



# **Economic Evaluation of the Introduction of National Planning Standards**

**Report to Ministry for the Environment**

**February  
2018**

## **Acronyms and Abbreviations**

BCR	Benefit-Cost Ratio
CBA	Cost-Benefit Analysis
FTE	Full-Time Equivalent
GIS	Geographic Information Systems
MBIE	Ministry for Business, Innovation, and Employment
MFE	Ministry for the Environment
NES	National Environmental Standards
NMS	National Monitoring System
NPS	National Policy Statements
NPV	Net Present Value
NZTA	New Zealand Transport Agency
RMA	Resource Management Act
SPT	Spatial Planning Tools

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## Executive Summary

The Resource Management Act (RMA) was recently amended to introduce the National Planning Standards (the Standards) across regional and local council resource management plans. There are currently 11 proposed areas for standardisation, which all aim to increase usability, accessibility, and consistency across regional and district council plans and policy statements.

The anticipated change includes positive flow-on effects for councils and users of the resource management system. However, there will also be associated costs, particularly related to implementation.

The Ministry has engaged Castalia to conduct an economic evaluation of the costs and benefits associated with the changes, both during implementation and ongoing.

This assessment includes:

- An assessment of the Standards and their material costs and benefits;
- Quantification of the material costs and benefits; and
- A discussion of the cost-benefit ratios, including the impact of changing the implementation period.

### **The benefits outweigh the costs for the proposed Standards with a benefit-cost ratio (BCR) of 1.53<sup>1</sup>**

The BCR is calculated by taking the total benefits associated with implementing the Standards and dividing this by the total costs. Figure E.1 illustrates the relative size of each cost and benefit category, under a base-case five-year implementation period from a 2019 gazettal scenario. Benefits and costs are measured on a Net Present Value (NPV) basis summed over a thirty-year period and discounted back to today's dollars.

### **The cost and benefit categories were identified after conducting a materiality test based on technical analysis and interviews with local councils and plan users.**

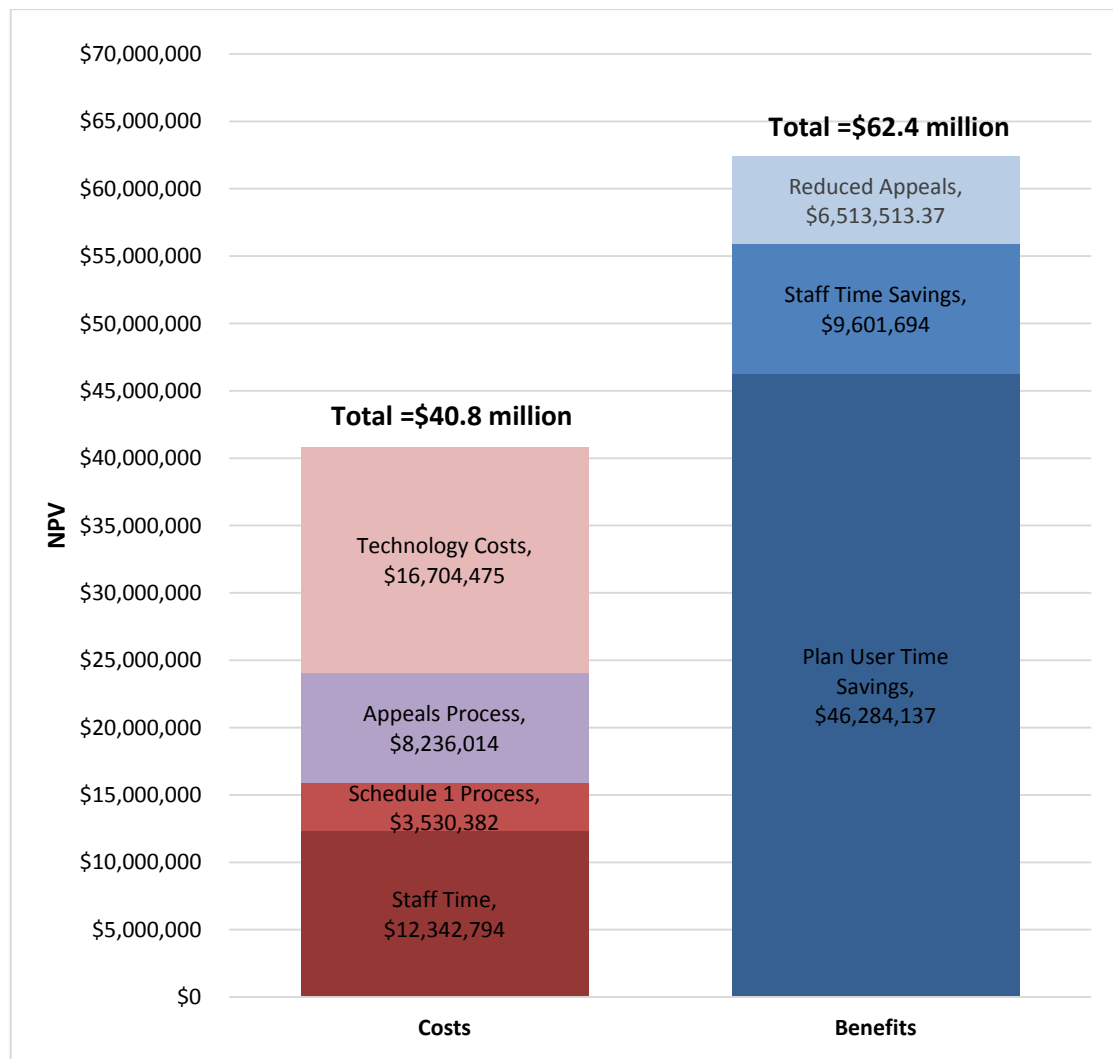
The largest benefits come from the time savings predicted for plan users when submitting consent applications.

The largest costs come from the technology costs associated with upgrading to ePlans and the ongoing cost of maintaining this. Significant costs are also associated with the council staff time that will be taken to complete the plan changes necessary to meet the Standards.

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<sup>1</sup> Assuming a five-year implementation period for councils from Gazettal in 2019. A benefit-cost ratio of above '1' means that the benefits outweigh the costs.

Figure E.1: Breakdown of Costs and Benefits by Category



**The benefits outweigh the costs for each grouping of proposed Standards**

We have grouped the Standards when the costs or benefits are shared and inseparable. For example, council staff time (a cost) is required to implement every Standard. In certain cases, the shared cost or benefit cannot be disaggregated accurately, such as the staff time required to implement those Standards affecting a plan’s structure and form. This is because the council process to incorporate the changes is shared, making it impractical to accurately specify how the time is split between the Standards.

We categorise the Standards into three groupings of shared costs and benefits based on technical analysis:

1. **Structure and Form:** The Standards in this category involve changing the structure and form of plan information. The shared costs are similar and involve similar or the same tasks, like council planners reordering information (a staff time cost). The shared benefits are also similar, like regular users of multiple plans being able to locate related information across plans more easily.
2. **Definitions:** The Standards in this category involve standardising the definitions behind common words and metrics used in plans. The shared

costs are similar: staff time is dedicated to manually working through each plan rule and policy to ensure the original meaning is retained with the new definitions and metrics. While not mandatory, most interviewed councils stated they would incorporate the new definitions through a Schedule One process involving putting their plans out for community consultation, to confirm that they are content with the outcomes of any consequential changes as a result of new interpretations. If community members are unhappy with the proposed plan changes this can lead to a plan appeal process (which would be limited to the consequential changes). The shared benefits are also similar, like regular users of multiple plans being able to interpret consistent information and rules across plans more easily.

3. **Electronic Functionality and Accessibility:** This category captures Standards that increase online accessibility of plans, and associated improvements to information retrievability. Associated costs have a significant IT component, unlike the other Standards. The benefits of increased online accessibility and usability relate to all plan users as well as council staff.

Table E.1 shows the Standards in each category.

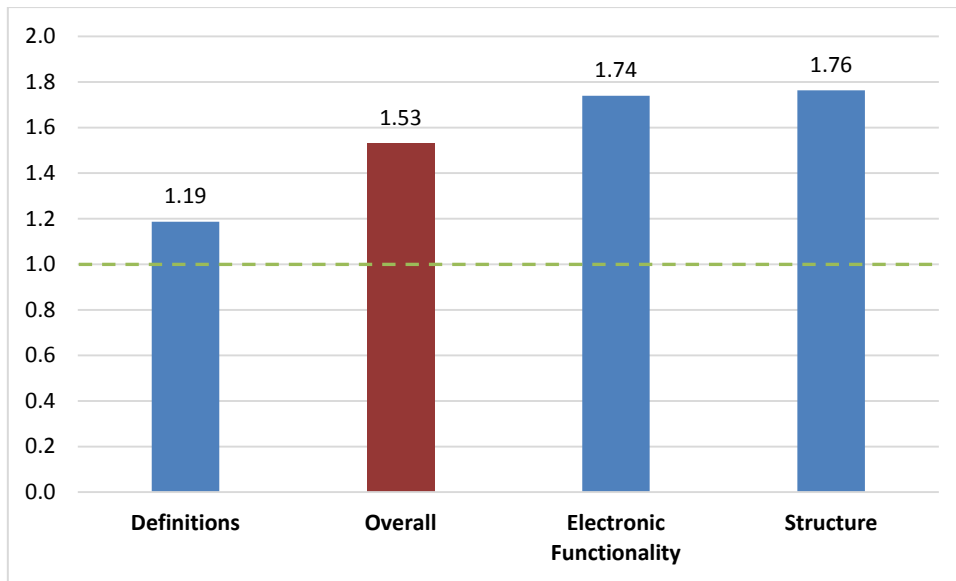
**Table E.1: Categorisation of the Standards**

Structure and Form	Definitions	Electronic Functionality and Accessibility
<ul style="list-style-type: none"> <li>▪ Regional Policy Statement Structure</li> <li>▪ Regional plan Structure</li> <li>▪ District plan structure</li> <li>▪ Unitary Plan Structure</li> <li>▪ Spatial planning tools</li> <li>▪ Zone framework</li> <li>▪ Home of National Direction</li> </ul>	<ul style="list-style-type: none"> <li>▪ Definitions</li> <li>▪ Metrics</li> </ul>	<ul style="list-style-type: none"> <li>▪ Electronic functionality, which includes:                             <ul style="list-style-type: none"> <li>– Electronic functionality and accessibility</li> <li>– eDelivery (mapping standards and data requirements)</li> <li>– Presentation of plans in an ‘ePlan’ format</li> </ul> </li> </ul>

Under a scenario assuming a five-year period for implementation from 2019 gazettal, each category has a BCR of more than one (meaning the benefits outweigh the costs for each proposed Standard):

- **The Structure and Form Standard has the highest BCR of 1.76.** This is due to their implementation costs being lower than the other two categories of Standards, as there are less likely to be associated Schedule One costs or IT costs.
- **The Definitions Standard has the lowest BCR of 1.19,** driven by the fact that councils may feel that changed definitions obliges them to go through a Schedule One process, which has higher associated costs, including the chance of appeals.
- **Electronic Functionality has a BCR of 1.74.** It has the greatest overall benefits – largely through user time-savings from the information accessibility provided by an ePlan – but also the highest (IT-related) costs.

Figure E.2: Cost-Benefit Ratio of the Three Standard Categories



**The largest councils incur the biggest overall costs, but the smaller councils incur the largest proportional cost per capita**

Large councils incur the biggest overall costs because their plans are larger and more complex, and a higher number of interested parties take part in the planning process. Smaller councils, however, have the largest proportional cost per capita: rural councils face an implementation cost of \$34.26 per capita, while metropolitan councils face an average cost of \$5.41 per capita.

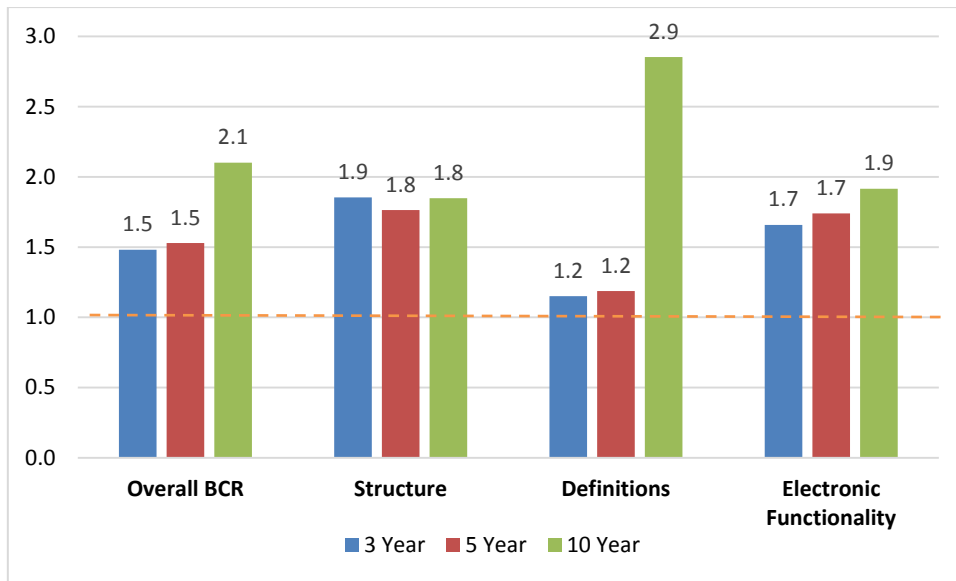
**The implementation period has a significant effect on the BCR, but the benefits continue to outweigh the costs across each of the three timeframes assessed**

The ten-year implementation period has the highest BCR of 2.10. This timeframe allows all councils to make the Standard changes when they complete their next plan review or upgrade. This results in significant savings, largely because the changes can be combined with pre-existing plan review Schedule One and appeals processes.

