

SECTION 32 REPORT

Special Purpose Zone - Hospital Zone

May 2022

Table of Contents

1	Executive Summary	3
2	Introduction and Purpose	4
2.1	Purpose of report	4
2.2	Overview of topic.....	4
3	Statutory and Policy Context	7
3.1	Resource Management Act 1991	7
3.2	Higher order planning instruments	7
3.2.1	National Planning Standards.....	8
3.2.2	National Policy Statements.....	8
3.2.3	National Environmental Standards.....	8
3.2.4	Regional Policy Statement for Northland	8
3.3	Regional Plan for Northland	10
3.4	Iwi and Hapū Environmental Management Plans	10
3.5	Other Legislation and Policy Documents	10
3.5.1	Health Act 1956 and the New Zealand Public Health and Disability Act 2000	11
4	Current state and resource management issues.....	12
4.1	Operative District Plan Approach	12
4.1.1	Summary of current management approach	12
4.1.2	Limitation with current approach.....	12
4.2	Key issues identified through consultation.....	13
4.2.1	Summary of feedback on managing hospital sites	13
4.2.2	Summary of advice from iwi authorities.....	13
4.3	Summary of Resource Management Issues.....	14
5	Proposed District Plan Provisions.....	15
5.1	Strategic Objectives	15
5.2	Proposed Management Approach.....	15
5.3	Summary of proposed objectives and provisions.....	16
5.3.1	Summary of objectives	16
5.3.2	Summary of provisions	16

6	Approach to Evaluation	17
6.1	Introduction	17
6.2	Evaluation of scale and significance	17
6.3	Summary of scale and significance assessment	19
7	Evaluation of objectives.....	19
8	Evaluation of Provisions to Achieve the Objectives	23
8.1	Introduction	23
8.2	Quantification of benefits and costs.....	24
8.3	Evaluation of options.....	25
8.3.1	Option 1: Status quo	25
8.3.2	Option 2: Using the Mixed Use Zone in the PDP	27
8.3.3	Option 3: Introducing a Special Purpose Zone – the proposed Hospital Zone	30
9	Summary	33

1 Executive Summary

This report provides an evaluation of the proposed provisions in the Hospital Zone of the Proposed Far North District Plan (PDP) in accordance with section 32 of the Resource Management Act 1991 (RMA). The management of physical and natural resources in an integrated way, including regionally significant infrastructure such as hospitals, is a core function of territorial authorities under section 31(1)(a) of the RMA. Having particular regard to the efficient use of natural and physical resources (which includes existing hospital sites) is also an 'other matter' under section 7 of the RMA which particular regard must be given to. The Far North District has three existing hospital sites in Kaitaia, Bay of Islands (Kawakawa) and Rawene that provide local healthcare services to residents and support the main specialist hospital for the Northland region in Whangarei. It is essential that these hospitals continue to operate and can expand and develop as needed to meet the healthcare needs of the Far North District.

The approach in the Operative District Plan was to apply a Commercial Zone to hospital sites, which was generally enabling of hospital activities. However, it did not provide any specific support for hospital activities and gave plan users no certainty as to the range of activities that were appropriate on a hospital site. The approach in the PDP is to introduce a Special Purpose Zone for the three hospital sites (Hospital Zone) to provide clear direction as to the range of activities anticipated and the permitted built form for hospital structures. This approach is consistent with the direction in the National Planning Standards to use a Special Purpose Zone to manage hospitals, defined as "*Areas used predominantly for the operation and development of locally or regionally important medical, surgical or psychiatric care facilities, as well as health care services and facilities, administrative and commercial activities associated with these facilities*".

The proposed provisions are based around two new definitions for 'hospitals' and 'hospital-related activities', which are both permitted in the Hospital Zone. Visitor accommodation associated with hospital activities is also permitted but the remainder of activities in the zone are either restricted discretionary or discretionary. This allows hospitals some flexibility to consider other activities on hospital sites, provided they align with the policy direction to meet the operational and functional needs of hospitals and enable efficient use and development of hospital sites to meet existing and future healthcare needs.

The use of a Special Purpose Hospital Zone is considered to be the most efficient and effective way to give effect to the zone objectives. It gives effect to the Northland RPS direction to manage hospitals as regionally significant infrastructure, aligns with the way other councils in the Northland region are managing their hospital sites (i.e. Whangarei and Kaipara). It will effectively balance the need for hospitals to operate, expand and develop over time to meet the healthcare needs of their service catchments, while still managing the potential impacts of hospital buildings and operations at the interface with adjoining land. Overall, this evaluation concludes that the objectives in the Hospital Zone chapter of the PDP are the most appropriate way to achieve the purpose of the RMA and the provisions are the most appropriate to achieve the objectives, based on an assessment of effectiveness, efficiency, benefits and costs.

2 Introduction and Purpose

2.1 Purpose of report

This report provides an evaluation undertaken by the Far North District Council (FNDC) of the proposed district plan provisions for the Special Purpose Zone - Hospital Zone chapter in the Proposed Far North District Plan (PDP). This evaluation report is required under section 32 of the Resource Management Act 1991 (RMA).

Section 32 of the RMA requires Councils to examine whether the proposed objectives in a plan are the most appropriate to achieve the purpose of the RMA and whether the provisions (i.e. policies, rules and standards) are the most appropriate way to achieve the objectives. This evaluation must assess the effectiveness and efficiency of the provisions in achieving the objectives, including identifying and assessing the environmental, economic, social, and cultural effects, benefits and costs anticipated from the implementation of the provisions. Section 32 evaluations represent an on-going process in RMA plan development. A further evaluation under section 32AA of the RMA is expected in response to submissions received on the Hospital Zone provisions following notification of the PDP.

2.2 Overview of topic

This section 32 evaluation report relates to the provisions in the PDP relating to the management of the three hospitals in the Far North District as outlined in the table below.

Hospital Site	Services
Kaitaia Hospital	<ul style="list-style-type: none"> • Emergency department • Radiology • After-hours GP facility • Day Surgery facilities (2 x Theatres, 1x Endoscopy) • Birthing/maternity unit • Occupational therapy department • General/Paed's ward with modern isolation room (20 + 8 beds) • Chemotherapy Clinic (weekly) • 8 station haemodialysis outpatient unit • GP practices located onsite • Outpatients' consulting rooms • Community Mental Health services • Child + Adolescent Mental Health Services
Bay of Islands Hospital (Kawakawa)	<ul style="list-style-type: none"> • Brand new 20-bed inpatient ward (a mixture of general medicine & paediatric beds) • Five post-natal beds with two delivery suites • Eight bed Accident and Medical Department including two resuscitation bays (not a walk in Emergency Department) • Radiology and Laboratory services • 8 station satellite haemodialysis unit (a support service to the Whangarei Hospital renal service)

	<ul style="list-style-type: none"> • Physiotherapy and Occupational Therapy • Outpatient Clinics • Community Health Services including Paediatric Outreach Services, Diabetes, Community, Nursing, Public Health and Social Work
Hokianga Health Rawene Hospital	<ul style="list-style-type: none"> • Accident and urgent medical care clinic (day hours only, seven days a week – out of hours services provided on ward) • Primary healthcare services (e.g. GPs, community nursing) • Acute inpatient care and post-operative recovery care (10 bed) • Residential, rest home and hospital level aged care facility, including palliative care (12 bed) • Maternity services – three birthing suites plus pre and post-natal care • Emotional Wellbeing and Social Services • Home & Community Support Services • Community Development and Health Promotion • Rongoā Māori (traditional Māori healing)

All three hospital sites are expected to undertake some form of development or redevelopment over the life of the PDP, particularly Bay of Islands and Kaitaia Hospitals. Both sites (managed by the Northland District Health Board) have recently been through a master planning process to address operational and practical challenges facing the hospitals in the short and long term. These are summarised below.

Kaitaia Hospital

Kaitaia Hospital has a high proportion of older facilities where the building designs are either not fit for purpose, lack expansion areas or do not have the flexibility to be reconfigured to enable modern service delivery options to be introduced. Aside from the Outpatients Building (completed in 2006), the other four key buildings were constructed in the 1960s and are all nearing the end of their operational life. All five key buildings suffer weather-tightness, seismic resilience and fire safety issues and the roof on the Theatres and Kitchen building urgently needs replacing. Key areas of growth over the next 20 years include the need for an additional 7 in-patient hospital beds, a third day surgery theatre, increased negative pressure rooms to deal with infectious patients and dedicated paediatric beds. The masterplan exercise has identified the need for new buildings in the north and west of the site to address the existing building defects and provide for future growth, including the relocation of the helipad and decanting of activities between buildings as the site is redeveloped.

