

Regulatory Impact Statement: Freedom Camping – Extending the transitional period for private vehicles

Coversheet

Purpose of Document	
Decision sought:	<i>Analysis produced for the purpose of informing final Cabinet decisions on whether to extend the transitional period in the Freedom Camping Act 2011 for when privately-owned vehicles need to be certified self-contained.</i>
Advising agencies:	<i>Ministry of Business, Innovation and Employment (MBIE)</i>
Proposing Ministers:	<i>Minister for Tourism and Hospitality</i>
Date finalised:	22 November 2024
Problem Definition	
<p>New self-containment requirements for freedom camping vehicles that are not owned by a rental company (private vehicles) come into effect on 7 June 2025. Only a small number of the estimated 68,000 private vehicles requiring certification have been certified to date. There are concerns that there is insufficient capacity in the vehicle certification system to certify the remaining private vehicle fleet by the deadline.</p>	
Executive Summary	
<p>On 7 June 2023, the Self-contained Motor Vehicles Legislation Act 2023 amended the Freedom Camping Act 2011 (the Act) and the Plumbers, Gasfitters, and Drainlayers Act 2006 to create a new system for regulating self-contained motor vehicles and reduce the environmental and social impacts of freedom camping.</p> <p>The Act includes a two-year transitional period for private vehicles which ends on 7 June 2025 (transitional period) to go from the old, unregulated self-contained system (blue warrants) to the new, regulated vehicle certification system (green warrants). The Act allows the Government to make regulations by Order in Council to extend the transitional period up to a further two years.</p> <p>It is estimated that approximately 68,000 private vehicles will require certification prior to the deadline. Of these, only 3,300 have been certified as at 5 November 2024.</p> <p>The rate of vehicle certification has increased significantly in recent months to the point where over 1,000 vehicles are being certified a week and over 40 per cent of these are private vehicles (the remainder being rental vehicles). While it is unlikely that such a high rate will be maintained over the holiday period, it is possible that as many as 35,000 additional vehicles could be certified before the end of the transitional period.</p> <p>Public consultation was undertaken in October 2024 on whether to extend the transitional period. Three options were presented:</p>	

- Option 1: Maintaining the status quo (no extension to the transitional period).
- Option 2: Extending the transitional period by one year.
- Option 3: Extending the transitional period by two years.

MBIE received 462 submissions, which showed:

- 13 per cent supported Option 1, no extension to the transitional period, including four of the six local authorities that submitted. Local authorities are responsible for enforcing the Act in their area.
- 19 per cent supported Option 2, extending the transitional period for one year, including the two largest Certification Authorities under the new system, New Zealand Motor Caravan Association (NZMCA) and NZ Lifestyle Camping. The system depends heavily on the work of these Certification Authorities.
- 63 per cent supported Option 3, extending the transitional period for two years. Most of these submissions were from individual freedom campers who wanted to defer certification under the new system for as long as possible.

Considering the views of stakeholders, the implications for levy revenue and financial modelling for the system regulator (the Plumbers, Gasfitters, and Drainlayers Board), and the overall capacity of the system to certify private vehicles, MBIE has recommended a one-year extension to the transitional period.

Limitations and Constraints on Analysis

Data

The gaps in the data make it difficult to accurately determine the overall impact of the proposed change to the transitional period. There was no requirement for information to be collected on freedom camping vehicles under the old blue warrant system. MBIE has used estimates provided by the two largest Certification Authorities, NZMCA and NZ Lifestyle Camping, on the number of private freedom camping vehicles. There is no way to verify this number, nor do we know how many of these will seek certification under the new regulatory regime. Until the system is fully operational, there will remain a significant degree of uncertainty about the true number of vehicles in the system. As a result, MBIE has made an informed estimation of the number of private vehicles that are likely to seek certification under the new green warrant system.

MBIE notes that:

- We do not know how many private vehicles have a blue warrant issued under the old system.
- We have used data provided by NZMCA and NZ Lifestyle Camping to estimate the number of private freedom camping vehicles.
- We do not know when the current blue warrants expire for these private vehicles.
- We do not know how many private vehicles will apply for a green warrant. It is likely that some blue warrant holders will not seek certification under the new system and instead choose to camp in areas where non-self-contained vehicles are permitted or switch to using private campsites.
- We do not know when people will apply for a green warrant. For modelling, MBIE has adopted a standard rate of certification (represented as a straight line on a graph). This is unlikely to be the case due to seasonal variation in the capacity of the system, for example, fewer vehicle inspectors available over the summer

holiday period. There is also the possibility that people will delay certification until closer to the deadline.

