



Ministry for the  
**Environment**  
*Manatū Mō Te Taiao*

# Proposed National Planning Standards evaluation report 2018

## Part 3 – Implementation

Evaluation for the proposed first set of National Planning Standards

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# Context to this document

This document forms part of the Evaluation Report for the Proposed National Planning Standards. This document should be read in conjunction with the other documents that make up the report as a whole. The Evaluation Report for the Proposed National Planning Standards report is set out as follows:

## Part 1 – Overall assessment

## Part 2 – Individual standard assessments

### Part 2A Plan and policy statement structure and format

### Part 2B Spatial planning tools and zone framework

### Part 2C Definitions

### Part 2D Noise and vibration metrics

### Part 2E Electronic functionality and accessibility and mapping

### Part 2F Tangata whenua provisions

## Part 3 – Implementation

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# 1 Introduction

This part of the evaluation report for the proposed first set of National Planning Standards (planning standards/standards) focuses on the implementation timeframes of the standards. These timeframes are the time within which councils will be required to take account of the standards in their plans.

This part sets out the options considered for the implementation of the standards, and outlines the chosen approach. It also outlines the statutory context, and evidence that the Ministry for the Environment has used to understand the situation and assess the options.

## 1.1 Statutory context – default implementation timeframes

There are default implementation timeframes in the Resource Management Act 1991 (RMA) that mandate when the planning standards must be implemented by councils.

In this case the Ministry for the Environment considers that implementation is complete when the council has publically notified mandatory changes as per section 58I(3)(e) or the council has publicly notified a proposed plan change or plan relating to discretionary directions for submissions as per section 58I(4)(C).

Section 58J of the RMA states:

58J Timeframes applying under first set of national planning standards

(1) In the case of the first set of national planning standards, if a process provided by Schedule 1 is required, a local authority must make any amendments required not later than the fifth anniversary of the date on which the first set is notified in the Gazette under section 58K, unless—

- (a) a different time is specified in the first set; or
- (b) subsection (3) applies.

(2) Subsection (3) applies if—

- (a) a local authority has notified a proposed policy statement or plan before the first set of national planning standards is notified in the Gazette; and
- (b) a process provided by Schedule 1 is required.

(3) If this subsection applies, the local authority must make the amendments required—

- (a) within the time specified in the national planning standard; or
- (b) if no time is specified, not later than 5 years after the date on which the proposed policy statement or plan becomes operative.

Under the RMA, standards must be identified in the standards themselves as either mandatory or discretionary. Under the RMA whether a direction is mandatory or discretionary dictates the timeframe available for implementation.

Mandatory directions must be implemented without a Schedule 1 process within one year of gazettal. Discretionary directions provide councils with choices on how they are implemented. Accordingly they must proceed through a Schedule 1 process within five years of gazettal.

The only standard proposed that includes discretionary directions is the zone framework. Therefore, all of the other standards would need to be implemented within a year.

However, the RMA also specifies that alternative implementation deadlines for the standards may be set. Alternative implementation deadlines must be set by the Minister for the Environment, and outlined in the standards themselves.<sup>1</sup>

Feedback from councils has consistently stated that the default deadlines in the RMA will cause significant cost and resourcing issues, particularly the one-year timeframe to implement the mandatory directions. Councils who have recently reviewed their plans have indicated they consider the best way to implement the standards would be at the next plan review, to reduce costs and resource pressures. However, this would also significantly delay the benefits of the standards to the planning system as a whole, over and above the expectations set by the RMA.

The Ministry has identified concerns with the default deadlines, particularly the 12-month deadline for mandatory directions. These concerns were identified through council feedback, and through working with councils when testing drafts of the standards as they were developed.

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<sup>1</sup> RMA sections 58J(1)(a) and 58I(3)(b)

## **2 Concerns with the default deadlines**

### **2.1 Default timeframes may result in perverse outcomes**

Trying to implement the mandatory directions within one year, and outside of a full plan review, is likely to result in poor usability from more complex plans. These complex plans are likely to be lengthy and repetitive. This approach would also mean that councils have to review and amend their plans twice to implement the standards.

Councils most affected by these changes are those with larger, complex plans or with plan structures that are significantly different from the planning standards. Smaller councils with fewer dedicated planning resources are also likely to struggle to meet the one-year deadline while also being confident of having a usable and legally robust plan.

### **2.2 Definitions are likely to trigger plan content changes**

Definitions are 'mandatory' directions; requiring implementation within one year. Definitions are an intrinsic, fundamental component of RMA plans. Objectives, policies and rules are written around planning terms and their definitions. Changes to these definitions will trigger multiple consequential changes to plans. The extent of changes required will depend on the approach to definition drafting applied in the plan (ie, do they contain default standards or rules?) and the overall complexity of the plan. The definitions standards will prompt extensive reviewing and testing of all affected plan provisions. Councils may do this testing in-house, and/or they may also seek external support from regular plan users.

Consequential changes to a plan as a result of the definitions standard raise a risk of legal challenges from plan users who consider the changes 'substantive' and need a Schedule 1 plan change process.

Some councils have indicated a preference to combine the implementation of the mandatory definitions (and consequential changes) with the implementation of other planning standards as part of an overall plan review. Implementing the changes this way would minimise potential risks, saving resources and producing better quality plans.

### **2.3 Resourcing is a concern for many small councils**

Twenty district councils have fewer than 15,000 residents, and have resourcing constraints affecting their ability to implement the planning standards quickly. These councils are particularly likely to struggle to implement the changes within one year. Even with additional support from the Ministry, it would be difficult to ensure that most councils implement all the 'mandatory' directions within one year.

### **2.4 Councils face competing pressures to implement other forms of national direction**

Councils are currently facing a fast-growing regulatory framework. As well as the planning standards, plan changes may be necessary to implement the National Policy Statement (NPS)

Freshwater Management, the NPS Urban Development Capacity and potentially other central government requirements. The default planning standards deadlines may result in councils carrying out multiple plan change processes close together, for the same set of provisions. The default deadlines may also require some councils to prioritise some requirements and delay the implementation of other regulatory requirements beyond the required timeframes.

