

Regulatory Impact Statement: Freedom Camping Regulations

Coversheet

Purpose of Document	
Decision sought:	This analysis has been developed to inform Cabinet decisions on the Regulations that will be made pursuant to the Self-contained Motor Vehicles Legislation Bill, once enacted.
Advising agencies:	Ministry of Business, Innovation and Employment
Proposing Ministers:	Minister of Tourism
Date finalised:	9 November 2022
Problem Definition	
<p>Growing concerns over the cumulative impact of freedom camping on the natural environment and the communities that host them has led to calls for regulatory reform from impacted communities, impacted local authorities, as well as from the Parliamentary Commissioner for the Environment (PCE).</p> <p>The current freedom camping legislation, the Freedom Camping Act 2011 (the Act) is insufficient for managing the issues caused by the increase in freedom camping's popularity in New Zealand.</p> <p>There is no oversight of the overall freedom camping system, and local authorities do not have the necessary tools to manage freedom camping in their communities. In addition, a voluntary standard for the self-containment of vehicles (which local authorities use within their bylaws to manage freedom campers) sits outside of the Act. The voluntary standard has no national body that acts as the regulator to ensure that Standard is applied rigorously by the people and organisations who certify self-contained vehicles. This is because the Act's self-containment vehicle standard (the Standard) is voluntary, leading to inconsistent outcomes</p>	
Executive Summary	
<p>The continued growth in the number of freedom campers, particularly in recent pre-COVID-19 years, has generated concern in key tourism communities about the cumulative impact freedom camping has on the environment and communities. Consequently, there has been loss of social licence for freedom camping.</p> <p>The Act has limitations in managing freedom camping and addressing the issues seen today. In response, the Government has introduced the Self-Contained Motor Vehicles Legislation Bill, an omnibus Bill, that amends the Act and the Plumbers, Gasfitters and Drainlayers Act 2006.</p> <p>While the Bill addresses these issues by creating a regulatory system for central and local government to better manage freedom camping, a number of the specific details and requirement around the operation of the new regime are established through Regulations.</p>	

The Ministry of Business, Innovation and Employment (MBIE) identified a number of options to give effect to these Regulations and published a discussion document in September 2022, to seek public feedback.

Across all submissions, there was generally a preference for the options that were most effective, practical, and imposed the lowest costs across the entire freedom camping system.

This document provides an assessment of these options against the status-quo against criteria including, cost, practicality, and effectiveness. For each potential area of Regulation, an option is assessed as being the best aligned to the policy objectives, and that will deliver the highest net benefits.

Throughout the development of this work there has been a high-level of collaboration between central and local government and representatives from the tourism sector. This collaboration is expected to continue throughout the two-year transition period, which will apply if the Bill is passed and be a major input into a scheduled review of the Regulations, which will occur five-years after they come into effect.

Limitations and Constraints on Analysis

Data

There are gaps in the data currently available. In particular, it is not possible to determine the level of economic or environmental loss currently being experienced as a result of freedom camping. This is because:

- there is no central register of self-contained vehicles
- it is easy for an organisation or registered plumber to set themselves up as an issuing authority – and there is no central data around how many issuing authorities there are
- there is not an accurate number of vehicles that could be certified and/or upgraded to the new requirements – as there has been no requirement for this information to be collected.

There is also no centralised data on how many freedom camping infringements have issued in relation to breaching a bylaw, or under what grounds the bylaw has been breached.

Some details relevant to Regulation are set out in the Bill

The Bill covers a number of key changes for the freedom camping system and provides the scope for the direction and design of the Regulations. Key elements of the Bill relevant to the Regulations are:

- The Bill restricts the maximum infringement fee able to be charged to an offender to \$1,000. Cabinet previously agreed to the introduction of a tiered system for freedom camping infringement fees with tiers of \$200, \$400, \$600, \$800 and \$1,000. Cabinet also noted that the relevant tiers for offences will be determined as part of developing regulations. [DEV-21-MIN-0219 refers].
- The Bill establishes the Plumbers, Gasfitters, and Drainlayers Board (PGDB) as the self-contained vehicle system regulator.
- The Bill requires those that want to be appointed certification authorities must follow the process described in Regulations and to pay a fee (if a fee is set).

- The Bill requires vehicle inspectors to meet competency requirements before a certification authority can appoint them. Competency requirements are prescribed in Regulations.
- The certification authority must issue a certificate of self-containment if a vehicle meets the requirements for self-containment as prescribed by Regulations.
- The form of the documentation (self-containment certification and warrant) must be in the form prescribed by Regulations.
- Display of the warrant card must be in accordance with requirements prescribed by Regulations.

Areas for Regulation are prescribed in the Bill

The Bill sets out that Regulations are required for the following areas:

- the technical requirements for self-contained vehicles
- the criteria for approval as a self-containment certification authority
- the format of the self-containment certificate and warrant card
- the fees and fines attached to each infringement offence
- exemptions from the need to be certified as self-contained
- levies and fees.

Responsible Manager(s) (completed by relevant manager)

Dale Elvy
 Manager
 Tourism Operations and Partnerships
 Labour, Science and Enterprise
 Ministry of Business, Innovation and Employment

Privacy of natural persons

9/11/2022

Quality Assurance (completed by QA panel)

Reviewing Agency:	The Ministry of Business, Innovation and Employment
Panel Assessment & Comment:	<p>The Ministry of Business, Innovation and Employment's (MBIE) Regulatory Impact Analysis Review Panel has reviewed the attached Regulatory Impact Statement <i>Freedom Camping Regulations</i>, prepared by MBIE.</p> <p>The Panel notes that the impact on self-contained vehicle owners who will be required to upgrade their vehicle to meet the fixed toilet requirements is not within the scope of this Impact Statement. This is because this change is being made through the Bill rather than through the Regulations and is therefore covered in the Impact Statement for the Bill.</p> <p>The Panel considers that the information and analysis summarised in the Impact Statement partially meets the criteria necessary for Ministers to make informed decisions on the proposals in the paper. The Panel considered that the RIS does</p>

a good job of describing the problems that are being solved through the regulatory reform, and it is clear that the proposals have been widely consulted on. However, The Panel considers there is insufficient description of the likely impacts on the effectiveness of the regime of the regulatory changes in Section 2. The Panel also considers this Impact Statement would benefit from clearer discussion of the interdependencies between the regulatory options.

Section 1: Diagnosing the policy problem

What is the context behind the impact freedom camping has on communities and the environment and how is the status quo expected to change?

What is freedom camping?

1. Freedom camping¹ is a small but highly visible part of both domestic and international tourism. Freedom campers travel widely, spending money in New Zealand communities. Some contribute in other ways, such as participating in the seasonal workforce and volunteering.
2. The number of international visitors who freedom camped in New Zealand rose substantially in the latter 2010s, from 54,000 in the year ended 2013 to around 123,000 in the year ended 2018². This followed a similar pattern to the growth in number of international visitors overall (2 per cent of international visitors in 2013, and 3 per cent in 2018).
3. In 2019, international visitors who freedom camped at some point during their trip spent an estimated \$645 million³. That year, an estimated 245,000 people freedom camped, 63 percent of whom were international visitors⁴.

The issues freedom camping has created

4. The growth of freedom camping during the mid-2000s led to tensions in several localities. Prior to 2011, some local authorities attempted to ban freedom camping outright using their powers to make parking bylaws under the Local Government Act 2002 and Land Transport Act 1998⁵. Other local authorities took a less stringent approach but lacked the enforcement tools required to prosecute undesirable behaviour, where necessary.
5. At the same time, there were concerns that the expected influx of fans for the 2011 Rugby World Cup could exacerbate already existing tensions around freedom camping and potentially impact our reputation as a hospitable place to travel. The Government responded by passing the Freedom Camping Act 2011. The Act is discussed in more detail below.
6. The continued growth in the number of freedom campers, particularly in recent pre-COVID-19 years, has generated concern in some communities about the cumulative

¹The Bill defines freedom camping as staying in a vehicle or tent within 200 metres of a place where you can drive, the coast, or a Great Walks Track. It does not include camping on private land, back country areas, or where payment is required for the site.

²International Visitor Survey. Accessible at: <https://www.mbie.govt.nz/immigration-and-tourism/tourism-research-and-data/tourism-data-releases/international-visitor-survey-ivs/international-visitor-survey-analysis-and-research/freedom-camping-by-international-visitors-in-new-zealand/>

³Fresh Info, Responsible Camping Research 2019/20, (April 2020). Pg 1. Accessible at: <https://www.mbie.govt.nz/dmsdocument/11909-responsible-camping-research-2019-20-pdf>

⁴Fresh Info, pg 1

⁵Parliamentary Commissioner for the Environment, *Not 100% - but four steps closer to sustainable tourism*, (February 2021). Accessible at: <https://www.pce.parliament.nz/publications/not-100-but-four-steps-closer-to-sustainable-tourism>

impact freedom camping has on the environment and on local communities. Issues include:

- inappropriate toileting and/or disposal of human waste and/or rubbish, which impacts the amenity of popular recreational areas, imposes clean-up costs on communities, and generates localised environmental impacts
 - anti-social behaviour by some freedom campers
 - loss of access/amenity in recreational locations due to heavy use by freedom campers
 - confusion about which rules apply where
 - limitations on the ability to appropriately regulate and manage freedom camping by local authorities, which further undermines the credibility of the current system.
7. Consequently, there has been loss of social licence for freedom camping, leading to negative behaviour and attitudes from some locals towards freedom campers, in communities where freedom camping is popular.
8. In response to growing concerns, there has been a wide range of work undertaken to build a better evidence base and work out how to address these issues, which are outlined below.

Recent research into the impacts of freedom camping

9. In 2020 and 2021, MBIE commissioned two pieces of research to better understand the problems associated with freedom camping. Some of the key findings were:
- around 76 per cent of New Zealanders thought that freedom camping has negative impacts on the local environment⁶
 - Councils and Department of Conservation (DOC) rangers in key freedom camping regions face problems such as freedom campers bathing in natural areas, littering, and misusing local waterways⁷
 - around 55 per cent of New Zealand residents would like to see more restrictions placed on freedom camping⁸
 - freedom campers are more likely to use toilets that are fixed in vehicles, rather than portable toilets.
10. In 2021, the Parliamentary Commissioner for the Environment (PCE) published a report entitled *'Not 100% - but four steps closer to sustainable tourism'*⁹. The PCE

⁶ Ministry of Business, Innovation and Employment, *Summary of submissions: Supporting sustainable freedom camping in Aotearoa New Zealand*, (24 August 2021), at page 2. Accessible at <https://www.mbie.govt.nz/dmsdocument/18090-summary-of-submissions-supporting-sustainable-freedom-camping-in-aotearoa-new-zealand>

⁷ Fresh Info, *Responsible Camping Research 2019/20*, (April 2020). Pg 4. Accessible at: <https://www.mbie.govt.nz/dmsdocument/11909-responsible-camping-research-2019-20-pdf>

⁸ Fresh Info, pg 4

⁹ Parliamentary Commissioner for the Environment, *Not 100% - but four steps closer to sustainable tourism*, (February 2021). Accessible at: <https://www.pce.parliament.nz/publications/not-100-but-four-steps-closer-to-sustainable-tourism>

highlighted freedom camping as a particular area where tourism causes negative environmental effects. The report highlighted the need for:

- strengthening the Standard for *self- containment of motor caravans and caravans* (the Standard)¹⁰, to require a plumbed (fixed) toilet
- the Government introducing national oversight and a register of certified self-contained vehicles
- the Government ensuring freedom camping penalties represent a serious deterrent to undesirable freedom camping behaviour and requiring rental company businesses to play an extended role in the collection of fines.