This lack of data limits our ability to accurately assess the impact of extending the transitional period.

Responsible Manager(s) (completed by relevant manager)

Dale Elvy

Manager, Destinations and Regional Economies

Economic Development and Tourism

Ministry of Business, Innovation and Employment



22 November 2024

Quality Assurance (completed by QA panel)

Reviewing Agency: Ministry of Business, Innovation and Employment

Panel Assessment & Comment: *A Quality Assurance panel with representatives from the Ministry of Business, Innovation and Employment has reviewed the Regulatory Impact Statement (RIS) Freedom Camping Act (2011): Review of Transitional Period for Privately Owned Vehicles. The panel has determined that the RIS provided meets the quality assurance criteria.*

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 is 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. Just over 245,000 people responsibly freedom camped in New Zealand in the 2019 calendar year. Around 63 per cent (154,000) of these freedom campers were international visitors and the remaining 37 per cent (91,000) were New Zealand residents.¹
3. The number of international visitors who freedom camp in New Zealand rose significantly in the late 2010s. There was approximately 54,000 in the year ended 2013, which rose to approximately 123,000 in the year ended 2018. This followed a similar

¹ <https://www.mbie.govt.nz/immigration-and-tourism/tourism/tourism-projects/supporting-sustainable-freedom-camping-in-aotearoa-new-zealand/results-of-the-201920-summer-research-into-responsible-camping>.

pattern to the growth in number of international visitors overall (2 per cent of international visitors in 2013 and 3 per cent in 2018).²

4. This growth of freedom camping led to tensions in several localities. Prior to the Freedom Camping Act 2011³, 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 the years immediately preceding COVID-19, has generated concern in some communities about the cumulative impact freedom camping has on the environment and their local area. 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 and/or amenity in recreational locations due to heavy use by freedom campers
 - confusion about which rules apply in what areas
 - inconsistent implementation of the voluntary standard for self-containment (blue warrant)⁴
 - limits on local authorities' abilities to appropriately regulate and manage freedom camping.
6. Consequently, there was a loss of social licence for freedom camping. In certain areas where freedom camping is popular, this has led to negative behaviour and attitudes from some locals towards freedom campers.

New regulatory regime

7. On 7 June 2023, the Self-contained Motor Vehicles Legislation Act 2023 amended the Freedom Camping Act 2011 (the Act) and the Plumbers, Gasfitters, and Drainlayers Act 2006 to establish a new regulatory system for vehicles to become certified as self-contained.
8. This new system provides stricter standards for vehicles to be certified self-contained and requires a levy payment by vehicle owners each time their vehicle is certified⁵. The Plumbers, Gasfitters, and Drainlayers Board (PGDB) regulates the new self-contained vehicle certification system, namely Certification Authorities and vehicle inspectors who

² MBIE analysis of the International Visitor Survey (<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>).

³ This Act provided tools to local authorities, the Department of Conservation and Land Information New Zealand to control freedom camping on land they manage.

⁴ The New Zealand Standard for *Self containment of motor caravans and caravans* (NZS 5465:2001) established a set of vehicle standards and a vehicle certification system. Vehicles certified under this standard were issued with a blue self-containment warrant, a certificate, and frequently display a blue self-containment sticker.

⁵ The self-contained vehicle standards for a green warrant and the levy payments are prescribed in the Plumbers, Gasfitters and Drainlayers (Self-Contained Vehicles) Regulations 2023.

certify vehicles. The levy is intended to cover the cost of the PGDB's regulatory oversight of the freedom camping system.