Bay of Islands Hospital

Bay of Islands Hospital is currently part way through a phased redevelopment, which commenced in 2015. Stage 1, a two-storey building with a 20-bed in-patient ward, 7-bed Accident & Medical unit and X-ray room, was completed and occupied in 2019. At the time of this report drafting, Stage 2, a single storey building with Out-patient clinics, Renal and Oncology Day Stay units and Primary Health is currently being procured on a Design-Build basis. This will also include the main entrance and reception for the hospital. The full hospital redevelopment involves four more stages and the majority of this work is intended to take place during the life of the PDP.

The redevelopment of the hospital site is needed to provide for future growth and also to address issues with the existing buildings, most of which are old and in poor condition. Key growth areas are

in Accident & Medical and Renal Dialysis, as well as an increased demand for in-patient beds generally. There is also a desire for people to receive a range of other treatments closer to their home, rather than having to travel to Whangarei. The Bay of Islands Hospital proposes to establish an Oncology unit and to increase the number of out-patient clinics to allow for a wider variety of specialist consultations.

Operative Plan

Under the Operative Plan, all three hospital sites are zoned Commercial. The objectives and policies for the commercial zone are generic and do not provide any specific direction for hospital activities or how wider hospital sites should be managed.

The bulk and location standards of the Commercial Zone are largely fit for purpose. However, the objective and policy framework of the Commercial Zone provides no specific support for hospital activities. As hospital redevelopment plans proceed, having clear direction in the district plan that hospital and hospital related activities need to be enabled and supported on these sites will assist with future development plans and resource consent applications (if needed) and provides certainty to the surrounding community about the ongoing use of the sites for hospital and hospital related activities.

Proposed approach

The proposed approach in the PDP involves a bespoke hospital zone as provided for under the National Planning Standards which aims to:

- Permit both hospital activities and hospital related activities (as well as the building and construction associated with these activities) to reduce the likelihood that future hospital redevelopment plans need a resource consent for land use activities.
- Establish a permitted 'envelope' for each hospital site, focusing the planning response on the external boundaries of the Hospital Zone and how the hospital activities interact with adjacent land uses.

These two matters are primarily addressed by listing hospital and hospital related activities as permitted in the zone, as well as using bulk and location controls to manage the location and scale of built development when viewed from external site boundaries, including maximum height, height in relation to boundary, setbacks and outdoor storage/rubbish screening controls.

The National Planning Standards recognise that a Special Purpose Zone can be used to provide for hospitals and hospital related activities. Using a Special Purpose Hospital Zone is also consistent with the approach taken by other Northland territorial authorities (i.e. Whangarei and Kaipara) and recent district plans on other parts of the country.

3 Statutory and Policy Context

3.1 Resource Management Act 1991

The **Section 32 Overview Report for the PDP** provides a summary of the relevant statutory requirements in the RMA relevant to the PDP. This section provides a summary of the matters in Part 2 of the RMA (purpose and principles) of direct relevance to the management of hospitals in the Far North District.

Section 74(1) of the RMA states that district plans must be prepared in accordance with the provisions of Part 2. The purpose of the RMA is the sustainable management of natural and physical resources which is defined in section 5(2) of the RMA as:

“...sustainable management means managing the use, development and protection of natural and physical resources in a way, or at a rate, which enables people and communities to provide for their social, economic and cultural wellbeing, and for their health and safety while –

- (a) Sustaining the potential of natural and physical resources (excluding minerals) to meet the reasonably foreseeable needs of future generations; and*
- (b) Safeguarding the life-supporting capacity of air, water, soil, and ecosystems; and*
- (c) Avoiding, remedying, or mitigating any adverse effects of activities on the environment.”*

To achieve the purpose of the RMA, all those exercising functions and powers under the RMA are required to:

- Recognise and provide for the matters of national importance identified in section 6
- Have particular regard to a range of other matters in section 7
- Take into account the principles of the Treaty of Waitangi in section 8 of the RMA.

The following section 7 matters are directly relevant to the Hospital Zone:

- (b) The efficient use and development of natural and physical resources:*
- (c) The maintenance and enhancement of amenity values:*
- (f) Maintenance and enhancement of the quality of the environment:*
- (g) Any finite characteristics of natural and physical resources:*

Development of the three hospital sites could result in adverse effects on the amenity values of adjacent sites, impact on the quality of the environment (both within the site and on adjacent sites) and an inefficient use of the land resource if the built form of hospital buildings is not appropriately sited and managed. The provisions of the Hospital Zone are designed to enable development and utilise land for hospital and hospital related activities by setting out a permitted built form ‘envelope’ for each site and focusing planning controls on managing effects at the zone boundary. This approach balances the demand for the redevelopment of hospitals over time with the need to protect sensitive activities and environments on adjacent sites as required by section 7 of the RMA.

3.2 Higher order planning instruments

Section 75(3) of the RMA requires district plans to give effect to higher order planning instruments – National Policy Statement (**NPS**), the New Zealand Coastal Policy Statement (**NZCPS**), National Planning Standards (**Planning Standards**), and the relevant Regional Policy Statement (**RPS**). The **Section 32 Overview Report** provides a more detailed summary of the relevant RMA higher order planning instruments relevant to the PDP. The sections below provide an overview of provisions in higher order planning instruments directly relevant to the management of hospitals in the Far North District.

3.2.1 National Planning Standards

Section 75(3)(ba) of the RMA requires that district plans give effect to the national planning standards. The national planning standards were gazetted in April 2019. The purpose of the national planning standards is to assist in achieving the purpose of the RMA and improve consistency in the structure, format and content of RMA plans.

The national planning standards list ‘Hospital Zone’ as one of the anticipated ‘Special Purpose Zones’ that a territorial authority can include in their district plan. The national planning standards include the following description of a Hospital Zone:

“Areas used predominantly for the operation and development of locally or regionally important medical, surgical or psychiatric care facilities, as well as health care services and facilities, administrative and commercial activities associated with these facilities.”

The national planning standards require the Hospital Zone to be located within the Special Purpose Zones chapter of the PDP within Part 3 – Area-Specific Matters. There are no definitions in the national planning standards that cover either hospitals or hospital related activities, except that the broader definition of ‘community facility’ includes land and buildings used for health activities. The definition of ‘hospital’ in the PDP is based on the definition of ‘hospital zone’ in the national planning standards.

3.2.2 National Policy Statements

Section 75(3)(a) of the RMA requires that district plans give effect to any National Policy Statement (NPS). There are no NPS that are directly relevant to the management of hospitals. However, it is noted that the Rawene Hospital site is located in the coastal environment overlay and therefore the provisions of the New Zealand Coastal Policy Statement 2010 (NZCPS) are relevant. The relevant NZCPS provisions and the more stringent controls for buildings and structures in the coastal environment overlay are discussed in detail in the section 32 report for the Coastal Environment chapter and are not repeated here.

3.2.3 National Environmental Standards

Section 44 of the RMA requires local authorities to recognise National Environmental Standards (NES) by ensuring plan rules do not conflict or duplicate with provisions in a NES. The National Environmental Standards for Air Quality 2011 (NES-AQ) is relevant to the management of hospitals as it controls the discharge of particulates from incineration of medical waste. Section 11 of the NES-AQ prohibits the operation of an incinerator at a healthcare institution unless a resource consent has been granted by the regional council for the discharge produced and other standards in the NES-AQ set limits on the size and nature of particulate discharges. As discharges to air are a regional council function under section 30 of the RMA, none of the Hospital Zone provisions will conflict with or duplicate provisions in the NES-AQ.

3.2.4 Regional Policy Statement for Northland

Section 75(3)(c) of the RMA requires district plans to ‘give effect’ to any RPS. The RPS was made operative on 14 June 2018. Key provisions in the Northland RPS relevant to the Hospital Zone as those relating to regionally significant infrastructure (which includes public hospitals) and the provisions of effective and efficient infrastructure as outlined below.