## 3 Evidence used when considering alternative implementation timeframes

Three key sources of information were used to underpin an analysis of alternative implementation timeframes:

- age of current plans and the associated 10-year review date
- council capacity and capability informed by the number of residents (as a proxy for rating base) and the number of Resource Management Act 1991 (RMA) policy planners
- economic analysis undertaken by Castalia.<sup>2</sup>

### 3.1 Age of current plans, date due for review

The Ministry for the Environment maintains a record of all plans, particularly information on when they were made operative and their expected review date. Figure 1 was prepared from this list (supplemented with the knowledge of officials based on conversations with councils on likely review dates). It shows the likely implementation dates of the planning standards if councils were to incorporate these at the time of their next plan review.

This concluded that 49 per cent of councils should be able to implement the standards within five years of gazettal during an already scheduled plan review. It is also likely that in addition to this a number of the 21 per cent categorised as having uncertain timeframes would be able to implement within the five years.

This “uncertain group” includes two main types of situations:

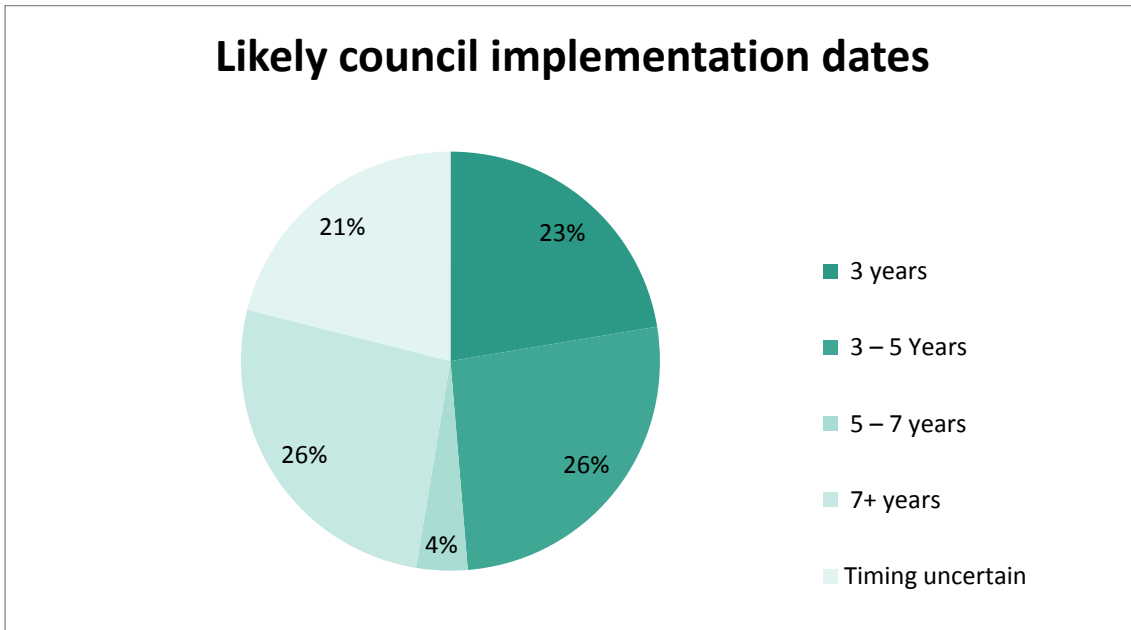
- councils with multiple plans (typically regional councils) where there are multiple plan review timeframes
- councils currently undertaking rolling reviews.

Conversations with some of these councils have revealed either a commitment to maintaining a rolling review of their plan, or an intention to use the requirement to implement the planning standards as a reason to initiate a comprehensive review of the plan. The Ministry will seek more accurate and up-to-date information on councils’ intentions to update their plans as a result of the planning standards as part of the formal consultation process.

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<sup>2</sup> Castalia. 2018. *Economic Evaluation of the Introduction of the National Planning Standards*. Prepared for the Ministry for the Environment. Wellington: Ministry for the Environment.  
<http://www.mfe.govt.nz/publications/rma/economic-evaluation-of-introduction-of-national-planning-standards>

**Figure 1: Likely council implementation dates of the National Planning Standards**



The RMA requires councils to undertake a review of each provision in their plan every 10 years<sup>3</sup>; however, it does not explicitly require councils to update their plans as a result of this review. Instead it requires that changes be initiated if the local authority considers that the plan requires alteration. In practice then, while a plan review must be started within 10 years of the plan becoming operative, there is no explicit requirement to update the plan within 10 years.

A plan change or full plan review process is required to take no more than two years<sup>4</sup> from notification to decisions. However, in practice between 5 and 17 per cent<sup>5</sup> of plans take longer than this, with some plans taking up to double this time. Once the review is complete, and assuming the council finds it necessary to update the plan, this would then trigger a process of gathering the appropriate evidence and drafting new provisions. Therefore, depending on the approach taken by councils, a plan change or a full plan review could not be notified for several years after the 10-year review of relevant provisions is required.

### 3.2 Council capacity and capability

The capacity and capability of councils is important when considering how likely they are to be able to implement the standards within the set implementation timeframes. Two indicators of capacity and capability the Ministry has taken into account are:

- number of residents in a council area, and therefore likely ratepayer base
- number of staff working on RMA policy within a council.

Table 1 lists all of the councils in New Zealand with less 20,000 residents which is considered an indicator of a low ratepayer base.

<sup>3</sup> Section 79 of the RMA

<sup>4</sup> Clause 10 (4) (a) Schedule 1 of the RMA

<sup>5</sup> Ministry for the Environment. 2017. *National Monitoring System for 2015/16*. Wellington: Ministry for the Environment; Ministry for the Environment. 2016. *National Monitoring System for 2014/15*. Wellington: Ministry for the Environment.