9. The initial operations of the PGDB have been funded by the government. There is an expectation that this funding will be repaid when there is sufficient levy revenue in the system. The levy is forecast to generate approx \$25,000 more than the PGDB's operating costs over a four-year period. An extension to the transitional period may mean that the levy revenue will not cover the operating costs of the PGDB for a longer period (especially if vehicle owners delay getting their certification until close to the deadline).
10. The longer the transitional period, the greater the risk that the levy will need to be raised in the next levy rate review and/or that the PGDB will reduce the scope of its activities to fit a reduced operating budget. It may also delay repayments to the government.
11. A shorter transitional period, coupled with the current high certification rates, would mean that this is a low risk. This impact cannot be accurately assessed given the high degree of uncertainty about the total number of vehicles in the system.

The statutory transitional period

12. For most private vehicle owners, the requirement to shift from a blue warrant of self-containment to a green warrant of self-containment is being phased in over a two-year transitional period (starting from commencement of the Self-contained Motor Vehicles Legislation Act on 7 June 2023).
13. The key transitional period deadlines are:
 - 7 December 2024 – all vehicles owned by a rental company (approximately 5,000-6,000 vehicles) must be certified as self-contained under the new system
 - 7 June 2025 – all privately-owned vehicles (approximately 68,000 vehicles) must be certified as self-contained under the new system.
14. Only the transitional period for private vehicles (Period 4) can be extended by Order in Council.⁶ The end date for Period 4 can be extended by up to a further two years. MBIE only consulted on potential changes to Period 4, the transitional period for private vehicles. The Act does not allow for extensions to any of the other transitional periods by Order in Council.

What is the policy problem or opportunity?

15. The self-containment requirements for privately-owned motor vehicles come into effect on 7 June 2025. However, only a small number of the estimated 68,000 private self-contained vehicles have been certified under the new system. Based on our analysis, there is insufficient capacity in the vehicle certification system to certify the remaining vehicle fleet by the deadline.

⁶ Under the Freedom Camping Act 2011 sch 1AA cl 2, transitional periods 1, 2 and 3 covered periods for when vehicles were determined to be self-contained. Periods 1 and 2 have ended, and period 3 ends on 7 December 2024. Transitional periods 1-3 are set in primary legislation and, as a result, are out of scope.

Capacity of the green warrant certification system

16. A motor vehicle must be inspected by a vehicle inspector⁷ who works on behalf of a Certification Authority to become certified self-contained under the Act. To increase the capacity of the system during the transitional period, certifying plumbers were deemed to be Certification Authorities until 6 June 2025.⁸
17. Currently, only a small number of self-contained private vehicles in New Zealand have been certified with a green warrant. There is concern about the capacity of Certification Authorities and their vehicle inspectors to certify the remaining vehicles before the end of the transitional period for private vehicles on 7 June 2025.
18. The PGDB provides regular data on the rate of vehicle certification and certifying capacity of the new system.

As at 5 November 2024:

