

Coversheet: Reducing negative impacts of freedom campers

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|--------------------|---|
| Advising agency | <i>Ministry of Business, Innovation and Employment</i> |
| Decision sought | <i>Regulatory changes to support effective management of responsible camping in New Zealand</i> |
| Proposing Minister | <i>Minister of Tourism</i> |

Section A: Summary: Problem and Proposed Approach

Problem Definition

What problem or opportunity does this proposal seek to address? Why is Government intervention required?

The main problem is that some freedom campers use vehicles that are not self-contained to stay in places where there are not facilities to support them or where freedom camping bylaws or notices require the vehicle to be self-contained. This problem is exacerbated by the lack of regulatory oversight of the self-containment standard, which leads to unreliable implementation. A further problem is that some freedom campers breach freedom camping bylaws and notices in other ways, eg by staying at prohibited sites, or staying longer than is permitted.

The resulting waste, litter, nuisance, or harm to sensitive flora and fauna causes losses to communities through increased management costs for local authorities and the Department of Conservation, and reduced enjoyment of public places shared with freedom campers. A resulting indirect loss is reduced social licence for freedom camping in New Zealand which may in turn discourage freedom campers from visiting, as social licence is an important factor for visitors to have a positive tourism experience. If fewer freedom campers visit, this would result in a decrease in their contribution to communities through purchasing local goods and services, participating in the workforce or volunteer activities.

Summary of Preferred Option

How will the agency’s preferred approach work to bring about the desired change? Why is this the preferred option? Why is it feasible? Is the preferred approach likely to be reflected in the Cabinet paper?

The preferred option is a package of measures. The package includes the following key features:

- A. Establish in legislation minimum requirements for a vehicle to be certified as self-contained, give a regulatory authority the function of promoting and enforcing adherence to the requirements, and implement a penalty scheme for offences against the new requirements.
- B. Put in place a stronger infringement scheme for offences under the Freedom Camping Act 2011, in particular by making regulations to set out higher fines for breaches of freedom camping bylaws and notices.
- C. *Either:*
 1. Require freedom campers to use a self-contained vehicle unless they are staying at a site with a toilet, except on public conservation lands and regional parks (which may be managed by freedom camping notices and

bylaws), as outlined under Option Two package in this paper (option preferred by Ministry of Business, Innovation and Employment (MBIE).

Or:

2. Require all freedom campers staying in a vehicle to use a self-contained vehicle, as outlined under Option Three package in this paper (option preferred by the Minister of Tourism).

This package will ensure that there is a national-level requirement, which enforcement authorities and industry can easily inform freedom campers about. A clear, national-level requirement is expected to drive behaviour change by freedom campers. The new national requirement will work alongside existing (or new) bylaws and notices that specify local requirements for freedom camping. For this requirement to be feasible to implement, it is necessary to establish self-containment standards in legislation and have a suitable regulatory regime to ensure the standards are being met. Higher fines for breaches of freedom camping bylaws and notices are proposed to provide a stronger incentive for freedom campers to abide by those regulations (and will also better meet the costs of enforcement).

This package is feasible and relatively low cost to implement. Enforcement officers of local authorities and the Department of Conservation would have the ability to issue higher fines for infringements they are already detecting and they would have certainty about whether a vehicle is self-contained or not. MBIE considers Option Two is likely to be more cost-effective, as it provides flexibility for freedom campers to use a non-self-contained vehicle if staying at sites with toilets. However, consultation is likely to provide additional information about effectiveness, and the potential benefits of regulating all freedom campers who stay in vehicles.

There would be additional costs for the owners of self-contained vehicles, this would include a cost-recovery fee collected when the vehicle is certified. A preliminary estimate indicates a per vehicle cost every four years of about \$125 (but this is based on speculative information). In addition, some vehicle owners will incur costs to convert their vehicle to meet the self-containment vehicle standard (basic conversion costs are estimated at \$500-\$800).

The impact of this package is expected to be fewer instances of inappropriate disposal of waste and litter, and breaches of bylaws and notices, by freedom campers. We consider there will likely be a resultant economic benefit from reduced losses from clean-up costs. We do not yet have sufficient data to quantify the expected benefit, but expect that public consultation will provide further information.

The Cabinet paper is seeking approval for release of a discussion document for public consultation. The options in the discussion document are presented side by side to enable the public to provide feedback.

Section B: Summary Impacts: Benefits and costs

Who are the main expected beneficiaries and what is the nature of the expected benefit?

The main expected beneficiaries are host communities. The nature of the expected benefit is reduced loss to communities from freedom camping management costs, and improved enjoyment of public places shared with freedom campers.

We are unable to quantify the expected benefit, but expect the public consultation to provide information to support further analysis of this.

Where do the costs fall?

The costs will fall primarily to regulated parties – the owners of self-contained vehicles and authorised persons who certify the vehicles. Preliminary estimates put the total for annual cost recovery from regulated parties at about \$3 m. Using unverified assumptions of 100,000 vehicles requiring re-certification as self-contained once every four years, this equates to \$125 per vehicle once every four years. It does not account for new vehicles coming into the market for certification and the cost to be recovered per vehicle may therefore be lower.

There are also establishment costs for the regime in the order of \$2.6 m in capital and operating expenditure. This may be Crown-funded or cost-recovered over a period of time.

In addition, some freedom campers may opt to bear the cost of converting their vehicle to be self-contained in order to have certainty about being able to freedom camp in their vehicle. The cost of a basic conversion to make a vehicle self-contained under the current standard is estimated to be in the range \$500-\$800.

Impacts on local authorities and the Department of Conservation, which enforce freedom camping bylaws and notices, are expected to be neutral (or possibly positive) because of higher revenue from fines, less clean-up costs, and similar monitoring activity. However, we anticipate obtaining additional information from local authorities as part of the public consultation to test this.

Wider government and rental companies (who will also be regulated parties as vehicle owners) will bear additional costs to implement an information programme about new freedom camping requirements.