The three-year implementation period has the lowest BCR of 1.48. Under this timeframe, fewest councils can dovetail the changes into pre-planned Schedule One and appeals processes, creating new costs.

Figure E.3 shows the impact of different implementation timeframes on the BCR of each Standard.

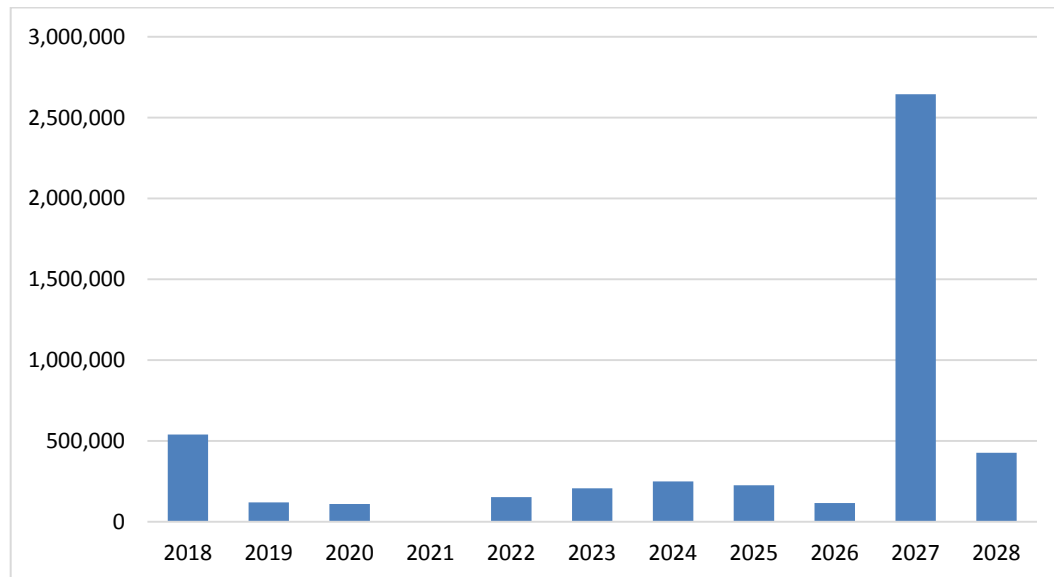
**Figure E.3: Implementation Period Effect on BCR by Standard**



**A ten-year implementation period will avoid imposing additional cost on a large proportion of New Zealand’s ratepayer population**

There is significant ‘bow wave’ of councils covering the greatest proportion of New Zealand’s population due for their next plan review by 2027 and 2028. This is eight and nine years respectively after the Standards are expected to be gazetted. This means that implementing the Standards over any time frame shorter than this will not allow these councils to dovetail the changes with a plan review, meaning they will face higher costs.

**Figure E.4: Number of Council Plan Reviews Due Each Year (By Total Council Population)<sup>2</sup>**



<sup>2</sup> Note: Regional Councils are filtered, so as not to double count population

**The benefits continue to outweigh the costs of the aggregated BCR, even when key assumptions are tested**

We selected key variables with the highest degree of uncertainty and varied them within a plausible range. These variables are described in Table E.2.

**Table E.2: Variables and Ranges Tested in Sensitivity Analysis**

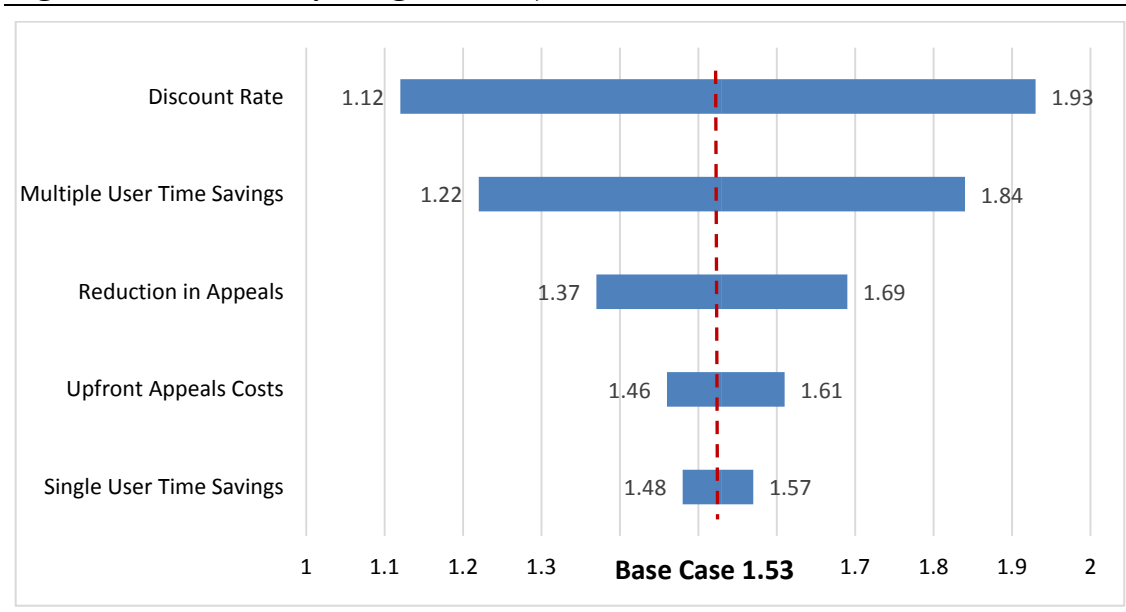
Model Variable	Sensitivity Range
Discount Rate	3-9 percent
Appeals costs incurred during implementation as a percentage of typical plan review appeals costs	15-25 percent
Reduction in ongoing appeals costs	0-10 percent
Single plan user time savings per consent	30 minutes to 1.5 hours
Multiple plan user time savings per consent	30 minutes to 1.5 hours

The overall BCR remained positive under all of the tested scenarios, as can be seen in Figure E.5.

The discount rate is an important variable in cost benefit analyses and can always be expected to have a significant impact. The impact caused by varying the time savings that multiple plan users receive per consent is driven by the fact that multiple plan users experience a benefit from all of the Standards, whilst single plan users largely derive time-saving benefits from the Electronic Functionality Standard.

If all the variables tested are set to their lowest plausible values simultaneously we get a BCR of 0.61. If they are set to their highest plausible values, we get a BCR of 2.79.

**Figure E.5: Uncertainty Ranges for Major Variables**



# 1 Background & Methodology

The Resource Management Act (RMA) was amended in April 2017, to include the introduction of National Planning Standards (the Standards) across regional and local resource management plans. There are 11 proposed areas for standardisation which all aim to increase usability, accessibility, and consistency across district and regional council plans and policy statements. It is anticipated that the changes will have positive flow-on effects for councils and users of the resource management system. However, there will also be associated costs, particularly related to implementation.

In June 2017, MFE engaged Castalia to undertake an economic analysis of the costs and benefits of implementing nine proposed Standards. We concluded that the benefits outweighed the costs. Since then, the Standards were refined, and some new areas included that were not previously assessed.

MFE has engaged Castalia to conduct an updated economic analysis to input into the Section 32 Evaluation Report required by the Resource Management Act 1991.

This assessment includes:

- Updated material costs and benefits from interviews with local councils and local plan users
- A quantitative assessment of the material costs and benefits
- Discussion of the cost-benefit ratios, including the impact of varying the implementation period.

In this section, we describe the purpose and structure of this paper and provide some background to the Standards.

## **Purpose of this paper**

In this study, we conduct an economic evaluation using cost-benefit analysis (CBA) to assess the economic costs and benefits of the proposed Standards. This includes all costs and benefits that accrue nationally, including to central and local government, and to users of the resource planning system, over a period of 30 years.

We describe the Standards and identify the material costs and benefits (Section 2). We then quantify the material costs and benefits (Section 3). Next, we calculate the net present value (NPV) of all the significant costs and benefits that occur due to the implementation of the Standards (Section 4).

We use this to derive a Benefit Cost Ratio (BCR) of benefits to costs, which compares the total value of the benefits with the total value of the costs. A BCR of above '1' means that the benefits outweigh the costs over the lifetime of the policy. Conversely, a BCR of less than '1' means that the costs outweigh the benefits.

We assess the impact of varying the implementation period over three, five, and ten years from a 2019 gazettal.

Finally, we provide a sensitivity analysis across key model assumptions to understand uncertainty in the estimates (uncertainty is accounted for through the use of ranges as well as sensitivity analysis) and to determine which variables have the largest impact on the BCR.

## **1.1 Background**

The RMA was created in 1991 and serves as New Zealand's primary piece of environmental management legislation. It was created to achieve a coordinated and comprehensive approach to environmental management. At the time of creation, plan making was devolved to councils because it was felt they were best-placed to make local decisions in consultation with their local community. However, an unforeseen result of this was a large variation in the way that council plans were developed.

In April 2017 legislation was passed to amend the RMA to include National Planning Standards. The Standards are designed to improve consistency in plans and policy statements across all councils by providing a baseline standard across several plan elements. It is intended to increase the efficiency of plan-making and updating for councils, as well as making the resource management system easier and more efficient for users. Another important aim of the Standards is to support the implementation of National Direction, such as National Policy Statements (NPS) and National Environmental Standards (NES).

New Zealand is currently made up of 78 councils split into 11 regional councils, 11 metropolitan councils, 50 district councils and six unitary councils. Regional councils are responsible for environmental factors such as water quality, coastal areas, and natural hazards. Metropolitan and district councils (referred to collectively as Territorial Authorities) are responsible for controlling the development of land. Unitary councils combine the functions of both district and regional councils. The proposed Standards will apply to all council types.

The Ministry has proposed 11 areas of new Standards. The rollout of the Standards is currently in the initial engagement and consultation phase. It is anticipated that the approved and final Standards will be officially published within the New Zealand Gazette in April 2019. The proposed standards are being released for consultation and, therefore, some of the Standards currently proposed are likely to evolve.

The Ministry engaged Castalia in 2017 to conduct a preliminary cost-benefit assessment of (what were then) nine proposed Standards, which concluded that the benefits outweighed the costs. The analysis included a materiality assessment, where we assessed the impacts of all potential costs and benefits for their significance, and a quantitative analysis of the material costs and benefits.

Since then, the Standards have been refined and some new areas included that were not previously assessed. The purpose of this paper is to provide an updated economic analysis.

## **1.2 How the Analysis was Conducted**

The four steps in our economic assessment of the costs and benefits of the implementation of National Planning Standards are:

1. Describe our interpretation of the impacts of each of the Standards.
2. Determine the categories of costs and benefits that accrue to users and administrators of the planning system and group the standards when the costs or benefits are shared and inseparable.
3. Identify the material costs and benefits.
4. Quantify the material costs and benefits and present them in a BCR ratio.

This section describes these steps in more detail.

## **Step 1: Define the assumptions for each Standard**

There are 11 proposed areas of Standards:

- Regional Policy Statement Structure
- Regional Plan Structure
- District Plan Structure
- Unitary Plan Structure
- Spatial Planning tools
- Zone and Overlays Framework
- Home of National Direction
- Definitions
- Metrics
- Electronic Functionality and Accessibility
- Tāngata Whenua Provisions

The proposed standards are being released for consultation and, therefore, some of the Standards currently proposed are likely to evolve. To conduct our analysis with specificity, we make informed assumptions on what the final Standards look like. We held discussions with Ministry officials to derive informed assumptions on the final Standards.

## **Step 2: Determine the categories of costs and benefits**

We retain the same conceptual approach to categorising the costs and benefits as our original study. We disaggregate the costs and benefits into administrative and compliance as a way of categorising operating groups within a regulatory system.<sup>3</sup>

We categorise costs and benefits in the following ways:

- **Administrative costs and benefits of implementation:** These include the administrative costs and benefits of implementing the planning Standards that are incurred during the implementation period of our analysis (which we assess under different scenarios).
- **Administrative costs and benefits that are ongoing:** These include relative changes to the ongoing administrative costs/benefits after implementation.
- **Compliance costs and benefits of implementation:** These include any user compliance costs/benefits related to implementing the planning Standards.
- **Compliance costs and benefits that are ongoing:** These include relative changes to the ongoing compliance costs/benefits after implementation.
- **Indirect costs and benefits:** These include the spill-over costs and benefits to individuals, organisations, and the nation, that do not interact directly with the planning system. For example, possible environmental improvements from more consistent implementation of National Environmental Standards.

