



Office of Hon Craig Foss

MP for Tukituki

Minister for Small Business

Minister of Statistics

Minister of Veterans' Affairs

Associate Minister of Immigration

Associate Minister of Transport

- 3 JUL 2015

Fred Phillips

phred@wave.co.nz

Dear Mr Phillips

Thank you for your email of 22 June 2015 following up on my letter of 18 June 2015 to David Seymour, MP for Epsom.

The LVV system review will use a standard three-stage approach: a scoping phase, an investigation phase and an implementation phase. Standards NZ has been contracted to conduct the initial phase and will be seeking sector feedback on the strengths and weaknesses of the current LVV system. Standards NZ will then provide a report to the NZ Transport Agency that identifies any high level themes and priorities. Depending on what the scoping report identifies, Standards NZ may again be contracted to conduct further work.

I have informed the Transport Agency that I expect the process will be thorough and its results objectively considered. Please be assured that the Transport Agency shares with you a desire for an effective LVV system that meets industry needs while keeping the integrity of the certification process.

A copy of the Standards NZ Proposal, which captures the Terms of Reference for the first phase of the LVV system review, is attached. Please note that financial details relating to the contract have been removed from the document, as they could be considered commercially sensitive.

You have asked about the legal framework for recognising European vehicle standards and approvals under New Zealand law. I am advised that New Zealand, as a signatory to a 1958 UN/ECE Agreement, is obliged to accept vehicles to the extent they comply with individual UN/ECE Regulations that have been adopted as New Zealand standards. There are approximately 30 regulations that New Zealand has adopted.

European Community Whole Vehicle Type Approval (ECWVTA) only allows vehicles to be accepted between European Union member countries. While the approval has no legal standing in New Zealand, if a vehicle has achieved ECWVTA that is taken as evidence of conformity with the relevant European standards that have been adopted in New Zealand.

Any low volume vehicle for use in New Zealand, whether modified in New Zealand or overseas, requires LVV certification. I am advised that as a modified vehicle, the UDM Skoda Yeti tested in France will likely have achieved European Community Second Stage Approval against European standards for a "Wheelchair Accessible Vehicle". For LVV certification of any imported vehicles, this approval will carry the same evidential value as an ECWVTA to the extent it demonstrates compliance against standards adopted in New Zealand (e.g. the UN/ECE regulations in the LVV Seatbelt Anchorages Standards). For Skoda Yetis modified in New Zealand, the same will apply so long as those modifications are done exactly as for those vehicles approved in France.

Once the European testing results and evidence is made available to the Transport Agency, a determination on the nature and extent of LVV certification for the UDM Skoda Yetis will be able to be made. However, you can expect to be soon contacted by the Transport Agency to discuss the French testing, UDM's plans and what certification would likely involve once the testing results are available.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'CF', with a long horizontal flourish extending to the right.

Hon Craig Foss
Associate Minister of Transport

Proposal

**Scoping phase of the Low Volume Vehicle
certification system review**

Contents

1	Executive summary.....	4
2	Standards organisation details.....	5
2.1	What we do.....	5
3	Our understanding of your needs.....	6
3.1	Summary of project.....	6
3.2	Objectives of the project.....	6
3.3	Main components of the project.....	7
3.4	Exclusions from the project.....	7
3.5	Future stages of the project.....	7
4	Our approach.....	8
5	Assumptions.....	8
6	Value proposition.....	8
7	Indicative timelines.....	9
8	Budget.....	9
8.1	Overall budget.....	9
8.2	Budget by deliverables.....	9
8.3	Change controls and committee expenses.....	9
9	Quality assurance.....	10
10	Risk management.....	10
11	Other information.....	10
11.1	Conflict of interest.....	10
11.2	Standards New Zealand's independence.....	11
11.3	Confidentiality.....	11
12	Next Steps.....	11
	APPENDIX A – Standards New Zealand and our business solutions.....	12
A1.1	Who we are.....	12
A1.2	Our business solutions.....	12
	APPENDIX B – Further background to the LVV system.....	14

