

Regulatory Impact Statement: Amendments to the Plumbers, Gasfitters, and Drainlayers (Self-Contained Vehicles) Regulations 2023

Coversheet

Purpose of Document

Decision sought:	This analysis is undertaken for the purpose of informing Cabinet decisions on amending the Plumbers, Gasfitters and Drainlayers Regulations 2023, so to enable the freedom camping system to operate efficiently and without imposing unnecessary costs on the user.
Advising agencies:	Ministry for Business, Innovation and Employment
Proposing Ministers:	Hon Matt Doocey, Minister for Tourism and Hospitality
Date finalised:	22/05/2024

Problem Definition

Many freedom camping stakeholders (including individuals who freedom camp and those who have business interests in the activity) are concerned about the requirement to directly ventilate wastewater storage tanks in the Plumbers, Gasfitters and Drainlayers Regulations 2023 (the Regulations). They are concerned that this is adding unnecessary and costly modifications to vehicles, which will impact vehicle owners' ability to get their vehicle certified as self-contained, and therefore their ability to freedom camp.

The Plumbers, Gasfitters and Drainlayers Board (PGDB), the Regulator of the system, has also identified that the current process in the Regulations for individual vehicle levies to be refunded if a vehicle fails to be certified self-contained is an administrative and time-consuming process. This will lead to longer wait times for users of the system to receive their refund and an additional administrative burden for the PGDB.

Executive Summary

On 7 June 2023 the Self-contained Motor Vehicles Legislation Act (Act) became law. This Act amended the Freedom Camping Act 2011 and the Plumbers, Gasfitters, Drainlayers Act 2006. The Act and its associated Regulations focused on the particular concern of freedom campers who stay in vehicles that are not self-contained and established a new regulated system for determining and overseeing the process of vehicles becoming certified as self-contained.

On 7 December 2023 the Plumbers, Gasfitters, And Drainlayers (Self-Contained Vehicles) Regulations 2023 came into force. These give effect to what is included in the Act and detail the appointment of self-containment certification authorities and motor vehicle inspectors, the inspection and certification of self-contained motor vehicles, requirements for certificate of self-containment and warrant card and fees and levies.

The Minister for Tourism and Hospitality intends to review the effectiveness of the freedom camping system and overall operation of the Act, to ensure it is fit for purpose. This review will be completed after the transition period for private vehicles ends on 7 June 2025 and there is evidence of how the new system is working.

However, there have been concerns raised by the sector with the Regulations that can be addressed now, prior to a wider review taking place. These concerns are:

- the requirement for all wastewater storage tanks in vehicles to be directly vented to be certified as self-contained. The sector has suggested that this requirement is not suitable for all types of fixed toilets, such as cassette-style toilets with removable wastewater storage tanks. The consequence of this Regulation is that many vehicle owners will be required to make costly modifications to their fixed toilets to gain certification.
- the PGDB has identified that the current process for issuing refunds when a vehicle fails to be certified as self-contained is inefficient and unnecessarily cumbersome, extending the time it takes for motor vehicle owners to receive their refund.

Targeted consultation on how to address these issues was undertaken in April 2024, with most respondents supportive of the intent of the changes. Three options were presented per issue as a part of consultation, one of which was the status quo.

After consultation, there was a strong preferred option from stakeholders within each issue. Stakeholders wanted to see only fixed wastewater storage tanks be directly ventilated and refund powers be delegated to self-containment certification authorities. The preferred option for both issues been reflected in the Cabinet paper.

The impact that these proposed changes will have is that the new freedom camping system will operate more efficiently, reduce unnecessary costs for its users and will not be undermined.

Limitations and Constraints on Analysis

Data

There are gaps in the data currently available, which makes it not possible to exactly determine the overall impact of the proposed changes. This is because there is not an accurate number of vehicles what could be certified and/or upgraded to the new requirements in the Regulations – as there was no requirement for this information to be collected prior to the new regulatory regime coming into place. We have estimates provided by certain stakeholders, such as the NZ Motor Caravan Association (NZMCA) but have no way to verify these.

This lack of data limits our ability to assess how widely-felt the impact due to the direct venting requirement is. We have received anecdotal feedback from stakeholders which suggest the issue would be widespread however we cannot validate these claims.

There is very little data available on the public health risks of a lack in ventilation in a self-contained motor vehicle. This was something we specifically requested information on in targeted consultation process, as well as during public sector agency consultation. We were not given any tangible feedback, only anecdotal. Therefore, we are unaware of the full impact that these changes could have to public health.