RPS	
Objective 3.6	<i>Economic activities – reverse sensitivity and sterilisation</i> <i>The viability of land and activities important for Northland’s economy is protected from the negative impacts of new subdivision, use and development, with particular emphasis on either:</i> <i>(a) Reverse sensitivity for existing:</i> <i>... (iv) Existing and planned regionally significant infrastructure; or</i>

	<p>(b) Sterilisation of:</p> <p>... (ii) Land which is likely to be used for regionally significant infrastructure.</p>
Objective 3.7	<p>Regionally significant infrastructure</p> <p>Recognise and promote the benefits of regionally significant infrastructure (a physical resource), which through its use of natural and physical resources can significantly enhance Northland's economic, cultural, environmental and social wellbeing.</p>
Objective 3.8	<p>Efficient and effective infrastructure</p> <p>Manage resource use to:</p> <p>(a) Optimise the use of existing infrastructure;</p> <p>(b) Ensure new infrastructure is flexible, adaptable, and resilient, and meets the reasonably foreseeable needs of the community; and</p> <p>(c) Strategically enable infrastructure to lead or support regional economic development and community wellbeing</p>
Policy 5.1.1	<p>Planned and coordinated development</p> <p>Subdivision, use and development should be located, designed and built in a planned and coordinated manner which:</p> <p>... (h) is or will be serviced by necessary infrastructure.</p>
Policy 5.2.2	<p>Future-proofing infrastructure</p> <p>Encourage the development of infrastructure that is flexible, resilient, and adaptable to the reasonably foreseeable needs of the community.</p>
Policy 5.2.3	<p>Infrastructure, growth and economic development</p> <p>Promote the provision of infrastructure as a means to shape, stimulate and direct opportunities for growth and economic development.</p>
Policy 5.3.1	<p>Identifying regionally significant infrastructure</p> <p>The regional and district councils shall recognise the activities identified in Appendix 3 of this document as being regionally significant infrastructure.</p>

In summary, these RPS objectives and policies require the PDP to (with respect to hospitals):

- Consider how future subdivision, use and development in the Far North District will be serviced by necessary infrastructure, which includes hospitals as regionally significant infrastructure.
- Support hospitals being 'future proofed', flexible, resilient and adaptable so that they can respond to the needs of their communities over time as demand for healthcare services changes and grows.
- Recognise that hospitals contribute to the social and economic well-being of a district by stimulating opportunities for economic growth and development.

The proposed Hospital Zone provisions have been drafted to give effect to the Northland RPS objectives and policies. Specifically, the zone objectives and policies recognise hospitals as regionally significant infrastructure and support hospitals being able to expand and develop over time as needed. The objectives and policies also recognise that hospitals are important to the economic and social well-being of people in the Far North district and providing more healthcare services closer to where people live results in more healthcare sector jobs locally. The rule framework has been designed to be enabling to support the redevelopment of hospitals, focusing on the management of potential adverse effects along site boundaries rather than activities happening internally within the hospital sites.

3.3 Regional Plan for Northland

Section 75(4)(b) of the RMA states that any district plan must not be inconsistent with a regional plan for any matter stated in section 30(1) of the RMA. The operative Northland Regional Plans and proposed Northland Regional Plan are summarised in the **Section 32 Overview Report**. The table below provides an overview of provisions in the proposed Northland Regional Plan (appeals version) that are directly relevant to the management of hospitals in the PDP.

Proposed Northland Regional Plan	
Objective F.1.6	Regionally significant infrastructure
Policy D.2.5	Benefits of regionally significant infrastructure
Policy D.2.7	Minor adverse effects arising from the establishment and operation of regionally significant infrastructure
Policy D.2.8	Maintenance, repair and upgrading of regionally significant infrastructure
Policy D.2.9	Appropriateness of regionally significant infrastructure proposals
Policy D.2.11	Protection of regionally significant infrastructure

In summary, these regional plan objectives and policies and the implementation methods seek to:

- Recognise the economic, social and cultural benefits of regionally significant infrastructure and enable the effective development, operation, maintenance, repair, upgrading and removal of hospital activities (including buildings and structures).
- Enable minor adverse effects arising from establishing and operating regionally significant infrastructure, provided historic, cultural and natural values can be appropriately managed.
- Enable maintenance, repair and upgrading of regionally significant infrastructure if the adverse effects are not significant or temporary and are similar to the effects generated before the work began.
- Set out specific criteria to consider when regionally significant infrastructure proposals involve more than minor adverse effects.
- Protect hospital sites in the Northland region when considering the impacts of new use and development activities.

The provisions in the PDP are consistent with this approach as the objectives and policies specifically recognise hospitals as regionally significant infrastructure and provide enabling pathways through the rules and standards to develop and operate hospital sites, provided specific standards are met.

3.4 Iwi and Hapū Environmental Management Plans

When preparing and changing district plans, Section 74(2A) of the RMA requires Council to take into account any relevant planning document recognised by an iwi authority and lodged with the territorial authority, to the extent that its content has a bearing on the resource management issues of the district. At present there are ten iwi planning documents accepted by Council which are set out and summarised in the Section 32 Overview Report. The key issues in these plans that have been taken into account in the preparation of the provisions for the Hospital Zone.

3.5 Other Legislation and Policy Documents

When preparing or changing a district plan, section 74(2)(b)(i) of the RMA requires council to have regard to management plans and strategies prepared under other Acts to the extent that it has a bearing on resource management issues of the district. There is also a general requirement in section 18A of the RMA to ensure district plans only include matters relevant to achieving the purpose of the RMA and therefore do not duplicate controls in other legislation.

The **Section 32 Overview Report** provides a more detailed overview of strategies and plans prepared under legislation that are relevant to the PDP. With respect to hospitals, the two key pieces of legislation that have been taken into account when preparing the Hospital Zone provisions are the Health Act 1956 and the New Zealand Public Health and Disability Act 2000.

3.5.1 Health Act 1956 and the New Zealand Public Health and Disability Act 2000

The Northland DHB is required under the Health Act 1956 and New Zealand Public Health and Disability Act 2000 to:

- Improve, promote and protect the health of people and communities;
- Promote the integration of health services, especially primary and secondary care services;
- Seek the optimum arrangement for the most effective and efficient delivery of health services to meet local, regional and national needs; and
- Promote effective care or support of those in need of personal health services or disability support.

Providing a specific Hospital Zone in the PDP will support the Northland DHB to meet these obligations by giving them flexibility to operate, develop and adapt their services as needed to meet the needs of the community. A specific Hospital Zone is also an efficient way to provide for hospitals as the provisions are bespoke and give clear direction to both the Northland DHB and the Council as to what activities are anticipated in the zone. None of the proposed Hospital Zone provisions duplicate or conflict with the content of these two Acts. The method is consistent with the National Planning Standards and is utilised as method in other districts including Whangarei.

4 Current state and resource management issues

This section provides an overview of the relevant context for the management of hospitals in the Far North District, the current approach to managing hospitals in the Operative District Plan, and key issues raised through consultation. It concludes with a summary of the key resource management issues for the management of hospitals to be addressed through the PDP.

4.1 Operative District Plan Approach

4.1.1 Summary of current management approach

Chapter 7.7 of the Operative District Plan contains the provisions for the Commercial Zone. All three of the hospital sites in the Far North District have their core operational buildings located in a Commercial zone, however some hospital-controlled land also has other zoning. For example, hospital land to the south of the Bay of Islands Hospital site in Kawakawa is zoned Rural Production and hospital land to the north is zoned Residential. Similarly, in Kaitiā there are several parcels of land controlled by the hospital that provide mental health services at the corner of the Twin Coast Discovery Highway and Okahu Road that are zoned Residential.

The objectives and policies of the Commercial Zone do not specifically anticipate hospitals or hospital related activities. Instead, they provide generic direction that a wide range of activities are enabled in the Commercial Zone and the key limiting factor on an activity being appropriate or not is whether the effects of that activity are consistent with other activities in the zone. The direction of the Commercial Zone is very effects based – as such there are no listed activities in the zone. Rather, the permitted, controlled and restricted discretionary standards of the Commercial Zone control the scale, location and effects of activities and how they interact with activities on neighbouring sites.

The key standards in the operative Commercial Zone that apply to hospitals are:

- Max height of 12m
- 2m + 45° height in relation to boundary control on any boundary with a Residential, Coastal Residential, Russell Township, Rural Living or Coastal Living zone (could be 3m + 45° as a controlled activity)
- No setbacks requirements except helicopter landing areas are required to be at least 200m from the nearest boundary of any Residential or Coastal Residential Zones
- Parking and outdoor storage areas are required to be screened from adjacent zones by 1.8-2m high fences, walls or landscaping.

4.1.2 Limitation with current approach

The Council has reviewed the current approach in the Operative District Plan, which has been informed by discussions with both the Northland DHB and Hokianga Health Enterprise Trust. This review has identified a number of issues with the current approach, which does not provide sufficient direction and flexibility to fully support the operation and future development of the hospitals.

The key issue with using a more generic zone, like the operative Commercial Zone, is that it does not provide any specific support for hospital and hospital related activities. Although these activities are appropriate in a Commercial Zone, the provisions of a generic zone do not recognise the role of hospitals as regionally significant infrastructure and do not recognise that hospitals have specific operational and functional needs. Although the bulk and location standards are generally fit for purpose, the restrictions on the location of helicopter landing areas are unworkable for a hospital and the height in relation to boundary controls should be more generous to recognise that hospitals generally have buildings of a greater bulk and scale than a typical commercial area.

Hospital land that is subject to other zones (e.g. Rural Production and Residential) faces further barriers to hospital operation and/or development as neither of these zones anticipate hospitals or hospital related activities as permitted.

4.2 Key issues identified through consultation

The **Section 32 Overview Report** provide a detailed overview of the consultation and engagement Council has undertaken with tangata whenua, stakeholders and communities throughout the district to inform the development of the PDP and the key issues identified through this consultation and engagement.