How freedom camping operates now under the Freedom Camping Act

The Act enables restrictions on where freedom camping can occur and creates a penalty regime

11. Under the Act, freedom camping is permitted unless specifically prohibited by local authority bylaws, DOC issued notices, or where other legislation imposes a restriction or prohibition. This default position reflects the idea that freedom camping is an established tradition in New Zealand.
12. Section 12(1) of the Act also prevents local authorities making bylaws that completely ban the practice on local authority land. Instead, it allows local authorities to determine how permissive or restrictive rules should be based on local issues and impacts.
13. Approximately half the local authorities have freedom camping bylaws in effect. Localised approaches reflect the variation in volumes and the type of tourism in each region.
14. With respect to the enforcement of bylaws and other specified offences, the Act provides for fines of:
 - \$200 for infringement offences (can be varied by Regulation to a maximum of \$1,000, however Regulations to date have never changed the fee level above \$200)
 - \$5,000 for various offences that involve impeding the work of enforcement officers
 - \$10,000 for certain discharges that cause “*significant concern to the community or users of the area or land.*”

Self-contained vehicles

15. Freedom camping bylaws developed by local authorities often distinguish between self-contained and non-self-contained vehicles. Typically, people can freedom camp in a wider range of places using a self-contained vehicle than when using a non-self-contained vehicle.
16. The Standard is the key tool relied on by enforcement authorities to manage freedom camping. It specifies the requirements for “water supply, sanitary plumbing and drainage installation and solid waste containment in motor caravans and caravans for

¹⁰ Self containment of motor caravans and caravans NZS 5465:2001, accessible at: <https://www.standards.govt.nz/shop/nzs-54652001>

the purpose of obtaining a self-containment certificate¹¹.” The Standard is not specifically linked to the Act.

17. Compliance with the Standard is voluntary, but compliance enables an occupied vehicle to enter some areas where it would otherwise be denied (for example where a council permits only self-contained vehicles to stay overnight at a particular site).
18. Vehicles certified to be self-contained to the Standard must have a self-containment certificate in the vehicle (it does not need to be displayed) and display a self-contained ‘warrant’ in the front window or windscreen. Since 2008, a blue sticker has also been used as a way of providing enforcement officers with a quick and easy visual tool to check compliance.
19. However, there is currently no national body that acts as the regulator to ensure that warrants are genuine or that the Standard is applied rigorously by the people and organisations who issue warrants. An unknown number of campers are choosing to freedom camp in uncertified vehicles sticking fraudulent self-contained stickers to their vehicles. This behaviour is impacting the social licence for freedom camping and undermining the integrity of the voluntary Standard.

Self-Contained Vehicles Legislation Bill (the Bill)

20. The current legislative framework has some limitations in managing and addressing the issues arising from freedom camping.
21. In 2021, MBIE published a discussion document ‘*Supporting sustainable freedom camping in Aotearoa New Zealand*’ with four proposals for regulatory reform (not to be confused with the discussion document for the Regulations of the Bill, published in September 2022).
22. From this 2021 consultation, MBIE received 5,136 submissions, including 40 from local governments and 9 from camping organisations.
23. The Government agreed in November 2021 to introduce the Bill to:
 - a. require vehicle-based freedom campers to use a certified self-contained vehicle when they stay on council land, unless a council designates the site as suitable for non-self-contained vehicles
 - b. establish a regulated system for the certification and registration of self-contained vehicles, overseen by the PGDB
 - c. require vehicles to have a fixed toilet to be certified as self-contained
 - d. strengthen the infringement system for freedom camping
 - e. extend the 2011 Act to include land managed by Waka Kotahi New Zealand Transport Agency (Waka Kotahi) and Toitū Te Whenua Land Information New Zealand (LINZ).

¹¹ Self containment of motor caravans and caravans NZS 5465:2001, accessible at: <https://www.standards.govt.nz/shop/nzs-54652001>

Plumbers, Gasfitters and Drainlayers Board

24. Under the Bill, the PGDB will be the regulator of the new self-contained vehicle system. What this means in practice is that the PGDB will:
 - a) approve prospective certification authorities (those individuals and organisations who wish to offer self-containment certification services)
 - b) provide advice and guidance to certification authorities, vehicle inspectors and owners of self-contained vehicles
 - c) oversee the work of the certification authorities and vehicle inspectors, including through routine audits
 - d) where necessary, conduct investigations into issues and complaints
 - e) maintain the national register of self-contained vehicles.
25. The PGDB is a body corporate continued under the Plumbers, Gasfitters and Drainlayers Act 2006. It is responsible for administering the registration and licensing systems for plumbers, gasfitters and drainlayers and in doing so, is responsible for ensuring those persons carrying out regulated work are competent to do so¹².
26. MBIE has been working with the PGDB to help it take on the new regulatory function. The PGDB has been involved in discussions with key stakeholders on the proposed new technical requirements, and certification authority approval criteria, vehicle inspector competency requirements, and the format of self-containment documentation.
27. MBIE and the PGDB have worked together to provide levy and fee costings, which are explored under Regulation 6.

A two-year transition period

28. There are no accurate figures about how many self-contained vehicles exist in New Zealand. According to information obtained by officials in early 2021, there are at least 68,000, but could be as many as 130,000. We have estimated that approximately 73,000¹³ likely to transition across to the new regulatory system. This includes at least 5,000 rental vehicles¹⁴.
29. To manage the transition of tens of thousands of vehicles to be re-certified as self-contained, or certified for the first time, the Bill includes a two-year transition period prior to the new rules becoming mandatory if the owner wishes to do so and can meet the new technical requirements.

The outcomes sought by freedom camping Regulations

30. This document relates to the proposed Regulations that will be made shortly after the Bill is enacted and come into force six months after the Bill receives Royal Assent. Formal guidance will be issued by the PGDB, gazetted, and brought into force around the same time as the Regulations. Interpretation material will also be produced by the PGDB.
31. Freedom camping regulations are intended to increase public trust in the self-contained vehicle system and reduce the environmental impacts of vehicle-based

¹² Plumbers, Gasfitters, and Drainlayers Board (PGDB) webpage, *About us*. Accessible at: <https://www.pgdb.co.nz/about-us/>

¹³ Freedom Camping Regulations Discussion Document, (September 2022). Pg. 76. Accessible at: <https://www.mbie.govt.nz/dmsdocument/23367-freedom-camping-regulations-discussion-document>

¹⁴ Rental vehicle fleet numbers are reduced because of the pandemic

freedom camping. They intend to provide the clarity and details needed for the new system to be effectively and efficiently implemented and enforced.

32. The Bill sets out that Regulations are required for the following areas:
 - a) the technical requirements for self-contained vehicles
 - b) the criteria for approval as a self-containment certification authority
 - c) the format of the self-containment certificate and warrant card
 - d) the fees and fines attached to each infringement offence
 - e) exemptions from the need to be certified as self-contained
 - f) levies and fees.
33. These areas make up the Minister's model for freedom camping reforms, as outlined to Cabinet¹⁵ in October 2021. The Minister proposed that changes be based on the existing self-containment volunteer Standard, but with additional checks and oversight of the self-containment certification system, additional powers for the PGDB as regulator, for the reforms to be 'light touch', and that costs be able to be recovered through adjusted levies and fees.
34. To support the public consultation on the Regulations, MBIE published a discussion document¹⁶ in September 2022, which contained proposals for the new freedom camping Regulations. In this document, the identified options for freedom camping Regulation were evaluated to meet one or more of the following outcomes:
 - **Environmental protection** – vehicles should meet minimum technical requirements to be certified self-contained. Harm to the natural environment associated with the inappropriate disposal of waste and camping in unsuitable vehicles or in unsuitable areas is reduced.
 - **Public trust and confidence** – the self-contained vehicle system is trustworthy, and the current issues with the social licence to freedom camp are mitigated.
 - **A 'light touch' approach** – the regulatory system is 'light-touch' and proportionate to the level of potential harm caused by incorrectly certified "self-contained" vehicles, while still enabling the regulator to provide national oversight.
35. Some of the options in the 2022 discussion document were developed alongside a cross-sector technical advisory group called the Responsible Camping Working Group. The Working Group comprises of elected local government officials, industry representatives and senior government officials.
36. A number of webinars were held to give an overview of the 2022 discussion document – two public webinars and one for local authorities and industry, which was hosted by a tourism peak body. MBIE received 125 complete submissions, 83 from individual submitters and 42 on behalf of businesses or organisations. A total of 14 local government bodies (or related entities) submitted on the Regulations.

¹⁵ Cabinet paper "Supporting Sustainable Freedom Camping in Aotearoa New Zealand – Proposals for Regulatory Change" (October 2021), pp. 9-10, accessible at: <https://www.mbie.govt.nz/dmsdocument/18156-supporting-sustainable-freedom-camping-in-aotearoa-new-zealand-proposals-for-regulatory-change-proactiverelase-pdf>

¹⁶ Accessible at: <https://www.mbie.govt.nz/immigration-and-tourism/tourism/tourism-projects/supporting-sustainable-freedom-camping-in-aotearoa-new-zealand/freedom-camping-regulations-discussion-document/>

Section 2: Deciding upon the options to address the policy problem

What criteria will be used to compare options to the status quo?

- 37. The following sections explain the rationale for the options presented for each key regulatory area. A qualitative scoring framework (outlined below) is applied to help assess the merits of each option. Five of the six Regulatory areas (each with multiple options) are weighed using this scoring methodology, against the following criteria:
 - **Costs** – the costs on participants in the regulatory system, which includes self-contained vehicle owners, certification authorities, vehicle inspectors, local authorities, and the PGDB.
 - **Practicality** – how easy each option is to implement.
 - **Effectiveness** – the potential to drive freedom camping reform and regulatory outcomes.
- 38. Regulation Six, which covers options for fees and levies, uses a separate set of criteria common to analysing fees and levies across Government. This is explained in more detail in that section.

Key for the qualitative scoring framework used in the tables in this section

+2	Considerably better than doing nothing / the status quo
+1	Better than doing nothing / the status quo
0	About the same as doing nothing / the status quo
-1	Worse than doing nothing / the status quo
-2	Considerably worse than doing nothing / the status quo

Regulation One: Self-containment technical requirements

What the Bill will change

39. The Bill will:
- a. create a 'light touch' regulatory system for self-contained vehicles with the PGDB as the regulator
 - b. enable the creation of regulation-making powers to specify the technical requirements that must be met for a motor vehicle to be certified as self-contained. These regulations would eventually replace the current Standard
 - c. ensure the new regulatory requirements for self-contained vehicle certification require a toilet to be fixed within the vehicle and exclude portable toilets

The impact of the fixed toilet requirement is outside the scope of this RIA

40. The impact on self-contained vehicle owners who will be required to upgrade their vehicle to meet the fixed toilet requirements (i.e., a toilet that is permanently fixed to the vehicle and drains to a cassette or a blackwater tank) is not within the scope of this RIA. This is because this change is being made through the Bill rather than through the Regulations and is therefore covered in the RIA for the Bill which can be viewed on MBIE's website.