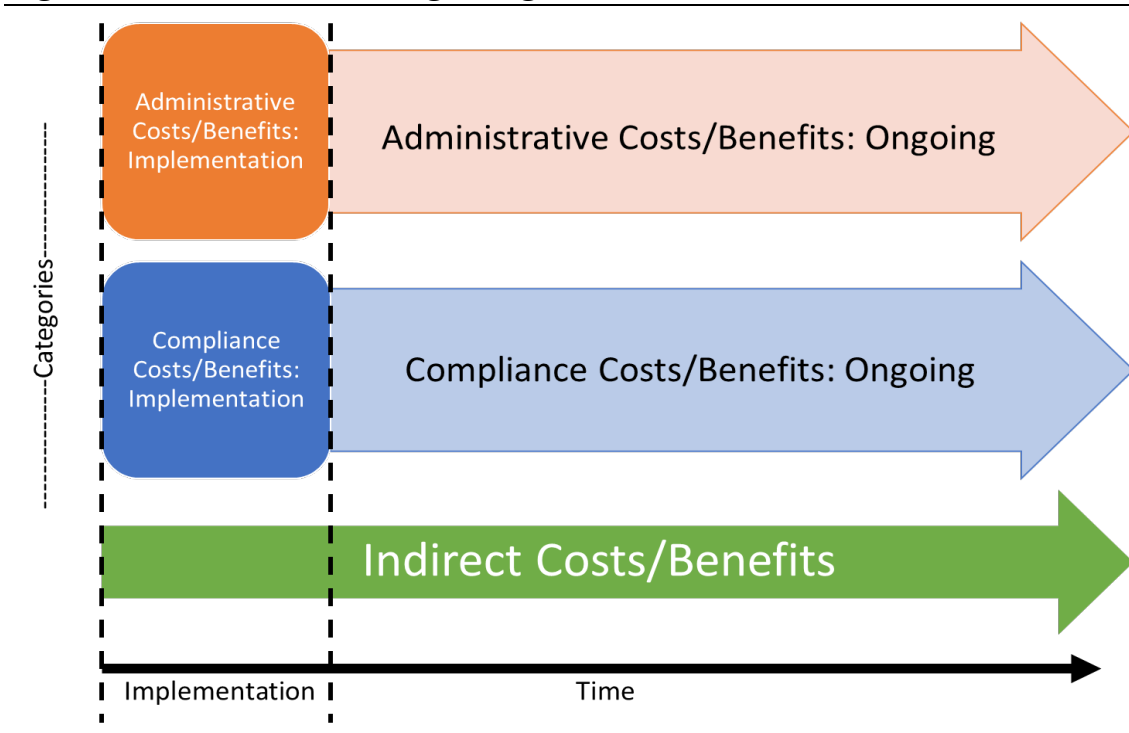
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<sup>3</sup> For example, *Taxation Compliance and Administrative Costs: An Overview* (Evans, 2008)

Although we identify some of these costs and benefits, we do not attempt to quantify them within this analysis.

This split in cost/benefit categories is illustrated in Figure 1.1.

**Figure 1.1: Framework for Categorising Costs and Benefits**



We assess the measurability of each individual cost and benefit for each Standard, to test the plausibility of attaining individual NPVs for each Standard. To do this, we conducted interviews with local councils (who administrate plans) and plan users. Local councils included a range of council types, and plan users included large infrastructure providers and planning consultants.

Table 1.1 describes how we classified our list of interviewees to ensure a full range of councils and plan users.

**Table 1.1: List of Interviewees**

Category	Council Type <sup>4</sup>	Number of Interviews
Councils	Regional	3
	Unitary	2
	Metropolitan	3
	Provincial	4
	Rural	4
Plan Users	National Infrastructure Providers	2 (NZTA and Transpower)
	Local Consultants	2
	National Consultants	2

Certain costs or benefits are shared between Standards and are inseparable. For example, council staff time (a cost) is required to implement each Standard. Data from the interviews revealed that, in certain cases, the shared cost or benefit cannot be disaggregated across individual Standards accurately, such as the staff time required to implement Standards affecting a plan’s structure and form. This is because the task to incorporate the changes is likely to be the same, making it impractical to accurately specify how the time is split between the Standards.

In some instances, these shared categories can be disaggregated between Standards: for instance, the staff time to reorder a plan structure will be different to the time required to incorporate the new definitions, because they are very different tasks.

We analysed the interview data to disaggregate the costs and benefits of each Standard as much as practicable. This creates three categories that the Standards fit in to:

- **Structure/form:** The Standards in this category involve changing the structure and form of plan information or separating information into specified plan chapters. The shared costs are similar and involve similar, or the same, tasks like council planners reordering information (a staff time cost). The shared benefits are also similar, like regular users of multiple plans being able to find the same information across plans more easily.
- **Definitions:** The Standards in this category involve standardising the definitions behind common words and metrics used in plans. The shared costs are similar: additional staff time is dedicated to manually working through each plan rule and policy to ensure the original meaning is retained with the

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<sup>4</sup> ‘Council type’ is a good measure of the size and diversity of councils, which ensures we capture the potential costs and benefits as they apply to all councils throughout New Zealand. Local Government New Zealand (LGNZ) define these as:

- Metropolitan councils: District councils with population exceeding 90,000
- Provincial councils: District councils with population between 20,000-90,000
- Rural councils: District councils with population below 20,000
- Regional councils: All regional councils
- Unitary councils: All unitary councils.

new definitions and metrics. While consequential changes to rules and policies do not require a Schedule One process many councils expressed a preference for going through a Schedule One process to confirm the community are content with the outcomes of any consequential changes to the rules and policies. Shared benefits are also similar, like regular users of multiple plans being able to interpret consistent information across plans more easily.

- **Electronic functionality/accessibility:** This category captures Standards increasing the online accessibility of plans, and associated improvements to information retrievability. It also relates to updating maps to specified standards, such as common colours and symbology, and making publicly accessible digital datasets. Associated costs have a significant IT component, unlike the other Standards.

We describe which Standards are included in each category, and why, in Section 2. We also describe our interpretation of each Standard and the associated assumptions.

### **Step 3: Materiality assessment of identified costs and benefits**

We assess the materiality of the costs and benefits of the three categories that we have combined the Standards into (*Structure and Form, Definitions, Electronic Functionality*), using a qualitative assessment framework over four levels: negligible, low, moderate, and high. These assessments consider the size of the impact of the proposed change on individual parties, the size/number of parties affected, and the overall economic impact resulting from these two factors. For example, a small time-saving (with a low impact) that affects many individuals may create an overall moderate benefit. The definitions are described in Table 1.2.

**Table 1.2: Qualitative Assessment Guide**

Assessment	Description
Negligible	The proposed Standard would require very little change to administrative or compliance processes on those implementing the change or affected by it, or would affect only a small number of people/organisations with limited flow-on effects
Low	The proposed Standard would impose a small administrative impact or compliance burden on those implementing the change or affected by it, or only affect a small number of people/organisations
Moderate	The proposed Standard would impose a moderate administrative or compliance impact on those implementing the change or affected by it, or affect a moderate number of people/organisations
High	The proposed Standard would have a significant administrative or compliance impact on those implementing the change or affected by it, or the change would affect many people/organisations

To conduct our materiality assessment, we interviewed local councils and plan users as described in Table 1.1 and triangulated our findings of the relative size of costs/benefits with desk-based research.

### **Step 4: Quantifying the material costs and benefits**

We quantify those costs and benefits that were assessed as ‘moderate’ or ‘high’ to focus on the most material impacts. To do this, we create a model to calculate the NPV of all the significant costs and benefits that occur due to the implementation of the Standards

over the lifetime of our analysis (30 years). We apply a discount rate of six percent,<sup>5</sup> as recommended by the New Zealand Treasury.

We quantify the material costs and benefits by:

- Conducting research to assess and categorise councils into where they are in their planning cycles, and their current level of electronic functionality maturity.
- Interviewing local councils and plan users for qualitative and quantitative data on the costs of undertaking a plan review and of plan usage (as listed in Table 1.1); and
- Applying analytical techniques to the interview data to quantify the material costs and benefits.

We categorise councils by planning-cycle to model the impacts of different implementation scenarios, which will affect when councils can dovetail the proposed changes into future plan reviews. We categorise them as follows:

- Councils that have recently completed a planning review, or are currently deep in the process of a review, and will not be due to complete another until at least 2025.
- Councils that have completed a planning review in the last five years and are not due to complete another until at least 2023
- Councils that are due to complete a review before 2022

Table 1.3 shows the numbers of councils in each of these planning cycle categories by council type.

**Table 1.3: Council by Stage in Planning Cycle from 2019**

Council Type	Due to complete a review by 2022	Not due to complete a review until at least 2023	Not due to complete a review until at least 2025
Regional	6	1	4
Unitary	3	-	3
Metro	3	1	7
Provincial	9	5	13
Rural	15	3	5
<b>Total</b>	<b>36</b>	<b>10</b>	<b>32</b>

We also assessed council level of electronic functionality and accessibility. This allows our model to understand the costs and benefits of moving to ePlans. This was also divided into three categories:

- Low maturity – councils that only have their plans accessible in basic PDF format
- Moderate maturity – councils that have their plans in an easy to use online format with useful hyperlinks and/or instructions on how to use the plan

<sup>5</sup> The discount rate is used to determine the value in today's terms of the future costs and benefits of a policy option.

- High maturity – councils that have their plans in a full ePlan format

Table 1.4 shows the number of councils in each of these electronic functionality categories by council type.

**Table 1.4: Councils by Electronic Functionality Maturity**

Council Type	Low	Moderate	High
Regional	9	2	-
Unitary	3	1	2
Metro	8	1	2
Provincial	15	5	7
Rural	18	2	3
<b>Total</b>	<b>53</b>	<b>11</b>	<b>14</b>

The councils we interviewed included a range of councils by stage in planning cycle and electronic functionality maturity, so that we could obtain information on the potential administrative costs and benefits of implementing the Standards across the country.

The application of technical analysis to the interview data was necessary because interviewees offered mixed qualitative and quantitative information. For example, some councils provided an approximation of the potential costs, while others were able to share full, preliminary costing information, and one infrastructure provider was able to share the full costs of engaging with local planning processes.

Where we obtained quantitative information from councils on costs, we aggregated this and calculated an average for their council type. For example, we aggregated the quantified assessments of staff costs from rural councils and calculated an average for all rural councils.

Where we obtained qualitative information, we assessed responses using quantitative information we received from interviewees about the broader planning process and desk-based research.

We also triangulated our results with desktop research where required, such as information on Schedule One process costs.

## 2 The Costs and Benefits of the Proposed Standards

The Ministry’s proposed Standards are broken down into 11 different plan elements, each designed to standardise a common variation of local councils’ plans.

Table 2.1 describes each Standard, and our interpretation of its impacts.

**Table 2.1: Description of Standards and Interpretation of Impacts**

Standard	Description	Interpretation of Impact
Regional Policy	▪ Regional councils are required to	▪ 11 regional and six unitary

*Confidential*

<p>Statement Structure</p>	<p>prepare a Regional Policy Statement (RPS) under the RMA. The RPS provides an overview of resource management issues of the region, and policies and methods to achieve integrated management of the natural and physical resources of the whole region.</p> <ul style="list-style-type: none"> <li>▪ RPSs do not contain specific rules, but rather contain a course of action, that Regional and District Plans “give effect to”.</li> <li>▪ The proposal involves a series of mandatory headings and order that must be included in the RPS.</li> <li>▪ MFE is currently deciding whether RPSs will be incorporated into the first chapter of Regional Plans, or be kept as a separate document. Suggested benefits are that integration would allow for NPSs to be more streamlined and shorter. Possible issues are that it would reduce the association with District Plans.</li> </ul>	<p>councils</p> <ul style="list-style-type: none"> <li>▪ Standard will not require significant re-drafting as the majority of the important content will already be covered in the RPSs.</li> <li>▪ Time spent on implementation will be related to re-working into the new structure.</li> <li>▪ The precise level of detail still being decided on by MFE will not make a significant difference to the potential costs and benefits identified in this report.</li> </ul>
<p>Regional Plan Structure</p>	<ul style="list-style-type: none"> <li>▪ The purpose of regional plans is to assist a regional council to carry out any of its functions in order to achieve the purpose of the RMA. They can cover issues such as water quality, biodiversity, and natural hazards.</li> <li>▪ The Regional Plan structure standard suggests a series of mandatory headings and order.</li> </ul>	<ul style="list-style-type: none"> <li>▪ 11 Regional Councils (Unitary Councils proposed to be covered with their own separate structural standard)</li> <li>▪ Standard will not require significant drafting of new material, but re-working of material into the specified headings and order.</li> <li>▪ We do not separate this standard in the CBA from the NPS structure. There is not enough detail to separate, and there is currently talk of them being combined.</li> </ul>
<p>District Plan Structure</p>	<ul style="list-style-type: none"> <li>▪ The purpose of district plans is to assist territorial authorities in carrying out their functions to achieve the sustainable management purpose of the RMA. They cover issues such as control of land use rules.</li> <li>▪ The District Plan structure standard suggests a series of mandatory headings and order.</li> <li>▪ The goal is to provide a consistent structure and layout which will enable easy navigation through and between different District Plans.</li> <li>▪ Embedded in this standard are</li> </ul>	<ul style="list-style-type: none"> <li>▪ 61 District councils</li> <li>▪ Standard will not require significant drafting of new material, as it will largely already be covered, but re-working of material into specified headings and order.</li> <li>▪ Majority of time spent on implementation will be related to re-working into the new structure.</li> </ul>