The draft district plan release for feedback in 2021 did not include a Hospital Zone as each of the hospital sites was included in the Mixed-Use Zone. As such, no specific feedback on the hospital zone concept was provided through feedback on the draft district plan. The sections below summarise the key feedback received from key stakeholders both prior to the draft district plan being released and during the development of the Hospital Zone.

4.2.1 Summary of feedback on managing hospital sites

Discussions with the Northland DHB about the best approach to managing their two hospital sites (Kaitaia and Bay of Islands) began at the end of 2020. Northland DHB raised the example of the Special Purpose Hospital Zone that had been used in the Whangarei District Plan and indicated their preference for a similar zone in the PDP. However, due to the scale of the Whangarei Hospital (which justified a bespoke set of provisions) and the fact that few significant issues with the operative Commercial Zone provisions were raised, the decision was made to manage the three hospital sites in the Far North District through a Mixed-Use Zone. Since the draft district plan was released, further information on the proposed masterplans for both the Kaitaia and Bay of Island Hospitals has been provided by the Northland DHB, which highlights the significant amount of work required over the life of the PDP to both remediate and modernise existing hospital buildings and cater for necessary growth in services and capacity.

Further discussions with the Northland DHB and analysis of options have identified the following reasons why a bespoke Hospital Zone is preferred over a Mixed-Use Zone in the PDP:

- **Consistency of approach with other territorial authorities in the Northland Region.** Since the draft district plan was released for comment, the Kaipara District Council have initiated a review of their district plan and are proposing to manage the Dargaville Hospital using a bespoke Hospital Zone in accordance with the National Planning Standards. The Whangarei District Plan already manages Whangarei Hospital with a specific Hospital Zone. There are advantages to all of the hospitals in the Northland region being managed through specific Hospital Zones that use consistent definitions and approaches to managing hospital and hospital related activities.
- **Better recognition of regionally significant infrastructure.** Northland DHB prefers specific recognition of the important role that hospitals play in supporting community well-being and their specialised operational and functional needs, rather than relying on a generic zone with little direction about managing hospital sites.

4.2.2 Summary of advice from iwi authorities

Section 32(4A)(a) of the RMA requires that evaluation reports include a summary of advice on a proposed plan received from iwi authorities. The **Section 32 Overview Report** provides an overview of the process to engage with tangata whenua and iwi authorities in the development of the PDP and key issues raised through that process. In relation to the hospital sites, iwi authorities provide the following advice:

- Ngati Hine have been developing a community health and housing proposal for an area to the south of the hospital site. The Te Mataora High level Masterplan proposal has progressed to a second stage of the Kainga Ora Infrastructure Acceleration Fund process and may enable further development of part of the site for community housing and health related services. Part of the site is zoned Rural Residential Zone to account for the further potential to provide for housing at a limited density without certainty over the provision of key infrastructure.

4.3 Summary of Resource Management Issues

Based on the analysis of relevant context, current management approach, and feedback from Northland DHB outlined above, the key resource management issues for hospital sites to be addressed through the PDP are:

- A lack of specific recognition of the specialised nature of hospital and hospital related activities and the important contribution they make to the District
- Ensuring that these activities and facilities are afforded sufficient operational and development flexibility to meet their current and future needs
- Managing the actual or potential effects of any future hospital or hospital related activities at the interface with adjacent zones.

5 Proposed District Plan Provisions

The proposed provisions are set out in the Special Purpose Hospital Zone chapter of the PDP. These provisions should be referred to in conjunction with this section 32 evaluation report.

5.1 Strategic Objectives

The PDP includes a strategic direction section which is intended to give high level direction on the strategic or significant matters for the District, and objectives to guide strategic decision-making under the PDP. The strategic objectives of direct relevance to hospitals in the District are:

- **SD-ECP-O3: Development and retention of highly motivated, educated and skilled people in the District.** This objective can be better achieved through a bespoke hospital zone that supports the redevelopment of hospitals over time, as better resourced, modern facilities are more likely to attract and retain highly skilled healthcare workers.
- **SD-UFD-O3: Appropriate development infrastructure in place or planned to meet the anticipated demands for housing and business activities.** This objective requires FNDC to provide a policy and rule framework for hospital sites that is flexible and enabling enough to allow for hospitals to operate, develop and adapt to meet the needs of current and future generations. This strategic objective directs that the district plan takes a forward-thinking approach to how hospital sites will need to change and adapt over time so that the district plan controls are not an unnecessary impediment to future development plans. This aligns well with the proposed approach of the Hospital Zone to focus on managing adverse effects at the edge of the Hospital Zone, while being enabling of hospital and hospital related activities on the balance of the site.

5.2 Proposed Management Approach

This section provides a summary of the proposed management approach for the management of hospitals in the PDP focusing on the key changes from the Operative District Plan. The **Section 32 Overview Report** outlines and evaluates general differences between the PDP provisions and Operative District Plan, including moving from an 'effects-based plan' to a 'hybrid plan' that includes both effects and activities-based plan provisions and an updated plan format and structure to align with the planning standards.

The main changes in the overall proposed management approach for managing hospitals through the Hospital Zone in the PDP are:

- Change from a generic, effects-based policy and rule framework (operative Commercial Zone) to a bespoke, activity based zone that specifically provides for the operational and functional needs of hospital and hospital related activities (proposed Hospital Zone).
- Clearer recognition in the objectives and policies that hospitals are regionally significant infrastructure.
- Clearer direction on the range of activities that are appropriate in a Hospital Zone through the introduction of new definitions for 'hospital' and 'hospital related activities'.
- Removal of operative provisions that restrict the location of hospital helipads close to residential zones (as this is not practically achievable for any of the three hospital sites and does not recognise that the operational needs of helicopters servicing hospitals must take precedence).
- More permissive height in relation to boundary controls for hospital sites.

The sections below provide a high-level summary of the objectives, policies, and rules and other methods in the proposed Hospital Zone chapter.

5.3 Summary of proposed objectives and provisions

This section provides a summary of the proposed objectives and provisions which are the focus of the section 32 evaluation in section 7 and 8 of this report.

5.3.1 Summary of objectives

The proposed management approach for the management of hospitals includes objectives for the Hospital Zone that seek to:

- Enable efficient use and development of the hospital zone to meet the existing and future healthcare needs of the Far North District.
- Recognise the importance of hospitals as regionally significant infrastructure.
- Manage the potential adverse effects of hospital activities while recognising that hospitals have special operational and functional needs that must be met.

5.3.2 Summary of provisions

For the purposes of section 32 evaluations, 'provisions' within the PDP are the *"policies, rules, or other methods that implement, or give effect to, the objectives of the proposed plan or change"*. The proposed management approach for the Hospital Zone chapter includes policies that:

- Enable a range of existing and future hospital and hospital related activities within the Hospital Zone.
- Avoid the establishment of activities not related to hospital activities within the Hospital Zone.
- Manage adverse effects on the surrounding environment by controlling development at the interface between the Hospital Zone and adjoining zones.
- Enable buildings and structures with an increased height and bulk compared to surrounding areas where there is an operational need.

The proposed management approach for proposed Hospital Zone chapter includes rules and standards that:

- Enable the construction, alteration, addition, demolition or removal of buildings and structures, as a permitted activity subject to compliance with standards.
- Provide for hospital and hospital related activities as permitted.
- Use a discretionary activity status for all activities not otherwise provided for to allow the hospitals scope to consider other activities, provided they align with the policy direction of the Hospital Zone and have a direct link to supporting hospital activities.
- Allow for an increased height and bulk of buildings compared to development allowed in surrounding zones (particularly residential areas) in recognition of the operational and functional needs of hospitals.

6 Approach to Evaluation

6.1 Introduction

The overarching purpose of section 32 of the RMA is to ensure all proposed statements, standards, regulations, plans or changes are robust, evidence-based and are the most appropriate, efficient and effective means to achieve the purpose of the RMA. At a broad level, section 32 requires evaluation reports to:

- Examine whether the objectives in the proposal are the most appropriate to achieve the purpose of the RMA
- Examine whether the provisions are the most appropriate way to achieve the objectives through:
 - Identifying reasonably practicable options for achieving the objectives
 - Assessing the efficiency and effectiveness of the provisions in achieving the objectives, including an assessment of environment, economic, social and cultural economic benefits and costs anticipated from the implementation of the provisions.

These steps are important to ensure transparent and robust decision-making and to ensure stakeholders and decision-makers can understand the rationale for the proposal and the efficiency and effectiveness of the provisions.

6.2 Evaluation of scale and significance

Section 32(1)(c) of the RMA requires that evaluation reports contain a level of detail that corresponds with the scale and significance of the environmental, economic, social and cultural effects that are anticipated from the implementation of this proposal. This step is important as it determines the level of detail required in the evaluation of the proposed objectives and provisions so that it is focused on key changes from the status quo.