What are the likely risks and unintended impacts? How significant are they and how will they be minimised or mitigated?

A moderate risk is that freedom campers may not know about, or understand, the new requirements and so do not change their behaviour or make an attempt to comply. This risk can be addressed by MBIE working with the regulators, recreational groups and rental companies to develop an effective information programme, including dissemination through multiple channels.

A further potential moderate risk is that unmanaged messaging about the new requirements is poorly received by prospective international visitors to New Zealand. This risk can be mitigated by working with Tourism New Zealand on communications about the proposals and final decisions, and then by developing an effective information programme for international freedom campers so they understand the new requirements.

There are also moderate implementation risks relating to the transition timeframe for parties who will face new regulatory requirements, in particular owners of vehicles (including businesses) that are certified as self-contained under the current voluntary standard. These risks can be mitigated by ensuring there is sufficient time for regulated parties to transition to the new requirements.

Section C: Evidence certainty and quality assurance

Agency rating of evidence certainty?

We have low-to-moderate confidence of the evidence base. We will be able to improve our confidence following public consultation.

To be completed by quality assurers:

Quality Assurance Reviewing Agency:

MBIE regulatory impact analysis review panel.

Quality Assurance Assessment:

Partially meets the quality assurance criteria.

Reviewer Comments and Recommendations:

The Partially Meets rating is due to limitations in data or analysis, which are described in this Impact Statement (eg numbers of freedom camping vehicles, likely behavioural impacts from mandatory standards and higher fines, expected impacts of cost-recovery options on behavioural change, equity considerations associated with higher costs and further work needed on proposed exclusion of homeless). The consultation process is intended to address these data limitations and test the assessment of the options, but there remains a risk that there will still be information gaps after the consultation process, which will in turn constrain the analysis. If this is the case, the review panel recommends making those data limitations or analytical constraints clear in the final recommendations to Ministers.

Impact Statement: Reducing negative impacts of freedom campers

Section 1: General information

1.1 Purpose

The Ministry of Business, Innovation and Employment is solely responsible for the analysis and advice set out in this Regulatory Impact Statement, except as otherwise explicitly indicated. This analysis and advice has been produced for the purpose of informing stakeholders to be consulted on a government discussion document.

1.2 Key Limitations or Constraints on Analysis

Out of scope

Congestion is out of scope for this analysis. The Crown already funds programmes to support local authorities to build public infrastructure and to manage high volumes of freedom campers.

Evidence of the problem

Evidence of the problem is primarily anecdotal. MBIE commissioned rapid, targeted research in January 2021 to inform policy development, but we expect that public consultation will improve our understanding of the problem.

Criteria to assess options

1. Decrease in instances of freedom campers inappropriately disposing of waste and litter and breaching freedom camping bylaws and notices.
2. Increase in public confidence in the system to manage freedom camping.
3. Compliance and administration costs are low for regulated parties and enforcement authorities.
4. New Zealanders' accessibility is maintained for recreation or tourism at natural or historic places through freedom camping.

Cost-effectiveness is not included as an additional criterion as this aspect is included across other criteria; criterion 3 addresses cost, and criteria 1, 2 and 4 address effectiveness.

Quality of data used for analysis

The quantitative and qualitative data used for the impact analysis has been collated from the following sources. There are substantive gaps in the data currently available. A key gap is information that would enable us to estimate the level of loss currently being experienced due to the problem. We expect that the public consultation process would enable us to estimate the loss, which will enable a cost-benefit analysis to be done.

- Responsible Camping Research 2019/20 – commissioned by MBIE. Only 505 of the 7,328 survey respondents were international visitors. We are therefore not able to draw confident conclusions about international visitors' behaviour from this research. However, the information provided is the best currently available.
- Research to inform the responsible camping discussion document and regulatory impact analysis, 5 February 2021 – commissioned by MBIE. This was rapid, targeted research undertaken over two weeks in January 2021 with a limited set of key informants. It therefore does not provide a complete picture, but we

anticipate it provides relevant information which will be further informed by public consultation.

Limitations on consultation and testing

Public consultation is yet to occur. We expect the public consultation process to provide further data and to enable a more fully informed impact analysis.

1.3 Responsible Manager (signature and date):



Danielle McKenzie

Tourism Policy team

Labour, Science and Enterprise group

Ministry of Business, Innovation and Employment

17 March 2021

Section 2: Problem definition and objectives

2.1 What is the current state within which action is proposed?

Freedom camping means staying overnight in a tent, caravan, or motor vehicle, free of charge, on public land and within 200 metres of where you can drive, the coast, a harbour, or a Great Walks Track.

The closure of the border has led to a significant decrease in freedom camping and a consequent reduction – but not elimination – in the incidence of related problems. The current scale of costs from these problems is not known, and the public consultation is likely to provide data to enable an assessment.

In any case, there continues to be community concern about negative impacts from freedom camping. In the January 2021 research, territorial authorities reported that the most common complaints in their communities about freedom camping included the large volume of campers, access to local sites being reduced or blocked, and concern about inappropriate disposal of human waste and litter. Problems associated with freedom camping therefore remain regardless of the level of international visitors.

What we know about freedom campers and their spending

In calendar year 2019, an estimated 245,000 people freedom camped in New Zealand (63% international visitors; 37% domestic visitors). Both the domestic and international camping markets' main motivations for camping during their New Zealand trips in 2019 were lower cost and better scenery, closely followed by proximity to natural attractions. These campers generated 2.67 million camping nights, at an average of 10.9 nights per person (average nights and average spend per trip for domestic and international visitors is shown in the table below). It is a predominantly vehicle-based activity – only about 4% of respondents in the summer 19/20 research had used a tent.