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	<p>references to other standards that define what should be contained in any chapter or section of the District Plan, such as Tāngata Whenua provisions.</p>	
Unitary Plan Structure	<ul style="list-style-type: none"> <li>▪ The Unitary Plan structure standard, is a combination of the Regional and District plan structure standards.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Six Unitary Councils</li> <li>▪ Same assumptions as for District Plan Structure</li> <li>▪ We do not separate this standard in the CBA from the NPS structure. There is not enough detail to separate, and they could be combined.</li> </ul>
Spatial Planning Tools	<ul style="list-style-type: none"> <li>▪ This standard relates to a standardised set of tools that differentiate areas. Subject to different controls or provisions.</li> <li>▪ There are currently different tools, where some have different names but the same uses, and others the same name but different uses or definitions.</li> <li>▪ The proposed District Plan spatial planning tools are: <ul style="list-style-type: none"> <li>– Zones</li> <li>– Overlays</li> <li>– Precincts</li> <li>– Specific Controls</li> <li>– Development Areas</li> <li>– Designations</li> </ul> </li> <li>▪ The proposed Regional Plans spatial planning tools are: <ul style="list-style-type: none"> <li>– Zone</li> <li>– Overlay</li> <li>– Specific Control</li> <li>– Freshwater management Unit</li> <li>– Airshed</li> <li>– Area</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ All councils</li> <li>▪ Assumed that all councils will have to make some level of change to fit with these tools, as there is currently considerable variation in the spatial tools that are used and the outcomes that they aim to achieve.</li> <li>▪ Changes to be made vary from simply changing the name of a zone, to having to re-work the text and rules related to a zone provision.</li> </ul>
Zones framework	<ul style="list-style-type: none"> <li>▪ Framework for the zones and overlays that can be used including a compulsory purpose statement for each, and a list of descriptive characteristics for guidance material on implementation.</li> <li>▪ Additional ‘special purpose’ zones will be able to be used when it can be demonstrated that none of the framework zones combined with spatial planning tools are appropriate.</li> <li>▪ The proposed framework contains 27 zones.</li> </ul>	<ul style="list-style-type: none"> <li>▪ All councils</li> <li>▪ Expected that this standard would only be implemented in combination with the spatial planning tools and mapping standards.</li> <li>▪ May require re-drafting of zone chapters. Purpose statements will be provided as part of the standard requiring the zone to be implemented in accordance with that statement.</li> <li>▪ The flexibility allowed for the</li> </ul>

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		<p>exact characteristics of each zone will reduce the chances of significant public appeals</p> <ul style="list-style-type: none"> <li>▪ This standard is separate from the standardisation of map colours and symbology of the symbols which is categorised under IT</li> </ul>
Home of National Direction	<ul style="list-style-type: none"> <li>▪ This standard relates to requiring each council to have a chapter relating to National Direction within their plan and regional policy statements, and outlines the content that should be contained within it. The actual text used in the Chapters will be at the discretion of the council.</li> <li>▪ The goal of this standard is to make it obvious whether Policy Statements and Plans have given effect to national policy statements. It is also intended to identify where any plan rules may be different from National Direction, and help to reduce possible conflicts, contradictions or confusions.</li> </ul>	<ul style="list-style-type: none"> <li>▪ All councils</li> <li>▪ May require minor redrafting and re-structuring from the current chapter or location in the plan, but the majority of material should already be included.</li> <li>▪ The standards will assist by giving descriptive guidelines for what needs to be done.</li> </ul>
Tāngata Whenua	<ul style="list-style-type: none"> <li>▪ Council plans are currently required to include Tāngata Whenua provisions, such as recognition of Iwi, and provisions enabled by the Treaty of Waitangi.</li> <li>▪ This standard revolves around improving the consistency and clarity involving Tāngata Whenua, and providing easier navigation and interpretation of these throughout the plan.</li> </ul>	<ul style="list-style-type: none"> <li>▪ All councils</li> <li>▪ We have assumed that this standard does not require extensive re-writing or consultation, but is based around restructuring the provisions that are already included.</li> </ul>
Definitions	<ul style="list-style-type: none"> <li>▪ The intention of this standard is to provide clarity around common terms used, and make plans easier to use for people that work with multiple plans.</li> <li>▪ There are currently approximately 100 terms being looked at being standardised.</li> </ul>	<ul style="list-style-type: none"> <li>▪ All councils</li> <li>▪ For this analysis we assume that new definitions may require significant re-drafting of rules, therefore opening councils up to having to go through the Schedule One process, which involves publicly notifying the plan changes, and calling for submissions, which can lead to appeals, that are potentially taken through to</li> </ul>

		<p>court. This is because, while not mandatory,<sup>6</sup> most interviewed councils stated they would incorporate the new definitions through a Schedule One process for local democracy reasons.</p> <ul style="list-style-type: none"> <li>▪ We have assigned these costs to local councils, not central government</li> </ul>
<p>Metrics</p>	<ul style="list-style-type: none"> <li>▪ This standard relates to standardising specific metrics across council plans with the intention of saving time for councils who spend time developing their own metrics, and time and cost for people working across council boundaries.</li> <li>▪ Currently the metric that MFE is developing is a standardised <i>Noise Metric</i></li> </ul>	<ul style="list-style-type: none"> <li>▪ All councils</li> <li>▪ We have assumed that this standard will only involve changing the type of metric used, not setting the actual limits associated with the metrics, therefore only being a relatively minor change</li> </ul>
<p>Electronic functionality and accessibility standard</p>	<ul style="list-style-type: none"> <li>▪ This standard involves all councils having to meet a minimum level of accessibility on websites in order to reach plans, have clear hyperlinks to MFE, and a clear differentiation between proposed, operative and appealed provisions etc.</li> <li>▪ All PDF documents must have hyperlinks, use of tabulation, searchable for words and info on when last updated.</li> <li>▪ Councils must have publicly accessible digital datasets that form the geospatial data for Council GIS systems that are utilised by ePlans.</li> <li>▪ Council maps must all feature standardised zone colours and symbology.</li> <li>▪ Councils will be expected to present their RMA plans and policies in an 'ePlan' format. ePlans are an interactive online data system, that displays and manages content including text and spatial data</li> <li>▪ The minimum requirement will be spatially integrated with GIS system,</li> </ul>	<ul style="list-style-type: none"> <li>▪ The large majority of councils will have to make some kind of changes to meet the accessibility standard</li> <li>▪ We have assumed that the standardising of zone colours and symbology is a minor project task once councils have adopted a zone framework, that will be able to be completed through digital GIS technology</li> <li>▪ 64 councils will have to upgrade their plans to the ePlan format.</li> <li>▪ We have allocated the cost of this upgrade entirely to this standard for all councils that do not currently have an ePlan. This is a conservative approach as many councils are already looking at upgrading to this type of technology even if this was not dictated through a NPS,</li> </ul>

<sup>6</sup> Under Section 58(I) of the RMA, amendments can be made to ensure that the council plans and policy statements are consistent with mandatory directions without using any Schedule One process. Rules and other provisions can be redrafted as consequential amendments without using a Schedule One process (in accordance with section 58(I)(3)) where this is necessary to achieve the same outcome of any amended definitions. Councils could choose to release a draft version of the plan which implements the standard if they want to receive feedback on how they are implementing the Definitions. A draft plan does not require a Schedule One process nor enable any appeals.

allowing clicks to drill through different map layers and specific rules that apply to particular properties or activities and infrastructure services.

or would do so in the next ten years.

## 2.1 What are the Costs and Benefits of the Standards?

Identifying the costs and benefits of the proposed Standards is achieved by understanding:

- Who is affected by the changes?
- How will the Standards affect them?

### Plan users and plan administrators will be affected by the proposed changes

In Table 2.2 we categorise the planning system users into groups and provide specific examples of the user types that fall under each.

**Table 2.2: Users of the Planning System**

Cost/Benefit Type	Users	Examples
Administration	Local Councils	<ul style="list-style-type: none"> <li>▪ 11 regional councils</li> <li>▪ Six unitary</li> <li>▪ 11 metro</li> <li>▪ 27 provincial</li> <li>▪ 23 rural</li> </ul>
	Central Government	<ul style="list-style-type: none"> <li>▪ Ministry for the Environment</li> <li>▪ Department of Conservation</li> <li>▪ Ministry for Business, Innovation, and Employment (MBIE)</li> </ul>
Compliance	Single Plan Users	<ul style="list-style-type: none"> <li>▪ Local home owners</li> <li>▪ Local consultants – e.g. Wellington based architect</li> </ul>
	Multiple Plan Users	<ul style="list-style-type: none"> <li>▪ National infrastructure providers, e.g. NZ Transport Authority (NZTA), Transpower</li> <li>▪ Central Government departments, for example Education</li> <li>▪ National builders and developers, e.g. Fletchers, Downers</li> <li>▪ National planning consultancy firms, e.g. 4Sight Consulting</li> </ul>

**The implementation of the Standards is intended to have a wide range of benefits, however, implementing a nation-wide policy also has significant associated costs**

We systematically identify the potential costs and benefits for each of the users identified in Table 2.1, and list these in Appendix 1.

We have grouped standards when the costs or benefits are shared and inseparable. In some instances, costs and benefits can be disaggregated accurately between Standards,

but in others they cannot. Based on our analysis of interview data, we disaggregate the Standards into three groups:

- Structure and form
- Definitions
- Electronic functionality and accessibility

We discuss each category proposal below, including which Standards are included, and why. We also describe our interpretation of each Standard and the associated assumptions.

### **Structure and Form**

The Standards in this category involve changing the structure and form of plan information, including combining information into specified chapters. The shared costs are similar and involve similar, or the same, tasks like council planners reordering information (a staff time cost). The shared benefits are also similar, like regular users of multiple plans being able to find the same information across plans more easily.

There are eight Standards in this category:

- Regional Policy Statement Structure
- Regional plan Structure
- District plan structure
- Unitary Plan Structure
- Spatial planning tools
- Zone and overlays framework
- Home of National Direction
- Tāngata Whenua Provisions

### **Definitions**

The Standards in this category involve standardising the definitions behind common words and metrics used in plans. The shared costs are similar: staff time is dedicated to manually working through each plan rule and policy to ensure the original meaning is retained with the new definitions and metrics.

A Schedule One process is not mandatory; councils could instead release a draft version of the plan which implements the standard if they want to receive feedback on how they are implementing the definitions standard. However, most interviewed councils stated they would incorporate the new definitions through a Schedule One process for local democracy reasons.

Shared benefits are also similar, like regular users of multiple plans being able to interpret consistent information across plans more easily.

There are two Standards in this category:

- Definitions
- Metrics

## Electronic Functionality and Accessibility

This category captures Standards increasing the online accessibility of plans, and associated improvements to information retrievability. It also relates to updating maps to specified standards, such as common colours and symbology, and making publicly accessible digital datasets. Associated costs have a significant IT component, unlike the other Standards.

### 2.2 Which Costs and Benefits are Material?

We apply a test to see which costs and benefits are material. Where costs or benefits are deemed ‘negligible’ or ‘low’, these have not been progressed further in the analysis. Our assessment included interviews with local councils and plan users, who provided indications of the likely impact of potential costs and benefits.

We break the assessment down into five tables, representing the five categories of costs and benefits shown in Figure 1.1. These tables can be found in Appendix 1.

We assessed 61 costs and benefits and identified 11 material costs and 9 material benefits.

Table 2.3 describes the material costs and benefits that we include in the CBA analysis.

**Table 2.3: Description of the cost and benefit categories**

Cost/Benefit Type	Cost/Benefit	Description
Administrative	Staff Time	<ul style="list-style-type: none"> <li>▪ <b>Costs:</b> This is the amount of <b>additional</b> time required to make the necessary changes to a plan. It is assumed that all councils will require additional staff time to make the changes. Additional staff time is also estimated for central government, for their role in managing, assisting, and monitoring the local councils with the Standards roll-out.</li> </ul>
		<ul style="list-style-type: none"> <li>▪ <b>Benefits:</b> Staff time benefits refer to any time-savings that can be associated with the implementation of the Standards, on an ongoing basis. For local councils, this includes time-savings made due to increased accessibility of plans, reduction in time spent making future plan changes/updates and dealing with fewer public queries related to plans.</li> </ul>
	Staff Time (Public Enquiries)	<ul style="list-style-type: none"> <li>▪ <b>Costs:</b> We measure staff time given to public enquiries separately, because we have data on public enquiries. Although there may be a small increase in public enquiries to the council following the Standards, these are unlikely to be material and are not included in the analysis.</li> <li>▪ <b>Benefits:</b> There will be ongoing savings to council from reduced public enquiries as a result of moving to an ePlan, where property-specific information can be acquired quickly. The reduction in enquiries is likely to be small, but material over time.</li> </ul>
	Schedule One	<ul style="list-style-type: none"> <li>▪ <b>Costs:</b> We assume that new definitions may require</li> </ul>

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	<p>Process</p>	<p>significant re-drafting of rules, and an associated Schedule One process. This is because, while not mandatory, most councils stated they would incorporate the new definitions through a Schedule One process for local democracy reasons.</p> <p>This includes advertising, copying, distribution, post notification to hearing costs, and the costs of a hearings panel and the associated administration. This does not include appeal, mediation, and court costs (these are dealt with separately).</p> <hr/> <ul style="list-style-type: none"> <li>▪ <b>Benefits:</b> Enables stakeholders and end users of the plan to be involved in how the planning standards are implemented.</li> </ul>
	<p>Plan Appeals and Environment Court</p>	<ul style="list-style-type: none"> <li>▪ <b>Costs:</b> There are likely to be a small number of appeals lodged under a Schedule One process concerning how the Standards are implemented, some of which may not be resolved through mediation and may go to the Environment Court. These costs relate to having to administer the appeals process and additional Environment Court cases.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>▪ <b>Benefits:</b> Standardisation may lead to small administrative savings from reductions in cases taken to court in the longer term due to legal precedent already being set in other councils.</li> </ul>
	<p>Technology Costs</p>	<ul style="list-style-type: none"> <li>▪ <b>Costs:</b> This category refers to the additional costs of acquiring and maintaining an ePlan. It does not include IT costs for mapping standards like standardised zones and overlays, which are not likely to require material IT costs.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>▪ <b>Benefits:</b> The direct benefits from technology come through in other benefit categories, such as staff time-savings.</li> </ul>
<p>Compliance</p>	<p>Person Time</p>	<p><b>Costs:</b> There are no material person-time compliance costs.</p> <hr/> <p><b>Benefits:</b> This includes any time saved by users of plans by plans being more user-friendly and accessible online. There will be more significant benefits from plan standardisation to users of multiple plans (such as individuals or organisations submitting consents in various districts or over district boundaries) because they will not have to learn the unique features related to each individual plan.</p>
	<p>Legal Costs</p>	<ul style="list-style-type: none"> <li>▪ <b>Costs:</b> This includes all costs associated with contesting or defending a plan change or consent decision, that would not have been contested without the Standards. These costs are likely to be significant just following implementation of the Standards, when some of the new definitions or zones/overlays may lead to new contestability. It includes the costs of lodging a case with</li> </ul>

the Environment Court or High Court (Judicial Review) and any costs associated with hiring lawyers.