The scale and significance of the environmental, economic, social and cultural effects of the provisions for managing hospitals are evaluated in the table below.

Table 1: Assessment of the scale and significance of the proposal.

Criteria	Comment	Assessment
Raises any principles of the Treaty of Waitangi	The proposed provisions have some relevance in relation to the principles of the Treaty of Waitangi, given the interest of Ngati Hine in using part of the Bay of Islands Hospital site for future development. However, the overall proposal is not expected to raise any significant issues in terms of the principles of the Treaty of Waitangi.	Low
Degree of change from the Operative District Plan	Introducing a bespoke Special Purpose Zone to manage the three hospitals in the Far North District is a very different approach to the Operative District Plan, which relied on the generic provisions of the Commercial Zone. The key changes relate to the clear direction in the objectives and policies relating to operating and developing hospital sites and the introduction of definitions for 'hospitals' and 'hospital related activities' to form easily interpreted permitted activity rules. However, minimal changes have been made to the standards of the Hospital Zone compared to the operative Commercial Zone, as the maximum height standard has been rolled over and only minor changes have been made to height in relation to boundary and setback rules. There will be more of a change compared to the status quo for the parts of the hospital sites that had a different zoning (e.g. Rural Production or Residential), however the impact of this change is	Medium

Criteria	Comment	Assessment
	considered to be minimal given that the core buildings and operations of all three hospitals are located in areas with an operative Commercial zoning.	
Effects on matters of national importance	As noted in Section 3.1 of this report, there are no matters of national importance in section 6 of the RMA that are directly impacted by the proposed Hospital Zone. Several section 7 matters will be given effect to by the Hospital zone, particularly as the zone has been designed so that hospitals can make the most effective and efficient use of their sites while managing amenity values at the interface with adjacent zones (sections 7(c), (d) and (g)). Overall, the proposed Hospital Zone has low significance in relation to this criterion.	Low
Scale of effects – geographically (local, district wide, regional, national).	The geographical effects of the proposed Hospital Zone are restricted to the three hospital sites in Kaitaia, Kawakawa (Bay of Islands Hospital) and Rawene. The impact of the Hospital Zone provisions are limited to these three sites, plus surround land with a directly adjoining boundary. The bulk and location controls along site boundaries (particularly the combination of height in relation to boundary and setback controls) will minimise the impact of buildings in the Hospital Zone on adjacent land. Overall, the proposed Hospital Zone has low significance in relation to this criterion.	Low
Scale of people affected – current and future generations	The proposed provisions impact a very small number of property owners (primarily the Northland DHB and Hokianga Health Enterprise Trust) but they will benefit both current and future generations of Far North residents in terms of supporting the ongoing access to quality healthcare services in the district.	Moderate
Scale of effects on those with specific interests, e.g., Tangata Whenua	There are very few special interest groups that are likely to have an interest in the Hospital Zone. The Northland DHB and the Hokianga Health Enterprise Trust (as landowners and site users) will both be significantly impacted by the proposed zone provisions but in a positive way, as the Hospital Zone is intended to make current operation and future development of hospital sites a straightforward process. Owners of land adjoining the Hospital Zone may be affected but the proposed bulk and location controls plus the outdoor storage screening requirements should minimise the scale of adverse effects at the zone interface. Overall, the proposed Hospital Zone has low significance in relation to this criterion.	Low
Degree of policy risk – does it involve effects that have been considered by higher order documents? Does it involve effects addressed by other standard/commonly accepted best practice?	The introduction of a bespoke Hospital Zone is anticipated by the National Planning Standards (which provide for a Hospital Zone as one of the listed Special Purpose Zones that a territorial authority can include in a district plan). The use of Hospital Zones is also common nationally and is the approach used by the two other territorial authorities in the Northland region (Whangarei and proposed in Kaipara). The proposed provisions are also largely consistent with the approach taken by adjoining territorial authorities and utilise best practice approaches to managing potential interface issues between more sensitive adjacent zones and sites containing regionally significant infrastructure (i.e. use of bulk and location controls, clear policy direction and listed activities to establish the anticipated uses and effects of hospital	Low

Criteria	Comment	Assessment
	sites). As such, there is a low degree of policy risk anticipated from the proposed provisions.	

6.3 Summary of scale and significance assessment

Overall, the scale and significance of the effects from the proposed provisions in Hospital Zone of the PDP are assessed as being **low**. Consequently, a relatively low level of detail is appropriate for the evaluation of the objectives and provisions for the Hospital Zone chapter in accordance with section 32(1)(c) of the RMA. This evaluation focuses on key changes in the proposed management approach from the Operative District Plan - minor changes to provisions for clarification and to reflect new national and regional policy direction are not included in the evaluation in section 7 and 8 below.

7 Evaluation of objectives

Section 32(1)(a) of the RMA requires that the evaluation report examine the extent to which the objectives of the proposal are the most appropriate way to achieve the purpose of the RMA. The assessment of the appropriateness of the objectives for the Hospital Zone chapter has been undertaken against four criteria to test different aspects of 'appropriateness' as outlined in Table 4 below.

Table 2: Criteria to assess the objectives of the proposal.

Criteria	Assessment
Relevance	<ul style="list-style-type: none"> Is the objective directly related to a resource management issue? Is the objective focused on achieving the purpose of the RMA?
Usefulness	<ul style="list-style-type: none"> Does it assist in addressing the identified resource management issue?
Reasonableness	<ul style="list-style-type: none"> Can the objective be achieved without imposing unjustified high costs on Council, tangata whenua, stakeholders and the wider community?
Achievability	<ul style="list-style-type: none"> Can the objective be achieved by those responsible for implementation?

Tables 5 and 6 below provide an assessment of proposed objectives HOSZ-O1, HOSZ-O2 and HOSZ-O3 against the above criteria.

<p>Objective HOSZ-O1: Use and development of the Hospital Zone</p> <p>Hospitals in the Far North District are able to:</p> <ol style="list-style-type: none"> Operate efficiently and effectively; Provide a wide range of hospital activities and hospital related activities; and Expand and develop as needed to meet the current and future health care requirements of the District. 	
<p>Relevance</p>	<p>Directly related to a resource management issue</p> <p>Objective HS-O1 is directly related a resource management issue – the need to provide for hospital and hospital related activities to meet the healthcare needs of Far North District residents. HOSZ-O1 recognises that hospitals need the flexibility to be able to operate, develop and adapt their activities within their site to best respond to the healthcare needs of their service catchments without being unduly constrained. Allowing hospitals to operate both efficiently and effectively without requiring resource consents for hospital and hospital related activities is the best use of healthcare</p>

	<p>resources.</p> <p>Focused on achieving the purpose of the RMA</p> <p>As outlined in section 3.1, the management of hospitals is relevant to achieving the purpose of the RMA and addressing a number of matters in section 7.</p> <p>The objective seeks to enable hospital and hospital related activities and give hospitals flexibility to expand and develop in response to changing healthcare needs. This is consistent with section 5(2) of the RMA to enable people and communities to provide for their social, economic, and cultural well-being and for their health and safety. It is also consistent with the requirement to recognise and provide for ‘other matters’ under section 7 of the RMA, such as the efficient use and development of natural and physical resources.</p> <p>Overall, it is concluded that HOSZ-O1 is directly relevant to known resource management issues and will contribute to achieving the purpose of the RMA.</p>
Usefulness	<p>Assists in addressing identified resource management issue</p> <p>The objectives must assist in addressing the identified resource management issue and must also assist a council to carry out its statutory RMA functions.</p> <p>It is a core function of district councils under section 31(a) of the RMA to manage the effects of land use or development in an integrated way and protect the physical resources of the district. Providing a bespoke Hospital Zone to manage the three hospitals in the Far North District allows for integrated management of hospital and hospital related activities across each site and also protects the land for hospital use for the life of the PDP. HOSZ-O1 sets out clear direction for how hospitals should be able to operate, expand or develop as needed, which aligns with the section 31(a) function.</p>
Reasonableness	<p>Consistent with desired community and iwi/Māori outcomes, and will not result in unjustifiably high costs on the community or parts of the community</p> <p>HOSZ-O1 is broadly consistent with desired community and Māori/iwi outcomes to have access to well-functioning and efficiently run hospital services that are able to provide for the healthcare needs of communities and local iwi.</p> <p>The flexibility for hospitals to continue to operate, expand and develop as needed within the Hospital Zone, as provided by HOSZ-O1, will ensure that hospital operators do not face unjustifiably high costs to undertake core operations or adapt/replace hospital buildings to provide the best level of care to Far North residents.</p> <p>Overall, HOSZ-O1 is generally consistent with community and iwi/Māori outcomes to manage risks to the community and the environment and is not considered to create unjustifiably high costs on the community, parts of the community, or iwi/Māori.</p>
Achievability	<p>Ability to achieve the objective by those responsible for implementation</p> <p>HOSZ-O1 is able to be implemented within the skills and resources available to Council. HOSZ-O1 and its implementing provisions take a more targeted approach to managing hospital sites in the district compared to the Operative District Plan, which relied on a more generic Commercial Zone. Using a bespoke hospital zone that is specifically enabling of hospital and hospital related activities allows hospital operators to manage their own activities internally within the site – the role of the Council will be to manage the impacts of hospital and hospital related activities at the interface of the Hospital Zone and surrounding land. The management of built form and screening of activities at zone boundaries to manage potential adverse effects on adjoining land is well understood by Council staff. As the bulk and location controls are similar to those in the operative Commercial Zone, it is not anticipated that HOSZ-O1 will substantially increase resource consenting / compliance requirements beyond available resource levels. Conversely, the approach of the Hospital Zone is to reduce the consenting burden and consenting complexity for hospital operators so they can focus on delivering healthcare</p>