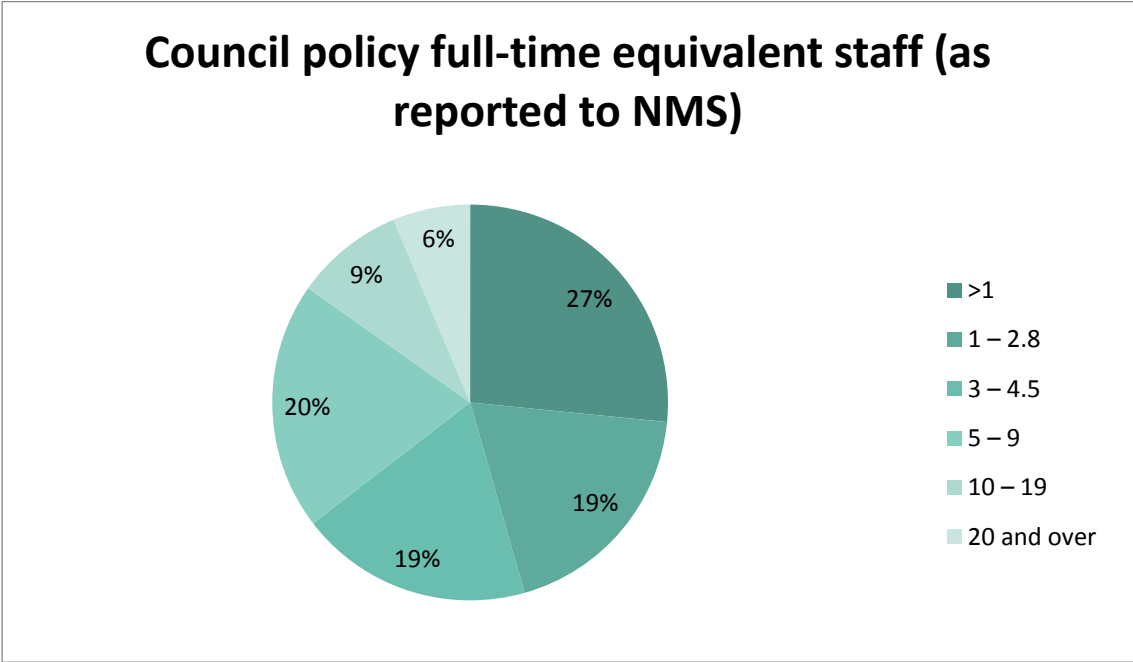
**Table 1: Districts with populations of less than 20,000 residents (low ratepayer base)**

Council name	Population	Council name	Population
Chatham Islands Territory	640	Buller District	10150
Kaikoura District	3710	South Wairarapa District	10250
Mackenzie District	4600	Gore District	12450
Kawerau District	6930	Ruapehu District	12700
Waimate District	7890	Hurunui District	12800
Wairoa District	8210	Grey District	13500
Westland District	8810	Central Hawke's Bay District	13850
Opotiki District	9010	Rangitikei District	15000
Carterton District	9060	Clutha District	17550
Stratford District	9420	Tararua District	17800
Waitomo District	9730	Hauraki District	19850
Otorohanga District	10100	Central Otago District	20300

Note: Carterton, South Wairarapa and Masterton district councils have a combined district plan.

The 2015/16 National Monitoring System data requirements asked that councils provide information on the number of staff they have working on RMA policy. The responses ranged from none, to 123 full-time equivalents (FTE). The 123 FTEs of Auckland Council were an outlier, with the next highest number of staff being 23. The key findings are that 27 per cent of councils have less than one FTE that works on RMA policy, and 47 per cent of councils have fewer than three FTEs working in this area. The findings are further summarised in figure 2.

Figure 2: Council policy full-time equivalent staff (as reported to NMS)<sup>6</sup>



A council with less than one FTE working in RMA policy is unlikely to be able to implement changes within one year (even large councils are likely to find this difficult). There is also a strong correlation between the councils with less than one FTE and those with a low ratepayer base. This gives an indication that these councils are also less likely to be able to afford to engage contractors to fill gaps.

The Long Term Plan cycle (LTP) is also an important consideration. The Local Government Act 2002 requires councils to prepare an LTP every three years. The intention of these plans is to state a particular community’s long-term goals and priorities, and to set some key performance targets. Each LTP also describes a council’s financial strategy; outlining how much the council plan will cost and how it will be paid for. If a council has not been able to place significant expenditure into the LTP, finding the money and staff to carry out a plan change would be difficult.

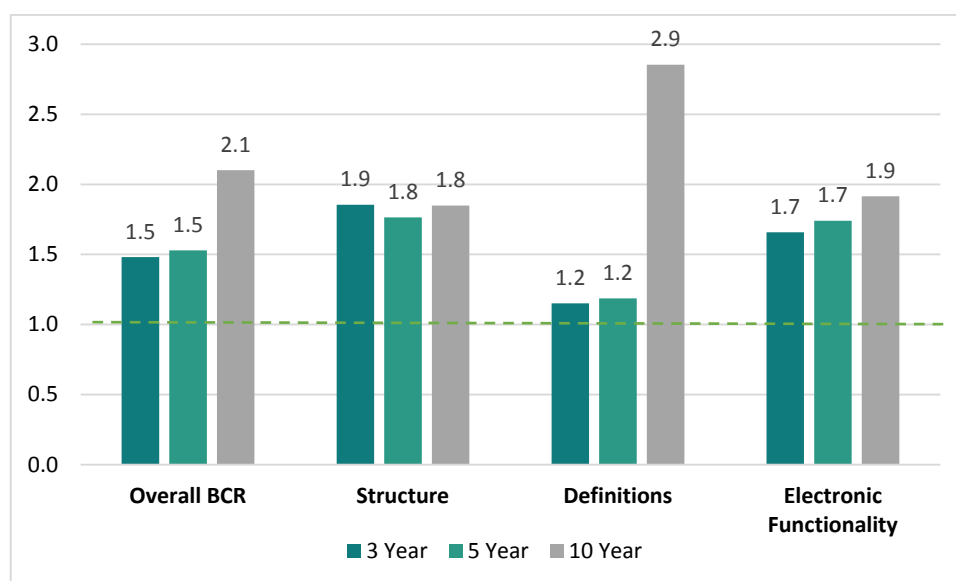
<sup>6</sup> Ministry for the Environment. 2016. *National Monitoring System for 2014/15*. Wellington: Ministry for the Environment.