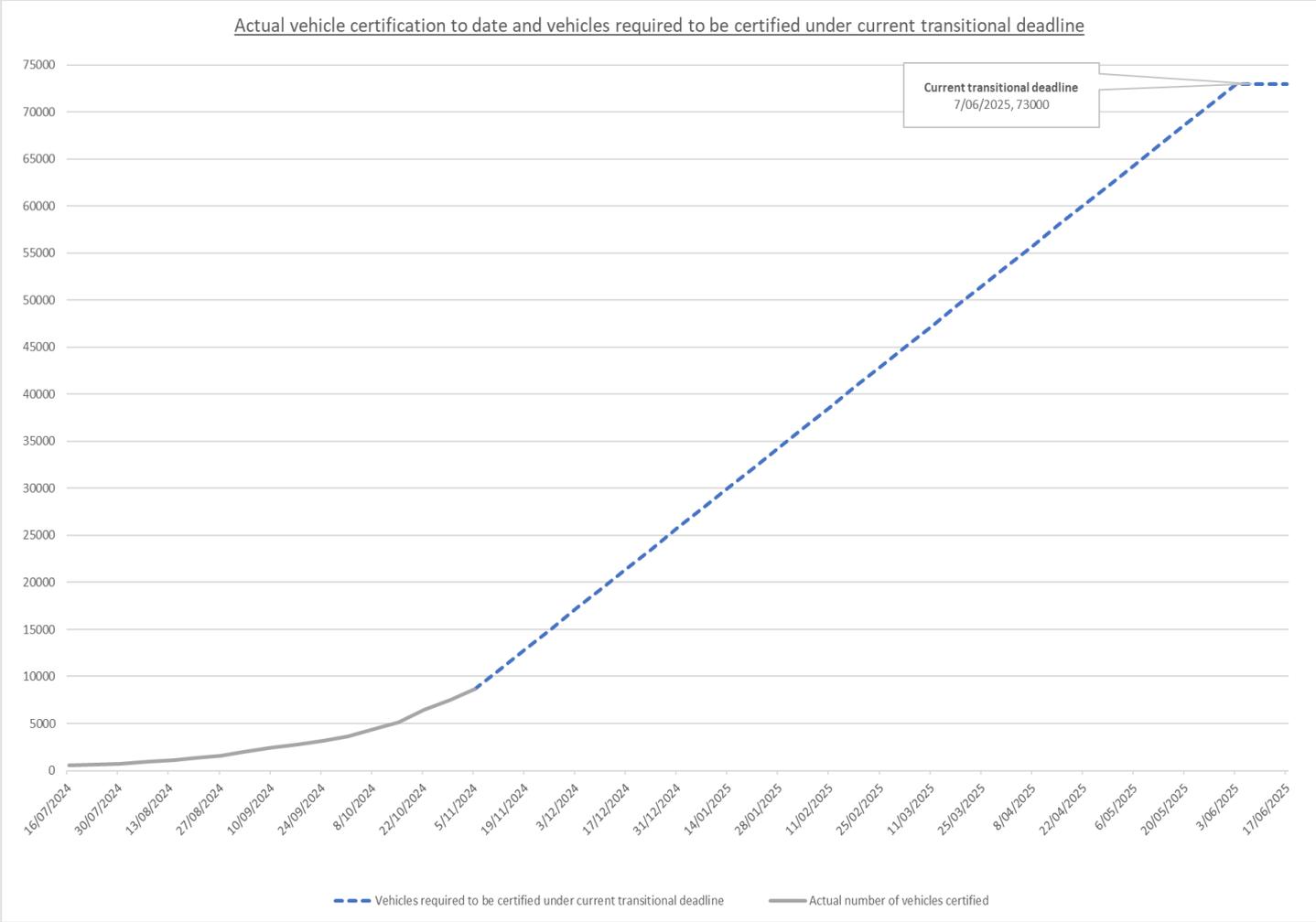
- 15 Certification Authorities had been appointed by the PGDB
 - 636 vehicle inspectors had been given access to the PGDB's self-contained motor vehicle register
 - 8,635 vehicles had been certified self-contained with a green warrant (5,335 rental and 3,300 private).
19. A range of factors is likely to have affected the rate of certification to date, for example:
 - vehicle owners waiting until the end of the transitional period before getting a green warrant
 - the number of available Certification Authorities and vehicle inspectors
 - uncertainty while the recent changes to the regulations were being made.⁹
 20. As at 5 November 2024, only 3,300 of the estimated 68,000 private vehicles required to be certified had been issued green warrants. Therefore, 64,700 private vehicles still require certification by 7 June 2025. This means 2,121 vehicles per week or 9,243 vehicles per month.
 21. In the week ending 5 November 2024, 1,151 vehicles were certified, 467 of these were private vehicles. Although the balance has shifted as we approach the 7 December 2024 deadline for rental vehicles, the focus of Certification Authorities is still on certifying the commercial fleet. The rate of certification is still well below that required to certify the entire self-contained vehicle fleet by the current deadline.
 22. Graph 1 on the next page shows the total number of vehicles that have been certified against the number of vehicles that will need to be certified by the end of the transitional period. An even certification rate has been assumed for the purpose of forecasting certification rates.

⁷ Means a person appointed as a motor vehicle inspector in accordance with section 87T of the Plumbers, Gasfitters, and Drainlayers Act 2006.

⁸ The status of certifying plumbers as deemed Certification Authorities will end on 6 June 2025 regardless of whether or not the transitional period for privately owned vehicles is extended.

⁹ Changes to the regulations in relation to direct venting came into force on 29 August 2024.

Graph 1: Forecasted rate of vehicle certification under the current transitional period



Exceeding system capacity will undermine the integrity of the freedom camping system

23. It is not known exactly how many vehicle owners will choose to have their vehicle certified self-contained under the new system. Based on our best estimation, the current vehicle certification system is unable to process the private vehicle fleet by the end of the transitional period.

