

Dunedin City Council

Private Plan Change
Mercy Hospital (Dunedin) Limited

Major Facilities (Mercy Hospital) Zone

Plan Change Request including Section 32 Report and
Assessment of Environmental Effects

Revision: 25 July 2012 for Public Notification

TABLE OF CONTENTS

PAGE

1.	INTRODUCTION.....	1
1.1	Purpose of the Report.....	1
1.2	Structure of the Report.....	1
2.	EXISTING ENVIRONMENT.....	2
2.1	Existing Mercy Hospital Site.....	2
2.2	Receiving Environment	3
3.	THE PROPOSED PLAN CHANGE.....	5
3.1	Explanation of the Proposed Changes to the District Plan.....	5
3.2	The Purpose of and Reasons for the Proposed Plan Change.....	8
4.	PROCESS BEHIND THE PLAN CHANGE REQUEST	11
4.1	Strategic Planning	11
4.2	Discussion With Council.....	11
4.3	Statutory Consultation.....	12
4.4	Consultation With Key Stakeholders and the Wider Community	12
5.	EVALUATION UNDER SECTION 32 OF THE ACT	15
5.1	Requirements Under the Act.....	15
5.2	Evaluation of Each New Objective.....	16
5.3	Evaluation of Policies, Rules and Other Methods	21
6.	ASSESSMENT OF ENVIRONMENT EFFECTS	32
6.1	Positive Effects.....	32
6.2	Transportation Effects.....	32
6.3	Effects on Infrastructure	33
6.4	Noise	34
6.5	Landscape and Visual.....	34
6.6	Hazardous Substances.....	35
6.7	Listed Trees and the Urban Landscape Conservation Area	35
6.8	Heritage Values.....	36
6.9	Conclusion	36
7.	CONSIDERATION OF POLICIES, PLANS AND OTHER RELEVANT DOCUMENTS	37
7.1	National Policy Statements	38
7.2	Regional Policy Statement.....	38
7.3	Regional Plan	39

7.4	Iwi Management Plan.....	39
7.5	Dunedin Spatial Plan.....	40
7.6	Historic Places Register	40
8.	CONCLUSION	42

List of Appendices

Appendix A	Certificate of Title
Appendix B	Mercy Hospital site location map
Appendix C	Existing site plan
Appendix D	The proposed plan change provisions
Appendix E	The structure plan (site plan and associated 3D images)
Appendix F	Maps 32, 33, 34 and 35 of the Dunedin City District Plan updated to show the “Major Facilities (Mercy Hospital) Zone”
Appendix G	Resource consent history for the site
Appendix H	List of trees listed as Significant in Appendix 25.3 to the Dunedin City District Plan
Appendix I	Transportation Assessment
Appendix J	Infrastructure Report
Appendix K	Noise Assessment
Appendix L	Landscape and Visual Assessment
Appendix M	Map highlighting properties that were sent an information pack
Appendix N	A copy of the information pack
Appendix O	Advertisement in the Otago Daily Times
Appendix P	Relevant objectives in the Dunedin City District Plan
Appendix Q	Relevant provisions in the Otago Regional Policy Statement

1. INTRODUCTION

1.1 PURPOSE OF THE REPORT

This report forms a private plan change request by Mercy Hospital (Dunedin) Limited (“**Mercy**”) to re-zone the current Mercy Hospital site¹ at 72 Newington Avenue, Dunedin as “Major Facilities (Mercy Hospital) Zone” in the Dunedin City District Plan (“**District Plan**”).

Under section 73(2) of the Resource Management Act 1991 (“**RMA**” or “**Act**”) any person may request a territorial authority to change a district plan, and the plan may be changed in the manner set out in Schedule 1.