## 4 Quantification of benefits and costs

Section 32(2)(b) of the RMA requires that, where practicable, the benefits and costs of a proposal are to be quantified. The scale and significance of the proposed National Planning standards has been determined to be high, and the Ministry commissioned an economic cost-benefit analysis of the planning standards.

The economic analysis carried out by Castalia confirmed the assumption that the cost-benefit ratio (BCR) of the standards increased with longer timeframes. This is because with a longer timeframe councils can implement the changes as part of their statutorily required plan change review, reducing the need to bring forward a review of their plan and reducing their costs overall. The predicted overall BCR by implementation timeframe is shown in figure 3.

**Figure 3: Cost-benefit ratio by implementation period per group of standards**



The report finds that the implementation period has an effect on the BCR, but that the benefits continue to outweigh the costs across each of the three timeframes assessed. As figure 3 shows, it is the BCR of the definitions standard that benefits most from a longer implementation timeframe. This is because the implementation costs reduce much more relative to the reduced benefits of taking longer to implement the standards.

The economic analysis notes that a longer implementation period can avoid imposing additional cost on a large proportion of New Zealand's ratepayer population. A number of metropolitan councils have plans that are likely due for a review in 2026-2029, including Auckland Council, Christchurch City Council, and potentially Dunedin City Council. Those plans have been recently settled or are currently under appeal.

The economic analysis also highlighted that the costs of the implementation would be distributed differently across different types of councils. The report notes that while the largest councils do incur the biggest overall costs (due to their more complex plans and more parties being involved in the plan process), it is the smaller councils that incur the largest proportional costs per capita. These different cost impacts clearly signal the need for an implementation programme that targets support to those councils least able to manage the cost impacts of the planning standards.

## 4.1 Benefits of completing implementation sooner than 10 years

The CBA clearly demonstrates that the benefits of the planning standards outweigh the costs. The challenge with this positive CBA is, however, that the benefits are mainly felt by plan users, whereas the costs fall largely on councils (and therefore may have a flow on effect on rates and ratepayers). The economic analysis considers options for reducing the impact of costs on local authorities by looking at different alternative timeframes. While a longer implementation timeframes will act to reduce the cost burden for councils, it also significantly delays the benefits of the standards for plan users. There are a number of benefits to the implementation of the standards occurring before a 10-year timeframe.

As plan users are the main beneficiaries of faster implementation timeframes a 10-year timeframe for implementation would mean that the existing costs associated with operating in a planning system with significant unnecessary variation will continue for longer. Any reduction from 10 years will reduce the associated costs.

Having all plans in an eplan format within seven years (with most updated within five years) will lead to plans will be easier to use and access. These benefits will be realised by the general public as well as multiple plan uses.

As previously noted, the default timeframes within the Act set an expectation that all planning standards will be implemented within five years of gazettal. Although the one-year timeframe for mandatory directions may not be practically achievable for the reasons outlined above a 10-year timeframe for a review is well beyond this expectations established in legislation.

Having an implementation timeframe of five or seven years will reduce the risk that the standards need to be updated before they are fully implemented. This is particularly true for the eplanning standard which relates to technology as available at the gazettal of the standards. Technology in this area advances quickly and it will be important for the standards to stay up to date to ensure they have the maximum accessibility and usability benefits.

The following section seeks to explore a range of options that will achieve a balance between achieving the objectives of the standards and the mitigating implementation costs.

## 5 Options assessed

Under section 32(1)(b) of the Resource Management Act 1991 (RMA), the Ministry for the Environment must identify and examine reasonably practicable options for achieving the proposed objectives outlined. “Reasonably practicable” is not defined in the RMA, but may include options that:

- are both regulatory and non-regulatory
- are targeted towards achieving the goal/objective
- are within the Ministry’s resources, duties and powers
- represent a reasonable range of possible alternatives.

For each potential option an evaluation has been undertaken relating to the costs and benefits to determine the effectiveness and efficiency of the approach, and whether it is the most appropriate way to achieve the relevant objective(s).

An important context for the consideration of these options is the baseline timeframes established by the deadlines set out in the RMA. Those default timeframes strongly reflect the legislative intent for when the planning standards will be implemented. The analysis that follows considers the options relative to the status quo, being 12 months for mandatory directions and five years for discretionary, as currently required under the RMA. These evaluations are outlined in the tables that follow.

**Option 1 – RMA default timeframes – status quo**

**Option 2 – Staged approach to implementation – initial focus on structure, format and eDelivery:** baseline eDelivery standards have a one-year deadline, structure and format standards have a three-year deadline, and there is a seven-year deadline to implement all other standards.

**Option 3 – Five years for most standards – plus a two-year extension offered to councils who have recently completed plan reviews (councils that have notified the decisions version of a plan within three years of the planning standards being gazetted ie, between April 2016 and April 2019).**

**Option 4 – Seven-year deadline – for all councils and for all standards, except for baseline eDelivery standards, which have a one-year deadline.**

**Option 5 – Next plan review or 10-year overall deadline, whichever is sooner – for all councils and for all standards, except for baseline eDelivery standards, which have a one-year deadline.**