1 Executive summary

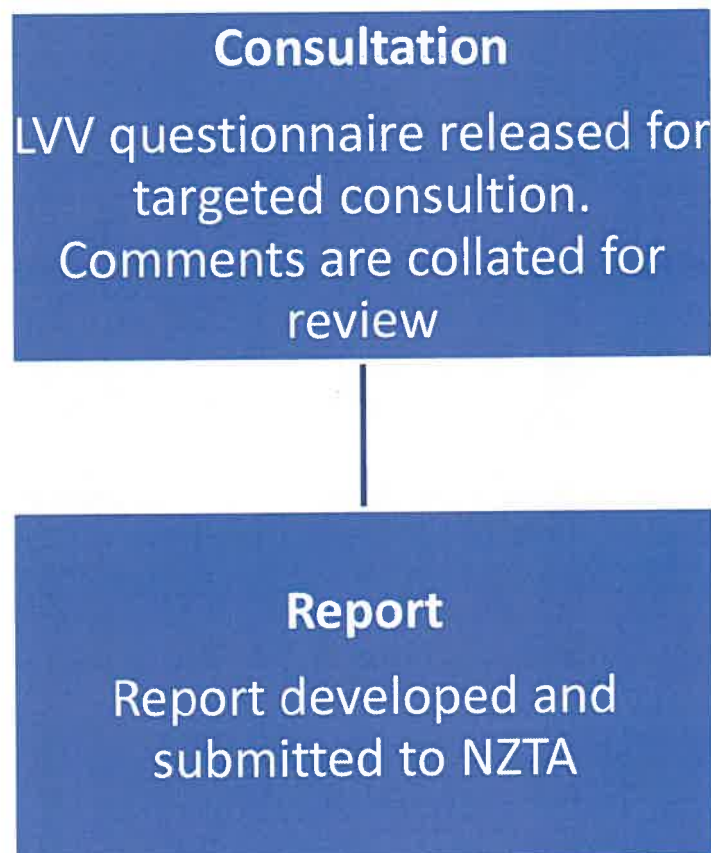
The New Zealand Transport Agency is undertaking a review of the Low Volume Vehicle (LVV) certification system. The review will be carried out over three phases – first the Scoping phase, and if necessary, the Analysis phase then Implementation phase.

This proposal is for the scoping phase of the review. The objective of this phase is to understand the sector's perspectives on the current LVV system; specifically, to capture the elements of the LVV system that are working well and those that are not working effectively.

This proposal outlines Standards New Zealand's facilitation of the scoping phase, which includes: consultation on the LVV certification system and development of a scoping report.

The report will outline the key findings from the consultation. It will categorise the feedback and identify the high-level priorities of what may need specific review.

Our recommended approach for the scoping phase is summarised in the following diagram.



2 Standards organisation details

Full legal name: Standards Council

Trading name: Standards New Zealand

Address: Level 6, 8 Gilmer Terrace,
Private Bag 2439, Wellington 6140

2.1 What we do

Standards New Zealand is the trading arm of the Standards Council, an autonomous Crown entity. Operating under the Standards Act 1988, our business is built around our project management and publication services.

We project manage, edit, and publish an average of 80 documents per year. Typically these documents are for regulators, industry associations, and stakeholder groups.

Our business has established techniques and processes built from requirements under the Standards Act 1988, ISO/IEC Directives (International Organization for Standardization and International Electrotechnical Commission), and continuous improvement as part of our ISO 9000 quality certification.

Our experience of bringing diverse stakeholder groups together to discuss, negotiate, and agree on requirements as part of a common sector objective means we are well suited to this opportunity.

Our Solutions team has vast experience in a variety of sectors and government agencies and specialises in managing projects of this nature. We also have individuals with significant experience editing and producing documents for many government departments and agencies.

See Appendix A for further information on Standards New Zealand.