Status Quo – current self-containment technical requirements under the Standard

41. The current Standard requires self-contained vehicles to have a:
- a. freshwater tank: 4L per person per day for no less than 3 days
 - b. sink: via a smell trap/water trap connected to a watertight sealed wastewater tank
 - c. grey/black wastewater tank: 4L per person per day (12L per person minimum, vented and monitored if capacity is less than the freshwater tank)
 - d. evacuation hose: 3m for fitted tanks or long enough to connect to a sealed portable tank
 - e. sealable refuse container (rubbish bin with a lid)
 - f. toilet (portable or fixed): minimum capacity 1L per person per day (3L net holding tank capacity per person minimum).
42. Under the status quo, compliance with the Standard is voluntary.

Option One –performance-based requirements established in Regulations

43. Technical requirements would be established in regulations and would be less prescriptive than the current Standard. The requirements would set outcomes or objectives and provide flexibility as to how these are met.
44. For example, rather than specifying that *"an evacuation hose must be at least 3m in length,"* as the status quo or Option Three would require, the technical requirements under Option Two would instead require that *"the hose be fit-for-purpose,"* with formal

guidance from the PGDB on how to determine what “fit-for-purpose” means in that context.

45. This option would set out the self-containment technical requirements in the following four tiers:
 - An objective – the social or environmental objective that must be achieved.
 - Functional requirements – what the regulated thing must do to satisfy the objective.
 - Performance requirements – the qualitative or quantitative criteria the regulated thing must meet to comply.
 - Details on how requirements should be interpreted, to ensure consistency in certification decisions. For example, a standard inspection manual for vehicle inspectors to use when inspecting a vehicle’s self-containment facilities.
46. The first three tiers would be set in freedom camping regulations, and the fourth would be in the formal guidance issued by the PGDB, referred to above, in consultation with the sector.
47. The performance requirements would also specify, where practical, applicable New Zealand and international standards (or parts thereof) that will be recognised as demonstrating compliance.

Option Two – prescriptive approach to setting technical requirements

48. This option would see the technical requirements set out in the current Standard replicated in regulations and modified, where necessary, to comply with the fixed toilet requirements in the Bill and other quality-of-life upgrades to modernise other technical requirements.
49. Regulations under this option would maintain the Standard’s current scope, objectives, and definitions. Most notably, the requirements would continue to prescribe the particulars of water supply systems, plumbing requirements, sanitary fittings, toilets (which would need to be fixed), waste tanks, evacuation hoses, wastewater treatments and solid waste containment.
50. This would mean regulations would specify pipe diameters and length, and minimum volumes for potable and wastewater containers. For example, it would be explicit that all waste pipes with a length of less than 3m from sanitary fitting to waste tank must not be of a diameter less than 18 millimetres (mm). For pipes that exceeded 3m, the diameter must not be less than 25mm.
51. Prior to the making of regulations, under this option, officials would undertake more regulatory design work to modernise the technical requirements.
52. Guidance on how to meet prescriptive technical requirements may not be needed, but if it was, the PGDB would be able to issue things like inspection manuals and other guidance that vehicle inspectors could use.

What did respondents say?

53. Nearly half of submitters agree/strongly agree with Option One (49%), compared to only 17% with Option Two. Key comments among those who are supportive of Option One are that this option keeps costs low for vehicle owners, provides more flexibility and scope for innovation that would not be possible with the more prescriptive

approach under Option Two, and that compliance is expected to be higher with this option, as many submitters believe a more prescriptive approach is unnecessary.

54. Some submitters also commented that this option allows guidance on the technical requirements to be tailored to particular needs, and it reduces the need to frequently update the Regulations compared to if a prescriptive approach was in place.
55. Individuals who disagree with Option One mostly expressed general concerns about the proposed fixed toilet requirement (which is set out in the Bill), rather than how technical requirements could be prescribed in the Regulations.
56. The main concern highlighted by some businesses and organisations is that implementation may be an issue under Option One. This is because inspectors will have different understandings of the requirements and they may not be applied consistently as a result. These submitters recommended guidance for regulators be provided (e.g., what are 'light-touch' requirements?). Formal guidance on the technical requirements would be issued by the PGDB, which was noted in the Discussion Document.
57. A minority of businesses and organisations are supportive of Option Two instead of Option One. This includes six holiday parks, and one local government body.

How do the options compare to the status quo?

Option	Costs – the costs on participants in the regulatory system	Practicality - how easy each option is to implement	Effectiveness – the potential to drive freedom camping reform and regulatory outcomes	Overall score
Option 1: 'light-touch' performance-based requirements	<p>Likely to result in lower costs to vehicle owners where there are multiple ways of complying with a requirement.</p> <p>There will be new ongoing costs for the regulator associated with producing guidance material.</p> <p>1</p>	<p>Requires formal guidance to be produced by the PGDB in consultation with the sector and gazetted to interpret performance requirements.</p> <p>Also requires vehicle inspectors to be made aware of, and understand, the new requirements.</p> <p>Vehicle inspectors will exercise more personal judgment about whether self-containment facilities meet standards.</p> <p>-1</p>	<p>Enables owners of vehicles to provide innovative solutions.</p> <p>Technical requirements are flexible, while still providing assurance that minimum requirements are met.</p> <p>Avoids the need to frequently update regulations.</p> <p>Ultimately, leads to a regulatory system that is innovative and responsive, which is appropriate given the level of harm.</p> <p>2</p>	2

Option 2: prescriptive approach to setting technical requirements	<p>Similar to the status quo but can impose unnecessary costs on vehicle owners if there are cheaper ways to comply with the outcome being sought.</p> <p>0</p>	<p>Would require more policy work to update the current prescriptive requirements.</p> <p>However, once complete there would be very clear requirements, which are unlikely to require second order guidance to interpret.</p> <p>-1</p>	<p>Would need to be frequently updated to keep up with innovation in motorhome and motor caravan technology and products.</p> <p>The process of updating regulations can be time consuming and difficult.</p> <p>-1</p>	<p>-2</p>
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What options are likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

58. The option most likely to achieve the specific outcomes is for regulations to prescribe a set of performance-based technical requirements. This option should result in lower costs and impacts on vehicle owners, and it aligns strongly with the freedom camping regulatory outcomes. Although it would require guidance to implement, this is outweighed by not needing to frequently update the regulations to keep up with changes in motorhome and motor caravan technologies and products. Ultimately, it would lead to a regulatory system that is innovative and responsive than the prescriptive approach would enable, while still putting in place minimum requirements.

Regulation Two: Self-containment approval criteria: certification authorities, vehicle inspectors, Certifying Plumbers

What the Bill will change

59. To assure the public that the certification system is and fit-for-purpose, the Bill will require:
 - a. that certifications are only carried out by certification authorities approved by the PGDB, and that vehicle inspectors meets the requirements prescribed by regulations for appointment (and must include requirements that relate to the competence of a motor vehicle inspector)
 - b. the creation of new regulations setting out:
 - i. approval criteria for certification authorities
 - ii. an application process for potential new certification authorities, which would be assessed by the PGDB against the approval criteria
60. It is anticipated that some certification authorities will both inspect and certify vehicles, whereas others may just certify vehicles and outsource inspections to a third party. The proposed approval criteria reflects both operating models.

Certification authority approval criteria

Status Quo – issuing authorities and vehicle testing officers under the voluntary standard

61. Under the status quo, an issuing authority (called ‘certification authorities’ in the new system) issues self-containment certificates.
62. To be an issuing authority for self-containment certificates, organisations, or people, should:
 - a. operate a qualification scheme for testing officers they employ
 - b. make documentation of this qualification scheme available on a public website or on request
 - c. have testing officers attend a course of instruction and be tested to prove their competence.
63. There is no oversight or monitoring to ensure that issuing authorities are correctly certifying vehicles and issuing self-containment certificates. Similarly, there is no oversight or monitoring to ensure that issuing authorities are correctly certifying vehicles and issuing self-containment certificates.
64. This lack of independent oversight essentially enables organisations to ‘appoint’ themselves as issuing authorities, if they consider that they have met the criteria. As such, we do not know how many issuing authorities there are nor whether all authorities are certifying vehicles to the current standards.
65. We understand that currently the majority of vehicle inspectors used by the country’s two largest issuing authorities (the New Zealand Motor Caravan Association and New Zealand Lifestyle Camping) are retirees, and many are volunteers.
66. Plumbers registered under the Plumbers, Gasfitters, and Drainlayers Act 2006 are automatically recognised as issuing authorities and testing officers for self-

containment certificates. We do not know how many plumbers choose to work in this field.

Option One – multiple pathways approach to approvals

67. This option would see a multiple pathways approach to approvals that certification authorities can use to demonstrate how they meet the new criteria.
68. At a high level, the proposed approval criteria would cover:
 - processes to ensure vehicle inspectors are competent and have sufficient understanding of the relevant self-containment requirements
 - processes for inspecting vehicles to determine whether they meet the relevant self-containment requirements
 - processes around recording inspection details and issuing self-containment certificates and warrant cards
 - appropriate record-keeping processes
 - an internal auditing system to ensure consistent, high-quality certification decisions.

Option Two – rigorous and prescriptive certification approval criteria

69. Option Two incorporates the elements of Option One and would then impose a more prescriptive set of certification approval criteria.
70. It would have a set of requirements that any prospective certification authority would need to meet to be approved by the PGDB.
71. The key difference is that the PGDB would approve standardised vehicle inspector training and auditing systems, which certification authorities would be required to embed to operate.

Option Three – requiring a third-party review of certification authority systems

72. An 'added extra', Option Three would include Option One or Option Two and then build in a requirement for a third-party review of certification authority systems.
73. Under this option, a third-party assurance body (such as Telarc or International Accreditation New Zealand) would be required to review the proposed systems of a prospective certification authority. The third-party reviewer would provide its findings to the PGDB and advise if the reviewed systems satisfy the prescribed criteria.

What did respondents say?

74. Out of the three options for self-containment authority approval criteria, submitters are most supportive of Option One, with 40% agreeing/strongly agreeing with this option. Option Two is the least preferred option (57% disagree/strongly disagree), followed by Option Three (47% disagree/strongly disagree).
75. Analysis of preferences across options reveals that many submitters who agree with Option One only prefer that option, while this sentiment was much weaker across Options Two and Three.
76. Key reasons that submitters provided for their agreement with Option One included that this option will be straightforward to implement, provides greater flexibility, is the lower cost option and limits the risk of there being shortages of vehicle inspectors. Most of the self-containment testing officers and issuing authorities (who work under

the current voluntary standard) preferred Option One. These submitters support there being a system in place for competency and consistency, but with flexible pathways to avoid losing too many inspectors. The key reason for disagreement with Option One was due to concerns about there being inconsistency between certifiers' interpretation of the rules.