Freedom camping is part of a bigger camping and, ultimately, visitor accommodation market. A large proportion of people who freedom camp also use other forms of accommodation during a trip (eg Department of Conservation huts, paid campgrounds, backpacker hostels, rented holiday homes, hotels/motels) – as shown in the table below. International campers who purchased their own vehicle spent the most (refer rows relating to spending on the trip per person). The spending figures include other accommodation, food and drink, attractions and activities, and retail shopping.

| Summer 19/20 research data – proportion of time spent freedom camping | | Domestic campers | International campers | | |
|---|-------------------|------------------|-----------------------|-------------|-------------|
| | | | All types | Own vehicle | Budget hire |
| Average nights per trip | | 16.7 | 210.6 | 47.5 | 32.3 |
| Percentage of nights spent freedom camping on the trip | | 41.3% | 52.2% | 43.0% | 35.8% |
| Average spending on the trip (incl. vehicle, fuel and maintenance costs) | Total per person | \$552 | \$7,912 | \$5,864 | \$4,890 |
| | Per visitor night | \$43.50 | \$37.60 | \$123.50 | \$151.30 |
| Average spending on the trip (excl. vehicle hire, fuel and maintenance costs) | Total per person | \$384 | \$5,607 | \$3,107 | \$2,278 |
| | Per visitor night | \$30.40 | \$26.70 | \$59.90 | \$70.50 |

As indicated in the table above, freedom campers use private and hired vehicles, and the vehicle rental market caters to a range of budgets. Premium vehicles all have a range of on-board facilities, including fixed toilets ('self-contained'). Budget vehicles with beds typically have a portable toilet (also considered self-contained) or no toilet. These vehicles are smaller (vans) and cheaper to hire and run.

Domestic and international visitors tend to prefer different types of vehicles – international tourists are more likely to use or hire smaller vehicles (which may or may not be self-contained), while domestic visitors are more likely to use or hire motorhomes (self-contained).

We do not have accurate figures about how many self-contained vehicles there are in New Zealand. There are at least 68,000, but potentially up to 130,000 based on industry estimates.

There are numerous vehicle rental companies in New Zealand; seven that participated in the January 2021 research reported fleet sizes ranging from 100 to more than 2,000 vehicles. The vehicles range from people movers (eg Toyota Estima), light vans (eg Toyota HiAce) to motorhomes. We do not have accurate figures about the total vehicle rental fleet, but estimate there is between 3,600 and 5,000 vehicles in the fleet that could contain purpose-built sleeping facilities. We do not know how many of these are self-contained.

What we know about toilets in vehicles

The vehicle use of respondents surveyed in the summer 19/20 research was as follows.

| Summer 19/20 research data – vehicle type used for camping | Vehicle type | | |
|--|---|-------------|--------------|
| | Own vehicle * | Budget hire | Premium hire |
| International campers | 54% | 28% | 18% |
| Domestic campers | No breakdown given for domestic campers but see next table for facilities on-board vehicles | | |

* Own vehicle includes cars – 13% of total 'own vehicle' figure.

The table below shows on-board facilities and the proportion of travellers who stated that they used their on-board toilets. The summer 19/20 research estimated that about 95% of domestic freedom campers travelled in a vehicle with a toilet (of which 85% were fixed toilets), while about 79% (weighted average) of international campers travelled in a vehicle with a toilet (of which 16% were fixed toilets).

| Summer 19/20 research data – features on-board vehicle | Domestic campers | International campers | | |
|--|------------------|-----------------------|-------------|--------------|
| | All types | Own vehicle | Budget hire | Premium hire |
| Beds | 95.9% | 94.5% | 91.5% | 100.0% |
| Toilet (any type) | 95.3% | 74.5% | 73.8% | 100.0% |
| Fixed toilet | 84.7% | 4.4% | 2.8% | 68.9% |
| Fixed toilet was used | 96.3% | 41.7% | 50.0% | 90.3% |
| Portable toilet | 14.0% | 70.8% | 70.9% | 34.4% |
| Portable toilet was used | 63.9% | 18.0% | 27.0% | 38.7% |
| Shower and/or tap | 92.5% | 44.8% | 51.8% | 85.6% |
| None of the above | 3.5% | 4.4% | 7.8% | 0.0% |

The research suggests fixed on-board toilets were used by a significantly higher percentage of campers than portable on-board toilets across all segments. However, we do not have responses about why on-board toilets were not used. Potential reasons include:

- There may have been a proportion of on-board toilets that were not accessible for the campers when they were needed (eg when the bed was made up).
- Some campers may have opted to camp at sites with toilet facilities.
- Some people prefer not to use an on-board facility – because they dislike it or possibly due to a financial incentive (some rental arrangements apparently provide for return of a bond if the vehicle is returned the toilet is returned clean).

Presently, 33 of the 67 territorial authorities have in place a freedom camping bylaw. The Department of Conservation has issued 281 freedom camping notices. These bylaws and notices often entail requirements for freedom campers to stay at particular sites, sometimes for a limited number of nights, and/or to camp in vehicles that have been certified as self-contained.

Self Contained Vehicle Standard

There is a voluntary New Zealand Standard for self-containment of motor caravans and caravans (“the Self-Contained Vehicle Standard” – SCVS). It provides for testing officers and issuing authorities to issue certificates of self-containment if the vehicle meets certain minimum requirements. However, territorial authorities have reported concerns about inconsistent interpretation of the standard and a lack of confidence in the certificate of self-containment – particularly in respect of smaller vehicles (stickers indicating a vehicle is self-contained are readily falsified). This affects territorial authorities’ ability to achieve the intent of their bylaws, and a lack of community trust in the overall system for managing freedom camping.

Views from territorial authorities about freedom campers

Territorial authorities had mixed views about whether any particular segment of freedom campers had the most problematic behaviour. Some reported that issues were more likely to be with international visitors who bought or hired smaller vehicles (either self-contained or not self-contained), while others stated that they experienced challenging behaviour from a range of campers including those travelling in large self-contained vehicles. A few territorial authorities reported that they had more difficulty managing domestic freedom campers, who may be more inclined to ignore local signs and rules.