Consultation

Partly due to time constraints, it was decided that the consultation would be targeted and subjected to a tight timeframe of two weeks. However, as the ventilation issue was already well socialised within the sector, we were confident that those selected to participate in the

targeted consultation were best placed to provide feedback from all impacted users of the system. Additionally, several of the submitters were industry peak body groups of membership associations who represent thousands of freedom campers.

Due to laws being recently enacted, the levy refund process issue has not yet materialised widely on the ground and was therefore far less socialised than the venting issue. As a result, we received fewer submission responses on this issue.

Responsible Manager(s) (completed by relevant manager)

Dale Elvy

Manager

Tourism Communities and Regions

Ministry for Business, Innovation and Employment



22/05/2024

Quality Assurance (completed by QA panel)

Reviewing Agency:	MBIE Regulatory Impact Analysis Review Panel
Panel Assessment & Comment:	A Quality Assurance panel with representatives from the Ministry of Business, Innovation and Employment has reviewed the Regulatory Impact Statement (RIS) for Amendments to the Plumbers, Gasfitters, and Drainlayers (Self-Contained Vehicles) Regulations 2023 and has determined it partially meets the quality assurance criteria. To gain a meets rating the RIS would need to provide detail on the health reasons for the initial regulations and then assess any health impacts of the current proposal. As the entire regime is being reviewed after the trial period ends in 2025 the panel felt this omission wasn't material enough to warrant a does not meet rating.

Section 1: Diagnosing the policy problem

What is the context behind the policy problem and how is the status quo expected to develop?

What is freedom camping and why was government intervention required?

1. Freedom camping 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 2018.
3. 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).
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 1998.

5. 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 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.
6. 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.

New regulatory regime

7. The rules for the new freedom camping system are set out in a combination of primary and secondary legislation. The Act created the regulatory system for central and local government to better manage freedom camping, including the creation of the new Regulator. Several of the specific details and requirements around the operation of the new regime are established through secondary legislation, via the Regulations.
8. The proposed changes in this document will be the first changes made to the new regulatory system for freedom camping in New Zealand since enactment.

Expected benefits

9. The freedom camping regulations are intended to increase public trust in the self-contained vehicle system and reduce the environmental impacts of vehicle-based freedom camping. They intend to provide the clarity and details needed for the new system to be effectively and efficiently implemented and enforced.
10. This document specifically relates to proposed changes to the Regulations to better enable the system to operate in an efficient manner and reduce unnecessary costs to users.

What is the policy problem or opportunity?

Direct Venting

11. In the development of the new Regulations, we used the language in the voluntary standard as a basis for the new regulation (voluntary Standard Self-containment of motor caravans and caravans NZS 5465:2001, sub-section 7.8¹). Because of this, a direct venting requirement was included in the Regulations to align with the requirements

¹ [NZS 5465:2001 Self-containment of motor caravans and caravans](#), first published in 2001 and last amended in 2017, is a voluntary standard for the self-containment of vehicles.

in the voluntary standard, as it was understood that this was the process used by issuing authorities when certifying vehicles under the NZS 5465:2001 'blue warrant' requirements. Direct venting was not raised as a concern during the consultation on the exposure draft version of the Regulations.

12. However, the sector subsequently advised us that issuing authorities had long exempted fixed cassette toilets from this requirement in NZS 5465:2001, based on their interpretation of the voluntary standard and their practical experience.
13. We have heard from the sector that a large number of vehicles will be unable to gain self-containment certification under the new system without costly modifications. The NZMCA alone has estimated that 50,000 of its members' vehicles (73% of the estimated privately owned national fleet) are currently impacted by this requirement. The sector has estimated that the cost to purchase a basic toilet ventilation system is \$500 per vehicle, excluding labour and installation costs.
14. Any vehicle owners seeking to make necessary modifications will also be reliant on the availability of technicians/labour to make the modifications necessary to gain self-containment certification before the transition period ends. Due to the large number of vehicles requiring modifications this may be an issue.
15. Further, retrospectively venting a cassette toilet may also void the warranty for the system in some cases where the result deviates from the manufacturer's instructions.

Refund of levies

16. The PGDB raised an operational concern as the Regulator of the system. Currently, vehicle owners must pay the levy to certification authorities when they apply for a certificate of self-containment. Certification authorities must then on-pay the levy to the Regulator. If the vehicle fails its inspection, then the Regulator may refund the levy. To do so, the Regulator must assess and process each individual refund application once it is satisfied the levy was unreasonable/unfair to recover.
17. This system creates an administrative burden for the Regulator and extends the time it takes for motor vehicle owners to receive their refund.
18. The PGDB is also concerned that the current process will lead to certification authorities adopting ad hoc approaches to dealing with the levy that undermine the system, such as:
 - not collecting the levy as required by the Act
 - not actively pursuing a refund on behalf of the vehicle owner
 - not informing the vehicle owner of the option to apply for a refund.
19. Therefore, amending this process in the Regulations will allow users of the system to receive their refund in a timelier fashion and reduces the administrative burden on the PGDB.