**Table 2: Options analysis for implementation of the National Planning Standards**

Planning standards objectives		
<p><b>Objective 1: An appropriate level of standardisation is achieved for matters that don't need local variation:</b></p> <ul style="list-style-type: none"> <li>• avoid duplication of effort</li> <li>• ensure that only matters that do not need local input are included in the standard</li> <li>• standardises how national direction is represented and implemented in plans</li> <li>• result in standards where the effort put in by councils to implement the standards is commensurate with the level of standardisation achieved</li> </ul>	<p><b>Objective 2: Improve the accessibility and usability of plans:</b></p> <ul style="list-style-type: none"> <li>• plans are easier to access</li> <li>• plans are easier to understand</li> <li>• electronic functionality is used to improve accessibility wherever possible.</li> </ul>	
<p><b>Objective 3: Improve plan-making baseline performance:</b></p> <ul style="list-style-type: none"> <li>• shorter timeframes</li> <li>• less resource intensive</li> <li>• more focus on local outcomes</li> <li>• assist in good practice being adopted in a more timely manner.</li> </ul>	<p><b>Objective 4: Implementation of the standards is practical and feasible, while taking into account the:</b></p> <ul style="list-style-type: none"> <li>• resource intensity needed to implement the planning standards</li> <li>• capacity and capability of councils to implement the planning standards</li> <li>• efficiency of central government having ownership, associated ongoing responsibility and maintenance costs for this level of standard.</li> </ul>	
Option 1: Status Quo – RMA default implementation timeframes		
	Costs	Benefits
<p>Option 1: Status quo</p> <ul style="list-style-type: none"> <li>• <b>one year</b> for mandatory directions</li> <li>• <b>five years</b> for discretionary directions</li> </ul>	<p><b>Councils</b></p> <ul style="list-style-type: none"> <li>• financial costs to the vast majority of councils for extra plan changes – especially those under-resourced councils and those with complex plans; this cost would happen twice for two plan review processes (one for mandatory and one for discretionary directions)</li> </ul>	<p><b>Ministry for the Environment, and central government</b></p> <p>The standards are implemented as required by the legislation.</p> <p><b>Plan users and general public</b></p> <p>Many plans have common chapter and section headings quickly and other changes</p>

	<ul style="list-style-type: none"> <li>• amended provisions in some plans will be complex and difficult to use without broader RMA plan changes – for example, standardised definitions may result in objectives, policies and rules to be rewritten in a convoluted way to avoid changing existing plan provisions and the required RMA plan change process</li> <li>• high likelihood that some councils choose not to meet the deadlines in order to maintain plan integrity and use resources more efficiently</li> <li>• other national direction that requires work from councils during this time (eg, National Policy Statement (NPS) for Urban Development Capacity and the NPS Freshwater Management) may be deprioritised by councils and deadlines may not be met.</li> <li>• each council that does not currently have an ePlan will face an estimated cost of \$70,000<sup>7</sup> in the first year of gazettal for the development of an ePlan.</li> </ul> <p><b>Ministry for the Environment, and central government</b></p> <p>Ministry expected to significantly front load resources to provide support to all councils and to ensure staff available to review correct implementation of the standards.</p> <p><b>Plan users</b></p> <p>Difficult for professional plan users to understand and keep up with all of the plan changes or plan updates occurring within the one-year timeframe.</p>	<p>are still made within five years.</p>
<p><b>Effectiveness and efficiency</b></p>	<p><b>Effectiveness</b></p> <p>This option is the least effective of those considered. The</p>	<p><b>Efficiency</b></p> <p>This change is considered to be the least efficient of those considered as councils</p>

<sup>7</sup> Castalia. 2018. *Economic Evaluation of the Introduction of the National Planning Standards*. Prepared for the Ministry for the Environment. Wellington: Ministry for the Environment.

	<p>standardisation brought by this option in the one year timeframe will be superficial and there is a risk that plans amended in a piecemeal way will result in unworkable plan provisions. EPlan providers and planning consultants are unlikely to have the capacity and capability to support the number of plan changes being carried out and the creation of the number of ePlans required within a year. This would lead to changes not being effectively carried out.</p> <p>If a plan is updated in a year to reflect the definitions standard, it is more likely (than the other options) that consequences of these definition on plan provisions will not be totally understood and could lead to perverse outcomes.</p> <p>Estimate around 50% of the plans that implement the mandatory directions first could have plan usability problems until the spatial planning tools and zone framework standards are implemented.</p>	<p>will need to use resources on multiple plan review processes. Most councils would be required to implement these changes outside of a scheduled plan review cycle.</p> <p>Around 10% of councils could meet the one-year deadline because they are already advancing a plan review process, have been involved in the Ministry’s pilot council programme, giving them access to early drafts of the planning standards and have sufficient capability and capacity to make these changes. Around 60% of councils could meet the five-year deadline.</p>
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<p><b>Overall evaluation</b></p>	<p>This option is the least appropriate approach to achieve the objectives because:</p> <ul style="list-style-type: none"> <li>• the level of standardisation achieved within the one-year timeframe will be superficial (Objective 1)</li> <li>• plans will not be more useable in the short term and fast plan changes may lead to unintended outcomes (Objective 2)</li> <li>• the initial one-year change requirement will be very resource intensive and will not lend itself to the adoption of best practice as councils are likely to do the bare minimum (Objective 3)</li> <li>• the implementation of this option is not practical or feasible for the majority of councils, or for central government in providing appropriate support to councils (Objective 4).</li> </ul>
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**Option 2: Staged approach to implementation**

	<p><b>Costs</b></p>	<p><b>Benefits</b></p>
<p><b>Option 2: Staged approach to implementation (ie, 12 months, three</b></p>	<p><b>Councils</b></p> <ul style="list-style-type: none"> <li>• costs to implement significant planning standards in short</li> </ul>	<p><b>Councils</b></p>