Territorial authorities are also reporting that it has become increasingly challenging to distinguish between people who are freedom campers, and those who are sleeping in their cars because they are homeless. The 2018 Census found that 2,016 people were living in a mobile dwelling, and 1,311 people were living in an improvised dwelling (eg a tent), as they were without shelter. These figures represent 94 per cent of those found to be without shelter, and 8 per cent of the total number of people who were severely housing deprived. However, the census operational difficulties, and quality limitations inherent in surveying people experiencing homelessness, mean that these are assumed to be undercounts. It is also believed that the number of people without shelter may have increased due to the social and economic impacts of COVID-19 and ongoing pressures in the housing market.

2.2 What regulatory system(s) are already in place?

The Freedom Camping Act 2011 (the Act) regulates freedom camping. Regulation of freedom camping is necessary to protect the environment, access to areas on public land, and to protect the health and safety of people who may visit those areas. Without regulation, potential negative impacts from campers staying on public land cannot be managed.

The Act strikes a careful balance between enabling freedom camping rules to be made in every city, district and conservation area in New Zealand and providing for people to camp for free on public land. The Act permits freedom camping except in areas where local authorities or the Department of Conservation have made bylaws or issued notices to restrict or prohibit it. It stipulates that freedom camping may not be prohibited on all land managed by a local authority or by the Department of Conservation. In this way, the Act gives communities the ability to make decisions about where people can and can’t freedom camp in their district.

The Act establishes offences and penalties, and includes a regulation-making power to specify infringement fees (fines) higher than the default level of \$200 set out in the Act. No such regulations have been made. The Act includes provision for a person convicted of discharging a noxious substance that significantly affects the environment, or causes significant concern to the community, to be fined up to \$10,000.

The regulators currently established under the Act are local authorities (territorial authorities and regional councils) and the Department of Conservation. Other managers of Crown land – Waka Kotahi NZ Transport Agency and Land Information New Zealand – are not able to use powers under the Act.

The Government has funded a number of complementary non-regulatory initiatives that support the regulatory system to achieve its objectives:

- infrastructure, including parking space, toilets, showers and ablution blocks
- monitoring and enforcement, through responsible camping ambassadors, compliance officers and rangers
- education, through signage, pamphlets and camping ambassadors
- waste and rubbish management
- technology trials, including smart cameras to prevent overcrowding of freedom camping sites, and an app to support the regulators to manage campers consistently as they travel through the country, and
- an information trial, in partnership with a territorial authority, to test a zone system as a way of improving campers' awareness of freedom camping rules.

2.3 What is the policy problem or opportunity?

If no further action is taken, we may expect that:

- The incentives will remain weak for freedom campers to camp in accordance with freedom camping bylaws and notices, and to avoid inappropriately disposing of human waste and litter, as:
 - visitors prefer camping options that suit their budget, including – for price-sensitive visitors – relatively cheap vehicles without on-board toilets
 - some freedom campers prefer not to use a toilet on-board their vehicle, and
 - the \$200 fine is an insufficient deterrent to committing offences.
- There will continue to be some vehicles that are inappropriately or illegitimately certified as self-contained, and which do not have adequate on-board facilities for use when campers are at sites without toilets.

In combination, these factors contribute to a situation where:

- Some freedom campers and day-trippers will inappropriately dispose of human waste and litter, causing localised human health risks, pollution and additional clean-up costs for managers of public land.
- Some freedom campers will breach freedom camping bylaws or notices, causing a nuisance to the local community or harm to sensitive flora and fauna.
- Communities will experience losses from increased freedom camping management costs, and from reduced enjoyment of public places shared with freedom campers.
- Social licence in New Zealand communities for freedom camping will continue to be challenged and, as a result, domestic and international visitors may have a poorer tourism experience and spend less time in some areas. This is likely to lead to a reduction in overall spending by freedom campers on local goods and

services, and participation by freedom campers in the workforce and volunteer activities.

The current system objectives are to balance people's ability to camp for free on public land on the one hand, with managing the negative impacts of uncontrolled freedom camping and the right of communities to set rules for freedom camping in their city or district on the other hand. The freedom camping system also interfaces with the tourism and labour markets – as noted above, freedom campers purchase goods and services when travelling, and some freedom campers also participate in the local workforce and volunteer activities.

The system objective that is not being adequately met currently is management of negative impacts from freedom camping. We are currently unable to quantify the scale of loss communities are experiencing from these negative impacts, and expect the public consultation process to provide further information to enable us to estimate this.

Monitoring of investment by central and local government over the past three years to address problems associated with freedom camping shows a drop in the level of harm. However, whether it has dropped sufficiently is difficult to tell, and this is made more difficult as the closure of the border has led to significantly reduced numbers of freedom campers – we estimate a national reduction this summer of approximately 60 per cent (from summer 2019/20 levels). There is, however, a clear opportunity to reduce the losses being experienced and the question of what action to take will depend on the cost-benefit analysis.

The underlying cause of the problem is that some freedom campers prefer to, or unknowingly, act in a way that does not meet society's expectations. This may be for financial, cultural or behavioural reasons, or due to a lack of information. Commentary from territorial authorities suggests this problem has been effectively reduced over the past three years by investing in facilities and educational programmes, where freedom campers are advised of the rules and provided an opportunity to do the right thing, combined with use of existing enforcement mechanisms. However, there are no market incentives to bring about further behaviour change and government action is required to achieve this.