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- **Benefits:** This includes any savings from users incurring fewer legal costs, by not having to contest a plan or consent decision, or reduced time spent on cases. We would expect these benefits to appear over time, as shared definitions and zones/overlays provide less room for legal disagreements.
-

### 3 The Value of Material Costs and Benefits

In this Section, we describe the value for each material cost and benefit and how we calculate it. We break this down into four areas:

- What are the administrative costs of implementing the new Standards?
- What are the compliance costs of implementing the new Standards?
- What administrative costs and savings will be incurred on an ongoing basis?
- What compliance costs and savings will be incurred on an ongoing basis?

#### 3.1 What are the Administrative Costs of Implementing the New Standards?

The administrative costs of implementation fall to councils and central government. These costs apply over the ‘implementation’ period, which we vary between three, five and ten years in our analysis from assumed gazettal in 2019.

##### **The additional staff time required to administrate the changes**

Staff time costs include local and central government costs of implementing the Standards.

For local councils, we calculated average full-time equivalent (FTE) costs for each Standard category, for each council type (metropolitan, provincial, rural, regional, and unitary).

For the *Structure and Form* and *Definitions Standards*, we estimated the time to re-order the plan and re-write definitions, rules, and policies. For rural, provincial, and metropolitan councils, we use quantitative data received from council planning professionals that had conducted costings exercises. For regional and unitary councils, we triangulated interviewees’ qualitative estimations of staff costs against information on the FTE costs of a typical plan review and the quantitative costings data from other councils. This meant we did not include estimations that represented more than 50 percent of typical plan review staffing costs, unless councils were able to give specific reasons for a high cost driver (such as specialist support).

For the *Electronic Functionality Standard*, we calculated the cost of reformatting the zones, overlays, maps, and symbols using the cost of employing a council GIS specialist for two months. This reflects the average time estimation from all councils (which varied between six and ten weeks).

We multiplied our FTE estimations by the fully loaded FTE cost based around a median urban/regional planner salary of \$83,500<sup>7</sup>.

Central Government costs include disseminating information to local councils and assisting with implementation. We multiplied the number of MFE policy leads responsible for developing the Standards by the same fully loaded FTE salary.

##### **The cost of a Schedule One Process**

We assume that new definitions may require significant re-drafting of rules, and an associated Schedule One process to consult with the local community. As noted, although this will not be a mandatory requirement, 14 out of the 16 councils interviewed

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<sup>7</sup> <https://www.careers.govt.nz/jobs-database/government-law-and-safety/government/urbanregional-planner/>

stated this was a significant possibility for local democracy reasons. We use the Schedule One costs incurred by councils in their most recent plan review and apply an average for each council type.

### The cost of an appeals process

An appeals process includes the administrative costs of lodging an appeal with the Environment Court, council costs of mediation, and (where necessary) council Environment Court costs.

We assume implementing the *Definitions Standard* will incur 20 percent of the costs of appeals for councils' most recent plan review. This reflects the estimations given by councils. However, estimations varied widely and were often qualified, because precise appeals costs depend on which rules and policies are changed, and which interest groups are affected as a result. Verifying the estimations is therefore also difficult. To account for this level of uncertainty, we subject this variable to a sensitivity test in Section 4.

### The costs of technology

The cost of technology includes the cost of upgrading to an ePlan, including software costs. We use direct quotes from software companies given to individual councils. Within the three-year scenario we apply this cost to all councils that do not currently have an ePlan. We discount this figure in the five and ten-year scenarios based on the assumptions that many of the councils would be upgrading to an ePlan regardless of whether it was a Standards requirement.

Table 3.1 summarises each cost. They apply over the 'implementation' period, which we vary between three, five and ten years in our analysis. The NPV values given in the table below relate to a five-year implementation period.

**Table 3.1: Summary of Administrative Costs of Implementation**

Cost Type	Unit of Measurement	Value	Total NPV Value <sup>8</sup>
Local Council staff time costs	Total FTEs to implement Standard, by council type	<ul style="list-style-type: none"> <li>▪ Between 0.3 and 2.5 depending on Standard and type of council</li> <li>▪ Fully loaded FTE = \$111,228</li> </ul>	▪ \$11.41 million
Central Government staff time costs	FTE by standard type	<ul style="list-style-type: none"> <li>▪ Between 1 and 6</li> <li>▪ Fully loaded FTE= \$111,228</li> </ul>	▪ \$937,066
Schedule One process costs	Cost to go through Schedule One process by council type	<ul style="list-style-type: none"> <li>▪ Between \$92,000 and \$263,500</li> </ul>	▪ \$3.50 million
Appeals process costs	Potential cost to councils to go through full appeal of plan process including court	<ul style="list-style-type: none"> <li>▪ Between \$60,000 and \$200,000</li> </ul>	▪ \$4.12 million

<sup>8</sup> Assuming 5-year implementation period.

Technology costs	The upfront costs of upgrading to an ePlan	▪ \$70,000 for councils that do not currently have ePlans	▪ \$3.13 million
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### 3.2 What are the Compliance Costs of Implementing the New Standards?

The compliance costs of implementation accrue to users of the planning system.

#### The cost of an appeals process

An appeals process includes the compliance costs of lodging an appeal of the plan with the council, the appellant costs associated with being involved in mediation, and (where necessary) appellant Environment Court costs.

We use council appeal costs, discussed in Section 3.1, as a proxy for the costs facing an appellant appealing a plan. This is because appellants oppose councils, therefore each time the council incurs a mediation or court cost, an appellant must do the same. We also subject this to a sensitivity analysis.

Table 3.2 describes how we quantify the compliance costs of implementing the proposed planning Standards. This cost applies over the ‘implementation’ period, which we vary between three and ten years in our analysis.

**Table 3.2: Summary of Compliance Costs of Implementation**

Cost Type	Unit of Measurement	Value	Total NPV Value
Appeals process costs	Compliance costs to appellant for going through the full appeal process	▪ Between \$60,000 and \$200,000	▪ \$4.12 million

### 3.3 What Administrative Costs and Savings will be Incurred on an Ongoing Basis?

Administrative costs and savings on an ongoing basis accrue to councils and central government after implementation. However, there is some overlap with the implementation period, as different councils implement the Standards steadily over time and ongoing costs and benefits accrue incrementally.

#### Local council staff time savings

Local councils will save time administrating a plan review after standardisation because certain time-consuming decisions will no longer take place (such as on the plan structure) and pre-determined definitions to construct rules and policies will exist.

Councils stated they anticipated savings in future plan reviews, but they expected this to be a small portion of the typical costs. We obtained quantitative information on council staff (FTE) dedicated to recent plan reviews from individual councils, and applied a saving of ten percent. We apply this every ten years in the analysis, in line with statutory requirements for council plan reviews.

#### Savings from fewer public enquiries

Councils anticipated fewer public enquiries from ePlans because they allow site-specific planning information to be obtained online for individual addresses. However, councils

stated they did not expect this to be significant because, although it would be useful for small and infrequent plan users, it would not be useful for large and frequent plan users – such as developers and large infrastructure providers – who tended to contact councils with more complex enquiries than ePlan information would resolve.

We obtained quantitative information on the number of annual public plan enquiries from Hamilton City Council and scaled this figure for other council types based on council population. We assume a reduction of five percent.

### **Ongoing savings from reduced appeals**

The legal precedent set from having standardised plans will result in less plan appeals over common factors, such as definitions, that previously differed across councils. This will result in administrative savings for councils that would otherwise have gone through an appeals process.

### **Ongoing technology costs**

The ongoing costs of technology include ongoing licence fees and IT maintenance costs. We use direct quotes from software companies given to individual councils.

Table 3.3 describes how we quantify the ongoing administrative costs and benefits following implementation of the proposed planning Standards. These costs and benefits accrue gradually over the implementation period (to reflect incremental council implementation), which we vary from three to ten years. They apply for every year of the analysis following implementation, except for local council staff time savings, which apply every ten years in line with council plan review processes.

**Table 3.3: Summary of Ongoing Administrative Costs and Savings**

<b>Cost Type</b>	<b>Unit of Measurement</b>	<b>Value</b>	<b>Total NPV Value</b>
Local Council staff time savings	Savings from council FTEs dedicated to plan changes	<ul style="list-style-type: none"> <li>10 percent savings on FTE dedicated to council plan changes every ten years by council type</li> </ul>	<ul style="list-style-type: none"> <li>\$8.38 million</li> </ul>
	Public enquiries savings	<ul style="list-style-type: none"> <li>Number of enquires by council type with 5% savings and assumption of 15 minutes per enquiry</li> </ul>	<ul style="list-style-type: none"> <li>\$1.22 million</li> </ul>
Ongoing appeals process savings	Savings to councils from reduced future appeal costs (appeal process including court)	<ul style="list-style-type: none"> <li>5 percent savings of average council appeal costs (between \$300,000 and \$1 million) during future plan reviews</li> </ul>	<ul style="list-style-type: none"> <li>\$3.26 million</li> </ul>
Ongoing technology costs	Cost of ongoing ePlan subscription fees	<ul style="list-style-type: none"> <li>\$23,000</li> </ul>	<ul style="list-style-type: none"> <li>\$13.58 million</li> </ul>

### 3.4 What Compliance Savings will be Incurred on an Ongoing Basis?

Compliance savings on an ongoing basis accrue to users of the planning system after the Standards have been implemented.

#### Plan user time savings

The value of people's time can be calculated using an opportunity cost approach. We use economic values for work and non-work time when calculating person time-savings in the model.<sup>9</sup> Many single plan users are likely to be non-professionals (such as members of the public applying for their own resource consents), and are therefore more likely to use the planning system during non-work time, whereas multiple plan users (and some single plan users) are more likely to be professionals using the system during work time. The possible value of each user's time-saving therefore ranges from the value of non-work time to a value that reflects productive work time.

Our time-saving assumptions are derived from primary research via telephone interviews with plan users, which included questions on the time spent on different types of resource consent, time consulting district and regional plans, and the difficulties of navigating multiple plans. We recognise time-savings may vary, therefore we use the most conservative time-saving estimates where interviewees gave approximate ranges, and for completeness we adjust our assumptions in our sensitivity analysis to study the impact on the benefit-cost ratio (see Section 4.3).

#### Ongoing savings from reduced appeals

The legal precedent set from having standardised plans will result in less plan appeals over common factors, which will result in savings for appellants that would otherwise have gone through an appeals process to challenge a council.

Table 3.4 describes the ongoing compliance benefits following implementation of the proposed planning Standards.

**Table 3.4: Summary of Ongoing Compliance Savings**

Cost Type	Unit of Measurement	Value	Total NPV Value
User time savings	Hour savings per Standard by user type (single plan or multiple plan), per consent	<ul style="list-style-type: none"> <li>▪ Between 0 and 2 hours per consent, depending on Standard</li> <li>▪ Single Plan user value of 1 hour: \$7.09</li> <li>▪ Multiple Plan user value of 1 hour: \$57.69</li> </ul>	<ul style="list-style-type: none"> <li>▪ \$46.28 million</li> </ul>
Ongoing appeals process savings	Savings to appellants from reduction in future appeal costs (appeal process including court)	<ul style="list-style-type: none"> <li>▪ 5 percent savings of average council appeal costs (between \$300,000 and \$1 million) during future plan reviews</li> </ul>	<ul style="list-style-type: none"> <li>▪ \$3.26 million</li> </ul>

<sup>9</sup> For work time, we assume plan users are typically consultants, developers, and infrastructure providers. Accordingly, we ascribe a professional salary of \$120,000 to the value of work time of \$57.69 an hour.