3 Our understanding of your needs

3.1 Summary of project

The Low Volume Vehicle (LVV) certification system has developed over the last 25 years to serve hobby car enthusiasts through to modern vehicle customisation and large production of modified vehicles (such as camper vans and ambulances, for example).

There are 40 LVV certifiers nationwide who hold various categories of certification approvals. The New Zealand Transport Agency has worked closely with the Low Volume Vehicle Technical Association (LVVTA) to [develop 20 standards \(known as the LVV Code\)](#) to support certifiers in making consistent and safe decisions when certifying vehicle modifications.

The New Zealand Transport Agency is undertaking a review of the LVV certification system to ensure it is effective, efficient, and capable of meeting the Transport Agency's requirements now and into the future. The objective of the review is to secure an LVV system that:

- ensures modified vehicles in New Zealand provide a level of safety appropriate for their age, type, and usage;
- is robust, transparent, and efficient; and
- is responsive to the needs of its diverse customer base.

The review will be carried out over three phases: Scoping phase, Analysis phase, and Implementation phase. Following the scoping phase, the Transport Agency will decide whether further, specific review of the LVV System and Code is required.

Standards New Zealand will facilitate the scoping phase, as outlined in this proposal, and will work collaboratively with sector participants in the LVV system to gain a comprehensive understanding of the elements that are working well (the 'positives') and those that are not working effectively (the 'pain points').

It is proposed that a LVV questionnaire will be distributed to the sector to elicit responses on the system as a whole. The purpose is to fully understand the sector's perspective on the positives and the pain points – allowing the Transport Agency to collaboratively define a problem statement.

Standards New Zealand will collate the feedback and deliver a report that categorises the feedback, and identifies any high-level themes and priorities. As the national standards body, Standards New Zealand's involvement lends independence and objectivity to the proposed process.

See Appendix B for further background information on the LVV system.

3.2 Objectives of the project

The objective of this project is to understand the sector's perspectives on the current LVV certification system; specifically, to capture the pain points and identify the positives – what isn't and what is working effectively.

The scoping phase will explore all elements of the LVV certification process, including:

- The processes and documentation employed in carrying out LVV certifications
- The certifier appointment/monitoring/revocation process
- Quality and experience of certifiers
- Auditing/monitoring process of certifiers
- The nature of certification categorisation
- The number and distribution of certifiers within different categories

- Industry representation on the LVVTA
- The role and composition of the TAC
- The transparency and accountability of the TAC
- The evidence used by LVV certifiers and the TAC to determine whether safety requirements are met
- The general fitness for purpose of the LVV Code and Standards
- Historic and current environment analysis
- The Transport Agency's oversight of the LVV system.

3.3 Main components of the project

The project will allow for:

- Developing a list of instructions and questions to elicit the sector's feedback on the LVV system
- Collation of the relevant documents
- Assembling a targeted email distribution list using NZTA and LVVTA databases
- A 4-week consultation period during which feedback is invited through an email questionnaire
- Development of a report which will categorise the feedback, and outline high-level themes and potential priorities.

3.4 Exclusions from the project

The scoping project will not include:

- Analysis of the feedback received during consultation
- Constitution of a committee or advisory group, and their review of the feedback
- Widespread or public consultation on the LVV system
- Review of any legislative requirements set out in Land Transport Rules
- Review of specific technical content set out in the LVV standards.

3.5 Future stages of the project

Following review of the report and consultation feedback, the Transport Agency may decide to proceed to having a Standards New Zealand-managed committee or advisory group to analyse the feedback and provide recommendations. This work will be agreed through a separate proposal and agreement for service.

Similarly, if further review of the LVV system proceeds under the analysis and implementation phases, Standards New Zealand's involvement will be agreed through separate proposals and agreements for services.