Objectives sought in relation to an amendment to the Regulations

20. A change to the direct ventilation requirement and the levy refund process will allow the system to function with integrity. The additional venting costs will potentially limit the number of people who can freedom camp. There is also the likelihood that the system will not have sufficient capacity to implement the venting requirements to enable users to meet the legislative deadlines for certification. Therefore, a change to the status quo is needed in order for the system to operate as it was intended.

Section 2: Deciding upon an option to address the policy problem

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

21. The criteria used to compare the options for the ventilation requirement are the following:
 - Cost – the cost to vehicle owners.
 - Impact – the number of people who will be impacted by a change to the system.
22. The criteria used to compare the options for the levy refund process are the following:
 - Administrative burden – the resources required by certification authorities and the PGDB to administer each option.
 - Efficiency – the time it takes for the levy refund to be processed and the money returned to the vehicle owner.

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

What scope will options be considered within?

23. The purpose of the intended changes is to amend the Regulations so to achieve the intended outcomes of the freedom camping reforms. Issues with the Regulations were identified by various sector stakeholders and the PGDB during the implementation of the Regulations.
24. Consultation with stakeholders was through MBIE's discussion document "Proposed Amendments to the Plumbers, Gasfitters, and Drainlayers (Self-Contained Vehicles) Regulations 2023", which was released in April 2024.
25. This was a targeted consultation of 26 stakeholders, including industry peak bodies, industry membership groups, rental vehicle businesses, certification authorities, other businesses and individuals who had provided previous feedback on the Regulations. This targeted consultation reached those who would be most impacted by these potential changes, through consultation to those who represent hundreds of thousands of campers. 24 submissions were received.
26. In identifying options within the consultation document for addressing the direct venting requirement, a comparison to overseas jurisdictions was undertaken. Research indicates that similar jurisdictions (specifically Australia, Canada, and the United Kingdom) do not have comparable freedom camping systems to New Zealand in terms of vehicle self-containment. Therefore, international comparisons could not be used in scoping of the options.
27. The sector was also asked whether they were aware of any evidence about public health issues associated with non-vented cassette-style or waterless toilets in self-contained vehicles. Stakeholders did not provide any evidence of documented negative health impacts associated with removing the current ventilation requirements. Therefore, health considerations are not included within the analysis of the ventilation options.

- 28. Stakeholders were also asked if changing the direct venting requirement would have any other implications on the Regulations. Stakeholders either did not answer this question (about half) or said that it would not have other implications, or the implications would be positive, resulting in campers better able to meet the intent of the Regulations.
- 29. The options for change that were considered and evaluated in this RIS are limited to the options presented in the consultation document. Stakeholders were asked within the consultation document if there were any other options available to address the identified issues. No viable alternative options were given.

What options are being considered?

- 30. There are two main components of the package of proposed changes.

Options to address direct ventilation of certified self-contained vehicles

- 31. The current Regulations require that wastewater storage tanks in certified self-contained vehicles be ventilated directly to the exterior of the vehicle, this includes removable cassettes from a cassette-style toilet and removable chambers from waterless toilets. The options considered for improving this arrangement are given below:
 - Option One (Status Quo): Maintain the status quo that all wastewater storage tanks are required to be directly ventilated to the exterior of the motor vehicle.
 - Option 2: Only fixed wastewater storage tanks are required to be directly ventilated to the exterior of the motor vehicle. This would exclude removable blackwater holding tanks for cassette-style toilets and waterless toilets.
 - Option 3: Fixed wastewater storage tanks and removable blackwater holding tanks used for waterless toilets are required to be directly ventilated to the exterior of the motor vehicle. This would only exclude removable blackwater holding tanks for cassette-style toilets.
- 32. From the 24 submissions we received, 23 responded to the ventilation questions. Seventeen respondents (74 per cent) supported Option 2 as the new approach for direct ventilation. Supporters of Option 2 argued that the Status Quo would incur significant costs and that such a requirement was simply unnecessary.
- 33. It was pointed out by a number of stakeholders too that the Status Quo was also unable to practicably be implemented given the small number of Certification Authorities registered with the PGDB to date, the large number of vehicles estimated to be in the freedom camping system (73,000 with many requiring conversion to meet the Status Quo requirements before being deemed compliant), and the date campers need to be compliant by (7 December 2024 for rental vehicles and 7 June 2025 for all other vehicles).