	<p>services. As such, HOSZ-O1 is able to be achieved and effectively implemented by Council.</p> <p>An acceptable level of uncertainty and risk</p> <p>HOSZ-O1 and associated provisions have an acceptable level of risk. The objective is based on current best practice to provide for hospital and hospital related activities through a bespoke hospital zone and to provide hospital operators with the flexibility to operate, expand and develop hospital sites as needed. This approach is anticipated by the National Planning Standards and supported by key stakeholders involved (e.g. the Northland DHB). The types of provisions included in the zone are also well understood by both Council and hospital operators and there is very little uncertainty or risk associated with how they will be implemented.</p>
--	--

Overall evaluation

The above assessment concludes that the proposed objective HOSZ-O1 is the most appropriate way to achieve the purpose of the RMA, in terms of relevance, usefulness, reasonableness and achievability, and is preferred over the status quo (Operative District Plan) objectives.

Objective HOSZ-O2: Hospitals as Regionally Significant Infrastructure

The importance of the Far North District’s hospitals as regionally significant infrastructure and the contribution they make to the economic and social well-being of the district and region is recognised.

Objective HOSZ-O3: Adverse effects of activities

The adverse effects of hospital activities and hospital related activities on the surrounding environment are managed, while recognising that hospitals have special operational and functional needs that must be met.

Relevance

Directly related to a resource management issue

Objective HOSZ-O2 is directly related to a resource management issue – recognising hospitals as regionally significant infrastructure. HOSZ-O2 recognises that hospitals are a regionally significant infrastructure asset for the Far North District and that their ongoing operation is an essential part of supporting people’s economic and social well-being, and their health. It is important that this is recognised at the objective level so that there is sufficient weight placed on the need to keep hospitals operational and fit for purpose over the life of the PDP.

Objective HOSZ-O3 directly relates to a resource management issue – the need to manage the adverse effects of hospital and hospital related activities on the surrounding environment. This is balanced in the wording of the objective with the need to recognise the operational and functional needs of hospitals, which often mean that certain adverse effects need to be accepted and anticipated by adjacent landowners.

Focused on achieving the purpose of the RMA

Both objectives HOSZ-O2 and HOSZ-O3 will help achieve the purpose of the RMA. These objectives work together to recognise hospitals as regionally significant infrastructure and recognise their specific operational and functional needs, while at the same time managing the adverse effects of hospital and hospital related activities on the environment. This balance is reflected in sections 5(2) and 5(2)(c) of the RMA, which is to enable people and communities to provide for their social, economic, and cultural well-being and for their health and safety, while avoiding, remedying, or mitigating any adverse effects of activities on the environment. The combination of HOSZ-O2 and HOSZ-O3 will achieve this balance.

Overall, HOSZ-O2 and HOSZ-O3 are assessed as being directly relevant to a known resource management issue and will both contribute to achieving the purpose of the RMA.

<p>Usefulness</p>	<p>Assists in addressing identified resource management issue</p> <p>The objectives must assist in addressing the identified resource management issue and must also assist a council to carry out its statutory RMA functions.</p> <p>It is a core function of district councils under section 31(b) of the RMA to control any actual or potential effects of the use, development, or protection of land. HOSZ-O2 seeks to protect hospital sites as regionally significant infrastructure while HOZ-O3 seeks to manage the adverse effects of hospital and hospital related activities on the surrounding environment. The implementing provisions of these objectives seek to achieve this balance by being enabling of hospital and hospital related activities where they locate internally within the site (and so protect the ongoing use of land for hospital purposes) and instead focus on managing the adverse effects of hospital activities (particularly the built form) at the site boundaries where they adjoin adjacent land.</p>
<p>Reasonableness</p>	<p>Consistent with desired community and iwi/Māori outcomes, and will not result in unjustifiably high costs on the community or parts of the community</p> <p>The objectives should be consistent with the desired outcomes of the community and of iwi/ Māori and should not result in unjustifiably high costs on the community or parts of the community.</p> <p>These two objectives seek to ensure that hospitals are able to provide continuous healthcare services to residents of the Far North District in a way that appropriately manages adverse effects along the boundaries of the zone with adjoining land. Having access to hospitals that are functioning efficiently and effectively because their functional and operational needs are met is consistent with the expectations of both communities and iwi/Māori. Similarly, having appropriate controls in place to manage the adverse effects of hospital and hospital related activities at the zone boundary is also consistent with expectations of adjacent landowners.</p> <p>The objectives are not considered to create unjustifiably high costs on the community, either through implementation, resource consenting or compliance as they set the framework for implementing policies and rules that will balance the functional and operational needs of hospitals with the need to manage adverse effects on the surrounding environment. Costs associated with developing hospital sites close to zone boundaries will be met by the hospital operators and will not result in subsequent costs to the community.</p>
<p>Achievability</p>	<p>Ability to achieve the objective by those responsible for implementation</p> <p>The objectives must be able to be achieved with the available powers, skills and resources of councils, while resulting in an acceptable level of uncertainty and risk.</p> <p>HOSZ-O2 and HOSZ-O3 are both able to be implemented within the skills and resources available to Council. Protecting regionally significant infrastructure and ensuring functional and operational needs are recognised is something that Council already does for other infrastructure assets and managing adverse effects at zone boundaries is also a common land-use planning issue. The implementing standards (maximum height, height in relation to boundary, setback and screening rules) are all commonly used in other zones and will be familiar to both applicants and council staff alike. It is not anticipated that these objectives will substantially increase resource consenting / compliance requirements beyond available resource levels, particularly as the bulk and location controls are similar to the operative Commercial Zone provisions. As such, both HOSZ-O2 and HOSZ-O3 are able to be achieved and effectively implemented by Council.</p> <p>An acceptable level of uncertainty and risk</p> <p>HOSZ-O2 and HOSZ-O3 and their associated provisions have an acceptable level of risk. Both objectives seek to address common resource management issues typically</p>

	<p>managed by district plans, being the protection of regionally significant infrastructure and the management of adverse effects of land-uses. The general approach to using a bespoke Hospital Zone that is enabling of hospital and hospital related activities while focusing the management of adverse effects at the zone boundary is consistent with approaches taken in other district plans that have been implemented successfully in other districts e.g. the adjacent Whangarei District. As such, there is high level of certainty on how HOSZ-O2 and HOSZ-O3 are to be implemented and an associated low level of implementation risk.</p>
<p>Overall evaluation</p> <p>The above evaluation concludes that proposed HOSZ-O2 and HOSZ-O3 are the most appropriate way to achieve the purpose of the RMA, in terms of relevance, usefulness, reasonableness and achievability, and are preferred over the status quo (Operative District Plan) objectives.</p>	

8 Evaluation of Provisions to Achieve the Objectives

8.1 Introduction

Section 32(1)(b) of the RMA requires the evaluation report to examine whether the provisions are the most appropriate way to achieve the objectives by:

- (i) *identifying other reasonably practicable options for achieving the objectives; and*
- (ii) *assessing the efficiency and effectiveness of the provisions in achieving the objectives; and*
- (iii) *summarising the reasons for deciding on the provisions.*

When assessing the efficiency and effectiveness of the provisions in achieving the objectives, section 32(2) of the RMA requires that the assessment:

- (a) *identify and assess the benefits and costs of the environmental, economic, social, and cultural effects that are anticipated from the implementation of the provisions, including the opportunities for—*
 - (i) *economic growth that are anticipated to be provided or reduced; and*
 - (ii) *employment that are anticipated to be provided or reduced; and*
- (b) *if practicable, quantify the benefits and costs referred to in paragraph (a); and*
- (c) *assess the risk of acting or not acting if there is uncertain or insufficient information about the subject matter of the provisions.*

This section provides an assessment of reasonably options and associated provisions (policies, rules and standards) for achieving the objectives in accordance with these requirements. This assessment of options is focused on the key changes from the status quo as outlined in the ‘proposed management approach’ in section 0 of this report.