24. If vehicle owners cannot get their vehicles certified by this deadline, they will need to consider alternatives to self-contained freedom camping until they can. Examples of alternatives are:

- staying in commercial campgrounds
- camping in local authority areas designated for non-self-contained vehicles
- camping in tents
- not camping
- freedom camping in contravention of local bylaws.

25. In the case of the current transitional period, the high demand for certification and a limited supply of certifiers could result in a cost-spike in certification fees paid to Certification Authorities and/or vehicle inspectors.

What objectives are sought in relation to the policy problem?

26. The primary objective is to choose a transitional period that maximises benefits compared to costs. In particular, allow sufficient time to process the certification of the remaining vehicles while not unduly delaying the freedom camping certification system commencement.
27. It is important to ensure that there is sufficient capacity in this system to certify the entire self-contained fleet by the end of the transitional period.
28. To address the negative impacts of freedom camping on communities and the environment, any extension to the transitional period must be balanced with the full operation of bringing the new regulatory system into effect as soon as possible.

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

27. The criteria used to compare options for extending the transition period are the following:
- **Costs** – the potential costs to participants in the freedom camping system
 - **Benefits** – the potential benefits to participants in the freedom camping system.

Key for qualitative judgement used in the tables in this section:

+2	much better than doing nothing/the status quo/counterfactual
+1	better than doing nothing/the status quo/counterfactual
0	about the same as doing nothing/the status quo/counterfactual
-1	worse than doing nothing/the status quo/counterfactual
-2	much worse than doing nothing/the status quo/counterfactual

What scope will the options be considered within?

28. The scope of options is limited by the Act's transitional period provisions. These provisions set the absolute limit of an extension to two years. When considering a review of the transitional period, the legislation requires the Minister for Tourism and Hospitality to consider the following factors:
- the number of people appointed as Certification Authorities
 - the number of motor vehicle inspectors
 - the number of vehicles issued a certificate of self-containment
 - any other matters the Minister considers relevant.

29. Under the Act, the Minister can recommend a change to the transitional period only if the Minister thinks it is necessary or desirable to allow sufficient time for people to apply to get their vehicles certified and certification authorities to carry out their functions.
30. This became the question of whether there is enough capacity in the system to certify the estimated 73,000 total freedom camping vehicles (68,000 private vehicles, 5,000 rental vehicles).
31. Public consultation on whether or not to review the transitional period for private vehicles was done through MBIE's discussion document, "Freedom Camping Act 2011: Review of Transitional Period For Privately Owned Vehicles", which was released in October 2024.

Impact on local authorities, communities and the environment

32. The Act is intended to increase public trust in the self-contained vehicle system and reduce the environmental impacts of vehicle-based freedom camping.
33. Local authorities and communities deal with the consequences of environmental harm and clean-up costs from freedom camping, particularly in regions with high levels of freedom camping. Extending the transitional period means the benefits of the Act for these communities will be delayed as people will be allowed to camp in vehicles without fixed toilets for longer.
34. Research shows that campers staying in vehicles with fixed toilets are more likely to use their toilet.¹⁰ The longer the transitional period extension, the higher the likelihood of ongoing issues with inappropriate disposal of waste generated while freedom camping.

Other examples of extending transitional periods

35. To help better understand the impact of extending the transitional period, MBIE considered other regulatory timeframes that have been extended to see if there were any examples that would help shape the options.
36. MBIE was unable to find New Zealand examples in similar vehicle permitting/warranting processes, however, there were some useful examples from other areas of the law. For example, extensions to:
 - the residential tenancies healthy homes standards¹¹
 - the 5-year time limit on learner and restricted driver licences¹²
 - the ban on battery cages for layer hens.¹³
37. In all the examples MBIE looked at, stakeholders had conflicting views over whether an extension was necessary or appropriate. In all cases, a longer transitional period provided responsible agencies with more opportunities to improve their understanding of

¹⁰ Fresh Info, Responsible Camping Research 2019/20, (April 2020).
<https://www.mbie.govt.nz/dmsdocument/11909-responsible-camping-research-2019-20-pdf>

¹¹ Residential Tenancies (Healthy Homes Standards) Amendment Act 2022.