77. In the Discussion Document, we noted that under both Options One and Two, a third-party review could be run as well to check whether the systems satisfy the prescribed criteria. Some businesses and organisations highlighted their support for this review cycle in their submissions, as it helps to ensure the outcomes of the legislation are consistently being met. Many submitters who disagree with Option Three believe it is unnecessary and overcomplicated.

How do the options compare to the status quo?

Option	Costs – the costs on participants in the regulatory system	Practicality - how easy each option is to implement	Effectiveness – the potential to drive freedom camping reform and regulatory outcomes	Overall score
Option 1: a multiple pathways approach to approvals with	<p>There will be small new costs for those issuing authorities (IAs) who transition to the new regulatory regime associated with demonstrating how they meet criteria.</p> <p>No direct costs for owners of self-contained vehicles.</p> <p>-1</p>	<p>Straightforward to implement as it is based on similar processes the PGDB performs for approving employer licences.</p> <p>2</p>	<p>Is 'light touch', which is likely to encourage existing IAs and vehicle inspectors (VIs) to be recognised under the new regulatory regime.</p> <p>Still enables PGDB to provide national oversight of regulated parties.</p> <p>1</p>	2
Option 2: a more rigorous and prescriptive certification approval criteria	<p>Would add a higher compliance burden on some current IAs.</p> <p>Would add additional costs on to the regulator associated with establishing standardised auditing and training systems.</p> <p>Ultimately, may increase levies and certification costs paid by owners of self-contained vehicles.</p> <p>-1</p>	<p>Would require the regulator to undertake further work to establish of standardised training and auditing systems.</p> <p>-2</p>	<p>Would provide a very high level of certainty that CAs had required processes in place.</p> <p>1</p>	-2

Option 3: requiring a third-party review of certification authority systems	Would increase costs on certification authorities on top of the approval criteria.	Would require coordination between prospective CA's, the PGDB, and the third-party reviewer.	Would provide a very high level of certainty that CAs had required processes in place.	-2
	May result in higher certification costs paid by owners of self-contained vehicle.	-1	1	

Vehicle inspector approval criteria

Option One – requiring vehicle inspectors to be knowledgeable

78. Under this option for vehicle inspectors would see regulations include a set of competency requirements based around vehicle inspectors needing to:
- know about and understand the technical requirements
 - be able to inspect a vehicle's performance against the regulatory requirements by using PGDB issued guidance and inspection manuals
 - know how to enter the results of the inspection into the national register of self-contained vehicles (if applicable)¹⁷
 - know where to seek help if they are unsure about the technical requirements or how to interpret them.
79. Under this option, a certification authority would recognise a person as a vehicle inspector where that person was able to demonstrate their competency in the requirements listed above.

Option Two – requiring vehicle inspectors to have a relevant trade qualification

80. Option Two includes Option One and then builds in the requirement for vehicle inspectors to hold a relevant trade qualification.
81. Prospective vehicle inspectors would be required to demonstrate they have a relevant trade qualification. The types of qualifications could be: mechanical engineering, plumbing, building, and other related trades. The prospective vehicle inspector would need to provide proof of their qualification(s) to the certification authority that employed them prior to them starting inspection work.

Option Three – requiring vehicle inspectors to be assessed as “fit and proper”

82. Option Three would build on Options One and Two, to require vehicle inspectors to be assessed as “fit and proper”. Under this option, Regulations would include a set of competency requirements like those set out in Option One above.
83. Certification authorities would also need to check that a prospective vehicle inspector was a “fit and proper person”. This is a common regulatory check and is used to provide assurance that people applying for a position are reputable.
84. The certification authority would need to undertake a background check of prospective vehicle inspectors, which would look at their previous behaviour, including any criminal history and previous relevant work disciplinary record(s). The

¹⁷ This is intended to provide flexibility, as some certification authorities may want to input the results of every vehicle inspection into the Register themselves at a head/regional office; whereas, others may want the vehicle inspectors to do it at site.

certification authority would then assess whether the person was “fit and proper” to be a vehicle inspector.

What did respondents say?

85. The majority of submitters (58%) agree/strongly agree with Option One. Those who agree with this option believe that stricter requirements are unnecessary, as most vehicle inspectors are sensible and knowledgeable enough to get the job done right. It also provides a larger pool of vehicle inspectors to limit supply issues. Those who disagree mostly expressed their concerns about the freedom camping reforms in general, rather than making comments specific to these regulatory options.
86. Analysis of responses from individuals in particular shows that 54% of those who agree/strongly agree with Option One also agree/strongly agree with Option Three, and 67% disagree/strongly disagree with Option Two. This shows that Options One and Three are most preferred by individuals.
87. Some businesses and organisations are against requiring vehicle inspectors to have a relevant trade qualification (Option Two) because it would exclude people who don't have a formal qualification from completing the work, despite many of them having the appropriate knowledge, experience, and capability. Options One and Three provide scope to accommodate these situations.

Option	Costs – the costs on participants in the regulatory system	Practicality - how easy each option is to implement	Effectiveness – the potential to drive freedom camping reform and regulatory outcomes	Overall score
Option 1: requiring vehicle inspectors to be knowledgeable	Largely reflects the different processes of current issuing authorities (IAs) and is unlikely to add substantially to the regulatory burden for IAs and Vehicle Inspectors (VIs). Minimal costs on regulator. 0	Largely reflects the different processes of current IAs. 0	Is 'light touch', which is likely to encourage existing IAs and VIs to be recognised under new regulatory regime. Still enables PGDB to provide national oversight of regulated parties. 2	2
Option 2: requiring vehicle inspectors to have a relevant trade qualification	Would increase costs for existing VIs, who would need a trade qualification to practice. Heightens the risk of the current network of volunteers falling over if existing VIs do not transition to new regime. -1	Would be reasonably straightforward for certification authorities to implement. 0	Would provide a higher level of certainty that a VI has knowledge and expertise. 1	0

Option 3: requiring vehicle inspectors to be assessed as “fit and proper”	<p>Would increase costs on VIs and certification authorities (CAs).</p> <p>Heightens the risk of the current network of volunteers falling over if existing VIs do not transition to new regime.</p> <p>-1</p>	<p>Would create another layer of processes that prospective VIs and CAs would need to complete.</p> <p>-1</p>	<p>Would provide a level of certainty that a VI has knowledge and expertise and is a fit and proper person.</p> <p>1</p>	<p>-1</p>
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Certifying Plumbers

88. Plumbers registered under the Plumbers, Gasfitters, and Drainlayers Act 2006 are automatically recognised as issuing authorities and testing officers for self-containment certificates.

Option One – Deem Certifying Plumbers as certification authorities and vehicle inspectors in perpetuity

89. Under this option, Certifying Plumbers would be deemed as certification authorities and vehicle inspectors in perpetuity. The only addition to the status quo is that this would be specified in regulations.
90. This would mean that Certifying Plumbers would never need to meet the approval criteria to be approved as certification authorities (or pay an application fee) or meet competency requirements to work as vehicle inspectors. It also means that Certifying Plumbers could never have their appointment as a certification authority revoked by the Board¹⁸.

Option Two – Deem Certifying Plumbers as certification authorities and vehicle inspectors for the two-year transition period (MBIE preferred option)

91. Under this option, Certifying Plumbers would be deemed as certification authorities and vehicle inspectors during the two-year transition period, which is set out in the Bill.
92. This would mean that Certifying Plumbers would not need to meet the approval criteria to be approved as certification authorities (or pay an application fee) or meet competency requirements to work as vehicle inspectors during the transition period.
93. Following the end of the transition period, those Certifying Plumbers who choose to want to continue to work in the self-contained vehicle regulatory system would need to apply to be approved as a certification authority (and pay an application fee) and/or meet competency requirements to work as a vehicle inspector.

What did respondents say?

94. Nearly half of submitters (47%) do not believe that certifying plumbers should be deemed as certification authorities and vehicle inspectors under the new regulations. Key concerns raised were regarding the experience level among plumbers to certify vehicles as self-contained, and that they expect plumbers' capacity to complete the work to be limited.
95. Those submitting on behalf of a business or organisation were much more supportive of deeming certifying plumbers as certification authorities and vehicle inspectors

¹⁸ Under new section 87Q(a)(i) of the Bill.

compared to individuals (38% compared to 22%). The key reason for support is that this option would widen the pool of certification authorities and vehicle inspectors to better ensure vehicle owners have access to a certifier.

Option	Costs – the costs on participants in the regulatory system	Practicality - how easy each option is to implement	Effectiveness – the potential to drive freedom camping reform and regulatory outcomes	Overall score
Deem certifying plumbers as certification authorities and vehicle inspectors	<p>Would not increase costs on plumbers who choose to work in this field.</p> <p>0</p>	<p>Reasonably straight forward to implement.</p> <p>PGDB would consider how to support existing plumbers working in this field to transition to the new regulatory regime, this is likely to be through education and communication campaigns.</p> <p>-1</p>	<p>Continues the status quo that plumbers are assumed to have a high level of competency to undertake work in this field.</p> <p>2</p>	1

What options are likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

Vehicle inspectors and certification authorities

96. We are aware of the fragility of the current vehicle inspector network and risks associated with not having enough existing vehicle inspectors and issuing authorities transitioning to the new regime.
97. Our preferred option is for regulations to set out a multiple pathways approach which certification authorities can use to demonstrate how they meet the criteria, and competency requirements for vehicle inspectors based around vehicle inspectors being able to demonstrate they are knowledgeable. We also think that regulations should deem plumbers as certification authorities and vehicle inspectors.
98. The preferred option will be 'light-touch' (By light-touch, we mean that it would not impose excessive costs on certification authorities and vehicle inspectors) but will still enable the PGDB to provide national oversight.

Deeming certifying plumbers

99. There are significant risks associated with not having enough existing vehicle inspectors and issuing authorities transitioning to the new regime. This analysis shows that the best approach is for the Regulations to set out a reasonably robust criteria of requirements with multiple pathways which certification authorities can use to demonstrate how they meet the criteria, and competency requirements for vehicle inspectors based around vehicle inspectors being able to demonstrate they are knowledgeable.
100. To mitigate the risk that there will not be enough certification authorities and vehicle inspectors when the Bill comes into effect, regulations should deem plumbers as certification authorities and vehicle inspectors for the transition period only.

Regulation Three: Self-containment documentation: certificate, warrant, generic identifier

What the Bill will change

101. The Bill will:

- a. create a Register of Self-Contained Vehicles. This would be an online register established by the PGDB. Enforcement officers would be able to access the register to check a vehicle's self-containment information, vehicle inspectors and certification authorities would be able to access the register to input a vehicle's self-containment information and certificate and warrant details, and the public would be able to search the register to see whether a vehicle has been certified as self-contained
- b. replace the current blue-coloured warrant card with a new green warrant card. The green card would signal that the vehicle meets the new self-containment regulations. The Bill will include the aforementioned transitional period between the current unregulated self-containment system to the new regulated system
- c. require certification authorities to issue both a self-containment certificate and a warrant to vehicle owners if their vehicle has been assessed as meeting the self-containment technical requirements. A vehicle's certificate and warrant would be issued to the vehicle owner (likely by email) at the time of certification. The vehicle inspector would also enter the details of each inspection into the online national Register of Self-Contained Vehicles
- d. make each warrant and certificate valid for four years
- e. make new infringement offences related to people not complying with warrant obligations, for example, by not displaying a warrant or displaying an expired warrant
- f. enable regulations to be made that specify the format of the new self-containment certificate and warrant card.