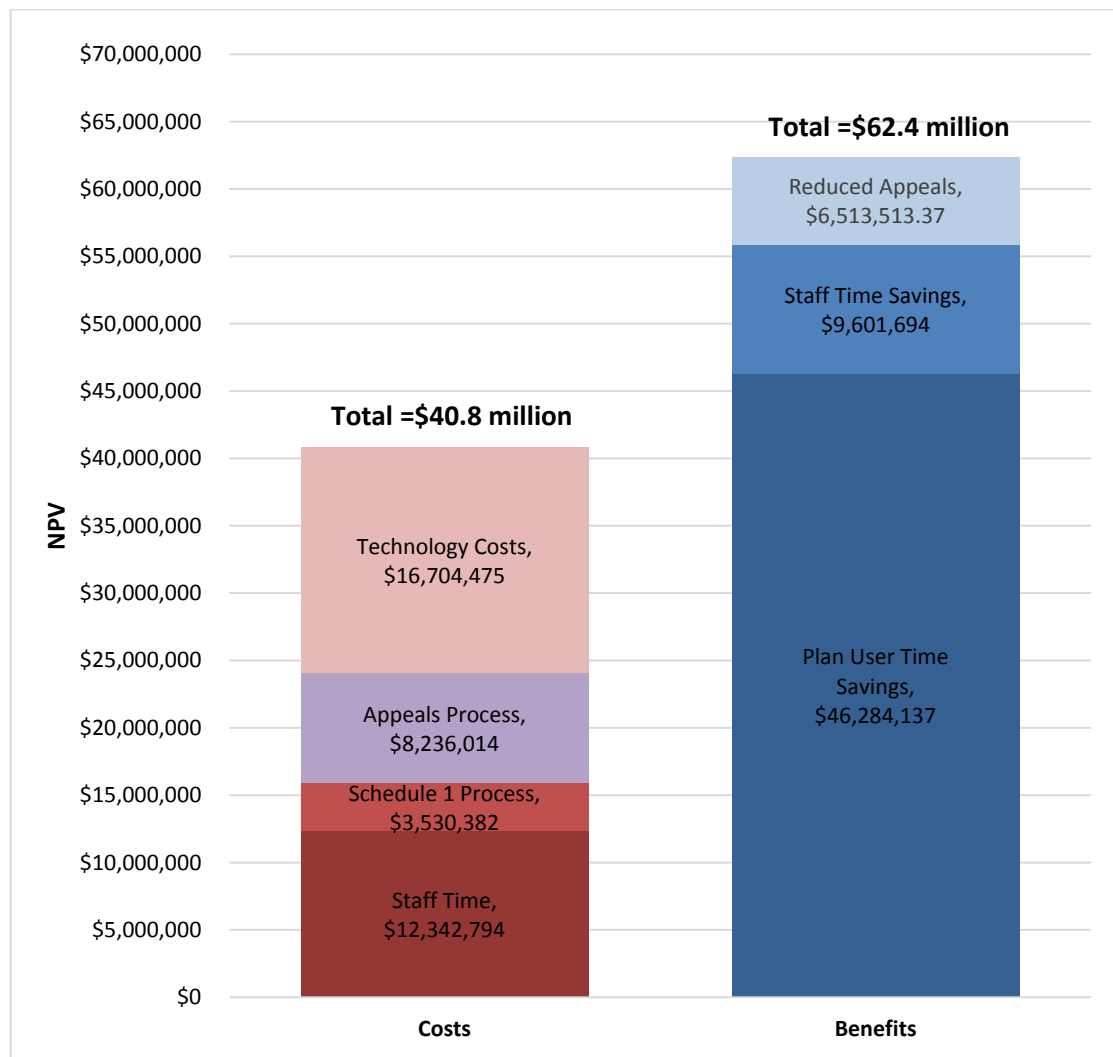
For non-work time, we use an inflation-adjusted non-work time value derived from the NZTA Economic Evaluation Manual. Non-work time is \$7.09 per hour.

## 4 Do the Benefits of the Proposals Exceed the Costs?

Assuming a five-year implementation period for councils, the benefits of the new proposed Standards exceed the costs, both at aggregate level, and for each of the three categories that we assessed. We calculate a total BCR for the combined planning Standards of 1.53.

Figure 4.1 below illustrates the relative size of each cost and benefit category for the overall BCR.

**Figure 4.1: Breakdown of Costs and Benefits by Category for a Five-year Implementation Period**



The largest benefits come from plan user time savings. This is made up of both single- and multiple-plan users across all three categories of Standards (*Structure, Definitions, and*

*Electronic Functionality*). Multiple plan users will receive time-savings from having plans standardised, meaning they will know where to find the information they need in unfamiliar plans, and will not have to confirm the definitions of terminology. Both single and multiple plan users will achieve time savings from the upgrading of electronic functionality. This is predominantly through councils moving to ePlans, which allows for the looking up of individual addresses and seeing the corresponding rules associated with that zone.

The largest cost is technology. This comprises the initial ePlan upgrade costs for councils, and the ongoing subscriptions fees and IT maintenance costs for councils that do not already have ePlans and are unlikely to get them of their own accord in the next five years.

The second largest cost is staff time, which includes all council and central government staff that are responsible for implementing the changes.

### **The benefits outweigh the costs for each grouping of proposed Standards**

We assessed the BCR of the three Standard groups:

- Structure and Form
- Definitions; and
- Electronic Functionality.

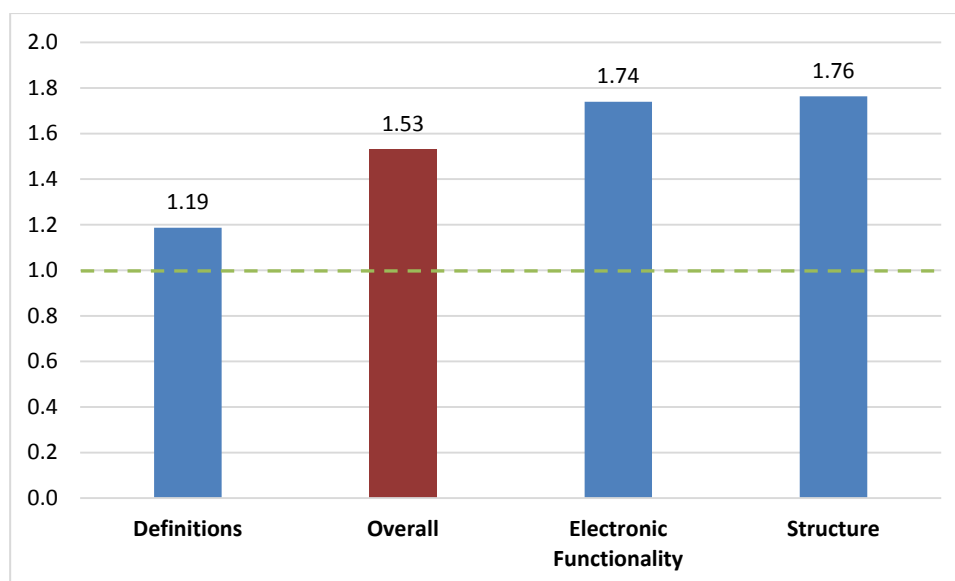
Under the five-year scenario, **each has a BCR of more than one** (meaning the benefits outweigh the costs for each proposed Standard).

**Structure and Form changes have the highest BCR of 1.76.** This is due to their implementation costs being lower than the other two categories of Standards; implementing the definitions includes Schedule One costs and associated appeals, and electronic functionality include IT costs.

**Electronic functionality has a BCR of 1.74.** It has the greatest total benefits – largely through user time-savings from the information accessibility provided by an ePlan – but it also the highest associated costs.

**Definitions has the lowest BCR of 1.19,** driven by the high costs of having to go through a Schedule One process and the potential related appeals costs.

Figure 4.2: Cost-Benefit Ratio of The Three Standard Sub-Categories



#### 4.1 What Effect Does the Implementation Timeframe Have on the Result?

We modelled three implementation scenarios:

- **Three years after the Standards are gazetted:** We assume a scenario where councils have three years to implement the Standards after they are published in the Gazette (April 2019). This is highly likely to be the fastest feasible timeframe, when considering the scale of changes to be made and the potential for Schedule One processes (for *Definitions*). We assume councils due to undertake a significant plan review within this timeframe can combine implementation of the Standards into this process, which reduces costs, whilst the remaining councils face full costs.
- **Five years after the Standards are gazetted:** This is the default timeframe assumed by the Ministry to implement discretionary Standards.<sup>10</sup> We assume councils due to undertake a significant plan review within these five years can combine implementation of the Standards into the process to reduce costs.
- **Ten years after the Standards are gazetted:** We assume all councils will have to undertake a significant plan review within this timeframe because this is a legal requirement and can combine implementation of the Standards into the process.

<sup>10</sup> For discretionary Standards, councils must choose a Standard from a range of options that is appropriate to their district/region.

**Longer implementation timeframes increase the ratio of benefits to costs**

The ten-year scenario has the highest BCR of 2.10. Longer implementation periods allow more councils to combine Standards implementation with scheduled plan reviews, which cuts costs; it significantly reduces the Schedule One and potential appeal costs of implementing the Standards. This effect outweighs the reduced benefit impact that comes from waiting for a longer period until the benefits can be fully realised.

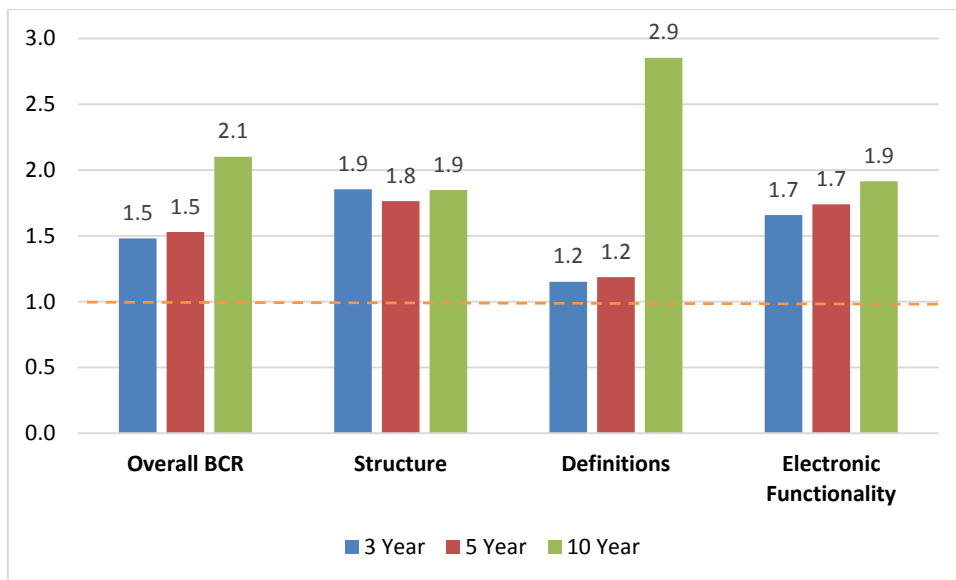
The *Definitions Standard* is most affected by altering the implementation timeframe. The three-year scenario produces a BCR of 1.15, meaning that the benefits very marginally outweigh the costs. However, the ten-year scenario produces a BCR of 2.85. This is because even though the overall NPV of the benefits reduces slightly, the NPV of implementation costs reduces much more significantly.

The BCR of the *Structure and Form Standard* shows an interesting trend of going down slightly from three to five years, but then increasing again under the ten-year scenario. The downwards trend between three years and five years is driven by the longer implementation time frame, leading to a longer time before benefits are realised. Although the costs also reduce because more councils can combine implementation with a plan review, this is not significant enough to outweigh the delay in benefits. The BCR increase after ten-years is because this trend starts to reverse: many more councils are able to combine Standards implementation with a plan review, and the associated cost reduction outweighs the longer time period of benefits realisation.

The *Electronic Functionality Standard* shows a marginal increase in BCR from three to ten years. Although the benefits take longer to be realised, the costs reduce by accounting for councils that otherwise intend to upgrade to ePlans.

Figure 4.3 below shows the impact of different implementation timeframes on the BCR of each Standard subcategory.