4 Our approach

Standards New Zealand intends to use the following approach to scope the project:

Stage	Approach and key outputs	Who	Key deliverable / output	Time frame
Project initiation and consultation	<ul style="list-style-type: none">• Develop terms of reference and other project management documentation such as the cost plan and project plan• Agree overall approach with NZTA• Develop instructions and question sheet for public comment• Compile distribution list• Consultation phase (4 weeks)• Feedback collated and circulated	Standards New Zealand, NZTA, LVVTA	<ul style="list-style-type: none">• Instruction/question sheet• Collated feedback	Month 1 – 2
Scoping report	<ul style="list-style-type: none">• Develop report• Edit and finalise report• Submit report to NZTA• Close project	Standards New Zealand	<ul style="list-style-type: none">• Final report	Month 2

5 Assumptions

This proposal has been developed using the following assumptions:

- The NZTA representative is available to develop the questionnaire.
- The questionnaire will be edited by Standards New Zealand's editor.
- NZTA will work with Standards New Zealand to prepare a targeted distribution list for consultation, using email addresses from NZTA and LVVTA databases.
- The questionnaire will be available for comment for 4 weeks.
- The questionnaire will not be available over Standards New Zealand's public comment portal to ensure only those in the sector are providing feedback.
- The project will be run by a project manager and project administrator. An editor will be used as required.
- Standards New Zealand's transition to MBIE will not impact on the project's completion.
- Further stages under this scoping phase, or any further phases that may occur, will be agreed through separate proposals and agreements for services.

6 Value proposition

By engaging Standards New Zealand to manage a scoping consultation on the LVV certification system, you will receive a service that will ensure that:

- has been facilitated in an independent and unbiased manner;
- will seek discussions that are constructive, frank, and open, and undertaken within a transparent process;
- allows wide and balanced representation of the industry to have their say.

7 Indicative timelines

Standards New Zealand will complete the scoping phase in 2 months. See 4 above for a breakdown of the stages.

Standards New Zealand assumes in the development of these timelines that the New Zealand Transport Agency and other key stakeholders can also meet the timelines associated with this schedule.

8 Budget

8.1 Overall budget

The total cost to complete this project is This budget reflects our typical charge out rates which include overhead costs for this proposal.

Standards New Zealand is focused on value for money. As such we are happy to discuss any aspect of this budget, including options for amending the approach to fit your desired approach and/or budget expectations if required. All prices are GST exclusive.

8.2 Budget by deliverables

We propose payments based on the deliverables set out in the following table.

Deliverable	Date	Payment (ex GST)
Report and consultation summary submitted	Month 2	
TOTAL		

The Transport Agency will be emailed on completion of the milestones above, with approval being sought for the amount to be drawn from the funding provided by New Zealand Transport Agency pursuant to the Memorandum of Understanding dated 1 May 2009

8.3 Change controls

On occasions, the scope or time frame of a project could change. Such changes may have funding implications and we would discuss these implications with the funders before proceeding further with the project.

Change controls

Changes to the scope or time frame of a project due to project assumptions (such as those stated above) failing to realise or because of external factors beyond the control of the project, are addressed by change controls. Such changes may have scope, funding, or schedule implications, which Standards New Zealand would discuss with the sponsor(s) as soon as we are confident that any changes will have an impact and before proceeding further with the project.

9 Quality assurance

Standards New Zealand has both quality control and risk management in place on all projects. This involves monitoring, reporting, and peer review of all projects delivered. Senior Solutions Managers and General Managers carry out this review work.

Standards New Zealand has established techniques and processes built from the requirements under the Standards Act 1988, ISO/IEC (International Organization of Standardization and International Electrotechnical Commission) and continuous improvement as part of our ISO 9000 quality certification.

The thoroughly developed processes and procedures, based on international best practice and with both internal and independent audits conducted regularly ensure quality outputs.

Standards New Zealand advocates regular liaison at strategic and operational level and proposes regular meetings to review progress on key priorities and to discuss issues as they arise.