2.4 What do stakeholders think about the problem?

The stakeholders include:

- Communities and their local authorities
- Freedom campers – both domestic and international visitors
- Tourism and hospitality businesses who benefit from freedom camping visitors
- Rental companies that lease vehicles used for freedom camping to visitors, including:
 - Tourism Holdings Limited (Maui, Britz and Mighty brands)
 - Apollo Campers
 - Spaceships
 - Mad Campers
 - Escape Rentals
 - Wicked Campers
- Several organisations that represent particular communities of interest, including:
 - Tourism Industry Aotearoa, as a peak body for tourism businesses

- NZ Motor Caravan Association – members' vehicles must be certified as self-contained
- Responsible Campers Association Incorporated (RCAi) – formed out of concern that freedom camping bylaws were being used to discriminate against homeless people
- All Points Camping Club NZ – for all types of campers
- Holiday Parks New Zealand – represents around 75% of the commercial campground sector
- Youth Hostel Association – represents budget accommodation providers
- Other representative organisations for the outdoors sector (eg hunters, fishers, trampers)
- Issuing authorities for the SCVS:
 - NZ Motor Caravan Association
 - NZ Lifestyle Camping (founded by All Points Camping Club NZ)
 - VanCo
 - A plumber or suitably qualified person registered under the Plumbers, Gasfitters, and Drainlayers Act 1976
- Testing officers for the SCVS:
 - Any registered plumber or suitably qualified person, registered under the Plumbers, Gasfitters, and Drainlayers Act 1976
 - Members of organisations that are issuing authorities who have been tested to prove their competence
- Plumbers, Gasfitters and Drainlayers Board – the regulator for many of the authorised persons who may test for or issue certificates of self-containment under the SCVS (but not the regulator for the SCVS)
- Department of Conservation – a regulator under the Freedom Camping Act 2011, and also an administering department of the Act
- The Responsible Camping Working Group – membership comprises four mayors, Tourism Industry Aotearoa, Holiday Parks New Zealand, NZ Motor Caravan Association, Tourism Holdings Limited, and MBIE, DOC and DIA – it was set up in 2018 by the then Minister of Tourism to give advice about how central government could support responsible camping.

The public consultation will enable us to develop a clearer view of stakeholders' perspectives about the problem and its causes. There are likely to be different perspectives about the problem. For example, some people in communities have strong views that freedom camping reduces their enjoyment of public places shared with freedom campers without sufficiently compensating benefits, while businesses in those communities may have a more positive perspective about the cost-benefit ratio.

Based on the targeted research we conducted in January 2021 with territorial authorities and rental companies, and our engagement with the Responsible Camping Working Group over the past three years, we assess there is likely a large degree of common ground among these stakeholders and agreement with how we have defined the problem.

Our understanding, to be tested through public consultation, is that several representative organisations (including Responsible Campers Association Incorporated and All Points Camping Club NZ) do not consider there is a significant problem arising from freedom camping, and are concerned that freedom camping may be put out of reach for many people if additional regulatory requirements are introduced. In particular, there is concern about suggestions freedom campers may be required to use self-contained vehicles everywhere.

2.5 What are the objectives sought in relation to the identified problem?

The system objectives remain unchanged: balancing people's ability to camp for free on public land on the one hand, with managing the negative impacts of uncontrolled freedom camping and the right of communities to set rules for freedom camping in their city or district on the other hand.

The objectives in relation to the identified problem – that some freedom campers use vehicles that are not self-contained to stay in places where there are not facilities to support them, and/or breach freedom camping bylaws and notices – are:

- to reduce the losses communities experience from increased freedom camping management costs, and from reduced enjoyment of public places shared with freedom campers
- to give the public confidence that freedom campers will have the necessary facilities to support their stay – in particular, access to a toilet
- to minimise additional compliance and administration costs for regulated parties and enforcement authorities arising from changes.

A complicating factor in addressing issues arising from freedom camping is that a proportion of homeless people rely on staying in their vehicle, a tent or other temporary shelter on public land (which therefore falls within the regulatory definition of freedom camping) because of a lack of a suitable housing option. The issue of homelessness is being addressed through other policy initiatives, but it is important that the regulation of freedom camping activities does not further marginalise or penalise the homeless. The options analysis for the different proposals identifies potential unintended impacts for homeless people. Once public consultation has concluded and the preferred regulatory proposal is refined, it will be necessary to ensure it does not further negatively affect homeless people.

Section 3: Option identification

3.1 What options are available to address the problem?

We have identified three feasible packages of options to address the problem.

Option One package: Regulate a minimum self-containment standard and have stronger enforcement options for breaches of freedom camping bylaws and notices

Key features

- A regulatory regime for minimum self-containment standards for a vehicle would be established, including:
 - Minimum requirements for a vehicle to be certified as self-contained would be established in legislation.
 - A regulatory authority would be given the function of promoting and enforcing adherence to the requirements.
 - A penalty scheme for offences against the new requirements would be implemented.
 - The national Motor Vehicle Register would be used to record when a vehicle has been certified as self-contained. Certificates will be issued and affixed to vehicles to indicate the vehicle meets the requirements and when the certificate expires.
- A stronger infringement scheme would be implemented for offences under the Freedom Camping Act 2011, including:
 - New regulations would be made under the Freedom Camping Act 2011 to put in place higher fines for the inappropriate disposal of human waste and breaches of freedom camping bylaws and notices.
 - Rental companies would be required to collect any freedom camping fines from customers.
 - The existing threshold under the Act for confiscation of vehicles would be lowered to enable confiscation if the vehicle is not self-contained and is being used for freedom camping in breach of requirements for it to be certified as self-contained.

How it addresses the problem and delivers the objectives

Establishing a regulatory regime for a standard of self-containment for vehicles would ensure that it is interpreted consistently and certificates are issued appropriately. This would give confidence to enforcement officers and the public that freedom campers using these vehicles have the necessary facilities available to them. This will be of particular benefit to enforcement agencies where the relevant freedom camping bylaw or notice requires the use of self-contained vehicles in a defined area.

The stronger infringement scheme, including higher fines, is expected to act as a disincentive to some freedom campers disposing of waste inappropriately, or buying or hiring cheap vehicles without the necessary facilities to meet the requirements of some freedom camping bylaws and notices. The prospect of stiffer penalties would provide a strong deterrent to freedom campers who may otherwise be inclined to commit offences.

The extent of this effect will rely on the education and information provided to freedom campers. A nationally coordinated information campaign would be most effective.

This option would have less impact than the preferred package (Option Two below) because it would not have the same effect on behaviour without a national-level requirement for freedom campers to have toilet facilities available – either in their vehicle or where they stay.