Each option is assessed in terms of the benefits, costs, and effectiveness and efficiency of the provisions, along with the risks of not acting or acting when information is uncertain or insufficient. For the purposes of this assessment:

- **effectiveness** assesses how successful the provisions are likely to be in achieving the objectives and addressing the identified issues
- **efficiency** measures whether the provisions will be likely to achieve the objectives at the least cost or highest net benefit to society.

The sections below provide an assessment of options (and associated provisions) for achieving the objectives in accordance with sections 32(1)(b) and 32(2) of the RMA.

8.2 Quantification of benefits and costs

Section 32(2)(b) of the RMA requires that, where practicable, the benefits and costs (environmental, economic, social and cultural) of a proposal are quantified. The requirement to quantify benefits and

costs if practicable recognises it is often difficult and, in some cases, inappropriate to quantify certain costs and benefits through section 32 evaluations, particularly those relating to non-market values.

As discussed in section 6, the scale and significance of the effects of proposed changes for Hospital Zone chapter are assessed as being **low**. Therefore, exact quantification of the benefits and costs of the different options to achieve the objectives is not considered to be necessary or practicable for the hospital provisions in the PDP. Rather this evaluation focuses on providing a qualitative assessment of the environmental, economic, social and cultural benefits and costs anticipated from the provisions.

8.3 Evaluation of options

The evaluation of provisions focuses on three options:

- Option 1 – status quo (i.e. Operative District Plan provisions outlined in **section 4.2** of this report)
- Option 2 – using the Mixed Use Zone in the PDP
- Option 3 – proposed approach of a Special Purpose (Hospital) Zone (outlined in **section 5** of this report).

8.3.1 Option 1: Status quo

<i>Option 1: The 'status quo' Operative District Plan provisions</i>		
Benefits	Costs	Risk of acting / not acting
<ul style="list-style-type: none"> • The status quo provisions offer the benefit of being familiar to Council and hospital operators. This offers the benefit of 'business as usual' with little to no disruption to current consenting and compliance practice. • Bulk and location controls should provide for most anticipated development on the hospital sites, except for areas along the zone boundary. • The effects-based approach of the operative Commercial Zone should provide for most activities associated with a hospital, provided permitted standards are complied with. <p><u>Economic growth and employment opportunities</u></p> <ul style="list-style-type: none"> • As the status quo seeks to retain 'business as usual', no increase in economic growth and employment opportunities are anticipated. 	<ul style="list-style-type: none"> • The provisions do not recognise hospitals as regionally significant infrastructure, do not recognise that hospitals have particular operational and functional needs that must be met and do not provide sufficient development flexibility along zone boundaries. • Creates uncertainty for hospital operators as they undertake future planning for their sites as the operative plan provisions do not include any specific support for hospital or hospital related activities, particularly at the policy level. • Not having specific definitions of hospitals or hospital related activities makes it difficult to clarify which activities are appropriate and anticipated for hospital sites – the reliance on an 'effects-based' chapter model means that hospital operators have no certainty that all necessary activities will be supported as they are not specifically listed as being permitted. 	<ul style="list-style-type: none"> • There is sufficient information and certainty on the Status Quo option as the Operative District Plan provisions have been implemented for a number of years. The risks associated with continuing the status quo approach are that hospitals remain unsupported at the objective and policy level and are not recognised, protected or enabled as regionally significant infrastructure. Given that the Northland RPS specifically lists hospitals as regionally significant infrastructure, this would result in the PDP not giving effect to the Northland RPS.

Effectiveness

- The status quo will not be effective in achieving the objectives for the three hospital sites as they will not recognise hospitals as regionally significant infrastructure and will not provide for the specific functional and operational needs of hospital and hospital related activities at the policy level.
- The lack of specificity in the provisions, particularly not having definitions of hospitals or hospital related activities means that more weight is placed on compliance with permitted standards to determine if activities are appropriate. This does not provide sufficient certainty for hospital operators that they can expand or develop onsite facilities over time and does not recognise functional or operational factors that necessitate hospitals being designed or operated in a particular way.

Efficiency

- Requiring both applicants and Council staff to rely on an effects-based chapter without clear activity statuses for activities, combined with policies that do not recognise or provide for hospital and hospital related activities will result in a less efficient assessment process – both for determining if consent is required and when assessing the appropriateness of consent applications.
- Less efficient from a plan user and plan administrator perspective as it could result in higher consent requirements than Options 2 and 3 and could potentially result in inconsistent decisions about appropriate activities based on the degree to which they comply with permitted standards, rather than whether they are consistent with the desired mix of activities for a hospital site.

Overall evaluation

On balance this option is not considered to be the most appropriate option to achieve the objectives because:

- The operative policy framework does not give effect to any of the objectives because it is designed to support a generic, effects based commercial zone with no specific consideration of hospital or hospital related activities.
- The provisions are not effective as they do not provide enough certainty that core hospital and hospital related activities are permitted in the zone. This certainty, combined with support for hospitals at a policy level and more flexible permitted standards at the zone boundary are essential to support the future use and development of hospitals in the Far North District.
- The provisions are not efficient as assessing a proposal against an effects-based framework requires more effort to determine if an activity is permitted and is more likely to lead to inconsistent decision making, particularly if the policies for the zone are not specific to hospitals.
- Failing to recognise hospitals as regionally significant infrastructure does not give effect to the NRPS.

8.3.2 Option 2: Using the Mixed Use Zone in the PDP

Table 3: Assessment of the effectiveness and efficiency of using the Mixed Use Zone in the PDP

Option 2: Using the Mixed Use Zone in the PDP		
Benefits	Costs	Risk of acting / not acting
<ul style="list-style-type: none"> • Administrative efficiencies for Council through the plan review process from adopting an existing zone rule and policy framework for the three hospital sites. • Limits the complexity of the PDP by utilising existing provisions rather than introducing a new SPZ and associated provisions. • Community facilities (which include land and buildings used for health purposes by the community i.e. hospitals), visitor accommodation, emergency service facilities and commercial service activities are all provided for as permitted activities in the Mixed Use Zone, provided they comply with the permitted standards. <p><u>Economic growth and employment opportunities</u> No direct increase in economic growth and employment opportunities are anticipated as a result of the proposed provisions.</p>	<ul style="list-style-type: none"> • The Mixed Use zone provisions may significantly limit the ability of hospitals to operate, expand or develop as needed as the provisions are not tailored to the functional or operational needs of hospitals. Key issues and potential costs include: <ul style="list-style-type: none"> ○ Zone policies do not recognise hospitals as regionally significant infrastructure, do not recognise that hospitals have particular operational and functional needs that must be met and do not provide sufficient development flexibility along zone boundaries ○ Residential development enabled within the zone, which can be incompatible with hospital and hospital related activities ○ The requirement to have commercial activities at ground level to activate street frontages, which is not practical or necessary for hospitals ○ The priority placed on maintaining the amenity levels of adjacent residential and open space zones, with no recognition of the functional or operational needs of hospitals at the zone interface ○ The permitted cap of 400m² for new buildings and extensions to existing buildings, which would require most hospital redevelopment projects to obtain 	<ul style="list-style-type: none"> • The risk of acting is medium with respect to introducing numerous provisions that are not tailored to hospitals or hospital related activities and will result in increased, unnecessary resource consent processes. • The risks of this approach are also similar to Option 1 in that hospitals will remain unsupported at the objective and policy level and will not be recognised, protected or enabled as regionally significant infrastructure. Given that the Northland RPS specifically lists hospitals as regionally significant infrastructure, this would result in the PDP not giving effect to the Northland RPS.

	<p>consent</p> <ul style="list-style-type: none"> ○ Many of the zone standards are not applicable to hospital sites, particularly the pedestrian frontage/verandah controls, coverage and landscaping requirements ● Costs associated with obtaining resource consents more frequently for development on hospital sites compared to Options 1 and 3. ● The default activity status for the zone is discretionary, so if there is any doubt or confusion as to whether a hospital related activity is provided for in the zone, there is a risk it will require discretionary activity consent if it is not specifically listed. This could be problematic for activities that do not clearly fit into generic activity categories, e.g. laboratories, helicopter facilities, hospice care and medical research facilities. 	
<p><u>Effectiveness</u></p> <ul style="list-style-type: none"> ● Policies, rules and standards in the Mixed-Use Zone are likely to achieve some of the desired objectives relating to enabling hospital and hospital related activities as some key activities e.g. community facilities are permitted in the zone. However, they will not give effect to several key aspects of the objectives, namely the need to recognise hospitals as regionally significant infrastructure, the need for hospitals to operate efficiently and effectively and expand or develop as needed to meet the current and future health requirements of the district. ● Utilising the Mixed-Use Zone provisions in the PDP will not give effect to the objectives as the Mixed-Use Zone is not a clear 'fit' with the functional and operational needs of hospital sites and does not provide for the full range of hospital and hospital related activities needed on hospital sites. ● As many of the permitted standards are not tailored to hospitals (as they are clearly designed to manage a combination of residential and commercial activities), they will not be effective in allowing hospitals to expand and develop their sites as needed. 	<p><u>Efficiency</u></p> <ul style="list-style-type: none"> ● Applying the permitted standards of the Mixed-Use Zone to hospital sites is likely to result in unnecessary resource consents required for technical breaches of standards that were never drafted to manage the specific functional and operational needs of hospitals, particularly the maximum GFA area of 400m² for new builds or extensions of buildings. ● Less efficient from a plan user perspective as hospital and hospital related activities will not be explicitly provided for in the activity rules. This will require some interpretation as to which generic activity definition a particular activity falls under, which could lead to inconsistent decision making over time. ● Likely to result in the highest number of resource consents for activities on hospital sites of all three options, which is inconsistent with Objective HOSZ-O1 that hospitals should be able to operate efficiently and effectively. 	