1.2 STRUCTURE OF THE REPORT

Clause 22, Part 2, Schedule 1 of the Act requires the plan change request to be prepared as follows:

- (1) *A request made under clause 21 shall be made to the appropriate local authority in writing and shall explain the purpose of, and reasons for, the proposed plan or change to a policy statement or plan [and contain an evaluation under section 32 for any objectives, policies, rules, or other methods proposed].*
- (2) *Where environmental effects are anticipated, the request shall describe those effects, taking into account the provisions of Schedule 2, in such detail that corresponds with the scale and significance of the actual or potential effects anticipated from the implementation of the change, policy statement or plan.*

The Act also sets out a number of policies, plans and other documents that a territorial authority is required to have regard to or take into account when preparing a plan change² and that a district plan must give effect to and not be inconsistent with³. Accordingly this report provides an assessment of the proposal against these matters.

To address these matters, this report has been prepared in the following structure:

- Section 2 – Explanation of and reasons for the proposed plan change.
- Section 3 – Consultation.
- Section 4 – Evaluation under section 32 of the Act.
- Section 5 – Assessment of Environment Effects.
- Section 6 – Consideration of policies, plans and other relevant documents.
- Section 7 – Conclusion.

¹ The Mercy Hospital site currently accommodates a complex of buildings which includes Mercy Hospital, Marinoto Clinic, Marinoto House and Mercy Care East

² Sections 74(2) and 74(2A)

³ Sections 75(3) and 75(4)

2. EXISTING ENVIRONMENT

2.1 EXISTING MERCY HOSPITAL SITE

The Mercy Hospital site is approximately 4ha in area. The site is located at 72 Newington Avenue, Maori Hill, Dunedin and is legally described as Part Section 8-10 Block I Deposited Plan 539. A copy of the Certificate of Title is attached as **Appendix A** and a site location plan is attached as **Appendix B**. While the hospital was originally established in 1936, it relocated to the current Maori Hill site in 1969. The site is set in mature landscaped gardens that appear to form an extension of the town belt. The eastern part of the vegetated area is afforded protection in the District Plan as it comprises part of the Dunedin Town Belt – Urban Landscape Conservation Area. The entire site is currently zoned Residential 1 in the District Plan.

The main vehicle access to the site is from Newington Avenue. There is additional staff / service access to the site from further along Newington Avenue. There are two “exit only” accessways from the site: one exits to Newington Avenue and the other exits to Burwood Avenue. There is also a pedestrian only access from Burwood Avenue. Carparking is provided throughout the site for 284 staff and visitors cars including a multi-storey carparking facility that was constructed in 2011.

As shown on the existing site plan attached as **Appendix C**, there are three existing main buildings on the site. The largest building comprises the Marinoto Clinic and the Hospital. A heritage building, known as Marinoto House, is located to the east of the main building, and further east is a smaller building known as the Mercy Care East Building. There are several smaller buildings around the site including a glasshouse and utilities building. The entire complex, and activities that occur within it, is referred to as “Mercy Hospital” throughout this report.

Mercy Hospital provides a comprehensive range of specialist assessment, diagnostic and treatment services. Mercy Hospital provides specialist elective surgical services to approximately 6500 patients each year. In addition to the principal health component, Mercy Hospital offers educational, religious and other support activities. Café, gift shop, kitchen facilities, laundries, offices and a variety of other support services are also located on-site.

Marinoto Clinic is a 22 suite facility offering a comprehensive range of specialist assessment, diagnostic and treatment services. The main focus of the Hospital is private elective surgery. The Hospital currently has six theatres, a two bed ICU facility, forty-one inpatient beds, twenty-four day surgery beds, six day surgery chairs along with a fully equipped Cardiac Catheterisation Lab and a Chemotherapy Cancer Care Unit. A café, gift shop, kitchen facilities, offices and other support services are also located within this building.

Marinoto house is currently used for meetings and conferences and has also been used for residential purposes in the recent past. Mercy Care East was formally used as staff residence and a nursing home for retired nuns.

In 2011 land use consent was granted to redevelop and extend the Mercy Care East building to accommodate a specialist Dermatological clinic on the ground floor and

other clinical uses on the second floor. The basement of the building is utilised by IT as a server room and the site gardener. That consent has been given effect to and works are now complete, with the clinic operational.