People who are homeless may be negatively impacted by the higher fines proposed under this option (eg for breaches of local bylaws). This would be an exacerbation of an existing negative impact under the status quo, ie people facing severe housing deprivation are already unlikely to be in a position to pay the current level of \$200 for freedom camping fines.

This package is relatively low cost to implement. Enforcement officers of local authorities and the Department of Conservation would have the ability to issue higher fines for infringements they are already detecting. We expect there would also be reduced costs to local authorities for cleaning up waste and litter from freedom campers.

There would be additional costs for the owners of self-contained vehicles which would be recovered as a fee when the vehicle is certified. There is no accurate data on the number of self-contained vehicles in New Zealand in order to identify how many vehicles the costs would be spread over, but a preliminary estimate indicates a per vehicle cost every four years of about \$125. The existing fee charged by issuing authorities for a certificate under the voluntary standard ranges from no cost to about \$30, so there would be a marginal cost to implement the regulatory regime of about \$100 per vehicle (using these preliminary estimates). In addition, there are likely to be some vehicle owners who opt to convert their vehicle to be self-contained in order to be able to have flexibility about where they freedom camp. Costs of a basic conversion are estimated at \$500-\$800.

Option Two package: Option One plus require freedom campers to use a self-contained vehicle, unless they are staying at a site with toilet facilities

Key features

In addition to Option One, this package of measures would have the following key features:

- A new requirement would be established in legislation, applying nationally, to require freedom campers to have toilet facilities available for use wherever they stay (either in their vehicle or at the site), except when camping on public conservation lands and in regional parks. It is normal in these wilderness areas for people to camp near a vehicle-accessible area or the coast but not near a toilet, and it is expected that campers would dispose of waste appropriately. DOC and regional councils already have the power to issue notices or make bylaws to control freedom camping where necessary.
- A penalty would be established for an offence against this new requirement.
- The new national-level requirement outlined above would continue to work with freedom camping bylaws and notices, which may have stricter requirements (eg must use a self-contained vehicle at certain sites, may only stay for 1 night, prohibitions from certain sites to protect sensitive flora and fauna).

- The Freedom Camping Act 2011 would be amended to clarify that the activity of freedom camping does not include people sleeping in vehicles because they are homeless, and associated guidance for enforcement officers and referral pathways would be developed to ensure homeless people are not further marginalised through the freedom camping regulatory system.

How it addresses the problem and delivers the objectives

In addition to the benefits of Option One, this option would provide a consistent national requirement for freedom campers to have access to toilet facilities that are adequate from a sanitary plumbing perspective and accessible for use within the vehicle. This, coupled with the establishment of standards, a regulator, higher fines and a suitable penalty for not complying with the new requirement, is expected to drive behaviour change by freedom campers.

This option would introduce a stronger incentive for freedom campers to travel in a self-contained vehicle, as many freedom campers are likely to want to ensure they have the flexibility to stop at a place that does not have public toilets. It may, however, drive people to freedom camp on public conservation land and in regional parks given this would be an exception to the requirement. It may also increase congestion at some designated freedom camping areas that have toilets, or places near public toilets, as visitors in non-self-contained vehicles may choose to stay in those places rather than a place without a toilet.

The impact of this package is expected to be fewer instances than in the Option One package of freedom campers inappropriately disposing of waste and litter. It is likely there will be a resultant economic benefit but we do not yet have sufficient evidence to quantify it.

Ensuring that the freedom camping regulatory system does not apply to people staying in their vehicles because they are homeless would avoid any unintended consequences for this vulnerable group. However, this will also rely on effective implementation on the ground, so that enforcement officers are able to distinguish when to provide appropriate support to homeless people sleeping in vehicles and when to take any necessary enforcement action against freedom campers committing offences. There is a risk that amending the legislation in this way may undermine the regulatory system, with people simply relying on the exclusion of homelessness from what is considered freedom camping to avoid complying.

Option Three package: Option One plus require all freedom campers staying in a vehicle to use a self-contained vehicle

Key features

In addition to Option One, this package of measures would have the following key features:

- A new requirement would be established in legislation, applying nationally, to require freedom campers staying in a vehicle to use a self-contained vehicle.
- As with Option Two, the Freedom Camping Act 2011 would be amended to clarify that the activity of freedom camping does not include people sleeping in

vehicles because they are homeless, and associated implementation tools would be developed.

How it addresses the problem and delivers the objectives

This option will provide the same benefits of Option One in respect of a consistent, more enforceable standard, and higher fines. The enforcement costs of this option would be similar to Option Two. Comments about the avoidance of unintended consequences for homeless people are as for Option Two. The following analysis highlights the differences between Options Two and Three.

This option would target many of the types of vehicles currently bought or rented by freedom campers that are not self-contained, and require the owners to ensure the vehicle meets a minimum standard for self-containment if they wish to use them for freedom camping.

However, it would only partially address the problem that some freedom campers do not always have adequate toilet facilities available, because some price-sensitive campers may choose to stay in a tent, so as not to be captured by the new regulatory requirement. However, places where freedom campers may camp in tents have been limited in some cities and districts by the issuing of freedom camping bylaws. Therefore this form of avoidance will not work nationally, and local authorities can choose to amend or institute bylaws to address any adverse responses/outcomes.

On the other hand, this option would provide a strong signalling effect to freedom campers as regards expected behaviour, and to communities who may be seeking a stronger regulatory regime.

This package has higher compliance costs, as vehicle-based freedom campers will not have the choice of using a non-self-contained vehicle as in Option Two. Many vehicles used for freedom camping would need to be converted to meet the minimum requirements for self-containment. A basic conversion to self-containment, using a portable toilet, is estimated to cost in the range \$500-\$800. This requirement would affect most rental companies to some extent, and private vehicle owners (particularly those who own caravans and vans with sleeping platforms). In addition, some freedom campers who use cars will no longer be able to do so and will need to choose to either hire or buy a self-contained vehicle, or to camp in a tent.