¹² Land Transport (Driver Licensing) Rule 1999.

¹³ Animal Welfare (Care and Procedures) Regulations 2018.

the new system. It also offered participants in the system more time to make necessary changes and to get any approvals or licences.

38. An extended transitional period did not appear to streamline the phasing of compliance. In these examples, an extension to the transitional date deferred compliance rather than resulting in compliance activity being spread more evenly over a longer period.

39. Compliance remained low until the end of the statutory period. There was evidence of issues being deferred until closer to the new transitional date rather than being resolved earlier because of the longer timeframe.

What options are being considered?

Option 1 – *Status Quo*

40. Under Option 1, there would be no extension to the transitional period. This means:

- as at 7 June 2025, blue warrants will no longer be considered as evidence of self-containment
- people must have their vehicles certified with a green warrant by 7 June 2025 if they want to continue to provide evidence of self-containment.

Option 2 – A one-year extension

41. Under Option 2, people would have an additional year to have their vehicles certified self-contained, i.e., up to 7 June 2026. This means:

- people with a valid blue warrant will be able to continue to use that warrant as evidence of self-containment until 7 June 2026 (or until their warrant expires, whichever happens first)
- people must have their vehicles certified with a green warrant by 7 June 2026 if they want to continue to provide evidence of self-containment.

Option 3 – A two-year extension

42. Under Option 3, people would have an additional two years to have their vehicles certified self-contained, i.e., up to 7 June 2027. This means:

- people with a valid blue warrant will be able to continue to use that warrant as evidence of self-containment until 7 June 2027 (or until their warrant expires, whichever happens first)
- people must have their vehicles certified with a green warrant by 7 June 2027 if they want to continue to provide evidence of self-containment.

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

Option	Costs	Benefits	Overall score
Option 1 - Status Quo: Transitional period ends 7 June 2025	<p><u>Certification Authorities</u> High level of demand on the certification system. 64,700 private vehicles still require certification as at 5 November 2024. This would require 9,243 vehicles per month to be certified from 5 November 2024 to 7 June 2025.</p> <p><u>Vehicle Owners</u> Increased demand for certification may result in Certification Authorities charging more for inspection fees (unlike the levy, these fees are not paid to the government but to the Certification Authority to cover the work involved with an inspection).</p> <p>-1</p>	<p><u>Communities/Local Authorities</u> Brings in the full benefits of the new self-contained vehicle laws nationally for local authorities and communities.</p> <p><u>Regulator</u> Levy payments will cover the operating costs of the regulator.</p> <p>+1</p>	0
Option 2: One-year extension to the transitional period to June 2026	<p><u>Communities/Local Authorities</u> A greater number of vehicles certified under the old system (and without a fixed toilet) continue to freedom camp, which delays the full benefits of the new self-contained vehicle laws for local authorities and communities. This may negatively impact freedom camping's social licence and undermine confidence in the system.</p> <p>The environmental costs (clean-up/management) of freedom camping continue to fall on local authorities and communities in the interim.</p> <p><u>Vehicle Owners</u></p>	<p><u>Certification Authorities</u> Eases demand on Certification Authorities as the number of vehicles needing to be certified is reduced from 9,243 per month to 3,405 per month from 5 November 2024 to 7 June 2026. However, it is possible that an extension to the transitional period means some vehicle owners delay getting their vehicles certified until close to the new deadline.</p> <p>One-year extension is the preference of the two largest Certification Authorities that have completed 75% of all new system certifications to date.</p>	+1