For completeness, the following list sets out the activities that are undertaken on the Mercy Hospital site (or have occurred in the recent past):

- Construction, use, operation and maintenance of buildings;
- Medical assessment, treatment and rehabilitation;
- Care services for patients;
- Hospital clinics;
- Dispensaries;
- Out-patient services;
- Operations and support services (such as laundries, kitchens, cafeterias, refreshment facilities, generators, storage facilities, workshops);
- Gift shops;
- Residential, education and chapel activities;
- Health administration;
- Community health services;
- Signage;
- Carparking, vehicle loading and access;
- Storage and use of hazardous substances;
- Ancillary infrastructure, access and roading;
- Utilities;
- Accessory buildings (such as glass houses, sheds and utility storage areas);
- Site preparation works, earthworks, landscaping; and
- Support activities including non-clinic support services and activities that are required for the functioning of the hospital.

2.2 RECEIVING ENVIRONMENT

The District Plan⁴ states that sites in the Residential 1 zone are reasonably uniform in shape and size and that the typical development is a single or two storey house surrounded by lawns and gardens. A significant and important characteristic of the Residential 1 zone is the dominance of single dwelling development. The sites are low density and have lots of trees and undeveloped land. Other than community support activities, there are few non-residential activities located within the Residential 1 zone.

⁴ Dunedin City District Plan, Section 8.5, Page 8:15

The neighbourhood within which Mercy Hospital is located is an example of a typical Residential 1 zone environment (with the exception of Mercy Hospital itself). The site is surrounded predominately by residential use interspersed with community support activities. There is a variety of single and double storey houses that contribute to a high level of residential amenity. There is significant established vegetation and residents are subjected to minimal non-residential noise. The streets vary in width. More recently a range of community support activities including private dentists and medical specialists have established in the Maori Hill locality. Refer to the landscape and visual assessment attached as **Appendix L** for a more detailed description of the immediately surrounding properties.

3. THE PROPOSED PLAN CHANGE

3.1 EXPLANATION OF THE PROPOSED CHANGES TO THE DISTRICT PLAN

Overview of the proposed changes

The proposed plan change seeks to introduce a new “Major Facilities (Mercy Hospital) Zone” into the District Plan and to apply that zone to the Mercy Hospital site. The new zone will enable private hospital activities to develop and operate on the site, along with ancillary supporting activities.

The plan change comprises the following. The proposed provisions are attached as **Appendix D**.

- The introduction of a new chapter (Major Facilities (Mercy Hospital) Zone - Chapter 28) which includes a new issue, objectives, policies and methods including rules and a structure plan. The structure plan, comprising a site plan and development envelope 3D images (attached as **Appendix E**), is to be inserted as Appendix 28.1 to the new “Major Facilities (Mercy Hospital) Zone” Chapter.
- The introduction of two new definitions into Chapter 3 (Definitions) in the District Plan;
- Consequential amendments to the existing Special and General Provision Rules (in Chapters 13 – 22); and
- District Plan Maps 32, 33, 34 and 35 are to be updated to illustrate that the new “Major Facilities (Mercy Hospital) Zone” applies to the Mercy Hospital site. A copy of the updated District Plan Maps is attached as **Appendix F**.

Explanation of the Major Facilities (Mercy Hospital) Zone

In summary, the new zone will operate in accordance with the following:

Private Hospital Activities (as defined) will comprise permitted activities. Potential adverse environmental effects of future activities will be managed by performance standards. The performance standards apply to the construction, maintenance and use of private hospital activities. The performance standards require development to be undertaken in accordance with a structure plan (as described below), set bulk and location standards for accessory buildings and detail a minimum car parking requirement.

The *Structure Plan* illustrates an envelope (footprint and height) detailing where any future building development is expected to occur within the site. The areas delineated on the *Structure Plan* are based on the nature of activities presently undertaken on-site, and the optimum location of future activities to maximise the efficient use and operation of the site.