Self-containment certificate

Status Quo – self-containment documentation issued under the Standard

102. Under the current Standard, vehicles certified as self-contained are issued with a self-containment certificate, a self-containment warrant, and a self-containment sticker. The Standard sets out:
- a. the form of a self-containment certificate, warrant and sticker
 - b. where the warrant and sticker must be placed on a self-contained vehicle.
103. A vehicle's self-containment certificate is a detailed document. It lists the details of the plumbing facilities fitted, the minimum diameter and length for these (as applicable), and the number of people a vehicle's fresh and wastewater systems can support. The certificate gives enforcement officers additional information if they have concerns about the reliability of a vehicle's self-containment warrant.
104. A vehicle's self-containment warrant is a blue card that is fixed to the front of the windscreen. It lists only the critical details: the licence plate of the vehicle, the issuing authority who certified the vehicle, the date of certification, the number of people for which the vehicle is self-contained, the expiry date of the warrant and a unique reference number.
105. A generic blue coloured self-containment sticker is issued once a testing officer certifies the vehicle as self-contained. This sticker is placed on the rear of the vehicle. It does not contain any details that link it to that vehicle, such as the licence plate number. It is used as extra evidence that a vehicle has been certified under the

Standard. This can be useful for vehicle owners between the time a vehicle has been certified as self-contained and their warrant has been issued to them. However, as noted above, the sticker has been subject to fraud.

106. Having self-containment documentation issued costs the vehicle owner money. This cost may be included in membership fees¹⁹, if the owner is a member of an organisation that provides these services to members, bundled into an overall testing fee²⁰, or charged specifically to the vehicle owner²¹.

Option One – continue to record the details of a vehicle’s self-containment facilities on the self-containment certificate

107. The self-containment certificate would largely mirror the format prescribed in the Standard:
- a. the licence plate details of the vehicle
 - b. the date the warrant was issued
 - c. the date the warrant expires (which would be four years from the date of issue, if no major modifications are made to the vehicle)
 - d. the name of the certification authority that issued the warrant
 - e. the maximum number of people for which the vehicle has been certified as self-contained
 - f. a unique number that identifies the vehicle
 - g. the technical details of a vehicle’s self-containment facilities as set out in the online register (e.g., pipe diameters and length, the size of fresh and wastewater tanks, the length of evacuation hoses and diameter of release valves, or other detail about how technical requirements have been met).
108. It would be issued by a certification authority immediately after it had reviewed the vehicle’s inspection and the vehicle owner had paid the self-containment monitoring levy (and any fee charged by the certification authority).

¹⁹ For example, the New Zealand Motor Caravan Association (NZMCA) maintains a network of testing officers, which its members can approach for testing. Many of these testing officers are volunteers. NZMCA incorporates the costs of issuing documentation in its membership fee. <https://www.nzorca.org.nz/certified-self-containment-faqs> The current membership fee is \$90.

²⁰ For example, Self Contained New Zealand offers self-containment testing and issuing of documentation at \$119 for a 20-minute test. <https://selfcontained.co.nz/collections/campervan-self-containment-kit>

²¹ For example, New Zealand Lifestyle Camping currently charges a fee of \$45 to process self-containment documentation. It notes that this is additional to any testing officer charges. <https://www.nzlifestylecamping.com/northisland>

Option Two – simplified self-containment certificate

109. The format of the self-containment certificate would be simplified so it includes the name and contact information of a vehicle's owner, and the following information:
 - a. the licence plate details of a vehicle
 - b. the date the warrant was issued
 - c. the date the warrant expires (which would be four years from the date of issue, if no major modifications are made to the vehicle)
 - d. the name of the certification authority that issued the warrant
 - e. the maximum number of people for which a vehicle has been certified as self-contained
 - f. a unique number that identifies a vehicle.
110. Like Option One, it would be issued by a certification authority immediately after it had reviewed a vehicle's inspection and the vehicle owner had paid the self-containment monitoring levy (and any fee charged by the certification authority).
111. The technical details of a vehicle's self-containment facilities will be entered into the national Register of Self-Contained Vehicles. The Register will be available for enforcement officers to check online, either at the site, or, in the case of there being little to no internet access at a site, back in the office.

What did respondents say?

112. Nearly half of submitters (48%) are supportive of Option One for the self-containment certificate. This is mainly because it enables enforcement officers to accurately link a vehicle to the relevant information in the national register. Submitters who disagree with this option generally believe it is unnecessary or had concerns about compliance costs being higher.
113. Submitters did not have particularly strong views towards Option Two, as responses were evenly distributed across the key response categories²² (around 33% for each category). Some submitters who support Option Two recommended that the fresh

²² The key response categories are agree/strongly agree, disagree/strongly disagree and don't know/neither agree nor disagree

water and wastewater capacities still be stated on this self-containment certificate, so it is clear what facilities the vehicle has, to meet the requirements.

114. Most local government bodies did not comment on this aspect of the Regulations. However, of those that did they stated that they prefer the simplified certificate under Option Two because limited information is required from an enforcement perspective.

How do the options compare to the status quo?

Option	Costs – the costs on participants in the regulatory system	Practicality - how easy each option is to implement	Effectiveness – the potential to drive freedom camping reform and regulatory outcomes	Overall score
Option 1: continue to record the details of a vehicle’s self-containment facilities the on the self-containment certificate	<p>Similar cost to certification authorities and vehicle owners as the status quo.</p> <p>0</p>	<p>Would require more regulatory design work to implement if technical requirements are prescriptive based.</p> <p>Would require even further additional policy and design work to implement if technical requirements are performance-based.</p> <p>-1</p>	<p>A lot of the information about the vehicle’s self-containment facilities would duplicate what is on collected on the register of self-contained vehicles.</p> <p>But it could provide additional assurance to prospective vehicle buyers that the vehicle’s self-containment facilities meet regulatory requirements.</p> <p>2</p>	1
Option 2: a simplified self-containment certificate	<p>Similar cost to certification authorities and vehicle owners as the status quo.</p> <p>0</p>	<p>Straightforward to implement and administer.</p> <p>0</p>	<p>Removes unnecessary detail from the current certificate that enforcement officers had previously relied on.</p> <p>However, vehicle owners would not have access to the details of their vehicle’s self-containment facilities.</p> <p>1</p>	1

Self-containment warrant

Make the warrant card green

115. The warrant card format would be retained, but coloured green. Since the current warrant cards (issued under the Standard) are blue, this would make it easy for enforcement officers to see whether a vehicle has been certified under the Standard or the new regulations.
116. As it is currently, the warrant card would need to be displayed in the inside left of the front window/windshield with the warrant details facing out.

What did respondents say?

117. Most submitters (49%) are supportive of the option for the self-containment warrant. Only 19% disagree/strongly disagree with this option, and 26% had a neutral opinion towards it.
118. Many submitters commented that they agree with this option because a green warrant visibly demonstrates a change to the freedom camping regulations and helps enforcement officers quickly identify the self-containment status of a vehicle and therefore its compliance with the new Standard. Another key point mentioned was that this option avoids vehicle modification once it has received certification, giving potential purchasers confidence that the vehicle is certified in its current form.
119. None of the local government bodies (who would use the new warrant as part of their enforcement work) disagree with the option for the self-containment warrant. Rationale for supporting this option largely aligned with that of the general pool of submitters noted above.
120. Some submitters expressed opposition to having warrant cards in general or recommended altering the format/colour of them to reduce the risk of counterfeiting and improve their durability over the four-year period.

Generic identifier

Option One – not having a generic identifier

121. No generic identifier (sticker) issued by vehicle inspectors after a vehicle was certified, as the current blue sticker is.

Option Two – different generic identifier

122. Having a different coloured generic identifier (e.g., a green sticker) that is not easily forged, to allow enforcement officers or the public to quickly identify that a vehicle is certified self-contained under the new regulatory system.

What did respondents say?

123. Across the two options, submitters support Option One the most, with 35% agreeing/strongly agreeing with this option. However, 40% disagree/strongly disagree with this option. Businesses and organisations were more supportive of Option One (50%) than individuals (26%).
124. Common reasons why submitters do not want generic identifiers (i.e., they agree with Option One) are that there have been issues with fraudulent versions of the existing blue stickers, which reduces credibility with the public; it makes it obvious that the vehicle is used for camping, which can make it target for theft; and that it is

unnecessary if enforcement officers can check the vehicle’s self-containment status via the national register.

How do the options compare to the status quo?

Option	Costs – the costs on participants in the regulatory system	Practicality - how easy each option is to implement	Effectiveness – the potential to drive freedom camping reform and regulatory outcomes	Overall score
Option 1: not having a generic identifier	Reduces costs for certification authorities (CAs) and vehicle owners. 1	Straightforward to implement and administer. 0	Removes public concern about fraudulent use of generic identifiers. Increases confidence in the system. 2	3
Option 2: having another generic identifier	Slight increase in costs for CAs to replace the generic blue stickers with a new generic identifier. -1	Would require further design work to implement, in particular to design a generic identifier that could not easily be forged. -1	A generic identifier is unnecessary because certificates would be issued to vehicle owners very soon after a vehicle has passed its self-containment inspection. -1	-3

What options are likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

125. The format of self-containment documentation needs to provide the most critical information to the right people without imposing unnecessary costs on to freedom camping participants, and ultimately to safeguard the system against allegations of vehicles being fraudulently certified.
126. We consider this is best met by through the following options:
 - a. Continuing to record the details of a vehicle’s self-containment facilities on the self-containment certificate
 - b. retain the format of the current self-containment warrant but make the colour green.
 - c. not having a generic identifier.
127. The current certificate contains the technical details for many of the certified vehicle’s self- containment facilities. Enforcement officers currently use the self-containment certificate to check the validity of a vehicle’s warrant, especially in remote places. If the Bill passes, the technical details of a vehicle’s self-containment facilities will be entered into the national Register of Self-Contained Vehicles. This register will be available for enforcement officers to check online (either at a freedom camping site, or back in the office). However, because vehicle owners will not be able to access this information on the online register, it should continue to be provided on a certificate. This could be useful, for example, when a person decides to sell their vehicle or to take their vehicle to a different certification authority for vehicle testing.
128. The information proposed to be displayed on a new green warrant card set out above would provide critical self-containment information to enforcement staff. The green

colour provides clear visual evidence to the public and enforcement officers that the vehicle has been certified under the new regulatory regime.

129. The current generic blue sticker is ineffective because it shows no specific details about the certified vehicle and can therefore be stuck on any vehicle regardless of its self- containment facilities and certification status. Counterfeit stickers can easily be made, and this problem could persist if another generic identifier was used, and it could ultimately prove costly to design and implement a fraud-proof generic sticker. Enforcement officers would still be able to check the warrant card on the front windscreen for evidence of certification, meaning there is no additional need for a generic identifier.