At an assignment level the proposed approach and methodology promotes a clear understanding of tasks and timing. The deliverables to be established for each assignment will enable the New Zealand Transport Agency to closely monitor progress and raise any concerns at an early stage.

10 Risk management

Standards New Zealand has identified the following risks and mitigation strategies for this project.

Risk	Mitigation
Time pressures causing delays in the project due to unforeseen circumstances	Standards New Zealand closely monitors progress and will raise any concerns with timelines at an early stage with the New Zealand Transport Agency.
Lack of engagement with key stakeholders	Standards New Zealand has extensive experience of effectively engaging with stakeholders. Standards New Zealand will work with these providers to ensure the most appropriate stakeholders are consulted with, and work with the New Zealand Transport Agency if these stakeholders do not engage.

11 Other information

11.1 Conflict of interest

Standards New Zealand has no conflict of interest with this project.

If any potential conflict of interest surfaces during the project, Standards will consult with the New Zealand Transport Agency to identify how to progress.

11.2 Standards New Zealand's independence

The autonomous way Standards operates and our self-funded non-profit status help maintain an independent stance and enables the delivery of professional services and development of solutions with strong stakeholder buy-in and support.

11.3 Confidentiality

Standards New Zealand ensures client confidentiality is always maintained. If in doubt, our staff will seek permission of the New Zealand Transport Agency before discussing the project with any other party.

All personnel understand their obligations under the Privacy Act 1993.

Our server is protected by a firewall, with robust virus protection.

12 Next Steps

We would be happy to provide further information or clarification regarding this proposal if required.

On the basis you wish to proceed, please contact us and we can develop a contract based on the content outlined in this proposal.

We would welcome the opportunity to work with you to successfully deliver a solution that will offer assurance and a quality outcome for the New Zealand Transport Agency.

APPENDIX A – Standards New Zealand and our business solutions

A1.1 Who we are

Standards New Zealand is the operating arm of the Standards Council, an autonomous Crown entity operating under the Standards Act 1988.

The Standards Council, an appointed body with representatives from a wide range of community sectors, is the governing body for Standards New Zealand.

We are an organisation providing standardisation services since 1932, and New Zealand's international interface with international standardisation with the International Organization for Standardization (ISO) and International Electrotechnical Commission (IEC).

The autonomous way we operate and our self-funded non-profit status help us maintain an independent stance. This in turn enables us to deliver professional services and develop solutions with strong stakeholder buy-in and support.

A1.2 Our business solutions

Standards New Zealand provides a broad selection of services that leverages off a well-established process for developing regional, national, and international Standards. The diverse client base requires well-developed relationship management skills, which is a core competency of the organisation.

Standards New Zealand facilitates volunteers (we have in excess of 2000) and their nominating organisations (in the hundreds) to develop Standards solutions. We have an established network of relationships across a wide range of sectors.

Consultation is a key component of success for Standards New Zealand and we have extensive experience of managing, analysing, and reporting on both formal public consultation and informal key stakeholder consultation. Standards New Zealand has experience of using a variety of tools and techniques including facilitation of large public-type gatherings, targeted one-on-one interviews, online surveys, questionnaires, and so on.

Standards New Zealand's development process is based on international guidelines and is highly rated by clients for its independent, non-biased, consultative, and evidence-based approach. There is a wide variety of solutions developed by Standards New Zealand and each is very clear in its scope, purpose, and value, and most importantly consults with the intended audience to ensure it meets their requirements.

Standards New Zealand has a proven capability to deliver quality published documents. Our ability to deliver these quality products is based on the teamwork of the organisation and the dedication and professionalism of our editing and publishing team. Our staff review documents for sense and understanding; assess the appropriateness of the language for the intended audience; check the cross references, numbering, indices, referenced documents, internal consistency and flow; evaluate the layout; assess whether the text relates to the headers; proofreads; and apply the Write style manual and plain English guide.

The publishing team has carried out work for other agencies such as the State Services Commission's e-government branch (now Department of Internal Affairs), the New Zealand Transport Agency, and the Electricity Engineers' Association, working with them to understand and apply their own style guides for their own publications.