	<p>Disadvantages approximately 3,300 vehicle owners who got their vehicle certified with a green warrant in the original time period. May impact the levy rate in the next levy rate review.</p> <p><u>Regulator</u> May impact the levy rate in the next levy rate review. Risk that levy payments will not cover the operating costs of the regulator.</p> <p>-1</p>	<p><u>Vehicle Owners</u> Advantages up to 40,000 current blue warrant holders to continue to freedom camp to 7 June 2026 or when their current blue warrant expires (whichever is earlier).</p> <p>+2</p>	
<p>Option 3: Two-year extension to the transitional period to June 2027</p>	<p><u>Communities/Local Authorities</u> A greater number of vehicles certified under the old system (and without a fixed toilet) continue to freedom camp, which delays the full benefits of the new self-contained vehicle laws for local authorities and communities. This may negatively impact freedom camping's social licence and undermine confidence in the system.</p> <p>The environmental costs (clean-up/management) of freedom camping continue to fall on local authorities and communities in the interim but for twice as long as Option 1.</p> <p><u>Vehicle Owners</u> Disadvantages approximately 3,300 vehicle owners who got their vehicle certified with a green warrant in the original time period. May impact the levy rate in the next levy rate review.</p> <p><u>Regulator</u></p>	<p><u>Certification Authorities</u> Eases demand on Certification Authorities as the number of vehicles needing to be certified is reduced from 9,243 per month to 2,087 per month from 5 November 2024 to 7 June 2027. However, it is possible that an extension to the transitional period means some vehicle owners delay getting their vehicles certified until close to the new deadline.</p> <p><u>Vehicle Owners</u> Advantages up to 25,000 current blue warrant holders to continue to freedom camp to 7 June 2027 or when their blue warrant expires (whichever is earlier).</p> <p>+1</p>	<p>-1</p>

	<p>Greater risk that levy payments will not cover the operating costs of the regulator.</p> <p>-2</p>		
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What option is likely to best address the problem, meet the policy objectives and deliver the highest net benefits?

What submitters said

43. Overall, the consultation on MBIE's discussion document, "Freedom Camping Act 2011: Review of Transitional Period For Privately Owned Vehicles", showed:
- the greatest number of submissions (63 per cent) supported extending the transitional period for two years (Option 3). Most of these submissions were from individuals, many of whom are opposed to the new freedom camping system. While the majority of submissions by individual freedom campers support a two-year extension, this seems to be largely based on self-interest in terms of preserving their current certification for as long as possible rather than a consideration of the current capacity of the system.
 - the one-year option (Option 2) was supported by the second-largest number of submissions (19 per cent). This included NZ Lifestyle Camping and the NZMCA. The NZMCA have the largest number of members of any freedom camping organisation (they claim 120,000 members) and are the largest single vehicle certifier under the new system. Between them, these two Certification Authorities have certified 75 per cent of all vehicle certifications to date. They both support a one-year extension. Their submissions are based on an assessment of what is needed for certification and practical experience of certifying the vehicle fleet. As the certification system depends upon their continued work, MBIE considered these submissions should be given significant weight.
 - the option to not extend the transitional period (Option 1) received the least support (13 per cent). But included support from four local authorities, who stated they are ready to begin enforcement of the new system and would prefer no delay.

What option is likely to best address the problem and achieve the objective

44. The current rate of certification has increased significantly in recent months to the point where approximately 1,000 vehicles are being certified each week. While it is unlikely that such a high rate will be maintained over the holiday period, especially with many vehicle inspectors being volunteers, it is possible that as many as 35,000 additional vehicles could be certified before the current transitional period deadline. Under this scenario, around 60 per cent of the estimated total amount of vehicles seeking self-containment certification could be certified in time.

45. No matter what deadline is set, some people will leave certification to the last minute. However, MBIE considers that the likely number of people who are unable to get their vehicles certified before the current deadline is significant enough that it may undermine the current system without any extension to it.

A one-year extension to the transitional period to June 2026 is long enough to reduce the pressures of system capacity, but not long enough for environmental impacts to be significant

46. MBIE does not consider that a full two-year extension is required. The numbers of vehicles remaining to be certified does not justify delaying the benefits that the law will bring for a full two-years longer – not from an environmental and community impact or a local authority perspective, who set and manage local freedom camping sites. Even if

there is a significant decrease in the rate of vehicle certifications over the next few months, a further 12-month period should be sufficient to certify the remaining vehicles based on the current number of certification authorities and vehicle inspectors operating. This is also the view of NZ Lifestyle Camping and the NZMCA.