Future Private Hospital Activities that comply with the performance standards, and relevant standards of the Special and General chapters of the District Plan, are to be permitted activities. Any future activities not complying with the performance

standards are to be restricted discretionary activities. Any future activity not expressly provided for within the zone is to be a non-complying activity. Future activities that are not expressly permitted will be considered on their merits via the established resource consent process.

As explained in the Advice Note to be inserted alongside proposed Rule 28.5.1, the rules in the Major Facilities (Mercy Hospital) Zone are to provide a complete code for those activities within the Major Facilities (Mercy Hospital) zone, other than in relation to activities expressly provided for within Sections 13 - 22 in which case the relevant section will apply. This means that where an activity does not comply with the relevant standards of the Special and General chapters of the District Plan, only that part of the proposed activity which does not comply is to be subject to the resource consent application. For example, where the earthworks associated with the construction of a building that is otherwise permitted within the new zone exceed the relevant earthworks standards, only the earthworks aspect of the proposal will require consideration via the resource consent process.

Explanation of the new definitions

The new definition for “*Private Hospital Activity*” will define the activities that are provided for within the new Major Facilities (Mercy Hospital) zone and includes all land and buildings, and their use, for the primary purpose of providing for the health of the community and this definition lists a wide range of activities that are to be considered as Private Hospital Activities.

The new definition for Floor Area - for the purposes of Rule 28.5.2(iii) Carparking Requirements has been proposed to ensure that the correct number of required carparks, as determined by the transportation assessment, is calculated. The transportation assessment determined the carparking ratio based on a gross floor area that included the lower ground level of the Mercy Hospital / Marinoto Clinic building, but excluded the carparking building and Marinoto House. The existing definition for Floor Area in the District Plan excludes those floors or parts of floors below the natural ground line which would be inappropriate to apply to this site given the use of below ground floors for various uses.

Explanation of the Consequential Amendments

This plan change does not propose any amendments to Section 13 (Townscape), Section 14 (Landscape), Section 15 (Trees), Section 16 (Indigenous Vegetation and Fauna) or Section 20 (Transportation) and as described above, these sections will continue to apply to the Mercy Hospital site.

It is proposed to amend Section 17 (Hazards, Hazardous Substances and Earthworks) to provide for the hazardous substances currently stored and used on site as permitted or consented activities. Mercy stores and uses hazardous substances in accordance with the requirements set out in the Hazardous Substances and New Organisms Act 1996 and the District Plan (prior to the newly operative Plan Change 13). The quantities of some hazardous substances stored and used on site exceed the thresholds that apply to the Residential 1 zone set by the newly operative rules introduced by Plan Change 13 to the District Plan. Existing

use rights currently apply to Mercy Hospital. The amendments proposed in this plan change seek to apply the thresholds set for the Residential 1 zone to the Major Facilities (Mercy Hospital) zone, except for:

- Substance: gases and aerosols; HSNO Class 2.1.1A High hazard flammable gases; Substances: Acetylene.
 - For which it is sought to permit 1.45m³ within the Major Facilities (Mercy Hospital) zone to provide for the Acetylene currently stored on site.
- Substance: Flammable liquid (stored above ground in containers with individual capacity less than or equal to 450 litres); HSNO Class 3.1B Liquid: High hazard; Substance: All – e.g. acetone, paint spray thinners, pure alcohol.
 - For which it is sought to permit 100L stored in accordance with HSNO requirements within the Major Facilities (Mercy Hospital) zone to provide for the various solvents currently stored on site.
- Substance: Flammable liquids (stored above ground with individual capacity greater than 450 litres); HSNO Class 3.1D Liquid: Low hazard; Substances: All – e.g. diesel, petroleum fuel oils.
 - For which it is sought to permit double skin tank/s: 5,200L within the Major Facilities (Mercy Hospital) zone to provide for the Diesel currently stored on site.
- Substance: Oxidising substances: HSNO Class 5.2A-G Organic Peroxide: Types A – G; Substance: All – e.g. MEKP Polyester resin catalyst.
 - For which it is sought to permit 0.5 litres in addition to Steris 20 Concentrate: 70kg to provide for that which is currently stored on site.
- Substance: Oxidising substances: HSNO Class 5.1.2A Gases; Substance: Oxygen (Except as stored and used in accordance with HSNO requirements within medical facilities).
 - For which it is sought to include no limit if stored in Medical facility and stored and used in accordance with HSNO requirements. This does not introduce a new exception, but reiterates the exception that already applies to this substance in the District Plan.
- Substance: Oxidising substances: HSNO Class 5.1.2A Gases; Substance: Nitrous oxide (Except as stored and used in accordance with HSNO requirements within medical facilities).
 - For which it is sought to include no limit if stored in Medical facility and stored and used in accordance with HSNO requirements. This does not introduce a new exception, but reiterates the exception that already applies to this substance in the District Plan.