**Figure 4.3: Implementation Period Effect on BCR by Standard**

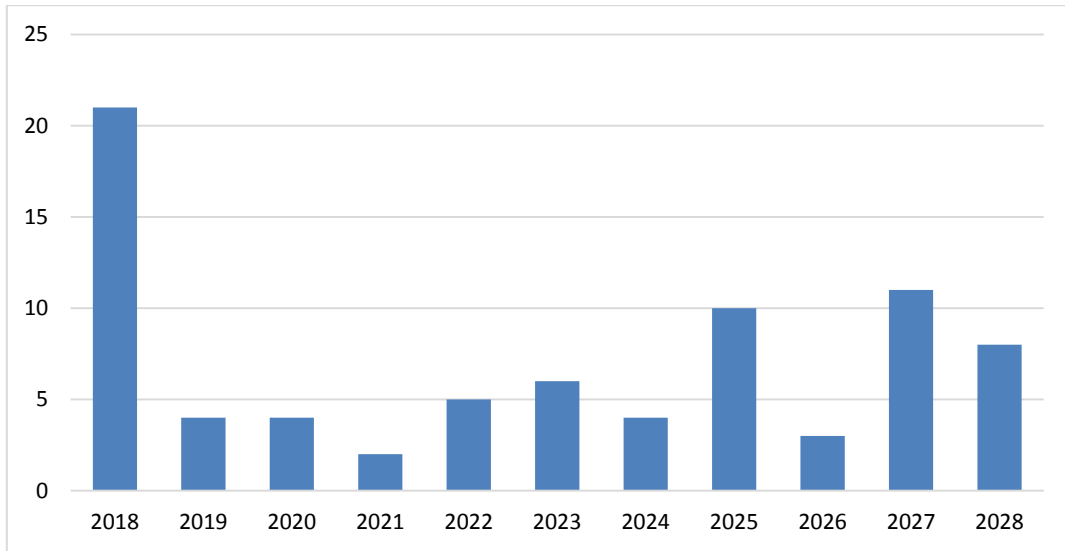


**A ten-year implementation period can avoid imposing additional cost on a large proportion of New Zealand’s ratepayer population**

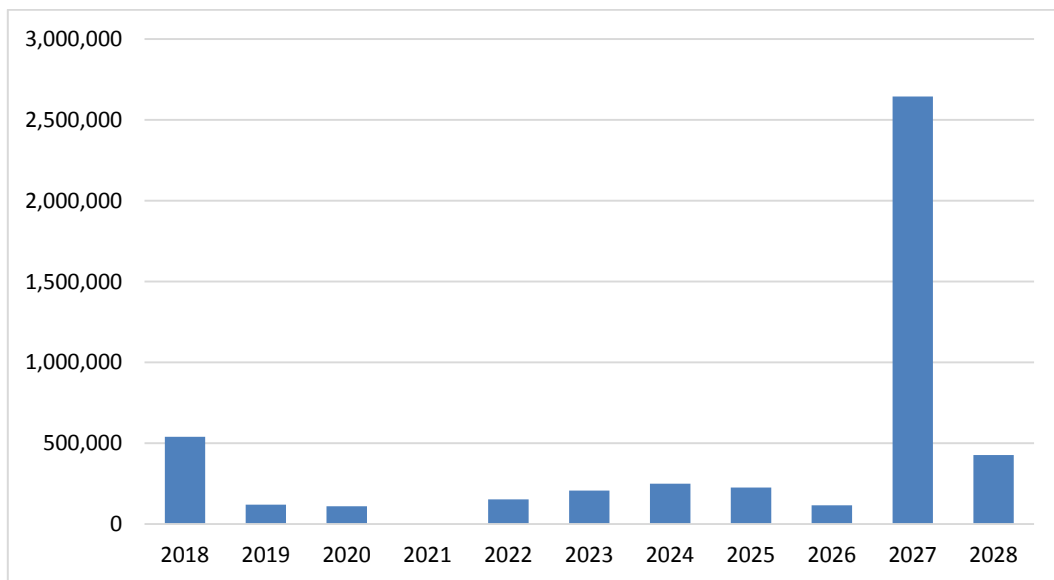
The annual number of councils due to undertake a plan review from 2019 onwards is moderately regular, with small spikes in 2025, 2027 and 2028 (see Figure 4.4). However,

this trend changes when looking at councils according to the size of their population; Figure 4.5 shows there is significant ‘bow wave’ of councils covering the greatest proportion of New Zealand’s population due for their next plan review by 2027 and 2028. This is eight and nine years respectively after the Standards are Gazetted. This means that implementing the Standards over any time frame shorter than eight years will not allow these councils to dovetail the changes with a plan review, meaning they will face higher costs.

**Figure 4.4: Number of Council Plan Reviews Due Each Year**



**Figure 4.5: Number of Council Plan Reviews Due Each Year (By Total Council Population)<sup>11</sup>**



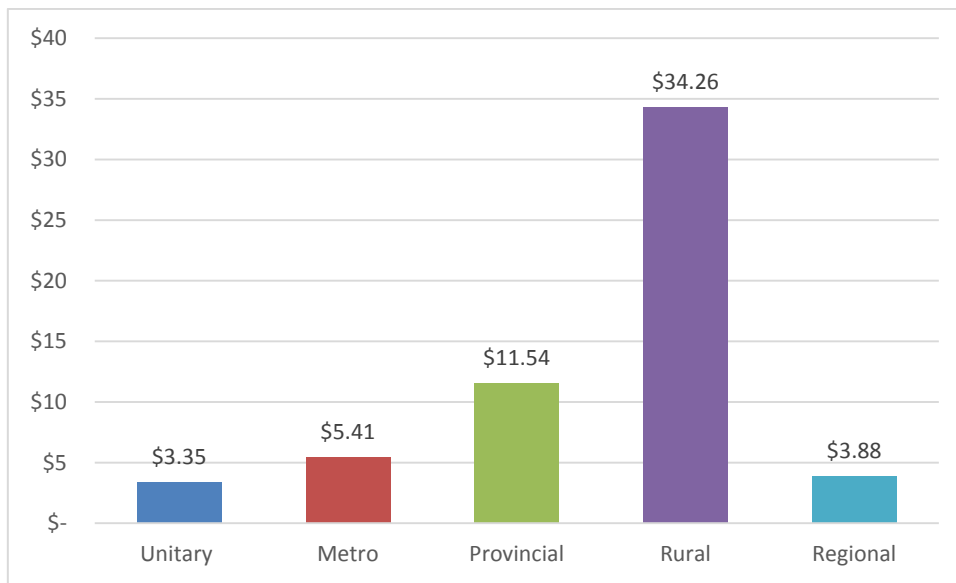
<sup>11</sup> Note: Regional Councils are filtered, so as not to double count population

## 4.2 How Are the Costs Distributed Across Different Councils?

Our research revealed that the largest councils incur the biggest overall costs because their plans are larger and more complex, and a higher number of interested parties take part in the planning process. This means that allowing larger councils to reduce their costs by combining Standards implementation with plan reviews will have a larger impact on reducing the overall costs of introducing the policy.

However, it is the smaller councils that incur the largest proportional cost per capita (see Figure 4.6). Therefore, allowing smaller councils to reduce their costs by combining Standards implementation with a plan review will reduce the proportionally-higher cost burden their ratepayers face.

**Figure 4.6: Council Costs of Implementation (Average Per Capita)**



## 4.3 How Dependent is the BCR on Other Key Assumptions That We Have Made?

Under a five-year implementation scenario, the overall BCR remains positive when each of the model’s key variables are changed within a plausible range. However, in certain scenarios, the BCR for the *Definitions Standard* falls below one. In this section, we explain how we assessed this and the results.

We chose to test the variables that are most likely to vary within a plausible range and are least likely to have a fixed figure. A sensitivity analysis addresses this uncertainty, by setting the parameters for any plausible variation to our key assumptions. Table 4.1 describes the key variables tested.

**Table 4.1: Key Variables Tested in The Sensitivity Analysis**

Model Variable	Reason
Discount rate	The discount rate is used to determine the value in today’s terms of the future costs and benefits of a policy option. The choice of discount rate plays a very important role in determining the final cost-benefit ratio of a policy option. If a high discount rate is used, benefits far in the future do not have much impact in the model.  The Treasury recommend a discount rate of six percent for cost-benefit

	analysis of social policy options, which we use under our mid-point scenario. To test for uncertainty, we also test the results using three percent through to nine percent.
<b>Percent of Appeals costs</b>	Feedback from councils showed that implementing the <i>Definitions Standard</i> carries a risk of changing the meaning of plan rules or policies. This, in turn, increases the risk of plan appeal, mediation, and court costs. Councils consistently thought this increase would be a small percentage of the total appeals in a typical plan review, but a precise estimation would depend on which rules and policies were affected. To account for this uncertainty, we apply a sensitivity of between 15 and 25 percent of typical council appeal costs associated with a normal plan review.
<b>Percent reduction in ongoing appeals costs</b>	Councils gave mixed feedback regarding the likelihood that standardising definitions would result in a reduced number and cost of appeals. Some stated that having common definitions would set a legal precedent and remain relevant to their district, thereby reducing a small number of future appeals. Others did not believe that this would be the case. To account for this, we apply a sensitivity test of between 0 and 10 percent reduction in appeal costs during plan reviews.
<b>Single plan and multiple plan user time savings</b>	Plan user interviewees agreed that the Standards would lead to time savings, however responses were qualified – the precise time-saving would depend on factors such as the task the plan user was conducting, their previous familiarity with the plan, the size of the plan, or the size of the consent. To account for these variations, we test the results by varying the time savings upwards and downwards by 25 percent.

The results of the sensitivity analysis are shown in Table 4.2. and Figure 4.7.

A large variation is seen with discount rate, but this is to be expected in a CBA analysis. We vary the rate to show the impact of different values of time; the rate recommended by the Treasury is six percent.

Varying multiple plan users’ time savings on each consent submitted also has a relatively large impact. In the base case we assume a saving of one hour per consent, and in our sensitivity test we vary this between 30 minutes and 1.5 hours. This causes the overall BCR to range from 1.22-1.84. The reason that this variable has a large effect is that multiple plan users receive additional time savings benefits across all Standards.

Single plan users’ time saving also has an impact, but this is less pronounced because they receive a time saving from the Electronic Functionality standard only (ePlans make information retrieval for easier and quicker for individuals unfamiliar with local plans).

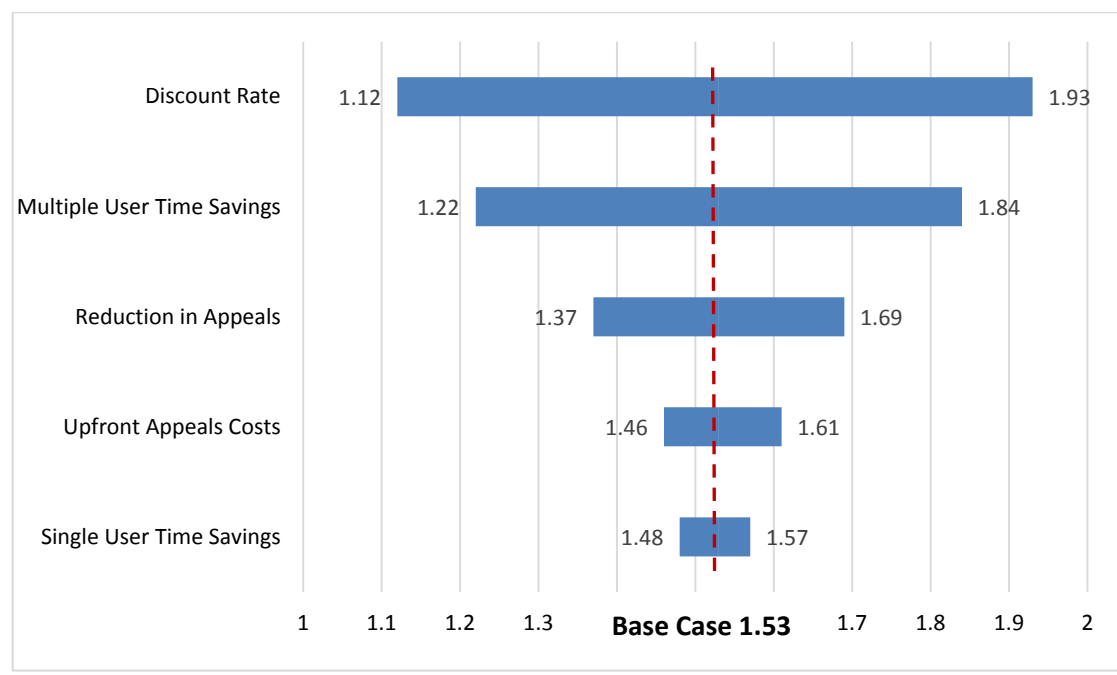
If *all* the key assumptions are set to their lowest plausible range and their highest plausible range simultaneously, the BCR ranges from 0.61 – 2.97.

**Table 4.2: Sensitivity Analysis Across Key Variables**

Model Variable	Sensitivity Range	Impact on Overall BCR	Impact on Structure BCR	Impact on Definitions BCR	Impact on Electronic Functionality BCR
Discount Rate	3-9 percent	1.93-1.23	2.54-1.29	1.75-0.84	1.87-1.61
Percent of Appeals	15-25	1.61-1.46	Nil	1.36-1.05	Nil

Costs	percent				
Reduction in Appeals Costs over time	0-10 percent	1.37-1.69	Nil	0.78-1.6	Nil
Single Plan User Time Savings per consent	30 minutes to 1.5 hours	1.48-1.57	Nil	Nil	1.64-1.84
Multiple User Time Savings Per Consent	30 minutes to 1.5 hours	1.22-1.84	1.18-2.35	0.93-1.44	1.70-1.78

**Figure 4.7: Uncertainty Ranges for Major Variables**



#### 4.4 What is the Impact of *Zones* and *Spatial Planning Tools* on the BCR?

The question has arisen as to the impact that the *Zones* and *Spatial Planning Tools* Standards have on the *Structure and Form* BCR. The *Structure and Form* BCR consists of eight Standards, and it would be erroneous to calculate a separate BCR for two of the Standards that make it up. The reality is that implementation of the standards will happen either with or without the *Zones* and *Spatial Planning Tools* component<sup>12</sup>. However,

<sup>12</sup> It would be incorrect to assume that there is a separate council implementation process for each *Structure and Form* Standard, each with distinct costs. The Standards will be implemented as a package in one council process (rather than eight separate processes), and the associated costs will be partially fixed and shared between all changes. For instance, interviewed councils were able to give estimations of the staff time required to give effect to the *Structure and Form* Standards in aggregate, because they were able to articulate the process they would need to go through and the approximate resource requirements. However, they were not able to give distinct costs for each *Structure and Form* Standard, because they did not consider each Standard that granularly. This means implementation costs cannot be accurately 'divided' across the *Structure and Form* Standards.

we can subject the *Structure and Form* BCR to a sensitivity test to assess the likely impact of removing *Zones* and *Spatial Planning Tools* from the set of Standards to be implemented.