<p><b>years, five years)</b></p> <ul style="list-style-type: none"> <li>• A <b>one-year deadline</b> for baseline eDelivery.</li> <li>• A <b>three-year</b> deadline for structure, format and eDelivery standards.</li> <li>• A <b>seven-year</b> deadline for other standards.</li> </ul>	<p>timeframe; this cost would happen three times for separate plan review processes.</p> <ul style="list-style-type: none"> <li>• larger, complex plans and those with plan structures different from the planning standards are likely to have usability issues until a full plan review is undertaken later; problems can include large number of overlapping precincts and overlays, lengthy/repetitive plan provisions, and ‘empty’ chapters</li> <li>• similar issues could occur when existing rules are placed in the new rule format and the rule table, these can both affect how rules are drafted so retrofitting could create unintended consequences.</li> </ul> <p><b>Ministry for the Environment</b></p> <p>Ministry support is needed over a concentrated period with all councils amending structure within three years</p> <p><b>Plan users/general public</b></p> <ul style="list-style-type: none"> <li>• plans amended to implement the structure and format standard first will have usability issues</li> <li>• difficult for plan users to be involved with all of the relevant plan changes occurring in the exact same timeframe</li> <li>• increased complexity in the planning system during the seven-year transition period for all plan users as councils move towards the standards over a longer period.</li> </ul>	<p>Councils with simple plans, and with plans that are already similar to the planning standards structure, will be able to make these changes quickly.</p> <p><b>Ministry for the Environment, and central government</b></p> <p>RMA plans’ structure and format align quickly</p> <p><b>Plan users</b></p> <ul style="list-style-type: none"> <li>• RMA plans’ structure and format align quickly, with earlier benefits for plan users who work across plans</li> <li>• online accessibility and usability of plans is increased quickly.</li> </ul> <p><b>General public</b></p> <p>Online accessibility and usability of plans is increased quickly.</p>
<p><b>Effectiveness and efficiency</b></p>	<p><b>Effectiveness</b></p> <p>This option is not considered effective, as plans amended in a piecemeal way will not always be easy to use.</p> <p>Around 50% of the plans that implement the mandatory directions first will have some usability problems (such as plans that are complex and difficult to use) until all directions are implemented and</p>	<p><b>Efficiency</b></p> <p>This change is not considered to be efficient as councils will need to use resources on multiple plan review processes. While the longer three-year period may assist to reduce workability issues compared with the status quo, it does not fully resolve the issues that will occur when updates and changes are implemented in a piecemeal manner.</p>

	consequential amendments or schedule 1 plan changes are complete.	Estimate around 75% of councils could meet the one- and seven-year deadlines, but estimate only around 25% could meet the three-year deadline for structure and format.
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<b>Overall evaluation</b>	<p>This option is not appropriate to achieve the objectives because:</p> <ul style="list-style-type: none"> <li>the level of standardisation achieved within the three-year timeframe will only be superficial (Objective 1)</li> <li>all plans will be in a state of regular change over a seven-year period, introducing more complexity for plan users and reducing the accessibility and user-friendliness (Objective 2)</li> <li>carrying out two separate plan updates outside of a full review will not lend itself to the adoption of best practice (Objective 3)</li> <li>the implementation of this option is less practical and feasible than options 3, 4 and 5 (Objective 4), and the benefits are delayed by a further two years for most plans compared with the expectations set out in the legislation.</li> </ul>	
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### Option 3: Five years, plus two year extension as needed

<b>Option 3: Five years, plus two-year extension as needed</b>	<b>Costs</b>	<b>Benefits</b>
<ul style="list-style-type: none"> <li>A <b>one-year</b> deadline for baseline eDelivery standards</li> <li>A <b>five-year</b> deadline for all councils to implement all other standards, except for a <b>seven-year</b> deadline offered to councils who have recently completed a plan review (councils that have notified the decisions version of a plan within three years of the planning standards being gazetted ie, between April 2016 and April 2019).</li> </ul>	<p><b>Councils</b></p> <p>A number of councils are still likely to need to bring forward their a full plan review, however the amount is less than options 1 and 2.</p> <p><b>Ministry for the Environment</b></p> <p>Ministry support is needed but it can be spread out over a longer period than options 1 and 2.</p> <p><b>Plan users/general public</b></p> <p>There are still a large number of plan changes and reviews that will occur within the five to seven year timeframe, which may be difficult for plan users to be involved with; however this is a large improvement on options 1 and 2.</p>	<p><b>Councils</b></p> <ul style="list-style-type: none"> <li>councils who consider a comprehensive approach to reviewing their plan is the most effective approach to maintain effective plan provisions can adopt this approach (eg, significant redrafting of rules and zone changes can occur at the same time as changes to the structure and format of plans)</li> <li>councils that have plans made operative recently given a further two years before standards are required to be implemented, reducing the impact of the implementation change compared with the status quo and Option 2</li> <li>less risk of major recent plan reviews being reopened for further challenge soon after they were finalised</li> <li>councils have more ability (than options 1 and 2) to budget and plan for a review within their Long-Term Plan (LTP).</li> <li>Comprehensive plan changes within these timeframes are more likely to be able to include provisions that give effect to the National Policy Statement (NPS) for Urban Development Capacity and the NPS Freshwater Management,</li> </ul>

		<p>leading to efficiency gains.</p> <p><b>Ministry for the Environment, and central government</b></p> <ul style="list-style-type: none"> <li>the government is assured that national standardisation will still occur for the majority of councils within the five-year anticipated by the legislation (ie, status quo)</li> <li>supporting councils will be easier than the status quo and option 2, however the commitment to implementation will be over a longer period.</li> </ul> <p><b>Plan users/general public</b></p> <ul style="list-style-type: none"> <li>some improvements to online accessibility and usability of plans occur quickly, and the transition to ePlans still occurs within five years for most councils</li> <li>contributors to multiple plans (iwi authorities, industry sector groups, etc) will not have to duplicate efforts on separate plan changes or updates for the same plan.</li> </ul>
<b>Effectiveness and efficiency</b>	<p><b>Effectiveness</b></p> <p>This option is effective as it provides a choice for councils in how they approach the implementation of all the standards in their plans. Many councils are likely to undertake a comprehensive review of their plan as a result, producing plans that are easy to use, workable and effective.</p>	<p><b>Efficiency</b></p> <p>This change is efficient as most councils will be able to carry out a full plan review either as planned or in close proximity to when one is planned (at the most three years early). Recognises that some councils have recently operative plans and providing a further two years helps to bring the required implementation of the standards closer to the time they are due for a review anyway, reducing the cost impacts on those councils.</p> <p>This option will see a majority of councils implement their plans within the overall time period anticipated by the legislation (five years).</p>
<b>Overall evaluation</b>	<p>This option is the most appropriate to achieve the objectives because:</p> <ul style="list-style-type: none"> <li>the level of standardisation achieved within the timeframes will be significant and duplication of effort will be minimised (Objective 1)</li> <li>the overall usability of all plans will be increased more quickly than all other options and there is less likelihood of unintended consequences than</li> </ul>	