How do the options compare to the status quo/counterfactual?

Option	Cost	Impact	Overall score
Option 1: Maintain the status quo	Will result in the highest cost to vehicles owners as they will need to modify their vehicle prior to self-containment certification. -1	Likely to have a negative impact (higher costs) for a significant number of vehicle owners (at least 73% of the estimated privately owned national fleet). -1	-2

Option 2: Only fixed wastewater storage tanks are required to be directly ventilated	Likely to result in lower costs to vehicle owners as a greater amount of vehicles (compared to Option 3) will not require modifications prior to self-containment certification. +2	Likely to have a positive impact (lower costs) for a significant number of vehicle owners (at least 73% of the estimated privately owned national fleet). This option aligns the most closely to previous industry practice and therefore can be implemented easier than Option 3. +2	+4
Option 3: Fixed wastewater storage tanks and removable blackwater holding tanks used for waterless toilets are required to be directly ventilated	Likely to result in lower costs to vehicle owners as most will not require vehicle modifications prior to self-containment certification. +1	Likely to have a positive impact (lower costs) for some vehicle owners, but less than Option 2. +1	+2

What option is likely to best address the problem

34. Consultation showed that the freedom camping sector overwhelmingly support changes to the venting Regulations, with Option 2 as the clear favourite (74 per cent), which supports our own analysis of the options available in the table above as preferred option. Key considerations for stakeholders included the Status Quo's impact on current vehicle owners, cost of compliance and a substantial difference to current (pre-legislation) practice.
35. As noted above when looking at international comparisons, the current regulations are out-of-step with many comparable international jurisdictions. None of the international jurisdictions MBIE researched have the same fixed toilet requirement. These countries therefore do not have the same requirement that all wastewater storage tanks that are directly vented to the exterior of the vehicle.
36. The sector calculated the cost of the average conversion to meet the Status Quo requirement was between \$600-\$700 NZD, per conversion, to meet a requirement that they (and most others) deem 'unnecessary'.
37. No evidence was provided by the small number (9%) of submitters who supported Option 3 to quantify the differences in better health outcomes they claimed this option supported. However, several submissions were received which claimed that waterless toilets do not require the direct ventilation required by Option 3, as these types of toilets almost always come with built in vents and that adding in vents to these kinds of toilets could void the toilet manufacturer's instructions. Accordingly, Option 3 has less benefits overall than Option 2.
38. Failure to change from the Status Quo could undermine confidence in the system and mean that many of those who currently work with self-contained vehicles do not apply to become Certification Authorities, causing the system to fail. This is a significant risk,

and therefore, changing the Regulations to the lower cost and lower impact Option 2 presents the least risk to the overall freedom camping system.

Options to address levy refunds

39. Three options were considered to address the levy refund issue:

- Option One (Status Quo): Maintain the Status Quo. Only the PGDB has the power to assess and process individual refunds.
- Option Two: Delegate power to self-containment certification authorities to assess and process individual refunds. This means the PGDB do not need to be involved in the refund process.
- Option Three: Add an automatic power for the PGDB to refund all vehicles that fail their inspection. This removes the requirement for the PGDB to assess each individual refund application but still requires the PGDB to process the refund.

40. There was a clear preference among stakeholders for Option 2 (75 per cent supporting), due to the administrative complexity of the status quo, including from four of the six large membership organisations. Reasons cited for supporting Option 2 were its cost savings, time savings, and the removal of an unnecessary administrative burden on the PGDB.

41. Support for Option 2 included those most likely to be impacted by the change (most Certification Authorities and the Regulator).

42. Only one submission supported Option 1, who felt the Regulator should maintain oversight of refunds. Those who supported Option 3 felt this option safeguarded the levy payee from disputes, however the PGDB still has oversight of levy payments if Option 2 were implemented, and the Consumer Guarantees Act 1993 protects consumers.

How do the options compare to the status quo/counterfactual?

Option	Administrative burden	Efficiency	Overall score
Option 1: Maintain the status quo	Will have the highest administrative burden on the PGDB as it requires the most actions. -2	Likely to take the longest amount of time to process the refund, as the money will have to be sent from the certification authority to the PGDB to be assessed and processed before it is returned to the vehicle owner. -2	-4
Option 2: Delegate refund powers to self containment certification authorities	Removes the administrative burden for the PGDB, as they would no longer be involved in the refund process. Likely adds minimal administrative burden to certification authorities, who would be required to refund	Likely to take the least amount of time to process the refund, as the certification authority can process the refund upon completion of the certification assessment. +1	+3

	levies rather than pass the levy to the PGDB to refund. +2		
Option 3: Add an automatic power for the PGDB to refund all vehicles that fail their inspection	Will slightly reduce the administrative burden on the PGDB, however the PGDB will still be heavily involved in the refund process. -1	Will slightly reduce the time it takes the PGDB to process the refund, however the money will still need to go to the PGDB before it can be returned to the vehicle owner. -1	-2

What option is likely to best address the problem?

