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6th October

Self-Contained Vehicle Bill Submission

Ministry of Business Innovation and Employment

Wellington 6011

1. Introduction

- 1.1. The Rental Vehicle Association (New Zealand) Incorporated (**RVA**) is the industry association representing the interests of the majority of rental vehicle operators in New Zealand. The RVA's members include most of the major operators in the New Zealand rental vehicle industry and a large number of small-to-medium sized owner operators. Between them, RVA members manage over two thirds of the nation's rental vehicle fleet.
- 1.2. The rental vehicle industry is a significant contributor to New Zealand's economy and tourism industry, with the majority of rental vehicle operators closely linked to the tourism sector, playing an important part in helping international and domestic travellers explore New Zealand.
- 1.3. The RVA welcomes the opportunity to provide a submission on the proposed Self-Contained Vehicles Bill on behalf of its members.

2. Recommendations

- 2.1. Overall, we support the framework to regulate freedom camping conditional on minimising costs to implement the regime.
- 2.2. We wish to minimise the infringement costs and administrative load on innocent rental operators who have hired to infringing customers.
- 2.3. A detailed list of responses is listed below.

	RVA Response
Q1	To what extent do you agree with Option 1: 'light touch' performance-based requirements? We support the light touch performance-based requirements. Providing a flexible framework for vehicle owners to attain compliance will mean that more creative and efficient compliance options can be explored.

Q2	<p>To what extent do you agree with Option 2: prescriptive approach to setting technical requirements?</p> <p>A prescriptive approach will lead to an increase in compliance costs. The process would be cumbersome if updates need to the prescriptive requirements are needed, which would be contrary to its objective. We think that the cost of providing this approach outweighs the benefits.</p>
Q3	<p>To what extent do you agree with Option 1: a robust approach to approvals with multiple pathways?</p> <p>We support the option of providing a 'light touch' robust criteria of requirements. Having processes to ensure competent vehicle inspectors + record keeping + auditing requirements strikes a balance between the cost of upkeep for CA's versus the compliance benefits. Having no prescriptive requirements for qualifications also widens the pool of vehicle inspectors eligible.</p>
Q4	<p>To what extent do you agree with Option 2: a more rigorous and prescriptive certification approval criteria?</p> <p>We support this option less than Q3. Having a certification will increase the costs required for CA's. Formal training qualifications will mitigate the risk of unsatisfactory inspections; however this is dependent on the substance, form and quality of the education. The standardisation of training bears the risk of compromising the Q1 'light touch', especially if the industry evolves.</p>
Q5	<p>To what extent to you agree with Option 3: requiring a third-party review of certification authority systems?</p> <p>We support this option on the condition that the audit cycle is spaced sufficiently. We suggest once every three years.</p>
Q6	<p>To what extent do you agree with Option 1: requiring vehicle inspectors to be knowledgeable?</p> <p>We support the option that vehicle inspectors need to be knowledgeable. With a PGDB-issued guidance and inspection manual + adequate training, we believe inspectors will have the sufficient level of expertise to conduct their job.</p>
Q7	<p>To what extent do you agree with Option 2: requiring vehicle inspectors to have relevant trade qualification</p> <p>We support this option less than Q6. While ensuring a relevant trade qualification may give further confidence in workers, it limit the pool of vehicle inspectors eligible. This benefit is not worth the cost.</p>
Q8	<p>To what extent do you agree with Option 3: requiring vehicle inspectors to be assessed as "fit and proper"</p>

	<p>We do not support this option. This will add compliance costs that are unrelated to vehicle inspection expertise as well as unnecessary bureaucracy. A fit and proper person standard requirement in the RVA's perspective does not provide enough benefit to outweigh the costs.</p>
Q9	<p>To what extent do you agree that certifying plumbers should be deemed as certification authorities and vehicle inspectors under regulations?</p> <p>We support this option. Certifying plumbers will add to the pool of possible CA vehicle inspectors. While the transition to this new regulatory scheme may have difficulties, we agree that the PGDB should transition through education and communication campaigns.</p>
Q10	<p>To what extent do you agree with Option 1: continue to record the details of a vehicle's self-containment facilities on the self-containment certificate?</p> <p>We support this option less than Q11 due to higher compliance costs.</p>
Q11	<p>To what extent do you agree with Option 2: a simplified self-containment certificate</p> <p>We support this option. Having the technical requirements available on the register of self-contained vehicles will mean that details will be readily available with internet access. This option will lessen compliance costs.</p>
Q12	<p>To what extent do you agree with the option for the self-containment warrant?</p> <p>We support this option. The format is similar enough to the previous blue card under the voluntary standard so the visual change will not be too drastic. The requirements of a green warrant are pragmatic enough as they stand.</p>
Q13	<p>Is there any additional information that should be collected?</p> <p>No</p>
Q14	<p>Is there any information proposed to be collected that does not need to be?</p> <p>No</p>
Q15	<p>To what extent do you agree with Option 1: not having generic identifier?</p> <p>While having no generic identifier will lessen compliance costs, the green sticker serves as a visual indicator to quickly identify self-contained vehicles. We disagree only to the extent that a generic identifier can easily communicate that a vehicle is self-contained. If the generic identifier cannot achieve this purpose, then we disagree with option 1.</p>
Q16	<p>To what extent do you agree with Option 2: having another generic identifier?</p> <p>We think that a green sticker is sufficiently visually distinguishable as an identifier. Therefore, we do not agree with option 2 to have another generic identifier.</p>