Regulation Four: Infringement fees and fines

What the Bill will change

- 130. The Bill will strengthen the infringement system in several ways, including:
 - new infringement offences relating to minor non-compliance with self-containment obligations
 - giving enforcement authorities the option of issuing infringement notices by email so that they get to the vehicle owner or hirer much more quickly
 - prescribing fines associated with an infringement offence at three-times the level of the infringement fee.
- 131. Cabinet has supported a move towards a tiered structure for infringement fee levels. We do not think the current set fee of \$200 is a fair or effective penalty or deterrent to poor, non-compliant behaviour or illegal behaviour. Tiered penalty levels will increase the deterrence effect.
- 132. Cabinet previously agreed to the introduction of a tiered system for freedom camping infringement fees with tiers of \$200, \$400, \$600, \$800 and \$1,000. Cabinet also noted that the relevant tiers for offences will be determined as part of developing regulations. [DEV-21-MIN-0219 refers].

Status Quo – infringement fees and fines

- 133. This is how the current infringement system is outlined in the 2011 Act:
 - Section 20(1) specifies the offences which are infringement offences.
 - All the infringement offences are subject to an infringement fee of \$200.
 - Section 23(1) provides for regulations to prescribe different infringement fee levels; however, no regulations prior to these being made now, have been made to date.
 - The maximum infringement fee is \$1,000.
- 134. Both local authorities and DOC can give out infringement fees for freedom camping infringement offences on the land that they manage. Infringement fees issued by local authority enforcement officers are payable to the relevant local authority. Infringement fees issued by DOC are payable to the Crown.
- 135. There are no maximum fines in the current system. In the table below are the most relevant infringement offences, their penalties, and, were required, how they relate to similar infringement offences included in the Bill.

Comparative infringement fees in comparative conservation legislation				
Act	Infringement offence	Infringement fee	Infringement fine	Relation to Self-Contained Motor Vehicle Bill Infringement offences
Conservation (Infringement Offences) Regulations 2019	Damaging, or causing to be damaged, marginal strip, or using marginal strip for purpose contrary to provision or requirement	800	1,600	Similar to proposed infringement offences relating to damaging an area or flora/fauna

	Failing to produce permits, etc., on demand	200	400	Similar to proposed infringement offence failure to display a valid self-containment warrant
	Using hazardous substances, etc., to take or destroy fish	800	1,600	Similar to proposed infringement offence of depositing waste in or on an area (other than into an appropriate waste receptacle)
Reserves (Infringement offences) Regulations 2019	Littering	300	600	
	Anchoring or mooring of boat in breach of notice or permit	800	1,600	Similar to proposed infringement offence related to freedom camping in an area in breach of a prohibition or restriction (e.g., in council bylaw or Department of Conservation notice)

Option One – tiered approach to the level of infringement fees and a maximum of \$800

136. MBIE’s preferred option for fees and fines is to introduce a tiered system for infringement fees (as currently allowed under Section 23(1) of the 2011 Act) with fee tiers of \$200, \$400, \$600 and \$800.
137. Offences that could result in greater harm would have a significantly higher infringement fee. For example, inappropriate disposal of waste has a higher fee than failing to display a self-containment warrant card, because inappropriate disposal of waste is more damaging than failing to have a warrant²³.
138. The new infringement offences in the Bill would be assigned to a fee tier as follows:
- \$800 – where actual damage or adverse impacts have occurred, for example where a person freedom camping interferes with or damages an area, its flora or fauna, or any structures in the area.
 - \$600 – where there is an intent to deceive, for example where a person displays an altered or fraudulent warrant of self-containment or presents one to an enforcement officer.
 - \$400 – where there is a breach of national or local restrictions, for example where a person freedom camps in an area in breach of any prohibition or restriction in a bylaw or freedom camping notice issued by the Department of Conservation.
 - \$200 – administrative breaches. For example, where a person who owns a self-contained vehicle fails to display the self-containment warrant.
139. The Bill sets fines associated with an infringement offence at a maximum of three-times the level of the infringement fee. This is the same under both proposed options.

²³ The approach we used to determine the right tier for each infringement offence has considered the Ministry of Justice’s Policy Framework for New Infringement Systems, and Legislation Design Advisory Committee Guidelines.

Option Two – tiered approach to the level of infringement fees and a maximum of \$1,000

- 140. Option Two is like Option One, but with a higher maximum fee of \$1,000.
- 141. Under Option Two, there would be the following tiers:
 - \$1,000 – where actual damage or adverse impacts have occurred, for example where a person freedom camping interferes with or damages an area, its flora or fauna, or any structures in the area.
 - \$600 – where there is an intent to deceive, for example where a person displays an altered or fraudulent warrant of self-containment or presents one to an enforcement officer.
 - \$400 – where there is a breach of local or national restrictions, for example where a person freedom camps in an area in breach of any prohibition or restriction in a freedom camping notice issued by the Department of Conservation or in a bylaw made by a local authority.
 - \$200 – administrative breaches. For example, where a person who owns a self-contained vehicle fails to display the self-containment warrant.
- 142. Like Option One, fines would be set at a maximum of three-times the level of the infringement fee.

What did respondents say?

- 143. Submitters agree/strongly agree most with Option One (40%) compared to Option Two (32%). A number of submitters support both options (36%), suggesting they support the tiered approach, but do not have a preference for the maximum infringement fee level.
- 144. Common reasons for agreement with a maximum infringement fee of \$800 instead of \$1000 are that a higher maximum fine could result in a greater portion not being paid and create more challenges in the District Court. Some submitters suggested adopting the lower fee option and combining it with education about the different levels of infringement fees.
- 145. Some local government bodies who support Option One highlighted that this option aligns with the Reserves Act 1977 infringement under Section 105B, which partially relates to freedom camping on Reserve Act land.
- 146. Key reasons for support of Option Two are that the higher fee is a stronger deterrent and more appropriate when there is actual damage to an area. One local authority raised a concern about the safety of enforcement officers issuing the fines if they are at a higher level. Some submitters expressed mixed views towards the maximum infringement fee level, suggesting that \$500 is more appropriate than the \$800 and \$1000 proposed, or recommending that the maximum fee be even higher for example.

How do the options compare to the status quo?

Option	Costs – the costs on participants in the regulatory system	Practicality - how easy each option is to implement	Effectiveness – the potential to drive freedom camping reform and regulatory outcomes	Overall score
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Option 1: a tiered approach to the level of infringement fees to a maximum of \$800	Penalties are set proportionate to the nature of offending and align with similar conservation penalties.	Administratively straightforward to update infringement notices. Enforcement officers would need to be made aware of changes to fee tiers.	Would enhance public trust and confidence that offensive behaviour is proportionately addressed.	3
Option 2: a tiered approach to the level of infringement fees at a maximum of \$1,000	Penalties are less proportionate than Option 1 but largely align with similar conservation penalties.	Administratively straightforward to update infringement notices. Enforcement officers would need to be made aware of changes to fee tiers.	A maximum \$1000 fine may be perceived as unduly harsh, and may not encourage compliance.	-1

What options are likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

147. This analysis supports the tiered approach to penalty levels set out under Option One. This option introduces a tiered fee and fine structure that proportionately addresses the harm caused by offensive behaviour. It would ease issues that some councils have faced with cost-recovering their enforcement activities. It also aligns strongly with freedom camping regulatory outcomes. We also think that a maximum fee tier of \$1,000 may be perceived as unduly harsh and may discourage compliance with the law. Option One also aligns more closely with comparative penalties in Conservation legislation.

Regulation Five: Exclusions from regulatory requirements

What the Bill will change

148. The Bill will provide for Regulations to exclude a specific set of motor vehicles from some or all the regulatory requirements.

Status quo – No exclusions from regulatory requirements

149. Because there is no regulatory system for self-contained vehicles, there are no current freedom camping exclusions and exemptions for self-contained vehicles under the Freedom Camping Act 2011.

Option One – No exclusions from new regulatory requirements

150. A continuation of the status quo. It would mean that vehicle owners would need to have their vehicles certified self-contained under the new regulatory requirements (including having a fixed toilet) if they wish to camp in designated freedom camping areas managed by local authorities, DOC or LINZ.

Option Two – excluding smaller freedom camping vehicles from the requirement to have a fixed toilet

151. Smaller freedom camping vehicles, such as “tear-drop”, “retro”, and other smaller or older freedom camping vehicles²⁴ would be excluded from the fixed toilet requirement.
152. Due to available space, these vehicles are practically unable to accommodate a fixed toilet. Such vehicles could continue to have a portable toilet. Other than this requirement, these vehicles would still need to meet other self-containment regulatory requirements and pay the self-containment monitoring levy (Regulation Six covers fees and levies).
153. The exemption would be written into regulations, but more policy work would be required to cover:
- what the threshold for meeting the exclusion would be
 - the sort of documentation that would be issued to owners of vehicles that qualified for an exemption
 - the impact on the PGDB/certification authority resourcing of having an unknown number of smaller vehicles entering the self-contained vehicle regulatory system.

Option Three – excluding vintage vehicles from the requirement to be certified as self-contained

154. For the purposes of Option Three, a “vintage vehicle” is any caravan or campervan that is at least 40 years old. Regulations would state that a vehicle would be classed as vintage if it is at least 40 years old on the date it is registered, re-registered, or

²⁴ The models of vehicles we think could be captured by this exclusion include, for example, older Toyota Hi-Ace vans, Volkswagen Combis, Ford Bedfords through to smaller newer camping vehicles like the Volkswagen California 6.1 Ocean and the Mercedes Marco Polo.

licensed under the Land Transport (Motor Vehicle Registration and Licensing) Regulations 2011 and was manufactured on or after 1 January 1919.

155. This would align with the definition of “vintage motor vehicle” in those Regulations. Officials consider this strikes a balance between different ideas of what is classed as “vintage” and aligns with a comparable regulatory system.
156. Like with Option Two, more policy work would be required to cover:
 - a. whether these vehicles would still need to be tested by a vehicle inspector and certified by a certification authority
 - b. the sort of documentation that would be issued to vehicle owners
 - c. whether owners would be required to pay the monitoring levy
 - d. the impact on PGDB/certification authority resourcing of having an unknown number of vintage vehicles entering the self-contained vehicle regulatory system.

What did respondents say?

157. Across the three exclusion options, submitters are most supportive of Option Two (47% agree/strongly agree), although Option One received almost as much support, with 40% agreeing/strongly agreeing with this option.
158. Of the 41% who strongly disagree with there being no exclusions (i.e., they want some exclusions to the regime), 73% strongly agree with Option Two and 49% with Option Three. This suggests that of the two exclusions options, more submitters want there to be exclusions for smaller vehicles, compared to vintage vehicles.
159. This was especially apparent when analysing responses from individual submitters. A total of 66% of these submitters disagree/strongly disagree with there being no exclusions and instead supported there being exclusions for smaller vehicles (64% agree/strongly agree).
160. A total of 72% of businesses and organisations are supportive of there being no exclusions from the new regulatory requirements. Key reasons include that it would undermine the purpose of the freedom camping reforms, may encourage people to purchase vehicles that are exempt from the fixed toilet requirement rather than one that requires self-containment certification, could result in environmental outcomes not being achieved and there may be challenges with enforcing the requirements (for example, why is one vehicle exempt and not another?).