43. Based on our analysis, Option 2 is the most efficient option that will return refund money to vehicle owners, and with the least amount of administrative burden.
44. Option 2 will likely result in a far more streamlined and customer focused levy refund process, because it will be arranged between the customer and the Certification Authority, at the point of sale.
45. It is the option preferred by MBIE and most stakeholders (75 per cent) who say it is the best option to address the inefficiencies of the Status Quo requirement to have the PGDB have control of all levy refunds. It is also the strong preference of those directly impacted by a change (or no change) in this process (Certifying Authorities and the Regulator).
46. In addition to the Status Quo, Option 3 is not preferred because the PGDB would still be involved and burdened by its involvement in the levy refund process, albeit less so than if the Status Quo remained in place. All options but Option 2 require the PGDB's involvement,
47. Not being involved as an unnecessary third-party to the levy refund process will free up additional costs that the PGDB would otherwise need to spend to administer the refund process, both in terms of setting up the systems in the first place, and the application of resources to consider each individual application.

What are the marginal costs and benefits of the proposed changes to the direct ventilation requirement?

Affected groups	Comment	Impact	Evidence Certainty
Additional costs of the preferred option compared to taking no action – Option 2: Only fixed wastewater storage tanks are required to be directly ventilated to the exterior of the motor vehicle. This would exclude removable blackwater holding tanks for cassette-style toilets and waterless toilets.			
All stakeholders: Individual vehicle owners (campers), rental vehicle businesses, certification adjacent businesses (such as cassette toilet	There are no additional costs to Option 2. There are instead one-off reduced costs for vehicle owners and	High impact on cost savings Moderate impact on labour and time savings	Medium

manufacturers/sellers) and plumbers, Certifying Authorities, Vehicle Inspectors and the PGDB.	rental vehicle businesses, (estimated at a saving per vehicle of between \$600-\$700, which would otherwise be required to be paid under the current Regulatory settings. There is a marginal saving in time/cost to inspections for both individuals and rental vehicle businesses and Certification Authorities too because Option 2 requires less modification of the toilet/vehicle and less inspection time. Far less risk of overall system failure with Option 2, as doing nothing will require a large number of vehicles currently uncertified to be certified before the legislated deadline.		
Total monetised costs	None, and instead a potential saving of around \$600-\$700 NZD per individual vehicle that requires conversion.		
Non-monetised costs	Low		

What are the marginal costs and benefits of the proposed changes to the levy refund process?

Affected groups	Comment	Impact	Evidence Certainty
Additional costs of the preferred option compared to taking no action – Option Two: Delegate power to self-containment certification authorities to assess and process individual refunds. This means the PGDB do not need to be involved in the refund process.			
Individual vehicle owners (campers) whose vehicle fails an inspection, Certifying Authorities and, the PGDB.	There are no additional costs to Option 2. There are moderate savings of not requiring the PGDB to manage (track,	Medium	Medium

	assess and issue) levy refunds.		
Total monetised costs	None, and instead a (marginal) saving.		
Non-monetised costs	Low		

Section 3: Delivering an option

How will the new arrangements be implemented?

48. This policy change will require Cabinet agreement before the Plumbers, Gasfitters and Drainlayers (Self-Contained Vehicles) Regulations 2023 can be amended. Any changes to Regulations are subject to Cabinet timeframes.
49. The PGDB has indicated that both the direct ventilation amendment and levy refund process amendment options proposed in this RIS will only require minor changes to their guidance to implement. We will continue to work closely with the PGDB on their implementation activities.
50. Both MBIE and PGDB will work together to ensure there is clear communication to the sector once the changes have been formalised.

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

51. PGDB will continue to provide regular updates to MBIE, including number of vehicles being certified, number of certification authorities approved and key feedback from the sector. Additionally, MBIE will continue to engage and receive feedback from stakeholders on the operation of the laws.
52. The Minister for Tourism and Hospitality intends to complete a review the effectiveness of the freedom camping system and the Self-contained Motor Vehicles Legislation Act 2023 after the transition period for private vehicles ends on 7 June 2025 and there is evidence of how the new system is working. These proposed changes to the Regulations will be included within this review.