

Results for the cost of making a new law, all in \$NZ

Journal requirements meant that we had to publish all of our results around the cost of law making in \$US. In this extra online information, we add to the work published in the following citation by showing our results in \$NZ (i.e., Tables 3 and 4).

Wilson N, Nghiem N, Foster R, Cobiac L, Blakely T. Estimating the cost of new public health legislation. *Bull WHO* [e-Publication 8 May 2012].
http://www.who.int/bulletin/online_first/11-097584.pdf

Table 3: Additional detail on methods, data inputs and results of calculations for the cost of an average Act and a Regulation in New Zealand (worked example, all in \$NZ)

Activity relating to law-making	Additional data details	Worked analysis
Parliamentary input to law-making		
[\$TP] = Annual total cost of running the Parliamentary Service (data from the NZ Treasury), ¹ including salaries for politicians and staff, capital investment and overheads	\$130.519 million (for 2009/10 year)	\$130,519,000
[%P] = Proportion of Parliamentary activity that is attributed to law-making.	“Sitting days” method (Table 1)	26.7%
[\$P] = Annual cost of Parliamentary activity that is attributed to law-making.	$\$P = \$TP \times \%P$	\$34,803,552
Government agency input to law-making		
[\$TA] = Annual total cost of the provision of policy advice from all government agencies to other branches of the government and Parliament. ² Full cost including depreciation and the capital charge for the agencies. ^a	\$492.44 million (for 2009/10 year)	\$492,440,000
[%A] = Proportion of the above policy advice that relates to generating new laws.	See the text for the content analysis of policy issues	16.7%
[\$A] = Annual total cost of the provision of policy advice from government agencies to Parliament that relates to new law.	$\$A = \$TA \times \%A$	\$82,237,480
Legislative outputs		
[Na] = Average number of Acts per year.	See Table 2	18.7
[La] = Average number of pages per Act.	See Table 2	73.9
[Act output] = Total Act output (pages)	Act output = Na x La	1381.9
[Nr] = Average number of Regulations per year.	See Table 2	109.5
[Lr] = Average number of pages per Regulation.	See Table 2	11.1
[Reg output] Total Regulation output (pages)	Reg output = Nr x Lr	1215.5
[Total output] Total output for Acts and Regulations (pages)	Total output = Act output + Reg output	2597.4
[Pa] = Proportion of legislative output that is “Acts” (weighted by page length).	$Pa = \text{Act output} / \text{Total output}$	0.53
[Pr] = Proportion of legislative output that is “Regulations” (weighted by page length).	$Pr = \text{Reg output} / \text{Total output}$	0.47

Activity relating to law-making	Additional data details	Worked analysis
Total costs		
Total cost = Annual total cost (parliamentary activity + policy advice) attributed to law activity	Total cost = \$P + \$A	\$117 million
Total cost A = Annual total cost attributable to Acts	Total cost A = Total cost x Pa	\$62 million
Total cost R = Annual total cost attributable to Regulations	Total cost R = Total cost x Pr	\$55 million
Average costs		
[Act cost] = Average cost of a new Act.	Act cost = Total cost A/Na	\$3.3 million
[Reg cost] = Average cost of a new Regulation.	Reg cost = Total cost R/Nr	\$0.5 million
[Page cost] = Average cost per page of legislation (Acts and Regulations collectively).	Page cost = Total cost/Total output	\$45,000

^a Data for the Ministry of Foreign Affairs and Trade (MFAT) from "Appendix Table 9", which was more appropriate than the figures for MFAT used elsewhere in the Report by the Committee to Review Expenditure on Policy Advice.² We also included the cost of policy advice from agencies focused on legal issues, i.e., "Crown Law" and the "Law Commission".

Table 4: Results of the probabilistic sensitivity analysis for estimating the cost of a new law in \$NZ (n=2000 iterations using @Risk, results rounded to thousands, with these results matching those in the published paper using an exchange rate of 1 USD = 1.387 NZD)

Cost variable	Cost of a new Act	Cost of a new Regulation
Mean	3,540,000	530,000
Median	3,337,000	500,000
2.5 th percentile	2,048,000	307,000
25 th percentile	2,778,000	416,000
75 th percentile	4,075,000	611,000
97.5 th percentile	6,154,000	922,000

References

1. NZ Treasury. *Vote Parliamentary Service: The Estimates of Appropriations 2010/11*. <http://www.treasury.govt.nz/budget/2010/estimates/est10parser.pdf>
2. Committee to Review Expenditure on Policy Advice. *Improving the quality and value of policy advice: Findings of the committee appointed by the Government to review expenditure on policy advice*. Wellington: New Zealand Government, 2010.