Q17	<p>To what extent do you agree with Option 1: a tiered approach to the level of infringement fees to a maximum of \$800?</p> <p>We agree that a tiered infringement system should reflect the proportionality of the offence committed. However, if the infringements are assigned to the owner, this will harm the innocent rental operator who has leased their motor vehicle to an infringer. We can only agree to the extent that infringements will not be passed to innocent rental operators who have not entered into an agency relationship with the lessee.</p>
Q18	<p>To what extent do you agree with Option 2: a tiered approach to the level of infringement fees at a maximum of \$1,000</p> <p>The same can be applied as in Q17. If the increase from \$800 to \$1,000 in fees is intended to achieve a deterrent effect, this will only be achieved if the offender knows the sum they are fined if they choose to commit such an act.</p> <p>However under option 2, if infringement fees mistakenly trickle down to the innocent rental operator, they will carry the increased burden of costs for the lessee.</p> <p>Therefore, we do not support Option 2.</p>
Q19	<p>To what extent do you agree with Option 1: no exclusions from new regulatory requirements?</p> <p>We disagree with the Option 1 for reasons outlined in Q20.</p>
Q20	<p>To what extent do you agree with Option 2: excluding smaller freedom camping vehicles from the requirement to have a fixed toilet?</p> <p>We agree with Option 2. If vehicles are precluded from installing fixed toilets due to size, it would be unduly punishing to require their compliance. We are supportive of MBIE's further policy work to further determine what constitutes a "smaller vehicle."</p> <p>While there is an increased complexity in the regime as a result of this, this could be mitigated through tighter requirements in determining what constitutes a smaller vehicle.</p>
Q21	<p>To what extent do you agree with Option 3: excluding vintage vehicles from the requirement to be certified as self-contained?</p> <p>We do not agree with Option 3. We recognise that an exclusion of vintage vehicles protects the novelty of their vintage status, and that If vintage vehicles were not excluded, there is a risk of compromising vintage status and/or high compliance costs.</p> <p>However, the vintage status can be enjoyed without engagement in freedom camping.</p>
Q22	<p>Are there other types of vehicles that should be excluded?</p>

	No
Q23	<p>To what extent do you agree with Option 1: a levy of 91.40?</p> <p>We agree with Option 1. With the ability to review fees and levies in the future, we believe that the lowering compliance costs as a pilot to gauge which improvements can be made in the future. This balances the costs pushed down to motor vehicle owners and the ability for the PGDB to operate in the interim.</p> <p>We would consider lowering the fee/levy review period to three years to make implementation of improvements easier to improve.</p>
Q24	<p>To what extent do you agree with Option 2: a levy of \$101?</p> <p>We disagree with Option 2 for the reasons outlined in Q23</p>
Q25	<p>To what extent do you agree with Option 3: a levy of 120?</p> <p>We disagree with Option 3 for the reasons outlined in Q23</p>
Q26	<p>To what extent do you agree with Option 1: a set application fee of \$431.25?</p> <p>We support Option 1 with a set fee of \$431.25. Standardisation of the entire process will mean that costs will be more predictable for motor vehicle owners.</p>
Q27	<p>To what extent do you agree with Option 2: a scalable application fee?</p> <p>We do not support Option 2. Without any information of the current capability, workload and funding of the PGDB, the fees are unable to be estimated. We suggest a flat scalable application fee while the PGDB gathers information on whether scaling is necessary. This could be a change implemented in the fee/levy review period.</p>
Q28	<p>To what extent do you support the proposal for granting waivers and refunds?</p> <p>We support the proposal for granting waivers and refunds. Without this proposal, the ability to recover unreasonable, unfair and mistaken fees/levies would place an undue burden on the motor vehicle owner.</p>

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Thank you for giving us the opportunity to submit on this proposal

Kind Regards

Privacy of natural
persons

Ben McFadgen

Chief Executive Officer

Rental Vehicle Association