How do the options compare to the status quo?

Option	Costs – the costs on participants in the regulatory system	Practicality - how easy each option is to implement	Effectiveness – the potential to drive freedom camping reform and regulatory outcomes	Overall score
Option 1: no exclusions from new regulatory requirements	There are some vehicles that are unable to be certified under the self-containment regulatory requirements. -1	Very straightforward to administer a system of no exclusions. 0	Promotes the integrity of the regulatory system, whereby there is one standard for all vehicles to meet. 2	1

<p>Option 2: excluding smaller freedom camping vehicles from the requirement to have a fixed toilet</p>	<p>These vehicles would be able to be treated as if they had a fixed toilet, for the purposes of staying in designated freedom camping areas.</p> <p>0</p>	<p>Adds a lot of complexity to the regulatory system in terms of designing and implementing an appropriate system.</p> <p>Also adds on-the-ground difficulties for enforcement officers in terms of identifying an excluded vehicle.</p> <p>-2</p>	<p>Undermines integrity regulatory regime, as it creates two tiers of vehicles.</p> <p>More likely to see inappropriate disposal of waste as research indicates portable toilets are less likely to be used.</p> <p>-2</p>	<p>-4</p>
<p>Option 3: excluding vintage vehicles from the requirement to be certified as self-contained</p>	<p>These vehicles would be able to be treated as being self-contained, for the purposes of staying in designated freedom camping areas.</p> <p>0</p>	<p>Adds a lot of complexity to the regulatory system in terms of designing and implementing an appropriate system.</p> <p>Also adds on-the-ground difficulties for enforcement officers in terms of identifying an excluded vehicle.</p> <p>-2</p>	<p>Undermines integrity regulatory regime, as it creates two tiers of vehicles.</p> <p>Encourages owners not to upgrade their vehicles to meet new requirements and wait until their vehicle meets the vintage threshold.</p> <p>Vehicle owners who have already upgraded their vintage camping vehicles to be self-contained are likely to be unhappy.</p> <p>More likely to see inappropriate disposal of waste as portable toilets are less likely to be used.</p> <p>-2</p>	<p>-4</p>

What options are likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

- 161. Although favoured by individual submitters, there is a strong case for not creating any exclusions. Ultimately, excluding specific vehicles in regulations would result in unnecessary complexity, make enforcement difficult and undermine the integrity of the regulatory system.
- 162. In addition, the Bill allows for a two-year transition period to the new regime. This will provide time for owners of smaller vehicles or vintage vehicles to consider whether to upgrade their vehicles to meet the new regulatory requirements.
- 163. Owners who decide not to upgrade their vehicles have the option of staying in one of the hundreds of Conservation camping grounds that allow non-self-contained vehicles, or commercial camping grounds around New Zealand. They will also be able to stay at places designated by local authorities as suitable for non-self-contained vehicles.

Regulation Six: Levies and fees

What the Bill will change

164. The Bill enables the following freedom camping related fees and levies to be set in regulations:
 - a. a monitoring levy that self-contained vehicle owners would pay once every four years, at the time of certification, to recover the PGDB's regulatory oversight costs
 - b. a certification authority approval application fee that certification authority applicants would pay directly to the PGDB at the time of application.
165. The Bill would not prescribe a fee payable by a vehicle owner for the cost of having their vehicle inspected. As with warrant of fitness (WoF) inspection fees, the organisation doing the inspection would set this price itself. At this stage, it is unclear how much a certification authority would charge for a self-containment certification inspection. It is likely this price will vary between certification authorities.

How do law makers usually approach levy and fee setting?

166. The Treasury and the Auditor-General have developed guidelines on public sector charging to help identify which charging mechanisms are suitable for different types of activities, and what things to consider when assessing which options are most feasible.
167. When analysing charging options for a service or activity, officials consider who should pay based on who benefits and who is adversely affected. This analysis is based on four types of economic "goods": public, industry (club), private and merit. In this case, the services we analysed are:
 - a. regulatory oversight of the self-contained vehicle certification system, delivered by the PGDB
 - b. approval of certification authorities, delivered by the PGDB.

We have calculated levy options

168. To calculate the PGDB costs to be fully recovered through a levy officials used an overhead allocation approach. This involved calculating the direct costs of regulating the self-containment certification system by:
 - a. assessing every existing role at the PGDB and determining what percentage (if any) of their time and therefore salary would likely be applied to the new function
 - i. identifying new roles dedicated solely to the new function
 - ii. identifying associated direct operating costs solely attributable to the new function such as travel, accommodation and contract resource, communications, etc.
 - iii. determining the appropriate amount of depreciation
 - b. calculating the applicable overhead costs based on the overall percentage of staff resource required, including IT-related support and maintenance, communications and marketing, audit, bank fees, printing and stationery, office rent, staff training, phones, internet, and Board honoraria.
169. For example:
 - a. Commercial vessels must pay an annual maritime levy. A small fishing boat can expect to pay around \$140 per annum, a small passenger boat \$235, a large fishing trawler \$1,950 and a large foreign cruise ship \$13,520 per port visit. Funding from the Maritime Levy allows Maritime New Zealand to maintain

important regulatory activities and functions that are critical to maritime safety and protection of the marine environment. In addition, it can be used to fund regulatory activities undertaken by Maritime New Zealand or the Crown in the performance or exercise of functions, duties, or powers under the Maritime Transport Act 1994.

- b. Operators of freight, vehicle recovery, rental service and passenger transport services industries are required to comply with a range of rules and regulations. In most cases, this includes holding an appropriate Transport Service Licence (TSL). For a small passenger service, the application fee for a TSL is \$449.80.
 - c. The cost of a four-year electrical warrant of fitness certificate for a campervan, ranges from \$85 to \$200. However, this price does not include any levy because the issuing system for these certificates is not overseen by a regulator.
170. While these are not exact comparisons, these examples do indicate that the proposed levy options (which work out to between \$20 and \$30 per year per vehicle, over four years) is not out of step with similar charges.

Self-Containment Monitoring Levy

There is no status quo under the current unregulated system

171. Officials understand that issuing authorities seek to recover the costs of providing self-containment oversight, administration, and vehicle inspections through a variety of methods, including through an annual membership fee or by charging a person when they take their vehicle for an inspection. The existing fee charged by issuing authorities for a self-containment certificate ranges, from: no cost (in that the cost is included in a membership fee²⁵) to about \$100.
172. Currently, organisations wanting to certify self-contained vehicles need to determine that they meet the criteria in the Standard. In the current system, no-one checks whether these criteria have been met, because there is no regulatory body.
173. The Bill would enable a monitoring levy that self-contained vehicle owners would pay once every four years, at the time of certification, to recover the PGDB's regulatory oversight costs.

Option One – Levy of \$91.40

174. \$91.40 would be collected from vehicle owners by a certification authority prior to receiving their self-containment certificate. The certification authority would then pass the levy on to the PGDB.
175. This option applies a basic “no frills” level of resources to self-contained vehicle certification activities. It essentially represents the minimum viable product to set up the PGDB as regulator and recover their expected expenditure over the first four-year levy cycle. It would enable the PGDB to undertake basic, regulatory functions, which include: assessing applications from prospective certification authorities, investigating complaints, undertaking disciplinary actions, and maintaining the register of self-contained vehicles.
176. This option means that there would be no additional funding available to put towards implementation activities such as an education campaign as well as dedicated IT

²⁵ The current membership fee for the New Zealand Motor Caravan Association is \$90 per year. <https://www.nzmc.org.nz/join-us>

support for the register of self-contained vehicles. These activities would have to be met from existing PGDB resources.

177. This option has both minimal dedicated self-contained vehicle certification (SCVC) expenditure and fewer full-time equivalents (FTE) dedicated to SCVC matters (an additional 3.85 new FTEs would be provided rather than 5 FTEs under Options 2 and 3).
178. If adopted, the levy under this option would be \$91.40 including GST (\$79.44 plus GST) for a four-year certificate (\$22.85 per year including GST).

Option Two – Levy of \$101

179. \$101 would be collected from vehicle owners by a certification authority prior to receiving their self-containment certificate. The certification authority would then pass the levy on to the PGDB.
180. This option would provide slightly more funding to enable the PGDB to perform its regulatory role as described in Option One. It would fund 5 FTEs (1.15 more FTEs than Option One). The additional 1.15 FTEs would go towards additional human resources (HR) and accounting support for the PGDB. Additional HR and accounting support would reflect the overall increase in the number of staff at the PGDB, as well as the new self-containment oversight work.
181. If adopted, the levy under this option would be \$101 (\$88 plus GST) for a four-year certificate (\$25.25 per year including GST).

Option Three – Levy of \$120

182. \$120 would be collected from vehicle owners by a certification authority prior to receiving their self-containment certificate. The certification authority would then pass the levy on to the PGDB.
183. This option would ensure a smooth implementation of the new SCVC system. The PGDB would get the 5 FTEs under Option Two, and additional resources dedicated solely to SCVC. This option would provide funding for the following additional activities:
 - a. running a targeted awareness campaign for the first five years to ensure that vehicle owners are fully aware of their certification obligations under the new regulatory system
 - b. providing dedicated IT support for the new online register of self-contained vehicles
 - c. obtaining technical advice by setting up and supporting a sector stakeholder group, which would provide the PGDB with appropriate advice on certification-related matters.
184. Under this option, the PGDB would incur an estimated \$1,898,000 per annum in regulatory oversight costs. Based on an estimated 18,250 self-contained vehicle certifications per annum, the cost per vehicle would be \$104 plus GST (\$120 total). Since the certificate is for four years, this would come to \$30 total including GST, per year, per vehicle.

What did respondents say?

185. The majority of submitters disagree with all the levy options, but of the three, they slightly agree most with Option One - the lowest levy amount.
186. This is also apparent when segmenting the results by submitter type, as the majority of individuals disagree with all options, but agree most with Option One. This likely reflects their self interest in personally not having to pay more, rather than necessarily a reflection that the level of service provided by the regulator to educate, inform, and support self-containment across the system be at the lowest level described. The self-

containment issuing authorities and vehicle businesses that submitted did not express strong preference towards any of the levy options. However, some did note a preference for the option that imposes the lowest financial impact on commercial rental operators.

187. Some submitters raised concerns that the lowest levy option is not high enough to allow the PGDB to cover costs for implementation, such as education and IT support for the register of self-contained vehicles, and that this may cause delays in implementation.

An independent assessment was commissioned to check the PGDB calculations

188. MBIE sought an independent, professional, assessment from MartinJenkins of whether the estimated costs specified by the PGDB (which informed the development of options) are broadly reasonable, based on the assumptions provided. This assessment considered the establishment other similar functions.
189. MartinJenkins advised that, based on the information they reviewed, the cost estimate for the new regulator is reasonable. Their analysis showed that all ratios are within the average range of costs against 12 comparable entities.

How do the options compare to the status quo?