This option is therefore likely to have greater impact on equity for New Zealand freedom campers who use cheaper camping vehicles and who may not be able to afford the cost of retrofitting their vehicle or hiring a vehicle that complies with the new requirements.

To provide an indicative potential quantum of costs to upgrade non-self-contained vehicles used for freedom camping to be self-contained, we have used the following estimates from the 2019/20 summer research about vehicles used by freedom campers that did not have toilets.

| Indicative costs | Individuals | Rental vehicle businesses |
|---|--|---|
| Summer 19/20 research data – vehicles without a toilet used for camping | Vehicles used by domestic freedom campers | Rental vehicles hired by international freedom campers |
| Estimated total number of vehicles without any toilet used in 2019 | 1,950 | 5,600 |
| Estimated number of cars (too small to convert to self-contained) used in 2019 | 300 | 900 |
| Total cost to convert larger vehicles (\$500-\$800 for basic conversion) | (1,650 x \$500-\$800) \$0.83 m - \$1.32 m | (4,700 x \$500-\$800) \$2.35 m - \$3.76 m |
| Total cost to hire a self-contained vehicle (use instead of car) for average length of trips (16.7 nights) @ \$75 per day | (300 x 16.7 x \$75) \$0.38 m | N/A |
| Total cost | \$1.21 m - \$1.70 m | \$2.35 m - \$3.76 m |

3.2 What criteria, in addition to monetary costs and benefits, have been used to assess the likely impacts of the options under consideration?

- Decrease in instances of freedom campers inappropriately disposing of waste and litter and breaching freedom camping bylaws and notices.
- Increase in public confidence in the system to manage freedom camping.
- Compliance and administration costs are low for regulated parties and enforcement authorities.
- New Zealanders' accessibility is maintained for recreation or tourism at natural or historic places through freedom camping.

At this stage, the criteria have not been weighted, but could be.

3.3 What other options have been ruled out of scope, or not considered, and why?

Provision of Crown funding for public infrastructure (toilets, carparks, etc), or to support local authorities to deliver education and enforcement activities, fund waste management, technology pilots has not been considered as an option, as:

- Crown investment in these facilities and activities is considered to be part of the status quo.
- Programmes currently have good national coverage, and it is not clear there would be demand for, or significant benefit from, increased activity.

Section 4: Impact Analysis

Marginal impact: How does each of the options identified in section 3.1 compare with taking no action under each of the criteria set out in section 3.2?

| Criteria | No action | Option One package | Option Two package | Option Three package |
|---|-----------|--|---|--|
| Decrease in inappropriate disposal of waste/litter, breaches of freedom camping bylaws and notices | 0 | <p>+</p> <p>Self-contained vehicles will have adequate facilities.</p> <p>Stronger enforcement options will be strong incentive for better behaviour.</p> | <p>++</p> <p>Clear national expectation about freedom campers having a toilet available to use wherever staying, unless in wilderness area.</p> <p>Self-contained vehicles will have adequate facilities.</p> <p>Stronger enforcement options will be strong incentive for better behaviour.</p> | <p>++</p> <p>Clear national expectation about having a toilet on-board vehicle when freedom camping in a vehicle.</p> <p>But people can choose to camp in a tent away from facilities.</p> <p>Self-contained vehicles will have adequate facilities.</p> <p>Stronger enforcement options will be strong incentive for better behaviour.</p> |
| Increase in public confidence in system to manage freedom camping | 0 | <p>+</p> <p>Public will have confidence a certified self-contained vehicle has adequate facilities.</p> | <p>++</p> <p>Public will have confidence a certified self-contained vehicle has adequate facilities and that freedom campers using non-self-contained vehicle and tents are required to stay at a site with toilets, unless in wilderness area.</p> | <p>++</p> <p>Public will have confidence vehicle-based freedom campers all have adequate facilities on board.</p> |
| Compliance and administration costs are low | 0 | <p>++</p> <p>People can choose to camp in non-self-contained vehicle, provided they also abide by freedom camping bylaws and notices.</p> <p>Owners of self-contained vehicles face relatively low certification fee.</p> | <p>+</p> <p>People can choose to camp in non-self-contained vehicle, if they stay at sites with toilets.</p> <p>Owners of self-contained vehicles face relatively low certification fee.</p> <p>Some owners may opt to convert vehicles (basic conversion costs \$500-\$800).</p> | <p>-</p> <p>Some private owners and rental vehicle businesses will have to convert their vehicles to self-contained (basic conversion costs \$500-\$800).</p> <p>Owners of self-contained vehicles face relatively low certification fee.</p> |

Reducing negative impacts of freedom campers

| Criteria | No action | Option One package | Option Two package | Option Three package |
|---|-----------|---|---|---|
| New Zealanders' accessibility maintained for recreation or tourism through freedom camping | 0 | - Compliance costs will have moderate impact on low income New Zealanders. | - Compliance costs will have moderate impact on low income New Zealanders. | -- Compliance costs will have large impact on low income New Zealanders. |
| Overall assessment | | + | ++ | + |

Key:

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

Section 5: Conclusions

5.1 What option, or combination of options is likely to best address the problem, meet the policy objectives and deliver the highest net benefits?

Feedback on the options from stakeholders is required to develop a firm conclusion.

Our preliminary assessment is that the Option Two package of measures is likely to be the most cost-effective.

- It is likely to have the same level of impact on freedom campers' behaviour as Option Three and to therefore reduce the incidence of freedom campers inappropriately disposing of waste and litter or breaching freedom camping bylaws and notices, with consequent benefits for communities.
- It can be implemented with low associated costs (Option One could be implemented at slightly lower costs, but does not deliver the scale of benefits).

We do not have sufficient information yet to be able to quantify expected net benefits and we anticipate that the public consultation process will provide information to further inform a cost-benefit analysis (qualitative data and quantification).

