEC 17043	Conformity assessment – General requirements for proficiency testing
Reference Material Producer accreditation	ISO Guide 34	General requirements for the competence of reference material producers
Building Consent Authorities accreditation	Building (Accreditation of Building Consent Authorities) Regulations 2006	

## • Telarc Certification

Sector programme	Standard	Title
Quality management	ISO 9001	Quality management systems requirements
	Telarc Q-Base Code	
Environmental management	ISO 14001	Environmental management systems - requirements with guidance for use
	FSC	Forestry Stewardship Council Standard
	Dairy Water Accord	Dairy industry water and waterways management standards
Health and safety management	AS/NZS 4801	Occupational health and safety management systems – specifications with guidance for use
	BS OHSAS 18001	Occupational Health and Safety Management
	NZS 7901	Public Safety systems for Electricity and Gas suppliers
	Safety Audit Standard for Adventure Activities	Requirements for safety audit of operators
Integrated management	Telarc Q-Safe Code	Integrated quality and health and safety management systems for small to medium sized enterprises
Roading	TQS1	New Zealand Transport Agency
	QEST	New Zealand Contractors Federation integrated management system
Food safety	HACCP	MPI approved food safety programme (FSP) (Certification provided via MPI)
	BRC	British Retail Consortium (Certification provided via SAI Global)

Sector programme	Standard	Title
	WQA	Woolworths Quality Assurance (Certification provided via SAI Global)
	WSMP	MPI Wine Standard Management Plans (Certification provided via MPI)
	ISO 22000	Requirement for Food Safety Management Systems (Certification provided via SAI Global)

## **Offices**

### **Accreditation Council**

**See International Accreditation New Zealand**

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#### **International Accreditation New Zealand:**

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Fax: 64 9 525 2266  
Email: [info@ianz.govt.nz](mailto:info@ianz.govt.nz)  
[www.ianz.govt.nz](http://www.ianz.govt.nz)

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#### **New Zealand Quality College**

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