	<p>options 1 and 2 (Objective 2)</p> <ul style="list-style-type: none"> <li>• carrying out a full review will assist with the adoption of best practice (Objective 3)</li> <li>• the implementation of this option is more practical and feasible than the status quo and option 2; councils are more likely to have the capacity and capability to carry out the changes (Objective 4), while still having a significant level of standardisation carried out within five years of gazettal.</li> </ul>
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#### Option 4: Seven-year deadline

	Costs	Benefits
<p><b>Option 4: Seven years</b></p> <ul style="list-style-type: none"> <li>• A <b>seven-year</b> deadline for all councils to implement all standards, except for baseline eDelivery standards, which have a one-year deadline.</li> </ul>	<p><b>Councils</b></p> <ul style="list-style-type: none"> <li>• may take a long time for councils to implement planning standards (some councils have just finished a full plan review, or are doing “rolling reviews” (reviewing one plan topic at a time)); councils may prioritise other plan changes over implementing planning standards</li> <li>• some of the planning standards, particularly eDelivery, may become out of date and require updates before all councils have completed implementation.</li> </ul> <p><b>Ministry for the Environment, and central government</b></p> <ul style="list-style-type: none"> <li>• Plans are aligned slower than Options 1–3, resulting in the current problems associated with ineffective implementation of national direction continuing, and reducing the scope for other regulation to be adopted in plans that would seek to improve consistent environmental outcomes.</li> </ul> <p><b>Plan users</b></p> <ul style="list-style-type: none"> <li>• standardisation of plans is slower to be achieved than Options 1–3</li> <li>• delayed benefits of national standardisation for plan users</li> </ul>	<p><b>Councils</b></p> <ul style="list-style-type: none"> <li>• most councils can use existing allocated resources to align planning standards changes with upcoming RMA plan changes, or at least have more time to run specific plan changes</li> <li>• councils can implement the standards when next practicable: as part of a full plan review, as one stage of a rolling review, or as a separate plan change</li> <li>• councils have the ability to budget and plan for a review within their LTP.</li> </ul> <p><b>Ministry for the Environment, and central government</b></p> <p>Reduced cost to the Ministry to support implementation, as the majority of councils will be able to implement the standards within their budgeted next plan review. However the commitment to implementation support will need to be sustained over a longer period.</p> <p><b>Plan users</b></p> <p>Contributors to multiple plans (iwi authorities, industry sector groups, etc) will not have to duplicate efforts on separate plan changes or updates for the same plan.</p>

	compared with the status quo, and also Option 3 resulting in current inefficiencies of the planning system continuing to impact on plan users.	
<b>Effectiveness and efficiency</b>	<p><b>Effectiveness</b></p> <p>This option is not considered the most effective option as standardisation will take too long to occur.</p> <p>When plans are produced however, plan usability is good as the vast majority will be amended via a full plan review.</p>	<p><b>Efficiency</b></p> <p>This change is considered to be more cost effective than that status quo. Most councils will be able to carry out a full plan review either as planned or in close proximity to when one is planned (at the most three years early). However some councils who have planned reviews may wait until the seven-year deadline to implement the standards.</p> <p>Estimate that around 80% of councils could meet the deadlines.</p> <p>However, the cost to plan users of continuing to operate in a planning system that has significant variation until all plans are updated will continue for longer than was anticipated by the legislation. Leading to inefficiencies continuing.</p>
<b>Overall evaluation</b>	<p>This option is not the most appropriate to achieve the objectives because, although:</p> <ul style="list-style-type: none"> <li>the level of standardisation achieved in the timeframes will be significant and duplication of effort will be avoided (Objective 1)</li> <li>carrying out a full review will assist with the adoption of best practice and reduce the risk of unintended outcomes of plan provisions (Objective 3)</li> <li>the implementation of this option is more practical and feasible than the Status Quo (option 1) and option 2; councils are more likely to have the capacity and capability to carry out the changes (Objective 4)</li> </ul> <p>these are outweighed by:</p> <ul style="list-style-type: none"> <li>the usability of all plans will take longer to occur than options 1 , 2 and 3 (Objective 2)</li> <li>some councils may delay the implementation of the standards out to seven years if the option is available, therefore a meaningful level of standardisation will take longer to occur.</li> </ul>	
<b>Option 5: Next plan review (or by 2029 at latest)</b>		
	<b>Costs</b>	<b>Benefits</b>

<p><b>Option 5: Next plan review</b></p> <ul style="list-style-type: none"> <li>Councils incorporate the planning standards into their next full plan reviews or <b>10 years at the latest</b>.</li> </ul>	<p><b>Councils</b></p> <p>There are considered to be no additional costs to councils as a result of the standards under this option as plans can be amended to meet the requirements at an already predetermined plan review.</p> <p><b>Ministry for the Environment, and central government</b></p> <p>Plans are aligned slower than Options 1–4, resulting in the current problems associated with ineffective implementation of national direction continuing, and reducing the scope for other regulation to be adopted in plans that would seek to improve consistent environmental outcomes.</p> <p><b>Plan users</b></p> <p>Plan users have a significant wait for the benefits of the planning standards being realised. The costs associated with operating in a planning system with significant unnecessary variation in plans will continue.</p>	<p><b>Councils</b></p> <ul style="list-style-type: none"> <li>resources required to amend plans are already allocated as part of plan reviews under LTP rounds</li> <li>plan content can be prepared to align with the planning standards, rather than having to retrofit existing content.</li> </ul> <p><b>Ministry for the Environment, and central government</b></p> <p>Reduces the need for Ministry support, as the need is spread over longer timeframes. However the commitment to implementation support will need to be sustained over a very longer period which may be difficult to sustain as priorities change.</p> <p><b>Plan users</b></p> <p>Contributors to multiple plans (iwi authorities, industry sector groups, etc) will not have to duplicate efforts on separate plan changes or updates for the same plan.</p>
<p><b>Effectiveness and efficiency</b></p>	<p><b>Effectiveness</b></p> <p>Plan usability would eventually be good under this option as councils have had sufficient time to implement the changes in a comprehensive manner.</p>	<p><b>Efficiency</b></p> <p>This option reflects and efficient use of councils’ resources to implement the planning standards but does not produce the benefits of the standards in an efficient timeframe (as anticipated by the legislation). The efficiency for plan users is adversely affected as a result.</p> <p>Under this option all councils should be able to meet the deadline for implementation.</p> <p>However, inefficiencies in the planning system will continue for longer, including the cost to plan users operating in a planning system that has significant variation. These inefficiencies will continue for significantly longer than was anticipated by</p>