Overall evaluation

On balance this option is not the most appropriate option to achieve the objectives because:

- The Mixed-Use Zone policy framework does not give effect to any of the objectives because it is designed to support a generic mix of residential and commercial activities with no specific consideration of hospital or hospital related activities.
- The provisions are not effective as they do not provide enough certainty that all hospital and hospital related activities are permitted in the zone. The Mixed-Use Zone standards are also designed to manage a mixture of residential and commercial activities on sites with clear relationships to pedestrian streets, which does not reflect either the built form or mixture of activities establishing on hospital sites.
- The provisions are not efficient as many of the Mixed-Use Zone standards, particularly those that cap the maximum GFA of new builds or extensions to buildings, will result in most hospital redevelopment activities requiring resource consent. This is inefficient, particularly when the purpose of the standards (to create fine grain commercial activities at street level with residential activities above) is to support a built form and mixture of activities that is not applicable in the context of hospitals.
- Failing to recognise hospitals as regionally significant infrastructure does not give effect to the Northland RPS.

8.3.3 Option 3: Introducing a Special Purpose Zone – the proposed Hospital Zone

<i>Option 3: Introducing a Special Purpose (Hospital) Zone</i>		
Benefits	Costs	Risk of acting / not acting
<ul style="list-style-type: none"> Provides clear direction to plan users that the purpose of the Hospital Zone is to enable the efficient and effective operation and development of important hospital and hospital related activities within the zone. Introducing definitions of ‘hospital’ and ‘hospital related activities’ provides certainty that activities included in these definitions are permitted in the Zone. This is important for forward planning of hospital activities and removes ambiguity about which activities are anticipated and supported in the zone (particularly compared with the effects-based approach in Option 1). Uses built form standards at the interface with more sensitive zones e.g. residential to ensure buildings for hospital activities do not have unacceptable dominance, privacy or shading effects on adjoining land. Including hospital specific policies that recognise hospitals as regionally significant infrastructure gives effect to the direction in the Northland RPS in a more specific way than Options 1 and 2. Policies that recognise the functional and operational needs of hospitals and the importance of allowing hospitals to function continuously ensure that residents of the Far North District will have long term security of access to hospital services. Directs activities that are not related to hospital activities away from the hospital zone unless they are compatible with hospital activities and/or can demonstrate a direct requirement to locate within the 	<ul style="list-style-type: none"> Potential for objection from adjoining landowners with respect to the more permissive bulk and location standards of the Hospital Zone. However, this risk is minimal as the majority of bulk and location standards are similar to the status quo (Option 1). May not provide the same level flexibility or certainty for activities which are not directly related to hospital or hospital related activities. <p><u>Economic growth and employment opportunities</u></p> <ul style="list-style-type: none"> Limiting the range of permitted activities in the Zone to hospital and hospital related activities (as well as visitor accommodation for hospital purposes) may limit the range of activities that could use hospital land. This is only likely to be an issue if hospitals wish to sell surplus Hospital zoned land in the future. 	<p>It is considered that there is sufficient information to act through the provisions as these are based on similar Hospital Zone provisions in the region and the approach is anticipated through the National Planning Standards.</p> <p>Conversely, there are a number of risks in not acting through the provisions. In particular:</p> <ul style="list-style-type: none"> The risk of not acting is that hospitals will remain unsupported at the objective and policy level and will not be recognised, protected or enabled as regionally significant infrastructure. Given that the NRPS specifically lists hospitals as regionally significant infrastructure, this would result in the PDP not giving effect to the NRPS. Not acting to introduce a specific Hospital Zone would mean that the Far North District is inconsistent with the way hospital sites are managed throughout the remainder of the Northland region (i.e. in Whangarei and Kaipara).

<p>Hospital Zone. This protects hospital and hospital related activities from the potential set up of incompatible activities.</p> <p><u>Economic growth and employment opportunities</u></p> <p>No direct increase in economic growth and employment opportunities are anticipated as a result of the proposed provisions, although it is recognised that well-functioning hospitals with fit for purpose facilities are more likely to attract and retain highly skilled staff.</p>		
<p><u>Effectiveness</u></p> <ul style="list-style-type: none"> • Provisions designed to drive positive outcomes for hospitals will be more effective at achieving the objectives than the operative provisions. • Tailoring provisions to support specific activities that need to be enabled and defining those activities to remove ambiguity is a more effective way of managing hospital sites to ensure cohesive and strategic development of hospitals can occur in the future. • Focuses built form standards on the interface between hospital zones and adjacent land, which allows development to occur in core areas of hospital sites with minimal controls. This balances the need to provide for the functional and operational needs of hospitals while still controlling development in areas where it has the potential to impact adjoining land. • Ensures that all provisions are drafted to address the specific needs of hospitals and avoids scenarios where provisions designed to control other activities in more generic zones are erroneously applied to hospital activities. 	<p><u>Efficiency</u></p> <ul style="list-style-type: none"> • Although the Hospital Zone is new, it has been drafted to be consistent with the PDP structure for other special purpose zones and contains provisions which should be familiar to plan users. It has also been designed to be largely consistent with the way hospital sites are managed in other districts in the Northland region. • The Hospital Zone chapter is relatively streamlined, with the majority of provisions focused on enabling hospital and hospital related activities and only constraining their built form where they are constructed close to adjoining land. This is efficient from a resource consenting perspective as council approval for development of hospital sites should only be required where there is the potential to affect the surrounding environment. • It will assist Council with approaching any consents within the zone consistently with clear policy direction around the circumstances where activities other than hospital or hospital related activities would be appropriate, which should better maintain plan integrity and ensure consistent decision making. 	
<p><u>Overall evaluation</u></p> <p>On balance this option is considered to be the most appropriate option to achieve the objectives because:</p> <ul style="list-style-type: none"> • The proposed Hospital Zone chapter responds to the direction of higher order documents, specifically the National Planning Standards (which anticipate a Hospital Zone) and the Northland RPS, which recognises that hospitals are regionally significant infrastructure. • The proposal will result in local, district and regional benefits as the residents of the Far North district will have access to a well-supported network of hospitals that are able to develop and adapt their operations as needed without unnecessary resource consent processes. • The provisions are based on well understood activity descriptions and controls that are already in use in other district plans in the region and align with the definitions of the PDP and direction of the National Planning Standards so the provisions should be clear and easy to implement. • The provisions balance the need for hospitals to operate, expand and develop as needed to meet the healthcare needs of their service catchments, while still managing the potential for adverse effects on adjoining land. 		

9 Summary

An evaluation of the proposed objectives and provisions for the Hospital Zone chapter of the PDP has been carried out in accordance with section 32 of the RMA. This evaluation has concluded that the objectives are the most appropriate way to achieve the purpose of the RMA and the provisions are the most appropriate way to achieve the objectives for the following reasons:

- The objectives and provisions give effect to the National Planning Standards in that they provide for hospital sites using a Special Purpose Zone and define 'hospitals' by adapting the description of a Hospital Zone in the National Planning Standards.
- The objectives and provisions give effect to relevant regional policy direction in Northland RPS to manage hospitals as regionally significant infrastructure.
- The use of a bespoke Hospital Zone is consistent with the way all other hospitals in the Northland Region are managed (e.g. Whangarei and Kaipara) and the provisions of the zone are largely aligned with the provisions in these neighbouring district plans. This will help ensure consistency and efficiencies in the operation and development of hospitals in the region.
- The provisions will achieve the purpose of the RMA and provide for a number of section 7 matters by appropriately managing the natural and physical resources of hospital sites in the Far North District.
- The provisions will effectively balance the need for hospitals to operate, expand and develop over time to meet the healthcare needs of their service catchments, while still managing the potential impacts of hospital buildings and operations at the interface with adjoining land.