5.2 Summary table of costs and benefits of the preferred approach

Additional costs of proposed approach compared to taking no action

| Affected parties (identify) | Comment: nature of cost or benefit (eg, ongoing, one-off), evidence and assumption (eg, compliance rates), risks | Impact \$m present value where appropriate, for monetised impacts; high, medium or low for non-monetised impacts | Evidence certainty (High, medium or low) |
|-----------------------------|--|--|--|
| Regulated parties | Total annual recovered cost for regulatory regime | \$3 m (opex) (Perhaps about \$125 per vehicle if certified every four years) | Low |
| | Conversion costs | At least \$500 per vehicle for those vehicle owners opting to convert | Medium |
| Regulators | More local authorities may need to implement a freedom camping bylaw to address the 'urban area' and 'regional parks' exemptions | Unknown – possibly moderate | Low |
| | Crown capital and operational investment in establishing regulatory regime for self-containment requirements | \$1.43 m (capex) \$0.15 m (opex) (alternatively, this could be cost recovered from regulated parties, adding perhaps \$65 per vehicle) | Medium |

| | | | |
|-----------------------------|--|------------------------|-----|
| Wider government | Costs to implement information programme for freedom campers (Crown and territorial authorities) | \$1 m | Low |
| Other parties | Rental vehicle companies are included as a regulated party above, but they will also have other costs, eg provision of updated information to their customers about new requirements | Unknown – probably low | Low |
| Total Monetised Cost | | \$5.58 m | |
| Non-monetised costs | | Possibly moderate | |

Expected benefits of proposed approach compared to taking no action

| Affected parties (identify) | Comment: nature of cost or benefit (eg, ongoing, one-off), evidence and assumption (eg, compliance rates), risks | Impact \$m present value where appropriate, for monetised impacts; high, medium or low for non-monetised impacts | Evidence certainty (High, medium or low) |
|------------------------------------|---|---|---|
| Regulated parties | Increased public trust in the self-contained vehicles some use, and improved tourism experiences | Low | Medium |
| Regulators | Fewer offences to deal with and therefore lower management costs | Medium | Medium |
| Wider government | | Low | Low |
| Other parties | Businesses may experience higher demand for more premium, self-contained vehicles The public will have increased confidence in the management of freedom camping and will experience less loss from harms generated by freedom campers | Low Medium | Low Medium |
| Total Monetised Benefit | | | |
| Non-monetised benefits | | Low | Medium |

5.3 What other impacts is this approach likely to have?

Increasing requirements for self-containment is likely to have some impacts on the vehicle market. There is uncertainty about the extent to which any of the options may lead to vehicle owners retiring vehicles from the fleet or converting them to other uses.

There may be localised environmental benefits from better management of sites (less pollution).

The impacts on homeless people should be minor if the Freedom Camping Act 2011 is amended to clarify it does not apply to people sleeping in vehicles because they are homeless. Further work is required to identify how to implement such an exclusion on the ground, ie what guidance and tools will enforcement officers need to be able to distinguish when to provide support to someone staying in a vehicle because they are homeless, and when to take enforcement action against freedom campers committing offences. MBIE will seek input on this issue from councils and social sector agencies during the public consultation.

Section 6: Implementation and operation

6.1 How will the new arrangements work in practice?

All the options could be given effect by amending the Freedom Camping Act 2011 and making regulations under the Act.

An information aspect to the change programme will be critical to its effectiveness.

Once implemented, the ongoing enforcement of the new arrangements for freedom campers will partly be the responsibility of local authorities and DOC and partly, in the case of operating the new regulatory regime for the self-containment standard, the responsibility of a government department, Crown entity or appropriate statutory board. Our preliminary view is that the Plumbers, Gasfitters and Drainlayers Board (a statutory board) would be the most appropriate entity, as the proposed new regulatory functions align well with its existing role. The Motor Vehicle Register, operated by Waka Kotahi NZ Transport Agency, could be used to register information about a vehicle having been certified as self-contained.

To implement these arrangements, amendments would also be required to the Plumbers, Gasfitters, and Drainlayers Act 2006 to extend the regulatory functions of the Plumbers, Gasfitters and Drainlayers Board.

6.2 What are the implementation risks?

A moderate risk is that freedom campers are not aware of, or do not understand, the new rules once they are enacted. We will work with local authorities, the Department of Conservation, rental companies and recreational groups to develop an information programme and to ensure there is local education and signage about the rules. A coordinated training programme for local freedom camping ambassadors/enforcement officers will also support effective implementation.

A potential moderate risk is that unmanaged messaging about the new requirements is poorly received by prospective international visitors to New Zealand. This can be mitigated by working with Tourism New Zealand to communicate the proposals and final decisions, and by developing easy to understand information about the new requirements.

A further risk is that vehicle owners, and authorised persons, may not have resources to ensure the non-self-contained vehicles used for freedom camping are upgraded and certified by the time new regulations come into effect.

Risks could be mitigated by ensuring there is sufficient lead-time before new requirements come into effect. MBIE will work with the regulators, stakeholder groups and rental companies to develop and provide easy to understand information.

As noted above, there may be unintended consequences from implementation for homeless people. Enforcement authorities may continue to find it difficult to know whether a camper is homeless or a visitor. The risks may be able to be mitigated by local authorities having local referral pathways for homeless people who may want support, and training for enforcement officers including information and approaches for engaging with people who may be homeless to assist them to get appropriate support.

Section 7: Monitoring, evaluation and review

7.1 How will the impact of the new arrangements be monitored?

The impacts will be monitored through regular contact with the regulators, stakeholder groups, and the Responsible Camping Working Group. In addition, MBIE runs an annual Responsible Camping investment round, from which we receive monitoring reports about freedom camping by region.

7.2 When and how will the new arrangements be reviewed?

There are no specific plans for review at this time.

Once the borders re-open it is expected that global tourism will take time to recover. We will need to wait until tourism numbers have recovered, and we have seen at least a few freedom camping seasons, before we are able to review the effectiveness of the new arrangements.

In the interim, we will use regular stakeholder meetings and the monitoring associated with Responsible Camping funding rounds to monitor whether there is a need for review.