

Guidance Note: Conflicts of Interest

Purpose

The Plumbers, Gasfitters, and Drainlayers Board has issued this guidance to help vehicle inspectors and certification authorities identify and manage conflicts of interest.

What is a conflict of interest

A conflict of interest is where someone's personal interests or obligations conflict with the responsibilities of their job or position. It means that someone could question their independence, objectivity, or impartiality.

As a certification authority or a vehicle inspector a conflict of interest is any personal interest or outside influence that could conflict with your obligation to independently inspect and/or certify a vehicle.

It also includes perceived conflicts of interest. You should always consider if a person looking at the situation would see an actual conflict or reasonably perceive a conflict.

A conflict of interest may result where you have a financial interest in any situation where you could gain or lose financially from a decision you make. A financial conflict of interest doesn't always involve money changing hands. For example, it could be an effect on the income of the business you're involved in.

Why conflict of interest matters

The self-contained vehicles inspection, certification, and registration system (**the SCV regulatory system**) is a key part of New Zealand's wider freedom camping regulatory framework.

To ensure public trust and confidence in the SCV regulatory system, you should avoid actual or perceived conflicts of interest. As a certification authority and/or vehicle inspector you are part of the government's regulatory system, so conflict of interest requirements are stricter than for businesses operating purely in the private sector.

Relevant Legislation

Under [regulation 6\(g\)](#) of the *Plumbers, Gasfitters, and Drainlayers (Self-Contained Vehicles) Regulations 2023* (**Regulations**), applicants seeking appointment as a certification authority must show the Board that they have, or will have, procedures in place to manage conflicts of interest if they will be involved in processing the self-containment certification of vehicles they own.

[Schedule 2](#) of the Regulations sets out more details on what must be included in these procedures. This includes:

- details of what involvement (if any) your vehicle inspectors have in any installation or manufacturing operation

- details of written procedures for transparently and appropriately managing conflicts of interest
- a process whereby a technically competent person reviews each certificate prior to issuing (i.e. a person independent of the inspection process); and
- details of internal auditing arrangements (i.e. aimed at ensuring certification decisions are applied in an independent way free from bias).

Under [clauses 5\(1\) and 5\(2\)](#) of the *Plumbers, Gasfitters, and Drainlayers Board (Motor Vehicle Inspections) Notice 2023 (Notice)*, a vehicle inspector must before starting an inspection, tell their certification authority of any interest they have in the vehicle. For example, if the vehicle inspector owns the vehicle being inspected or has any interest in the owner of the vehicle. This requirement does not apply if the vehicle inspector has previously informed the certification authority of their interest in the vehicle and the certification authority has confirmed the inspector does not need to inform them of their interest in that vehicle for future inspections.

While the Regulations require certification authorities to manage conflicts of interest only when certifying their own vehicles, the Notice introduces additional procedural obligations on vehicle inspectors to declare any interest in the vehicle before commencing an inspection.

Situations where certification authorities must manage a conflict of interest to comply with legal requirements

There are two situations which are set out below where a self-certification authority must take action to ensure compliance with their legal obligations under the Regulations and/or the Notice. These are set out below.

Situation 1: Self-certification of vehicles by certification authorities

Requirement: Certification authorities must have a way to manage conflicts of interest if certifying their own vehicles.

Risk: Certifying its own vehicles is the most direct and serious conflict of interest a certification authority can have. This type of conflict automatically compromises independence and poses significant credibility risks for the self-containment certification system.

Required Action: Certification authorities must have effective controls in place to manage conflicts of interest and to ensure impartiality, including:

- declaring the conflict of interest in accordance with clause 5(1) or 5(2) of the Notice;
- requiring a technically competent person (independent of the inspection process) to review the inspection records (completed inspection form and any photos of the self-containment facilities) to ensure that no single individual can influence the outcome; and
- conducting internal audits to ensure certification decisions are applied in an independent way, free from bias.

Ideally, the certification authority should also appoint an independent vehicle inspector (i.e. a person who does not have a vested interest — financial, operational, or relational — in the vehicle being inspected or in the outcome of its certification) to carry out these inspections.¹

If the certification authority is also the sole vehicle inspector and is inspecting and certifying vehicles they personally or commercially own or operate, then the conflict of interest is inherent and cannot be effectively mitigated. This is because:

- there is no separation between the person with the vested interest and the person carrying out the inspection;
- there is no mechanism for independent review or oversight; and
- the risk to the integrity and impartiality of the certification process is too high.

For these reasons the certification authority should engage another certification authority to inspect and certify the vehicle.

The exception to this would be if the vehicle owner were in a remote location and did not have reasonable access to another certification authority. In this case the certification authority could proceed but would need to keep a full auditable trail of the completed inspection checklist and photo and/or video evidence of the vehicles self-containment facilities.

Situation 2: Inspections by vehicle inspectors with a declared interest

Requirement: Vehicle inspectors must declare any interest in the vehicle prior to inspection in accordance with clause 5(1) or 5(2) of the Notice. For example, this includes where:

- the vehicle inspector owns the vehicle (sole or joint ownership);
- the vehicle inspector is selling or brokering the sale of the vehicle;
- the vehicle inspector is a business partner of the owner;
- the vehicle belongs to a family member or close friend;
- the vehicle inspector installed or significantly modified the vehicle's self-containment facilities.