Cost recovery option	Is it fair?	Is it effective?	Is it efficient?	Is it transparent?	Overall Score
Option 1: a levy of \$91.40	<p>Only owners of vehicles that have been certified as self-contained will pay the levy as they are the ones that will benefit from having the PGDB provide regulatory oversight of the certification process.</p> <p>Vehicle owners would benefit from a thorough vehicle certification process. Certification would enable them to camp anywhere in Aotearoa New Zealand where freedom camping is permitted.</p> <p>0</p>	<p>This is the lowest cost option with little margin if implementation costs are higher than anticipated. This option may lead to implementation delays.</p> <p>Likely to be less effective than alternative options as there would be no additional funding for educational campaigns for vehicle owners.</p> <p>0</p>	<p>The proposed levy amount reflects full cost recovery for the PGDB.</p> <p>0</p>	<p>The PGDB will report annually on the levy revenue it has obtained and the cost of regulating self-containment certification. A detailed memorandum account will also be kept.</p> <p>0</p>	0

<p>Option 2: a levy of \$101</p>	<p>Only owners of vehicles that have been certified as self-contained will pay the levy as they are the ones that will benefit from having the PGDB provide regulatory oversight of the certification process.</p>	<p>This option would enable the PGDB to effectively manage the additional staff resources set out in Option 3.</p> <p>But any additional SCVC activities would need to be absorbed into existing business as usual activities. For example, SCVC public awareness</p>	<p>The proposed levy amount reflects full cost recovery for the PGDB.</p> <p>There are slightly more resources</p>	<p>The PGDB will report annually on the levy revenue it has obtained and the cost of regulating self-containment certification. A detailed memorandum</p>	<p>2</p>
	<p>Vehicle owners would benefit from a thorough vehicle certification process. Certification would enable them to camp anywhere in Aotearoa New Zealand where freedom camping is permitted.</p>	<p>would be rolled into the PGDB's existing communication channels rather than be a stand-alone campaign.</p>	<p>available to the PGDB to improve the efficiency of levy collection if required.</p>	<p>account will also be kept.</p>	<p>0</p>
<p>Option 3: a levy of \$120</p>	<p>Only owners of vehicles that have been certified as self-contained will pay the levy as they are the ones that will benefit from having the PGDB provide regulatory oversight of the certification process.</p> <p>Vehicle owners would benefit from a thorough vehicle certification process. Certification would enable them to camp anywhere in Aotearoa New Zealand where freedom camping is permitted.</p>	<p>Provides greater assurance that:</p> <ul style="list-style-type: none"> • implementation would go smoothly • both freedom campers and certification authorities are aware of their obligations under the new regulatory system • the PGDB has sufficient resources to provide appropriate regulatory oversight. 	<p>The proposed levy amount reflects full cost recovery for the PGDB.</p> <p>There are more resources available to the PGDB to improve the efficiency of levy collection if required.</p>	<p>The PGDB will report annually on the levy revenue it has obtained and the cost of regulating self-containment certification. A detailed memorandum account will also be kept.</p>	<p>4</p>
	<p>0</p>	<p>2</p>	<p>2</p>	<p>0</p>	<p>0</p>

What options are likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

190. In our analysis Option 3 provides greater assurance that:
- a. implementation will go smoothly
 - b. both freedom campers and certification authorities are aware of their obligations under the new regulatory system
 - c. the PGDB has sufficient resources to provide appropriate regulatory oversight.
191. This assurance will be particularly important given the significant transition period, when new certification authorities will need to certify an estimated 73,000 motor vehicles over four years, using new Regulations and will need to record these details on a new online register.

Application Fees

Status quo – Fees

192. Non-existent in the current system because there is no regulator. The Bill would enable the following freedom camping related fee to be set in regulations:
- a certification authority approval application fee that certification authority applicants would pay directly to the PGDB at the time of application, to recover the PGDB's regulatory oversight costs.

Option One – Set fee of \$431.25

193. People or organisations applying to be a certification authority would pay a set fee to have their application assessed by the PGDB.
194. MBIE estimate that an assessment of whether an applicant's proposed certification system and procedures meet the criteria for approval and the required evidence, as set out in regulations, will take five hours at an hourly rate of \$75.00 plus GST. The hourly rate and effort are the same as used by the PGDB when assessing applications for employer licences.
195. The proposed fee of \$375 plus GST (\$431.25 total) includes the cost of receiving the application, assessing the proposed system against the prescribed criteria and evidence requirements, assessing how the prescribed competency requirements for vehicle inspectors will be met, and issuing a five-year approval.

Option Two – Scalable fee

196. Under this option, the application fee would be scalable, depending on how much time the PGDB takes to process the application. There would be a base fee based on three hours of PGDB work, plus an hourly rate of \$75.00 plus GST for every additional hour spent on the application. This would reflect that some applications may contain large amounts of evidence and be complex to assess.
197. Under this option, the fee would start at a minimum of \$258.75 (including GST) for each application.

What did respondents say?

198. Submitters also did not have a strong preference for either option for the certification authority application fee, with only 12% agreeing/strongly agreeing with Option One, and 18% with Option Two. Submitters disagree most with Option One.
199. Many of those who do not support Option One commented on their disagreement with the estimation in the Discussion Document that it would take five hours for an application to be assessed (which formed the basis of the fee amount) and said that a couple of hours is adequate. Another common theme was submitters expressing

general disagreement with the fee, which can be expected as it may become an additional indirect cost for vehicle owners.

How do the options compare to the status quo?

Cost recovery option	Is it fair?	Is it effective?	Is it efficient?	Is it transparent?	Overall score
Option 1: a set application fee of \$431.25	<p>Certification authorities benefit from being approved as a certification authority. This is because it enables them to provide self-containment certification services and issue self-containment documentation to vehicle owners.</p> <p>Certifications will only be allowed to be carried out by approved certification authorities.</p> <p>0</p>	<p>Assessing an application for approval as a certification authority is a new and discrete activity for the PGDB.</p> <p>Five hours is the estimated to be the time it would take to assess an application.</p> <p>A set fee provides certainty for all application on the amount they would need to pay.</p> <p>2</p>	<p>The proposed application fee is based on the amount of effort and cost currently taken to assess applications for gas-fitting employer licences. We understand this is the closest assessment process to that of an application to be a certification authority. This similarity is because both focus on processes and procedures.</p> <p>The fee will be reviewed within five years to ensure that the estimated effort still reflects the actual resource required to fully assess an application for approval as a certification authority.</p> <p>Likely to incentivise existing issuing authorities to transition to the new regime.</p> <p>2</p>	<p>The PGDB will report annually on the fee revenue it has obtained and the length of time taken to process an application.</p> <p>0</p>	4
Option 2: a scalable application fee	<p>Certification authorities benefit from being approved as a certification authority. This is because it enables them to provide self-containment certification services and issue self-containment documentation to vehicle owners.</p> <p>Certifications will only be allowed to be carried out</p>	<p>Assessing an application for approval as a certification authority is a new and discrete activity for the PGDB.</p> <p>A scalable fee may dissuade some agencies from applying to be a certification authority.</p> <p>1</p>	<p>The proposed application fee is based on the amount of effort and cost currently taken to assess applications for gas-fitting employer licences. We understand this is the closest assessment process to that of an application to be a certification authority. This similarity is because both focus on processes and procedures.</p> <p>The fee will be reviewed within five</p>	<p>The PGDB will report annually on the fee revenue it has obtained and the length of time taken to process an application.</p> <p>0</p>	3

	<p>by approved certification authorities. Scalable fee is fairer as certification authorities would be billed for the actual time taken to assess an application.</p> <p>1</p>	<p>years to ensure that the estimated effort still reflects the actual resource required to fully assess an application for approval as a certification authority.</p> <p>1</p>
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What options are likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

- 200. Option One more strongly aligns with the policy objectives. While this option imposes greater costs than Option Two, it provides more certainty to applicants and is more likely to incentivise existing issuing authorities to transition to the new regime. Option Two trades off fairness against certainty. We are also mindful that PGDB staff may initially need to spend more time on applications due to it being a new regulatory function. A set fee will therefore not disadvantage any applicant.
- 201. A key consideration is to ensure certainty for the PGDB and prospective applicants. However, as the system matures, it may be preferable to move to a scalable fee model. It is likely that the scalable and fixed fee models would be considered during the fee review, which will take place within five years.

Section 3: Delivering an option

How will the new arrangements be implemented?

- 202. The preferred options require secondary legislation to be made, and in the case of MBIE’s option to deem plumbers as certification authorities and vehicle inspectors for the transition period, an amendment to the Bill.
- 203. The Government intends to make regulations as soon as practicable after the Bill receives the Royal assent. The Regulations will come into force six months after this.
- 204. During the first six months after Royal assent, the PGDB will prepare guidance and other resources required to implement the system, for example guidance to prospective certification authorities about the approval criteria, and inspection manuals for vehicle inspectors. It is expected that the PGDB will work with stakeholders to prepare the inspection manual.
- 205. The Bill sets a transition period of two-years. Confidential advice to Government
- 206. MBIE is also working with the PGDB on ensuring that the register of self-contained vehicles is operational prior to the self-containment regulatory system coming into effect (six months after the Bill receives Royal assent).
- 207. Further discussion about keeping or removing the voluntary Standard is needed with New Zealand Standards.
- 208. If the Bill is passed, MBIE will establish an inter-agency implementation group, to work on implementation issues more generally in relation to the Bill (and not just the regulations). This group will help to ensure that agencies and local government are ready to implement the new infringement fee and fine levels. This will include a strong focus on inter-agency education and communication to support users to move to the new regulatory system.
- 209. The primary risk to implementing new regulations are:
 - a. changes to the Bill that have a material impact on regulation-making powers
 - b. the number of vehicles that will need to be transitioned to the new system within the two-year transition period
 - c. uncertainty on how many certification authorities and vehicle inspectors will transition to the new system
- 210. MBIE will also work closely with the industry on mitigating these risks.

How will the new arrangements be monitored, evaluated, and reviewed?

211. MBIE has been engaging with the wider camping sector, local authorities, and industry since 2018, through formal and informal groups such as the Responsible Camping Group and the Responsible Camping Forum. Officials will continue to use these forums and groups to receive feedback on the new regulated system.
212. MBIE will work with local authorities and industry to gather data on how the transition to the new system is progressing.
213. As noted above, the levy rate has been based on an estimated 18,250 self-contained vehicle certifications per annum, across the four-year duration of remainder of their current self-containment certificate period. It has been estimated that there are approximately 73,000 self-contained vehicles in New Zealand. Vehicle owners will have a choice as to transition their vehicles to the new regulatory system. It is uncertain at this time how many will choose to do so.
214. It is also uncertain how much compliance and enforcement activity the PGDB will need to undertake. Because of this uncertainty, it is important that the levy rate is reviewed to ensure it is 'fit for purpose' and is not over or under-charging levy payers for the costs of PGDB oversight and monitoring. The self-containment monitoring levy and the application fee would be reviewed 5 years after regulations come into force. A five-year period would enable the review to be informed by one full levy cycle (four years) and a certification authority approval cycle (five years).
215. The Regulations Review Committee would also have a role in monitoring and reviewing any regulations made. The Committee examines all regulations, investigates complaints about regulations, and examines proposed regulation-making powers in bills for consistency and good legislative practice. The Committee reports to the House and other committees on any issue it identifies. The House can "disallow" a regulation, meaning it no longer has force.