Standards New Zealand has made a significant investment in training and implementation of plain English across the organisation and is fully committed to its application and ongoing development.

Standards New Zealand is an ISO 9001 accredited organisation and has robust systems and processes in place to ensure quality outputs. Standards New Zealand's thoroughly developed processes and procedures are based on international best practice and both internal and independent audits are regularly conducted.

Standards New Zealand's approach to maintaining high standards is to assign staff with the appropriate skills to match the assignment's needs. Standards New Zealand also advocates regular liaison at strategic and operational levels and proposes regular meetings to review progress on key priorities and to discuss issues as they arise. Furthermore at an assignment level the proposed approach and methodology described in this proposal promotes a clear understanding of tasks and their timing. The deliverables to be established for each assignment will enable the New Zealand Transport Agency to closely monitor progress and raise any concerns at an early stage.

Standards New Zealand has both quality control and risk management monitoring in place on all assignments. This involves tracking, reporting, and peer review of all assignments delivered. Senior managers and general managers carry out the review work.

While our core business is in the development of consensus-based national Standards, this capability is directly transferable for us to support your business need.

APPENDIX B – Further background to the LVV system

The Low Volume Vehicle (LVV) certification system is administered by the Low Volume Vehicle Technical Association (LVVTA), which was formed in 1992 out of 6 separate member organisations involved with the construction and modification of vehicles. Over the years, this number has grown to 10 member organisations. These are:

- Component Car Manufacturers Association of New Zealand Inc.
- Constructors Car Club Inc.
- Kiwi Trikers Social Club Inc.
- Motorsport New Zealand Inc.
- New Zealand Four Wheel Drive Association Inc.
- New Zealand Hot Rod Association Inc.
- New Zealand Motor Caravan Association Inc.
- Sports Car Club of New Zealand Inc.
- The Vintage Car Club of New Zealand Inc.
- Vehicle Association of New Zealand for People with Disabilities Inc.

LVV Certifiers are appointed for a range of categories of certification depending on their experience and competence. The categories cover the basic vehicle modifications such as suspension lowering through to complex, multi-faceted modifications such as lowering floors for self-drive disability vehicles. To be appointed as a certifier for all categories of modification requires extensive history and experience within the vehicle modification industry.

Due to the complexity and diversity of vehicle modifications there are some instances where the modification is not covered by the existing prescriptive (recipes) LVV standards. In these cases the LVVTA coordinate a Technical Advisory Committee made up of a range of automotive experts who review the modification design proposal and issue acceptance based on a customised inspection and testing process.

The LVV Certifier documents each critical stage of the modification by recording the details on a series of form sets. These are developed so as to ensure full compliance of the modification. If compliant, these form sets are submitted to the LVVTA for the production of the LVV plate. The LVV plate is fitted to the vehicle and is a record of the modifications which is then referred to by Inspecting Organisations (WoF garages) and enforcement officers to verify the legality of the modifications.

LVVTA Inc.

The LVVTA are formally contracted by the New Zealand Transport Agency to supply the LVV plate production service. As part of the service supply contract they also provide a form set audit process to ensure all LVV Certifiers are applying the requirements of the LVV code correctly.

The LVVTA collect the regulatory fee on behalf of the Transport Agency for each plate produced and the Transport Agency rebates a proportion of the regulatory fee to the LVVTA to cover the costs of providing the plate production process as well as providing technical support to LVV Certifiers. Each LVV plate production also attracts a "royalty" fee that contributes to the support of the LVVTA who provide regular training seminars around the country for LVV Certifier refresher training.

The LVVTA structure at present has a Chief Executive, one Technical Officer engineering, one Technical Officer Mechanical, one Technical Support Officer, one Training Officer [part time], a Plate Production Officer and two administrators. The Chief Executive reports to the LVVTA Board which is made up of a representative from each member association.