Note: inspecting a vehicle owned by a fellow member of a club, who is not a family member or close friend, would not create a conflict of interest that needs to be managed.

Required Action: Certification authorities must have a process to receive, consider, and act on conflict of interest disclosures by their vehicle inspectors. Certification authorities may need to reassign the inspection to another vehicle inspector or take other steps to ensure impartiality.

The exception to this would be if the vehicle owner were in a remote location and did not have reasonable access to another vehicle inspector. In this case the vehicle inspector could proceed but a full auditable trail of the completed inspection checklist and photo and/or video evidence of the vehicles self-containment facilities would need to be retained by the certification authority.

¹ This particular control is a recommended practice only and not a compulsory requirement.

Situations certification authorities should manage as good practice

These scenarios are not explicitly required to be managed by the Regulations or the Notice, but failing to do so could undermine confidence in the self-containment certification system, lead to perceived or actual bias, and attract scrutiny or criticism.

Situation 1: Certifying vehicles for a business that shares directors, shareholders, or managers with the certification authority

Risk: This situation gives rise to a significant conflict of interest. It involves shared governance or financial control and could undermine the perceived independence and objectivity of the certification process.

Good Practice: Do not allow staff or contractors involved in the management or governance of both entities to conduct or supervise the inspections.

Appoint an independent vehicle inspector to carry out these inspections (i.e. a person who does not have a vested interest in the vehicle being inspected or in the outcome of its certification).

Ensure a technically competent person (independent of the inspection process) reviews the inspection records to ensure that no single individual can influence the outcome.

Situation 2: Certifying vehicles for a commercial client that uses its own employees to carry out the inspections

Risk: When a certification authority certifies vehicles for a commercial client that uses its own employees as vehicle inspectors, this creates a significant and complex conflict of interest. This is because there is a lack of independence between the vehicle inspector and the party benefiting from certification. In this situation, the vehicle inspector may face pressure from their employer (the commercial client) to pass vehicles, and there may be inadequate impartial oversight.

Good Practice: If the employees of the commercial client are used as vehicle inspectors under the certification authority, then they must be formally appointed by the certification authority and accountable to the certification authority for the inspection work they carry out and not the commercial client.

The arrangement between the certification authority and vehicle inspector should establish that the vehicle inspector's primary duty is to the certification authority and to uphold the integrity of the regime and that inspection decisions are made independently of the employer's commercial interests.

Ensure a technically competent person (independent of the inspection process) reviews the inspection records to ensure that no single individual can influence the outcome.

Situation 3: Certifying vehicles built, sold, modified, or repaired by the certification authority

Risk: When a certification authority certifies vehicles that it has built, sold, modified, or repaired, it creates a serious conflict of interest. The certification authority is effectively being asked to certify its own work or commercial activity, which challenges the core principle of independent verification.

This situation is among the most serious types of conflict of interest, because:

- the certification authority stands to benefit financially from a positive certification outcome;
- it creates a lack of independent scrutiny over workmanship or compliance; and
- there is a clear public perception risk, the integrity of the regime could be called into question if the certifier is also the provider.

Note: where repair work is of a minor remedial nature this would not create a conflict of interest that needs to be managed.

Good Practice: Do not allow staff or contractors involved in the build, modification, repair, or sale of the vehicle to conduct the inspection.

Appoint an independent vehicle inspector to carry out the inspection (i.e. a person who does not have a vested interest in the vehicle being inspected or in the outcome of its certification).

Ensure a technically competent person (independent of the inspection process) reviews the inspection records to ensure that no single individual can influence the outcome.

Situation 4: Certifying vehicles owned by family or close friends

Risk: When a certification authority certifies vehicles owned by family members or close friends of its staff or vehicle inspectors, this creates a personal conflict of interest. Even if there is no direct financial gain, the relationship may influence, or appear to influence, the outcome of the certification. This type of conflict can undermine public trust in the impartiality and credibility of the certification process, especially if it's not managed transparently and consistently.

Good Practice: Reassign the inspection to another vehicle inspector unrelated to the family members or close friends.

Ensure a technically competent person (independent of the inspection process) reviews the inspection records to ensure that no single individual can influence the outcome.

In the event that the certification authority is also the sole vehicle inspector, and they are inspecting and certifying a vehicle owned by a family member or close friend, then it is not realistically possible to effectively manage the conflict of interest within that structure. This is because:

- there is no internal separation between the person with the interest and the person conducting the inspection;
- there is no capacity for independent review or oversight; and
- the risk to the integrity and impartiality of the certification process is too high.

In this scenario the certification authority should engage another certification authority to inspect and certify the vehicle.

The exception to this would be if the vehicle owner were in a remote location and did not have reasonable access to another certification authority. In this case the certification authority could proceed but would need to keep a full auditable trail of the completed inspection checklist and photo and/or video evidence of the vehicles self-containment facilities.