Extending the transitional period for six months was considered as an option after consultation had concluded

47. At the time of consultation, the rate of certification was much lower, and a six-month extension seemed unfeasible. The rate of vehicle certification has increased significantly in recent months to the point where, as at 5 November 2024, over 1,000 vehicles were being certified a week and 40 per cent of these were private vehicles.
48. However, there is no certainty that the current, high November certification rates will be maintained over the next six months, especially because most vehicle inspectors are volunteers and we are heading into the Christmas holiday period. Freedom campers are also more likely to be using their vehicles and holidaying, rather than having their vehicles certified self-contained.
49. The Rental Vehicle Association submitted that a longer transitional period for private vehicles could create greater confusion for local authorities. However, MBIE does not consider this to be an issue given that the register, which is used by enforcement officers, clearly notes whether a self-contained vehicle is a rental vehicle.

What are the marginal costs and benefits of extending the transitional deadline by one year?

Affected groups	Comment	Impact	Evidence Certainty
Additional costs of the preferred option compared to taking no action			
Regulated groups (private vehicle owners)	<p>Temporary benefit of having more time to make vehicle compliant with the law and to have vehicle certified self-contained.</p> <p>Disadvantages approximately 3,300 (to date) vehicle owners who got their vehicle certified with a green warrant in the original time period.</p>	<p>Medium impact on vehicle owners' cost implications with having more time to save money to spend on converting vehicles to meet compliance.</p> <p>Risk of some vehicle owners delaying conversion/certification of vehicles until new deadline.</p> <p>Low impact on vehicle owners with already certified vehicles.</p>	Medium
Certification Authorities and vehicle inspectors	More time benefits the vehicle certification system, easing demand on certifiers and their inspectors. One-year preferred option by two largest Certification Authorities.	High impact on certification system with less vehicles required to certify each month. Risk of some vehicle owners delaying certification of vehicles until new deadline, putting pressure back on the system.	Medium
Regulator (the PGDB)	<p>Risk of some vehicle owners delaying certification of vehicles until new deadline, putting pressure back on the system.</p> <p>The self-contained vehicle system is designed to be self-funding with the cost of the PGDB, as regulator, being fully covered by levies from vehicle owners. The initial operations of the PGDB have been funded by the Government until sufficient levies are generated.</p>	<p>Part of that system is the levy rate the PGDB takes from each certification. Risk that there are enough delays that the next levy rate review recommends raising the levy to meet the PGDB's costs as regulator. However, low chance of the current high certification rate lowering to that extent with a one-year extension.</p> <p>Currently, the levy revenue is forecast to generate slightly more revenue over a four-year period (roughly \$25,000) than the regulator's operating costs. There is an expectation that this funding will then be repaid to the government from the levy. However, the longer the extension, the longer it will be until repayments can be made.</p>	Low

Communities and local authorities	Any extension delay means more non-certified vehicles operating for longer in communities.	Medium impact on local authorities to clean freedom camping sites from having less self-contained vehicles in circulation, if certification is delayed by some vehicle owners.	Medium
Costs overall	<p>No matter what deadline is set, some vehicle owners will leave certification to the last minute. However, MBIE considers that the likely number of people who are unable to get their vehicles certified before the current deadline is significant enough that it could likely undermine the current system without an extension. More time is required.</p> <p>A one-year extension is likely to be sufficient to certify the remaining private vehicles based on the current number of certification authorities and vehicle inspectors, and the views of the two largest certification authorities.</p> <p>The longer the extension (e.g., up to two years), and the likelihood (based on examples from other regulatory systems) that more vehicle owners delay getting their vehicles certified until near the end of that period, the higher the risk (due to lower rates of revenue earnings over the longer period) the PGDB is unable to make the levy repayments to the government in a timely manner.</p>		

Section 3: Delivering an option

How will the new arrangements be implemented?

50. This policy change will require Cabinet agreement before an Order in Council is made to extend the transitional period.
51. The PGDB has indicated that an extension would not impact their operations unless there is a significant impact to the amount of vehicle levy funding received. MBIE considers this risk to be low.
52. Both MBIE and the PGDB will work together to ensure there is clear communication to the sector once the changes have been formalised. This will include supporting local government to undertake education and/or enforcement. This will encourage compliance with the new self-contained standards.

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

53. The PGDB will continue to provide regular updates to MBIE, including the number of vehicles being certified, number of certification authorities approved and key feedback from the sector.
54. The Minister for Tourism and Hospitality intends to complete a review of the effectiveness of the freedom camping system and the Self-contained Motor Vehicles Legislation Act 2023, after the transition period for private vehicles ends and there is evidence of how the new system is working.