		the legislation.
<b>Overall evaluation</b>	<p>This option is not the appropriate approach to achieve the objectives because, although:</p> <ul style="list-style-type: none"> <li>• good level of standardisation is achieved and duplication of effort is avoided (Objective 1)</li> <li>• the implementation of this option is practical and feasible. Councils are likely to have the capacity and capability to carry out the changes (Objective 4)</li> </ul> <p>these are outweighed by:</p> <ul style="list-style-type: none"> <li>• the usability of all plans will take longer to occur than options 3 and 4 (Objective 2)</li> <li>• plan-making baseline performance will take longer to improve (Objective 3)</li> <li>• some councils may delay the implementation of the standards out to 10 years if the option is available; therefore, a meaningful level of standardisation will take longer to occur.</li> </ul>	

## 6 Risk of acting/not acting if there is uncertain or insufficient information

An assessment of the risks of acting or not acting if there is uncertainty or insufficient information is usually undertaken for each reasonably practicable option in a regular section 32 report. However, as established in Part 1 of this report, the National Planning Standards (planning standards or standards) require evaluation using a slightly different methodology. As the options outlined above are essentially a variation of one another, the risks of acting or not acting if there is uncertainty or insufficient information are considered to be the same. Therefore, they are addressed collectively here.

As councils are required to implement the standards by the RMA there is no option to not act to implement the standards. However, with all of the options there is a risk that councils will choose not to implement the standards in the required timeframes. This becomes less likely as more time is given for implementation, but it still remains a risk. This will be addressed by the Ministry for the Environment supporting councils with comprehensive implementation guidance.

There is also a small risk that the information we have gathered regarding council planned plan reviews is not accurate. We will use the consultation programme of the proposed standards to update our information.

## 7 Conclusion/summary of rationale for the preferred option

This evaluation has been undertaken in accordance with section 32 of the RMA, in order to identify the need, benefits, costs and the appropriateness of the proposal. This must be done having regard to its effectiveness and efficiency relative to other means in achieving the purpose of the RMA.

The Ministry for the Environment presented a range of options for implementation timeframes to the Minister, who concluded that a tiered approach to the implementation of the standards is appropriate. The implementation timeframes proposed for the first set of standards are:

- one year for basic ePlanning requirements (discussed further below)
- five years for all other standards
- a two-year extension (total of seven years) for councils who have recently completed (or are about to complete) plan reviews.

The chosen timeframes as represented by Option 3 are considered to be a 'sweet spot' where the intent of the legislation to implement the standards quickly is maintained while also ensuring that the key objectives of the standards are met. Option 3 is considered to make an appropriate trade-off between where the costs fall and the Government's preference to remove costs from plan users in the planning system as quickly as possible, while also managing the cost impacts on local government. The Ministry is aware that the level of support provided to councils to assist with the implementation of the standards will need to increase to offset some of these costs.

### 7.1.1 Basic ePlanning requirements (one year)

Improving the online functionality, accessibility and usability of RMA plans gives 'quick-win' efficiency gains for plan users and improves national collation and comparison of plan data. The extent of work required to meet this standard will depend on the quality of the plan a council already has. Most councils with PDF plans will likely need to make some changes. However these standards would not be overly onerous to implement, would not affect plan content, and will not have a significant flow-on effect on plan structure and format. The Ministry expects these requirements can in most cases be met through existing council resources. Therefore, the proposed implementation of these standards is within one year from gazettal, in April 2020.

### 7.1.2 Remainder of the standards (five or seven years)

An overall timeframe of five years from gazettal to implement all standards (apart from the basic ePlanning standards), and an extension of two years for councils who have recently completed a plan review, is the most efficient. This option provides a balance between not protracting the implementation of the standard and therefore seeing their benefits sooner, and not forcing councils to complete their plan changes several years inside of their current plan review programmes.

The majority of councils will be able to use resources that are already allocated to amend plans. This will reduce potential additional cost burdens, as these can be implemented with a full plan review (or rolling reviews if still desired by the council). More comprehensive plan changes to adopt planning standards will improve plan usability from the outset.

## 7.2 Implementation support

The Ministry for the Environment intends to provide a package of implementation support for councils during the implementation period. This is likely to include guidance, workshops and possibly one-on-one council support where deemed necessary. In all this work, the Ministry will prioritise action to ensure that the implementation of the standards results in the greatest possible impact.

The Ministry intends to encourage councils to include what they consider to be priorities for implementation support in their submissions on the standards. Ministry implementation support will also be canvassed with the practitioners drafting group and pilot councils, among others.

The Ministry plans to stay in close contact with councils, and monitor the uptake of the standards and assess implementation needs over the one-, five- and seven-year implementation timeframes.

# References

Castalia. 2018. *Economic Evaluation of the Introduction of the National Planning Standards*. Prepared for the Ministry for the Environment. Wellington: Ministry for the Environment.

Ministry for the Environment. 2016. *National Monitoring System for 2014/15*. Wellington: Ministry for the Environment.

Ministry for the Environment. 2017. *National Monitoring System for 2015/16*. Wellington: Ministry for the Environment.