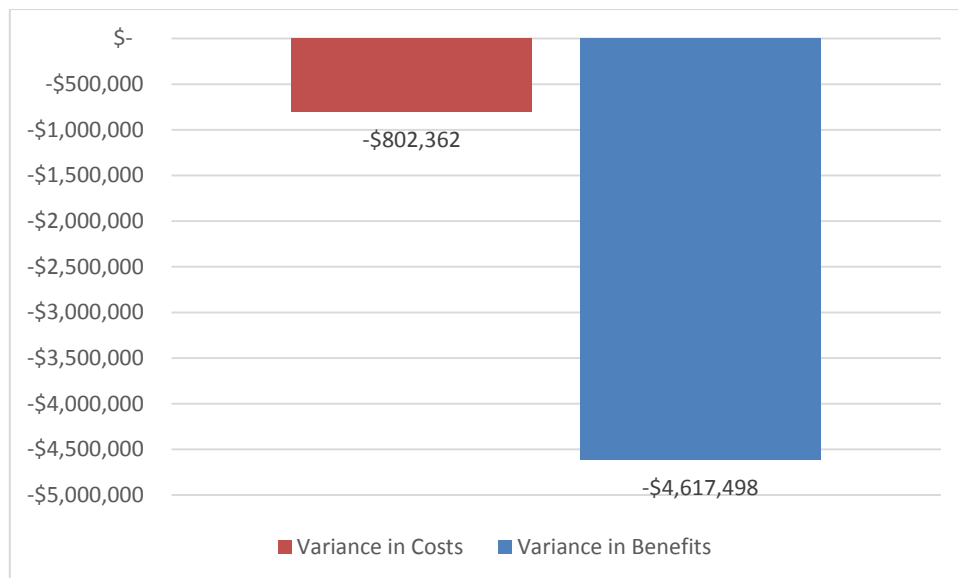
**The BCR of the Structure and Form Standard without Zones and Spatial Planning Tools (SPTs) is estimated to make a significant reduction from 1.76 to 1.25.**

**There is a higher impact on the overall benefits, and a lower impact on the overall costs as a result of removing Zones and SPTs**

The overall costs are not evenly divisible across each of the eight Standards that make up the *Structure and Form* category, because of the shared nature of the implementation process. Therefore, removing two Standards from the *Structure and Form* BCR calculation will equate to a disproportionately lower cost reduction (i.e. a cost reduction that is less than one quarter). There will, however, still be some cost reduction.

Conversely, the overall benefits are not linked to councils' implementation processes and are less likely to be fixed and shared with the other Standards. The *Zones* and *SPTs* Standards have significant benefits that come from time savings to users of multiple plans who will be able to easily recognise and interpret information across plans and maps. There are also benefits associated with ongoing administrative savings to local councils in future plan reviews, as mandated zones will reduce the time required to respond to submissions relating to requests for specific and unique zone changes. Therefore, we assume that removing the *Zones* and *SPTs* Standards from *Structure and Form* is likely to have a disproportional impact on the overall benefits (i.e. a benefit reduction that is more than one quarter). This estimated effect on the overall costs and benefits of *Structure and Form* can be seen in Figure 4.8.

**Figure 4.8: Impact of Removing Zones and SPT from Structure and Form Standard**



#### 4.5 What Are the Indirect Benefits?

There are several indirect benefits from the proposals, including:

- Economic benefits:
  - Removing barriers to entry for non-professionals looking to develop their properties, leading to more development (e.g. subdivision).
  - Multiplier effects on economic activity from cost reductions leading to second order benefits. We have modelled the first order benefits only<sup>13</sup> e.g. administrative savings, and not the subsequent multiplied effects of those savings leading to increased expenditure in other areas.
  - Greater flexibility in labour movement among planning industry professionals to move between districts, due to greater plan consistency.
- Social Benefits:
  - Easier accessibility of information and data results in social benefits, such as government transparency and increased public knowledge.

Accurately quantifying these benefits is beyond the scope of the present study. As the mid-range BCR for each Standard is above one (therefore providing a net benefit), we do not think quantifying them is necessary to justify the proposed Standards. Nevertheless, they suggest an upward movement in the BCR.

#### **4.6 Alternative Options to the Proposed Standards**

As part of this study, we asked interviewees for their views on the proposed Standards. None of the interviewees disagreed with the overall purpose and intentions of any of the Standards, and none offered specific alternative options. However, local council interviewees consistently stated they were concerned that the costs of implementation would be significantly higher if they were done outside of the plan review process.

#### **4.7 How Implementing the Proposed Standards Impact Economic Growth and Employment**

Section 32(2)(a) of the RMA requires an evaluation report to identify and assess:

- economic growth that is anticipated to be provided or reduced; and
- employment that is anticipated to be provided or reduced.

#### **Implementing the Standards will lead to a short-term relative stimulus to council planning sectors and a long-term net stimulus to productivity and employment**

Implementing the Standards will require council staff time equal to a net present value of \$11,405,728 – that is to say, over \$11 million (in today's value) will be spent by local councils on staff to implement the required changes.

This will create a short-term stimulus for that specific local government activity; some councils may hire new people to fulfil that function, and other councils may deprioritise other policy areas to repurpose existing resources.

However, this stimulus does not represent 'new money' entering the economy. Instead, it represents a transfer from one part of the economy to another. Even if councils hire new staff, this must be paid for, which is done by transferring resources from another part of the economy, such as through increasing local rates. The stimulus to local government planning therefore represents increased relative demand in that particular sector.

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<sup>13</sup> In line with best practice guidance from the New Zealand Treasury for example.

Implementing the Standards will also require councils to spend \$16.7 million (in today's value) on new technology. This also represents increased relative demand in that particular sector (assuming that councils would not otherwise have spent that money in the planning software sector) and does not increase overall productivity in the economy.

**The Standards will create longer-term productivity gains across sectors**

Over the lifetime of the analysis the Standards lead to \$62.4 million in benefits, and \$40.8 million in costs. That equates to a net value of \$21.6 million over a 30-year period once total costs are deducted from the total benefits.

This represents new productivity gains across sectors, and a permanent long-term increase in associated employment. Using the average New Zealand salary,<sup>14</sup> this is equal to 371 additional full-time salaries. It is not possible to be specific about how the stimulus will be distributed, however, it is reasonable to assume that the magnitude of change for is significant and the impact is positive.

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<sup>14</sup> \$58,136 in 2017. See: Stats NZ (2017). *Income Tables*. Available at:  
[http://nzdotstat.stats.govt.nz/wbos/Index.aspx?\\_ga=2.203227473.1564848579.1518651867-608621841.1518651867](http://nzdotstat.stats.govt.nz/wbos/Index.aspx?_ga=2.203227473.1564848579.1518651867-608621841.1518651867)

## Appendix A: Cost and Benefit Materiality Assessment

Table A.1: Materiality Test Assessment Criteria

Low Cost	Moderate Cost	Significant Cost
Low Benefit	Moderate Benefit	Significant Benefit

Table A.2: Implementation Administrative Costs and Benefits

Costs Benefit Type	Groups Affected	Possible Effect	Scale	Standardisation Area
Staff Time	Local Council	Time taken to administer and implement standard requirements	<ul style="list-style-type: none"> <li>▪ 11 x Rural</li> <li>▪ 6 x Unitary</li> <li>▪ 11 x Metro</li> <li>▪ 27 x Provincial</li> <li>▪ 23 x Rural</li> </ul>	Structure Definitions IT
	Central Government	Publicising changes and managing, monitoring and helping local councils with implementation	1 central government team	Structure Definitions IT
Consultancy Fees	Local Councils	Need for outside consultants to be hired to help assist with required plan changes, including external training providers	After talking to Councils, it sounds as though the requirement for external consultants to implement changes will be minimal	Structure Definitions IT
	Central Government	Consultancy fees related to deciding, assisting and helping with implementation of plan changes	Assume that MFE will not require significant external assistance with this process	Structure Definitions

*Confidential*

				IT
Schedule One Process costs	Local Councils	The process by which Councils have to publicly notify proposed plan changes, and call for submissions to allow the local community to have a say.	<p>For the sake of this analysis, and after discussing with councils, we are assuming that the re-structuring of plans will not require a full Schedule One process, as MFE may be able to mandate the changes to make them not open to public appeal.</p> <p>However, changing definitions is likely to have a larger effect, because it may alter the meaning of rules. Many councils have expressed a preference to use a Schedule One process for this.</p> <p>We assume that making IT related changes will not require a Schedule One.</p>	Structure
				Definitions
				IT
Appeals costs	Local Councils	The costs associated with dealing with public appeals to the plan, including mediation all the way through to environment, and in extreme cases high, court.	As we are only assuming that the definition standard will be going through the Schedule One process, this is likely to be the only standard that will face any appeals	Structure
				Definitions
				IT
	Central Government	Litigation costs associated with appeals to standards	This analysis works on the assumption that any appeals costs will fall on Councils	Structure
				Definitions
			IT	
Technology Costs	Local Councils	The costs associated with improving website accessibility and upgrading plans to ePlans	<p>Councils that do not currently meet the required technology standards</p> <ul style="list-style-type: none"> <li>▪ 53 requiring significant upgrade</li> <li>▪ 11 requiring moderate upgrade</li> <li>▪ 14 requiring no upgrade</li> </ul>	IT
				Central Government

**Table A.3: Implementation Compliance Costs and Benefits**

Costs Benefit Type	Groups Affected	Possible Effect	Scale	Standardisation Area
Person Time	Single and multiple plan users	Users familiar with certain plans will have to learn the changes associated with new plans	Only relates to users already familiar with plans. Assume that this will be relatively quick to learn and overcome	Structure
				Definitions
				IT
Appeals Costs	Community members appealing changes to the plans	People unhappy with the changes and how they may affect them may want to appeal against them. If councils want to fight these appeals the process could be taken through to court	Difficult to assess the number of people that will want to appeal plan changes, but for the sake of this analysis we assume this to be a significant cost associated with the Schedule One process assumed for definitions changes.	Structure
				Definitions
				IT

Table A.4: Ongoing Administrative Costs and Benefits

Costs Benefit Type	Groups Affected	Possible Effect	Scale	Standardisation Area
Staff Time	Local Councils	Time savings in future plan change/ reviews, as there is a clearer template that is able to be used, so less time dealing with the more trivial aspects of updating a plan	All councils at plan review time which takes place a maximum of ten years apart	Structure
				Definitions
	Central Government	Time savings associated with having to deal with less public queries as the plans are clear and easier to access	All councils depending on the number of public queries the receive	Structure
				Definitions
Consultancy Fees	Local Councils	As plan review process improves external consultants needed less to assist	Based on talking with councils, assumption that the type of projects that consultants are brought in for (e.g. specialists such as economists, coastal experts) would not be reduced by the factors that the standards affect	IT
				Structure
				Definitions
Appeals Costs	Local Councils	Reduction in plan appeals due to standardisation	Councils at plan review time, specifically related to legal precedent set by standardised definitions.	Structure
				Definitions
				IT
Technology Costs	Local Councils	Ongoing costs associated with maintenance / subscription fees of technology services	All local councils that have upgraded their technology	IT

**Table A.5: Ongoing Compliance Costs and Benefits**

Costs Benefit Type	Groups Affected	Possible Effect	Scale	Standardisation Area
Person Time	Single Plan Users	Time savings on submitting consents due to plans being easier to navigate and more accessible, and requiring less enquiries to councils.	All consents submitted by single plan users. Working on the assumption that single plan users will not see significant benefits from plans being standardised, but will benefit from plans being more accessible online	Structure
				Definitions
				IT
	Multiple Plan Users	Time savings on submitting consents due to plans being easier to navigate and more accessible, and not having to look for similar information in different locations, or re-check definitions across plans	All consents submitted by multiple plan users	Structure
				Definitions
				IT
Consultancy Fees	Single and Multiple Plan Users	Savings related to a reduced reliance on consultants to assist with consent applications	All consents. However, after discussing with councils, they believe that consultants would typically be used for the more complicated consents, and will still be required even after standardisation	Structure
				Definitions
				IT
Appeals Costs	Community members appealing changes to the plans	A reduction in the need for appeals to plans due to standardisation making for easier interpretation, and greater legal precedent	Assumption that standardisation will not have a significant effect on the number of plan appeals, as they are generally related to more specific council issues and rules	Structure
				Definitions
				IT
Technology costs	Single and multiple plan users	A minimum level of technology (e.g. internet connection) required to access plans	Assumption that councils will make plans accessible for members of the public without access to technology	IT

**Table A.6: Ongoing Indirect National Costs and Benefits**

Cost/Benefit Type	Possible Standards Effects	Scale	Overall Materiality
Economic	Faster consent processing/ removal of barrier to entry for "mum and dad developers" leading to enhanced infrastructure development	Hard to determine, but relates to a portion of home owners that may have potential to subdivide property etc.	Moderate
	Admin savings flow through to rates decreases - multiplier effect on economic activity	Savings likely to be passed onto other areas of Councils	Low
	Denied consents due to higher accountability to National Environmental Standards	Unlikely to change the outcome of many consent applications	Low
	Reduced investment risk from greater planning system certainty	All new developments	Low
	Flexibility in labour movement around the country among the planning industry to move between districts due to consistency	Relatively small industry	Low
Environmental	Consistency across councils resulting in National Environmental Standards being upheld consistently and more efficiently, possibility leading to more effective environmental policy	Could affect many aspects of the environment of New Zealand such as water and air quality	Low
Social	Having plans more accessible to the public by being more user-friendly and available online has social benefits such as increasing government transparency, empowering citizens, creating opportunities and solving public problems	Hard to determine, but benefits concerned citizens and media outlets looking to report on government affairs	Moderate



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