As discussed in Table 1 in section 5.3 of this report, the decision on Plan Change 13 to the District Plan agreed that the Mercy Hospital activity is an anomaly within the

Residential 1 zone and it is appropriate that the use or storage of any hazardous substance on the site is assessed separately.

No amendments are proposed to the earthworks rules (section 17.7). The site will continue to fall under “All other zones” in Table 17.5 and Table 17.6.

It is proposed to amend Rule 18.5.2 (in section 18 – subdivision activity), to apply the non-complying activity status to subdivision of the Mercy Hospital Site.

It is proposed to insert a new rule into Section 19 that applies to signage within the Major Facilities (Mercy Hospital) zone. It has been determined that it is appropriate for any on-site signage to be permitted, as, being a hospital locational and directional signage is required, and there is limited visibility onto the site from off-site locations. It would be unnecessarily onerous to require consent for each sign. The proposed rule also limits quantity, size and height of signs at the road frontage of each vehicle / pedestrian entry / exit point.

There are currently no noise limits in the District Plan that restrict construction noise at the Mercy Hospital site (refer rule 21.5.1(v)(e) of the District Plan). It is proposed to insert a rule which exempts construction noise within the Major Facilities (Mercy Hospital) zone from complying with the noise standards (as occurs currently) but require that all demolition and construction activities within the Major Facilities (Mercy Hospital) zone comply with the standards set out in Table 2 of NZS6803:1999 “Acoustics – Construction Noise” (which is the national standard for construction noise). This is more restrictive than the current requirements for construction and demolition activities on the Mercy Hospital site and was recommended by the acoustic consultant who prepared the noise assessment for this plan change.

The only consequential amendment to Section 22 (Utilities) has been to apply the current Residential 1 zone rules to the new Major Facilities (Mercy Hospital) zone.

3.2 THE PURPOSE OF AND REASONS FOR THE PROPOSED PLAN CHANGE

Mercy Hospital – Establishment, Operation and Development

Mercy Hospital relocated to the current Maori Hill site in 1969. Mercy Hospital is the only private surgical hospital in Dunedin City, providing specialist medical assessment, treatment and care services for its patients. Development has periodically occurred since establishment on the site. The Marinoto Clinic was added in 1989. In 1998 two additional theatres, an endoscopy suite, six extra consulting rooms, and the level two roof space were constructed. A number of minor refurbishments, upgrades and extensions have also taken place, including the construction of a multi storey car park. Individual resource consent was sought for each of these activities. Attached as **Appendix G** is a summary of the resource consent history record for the Mercy Hospital site.

The Mercy Hospital Management Team (“**MHMT**”) acknowledged that this piecemeal approach to the development of the site was not ideal and lacked co-ordination. In response, the MHMT instigated a comprehensive strategic planning exercise for the

site in 2011. This looked at the existing operation of the site and resulted in a number of areas being identified for development and future growth. That planning exercise was the impetus for the current plan change (refer to section 4.1 for more detail of this process).

Current Zoning

Prior to the Transitional District Plan becoming operative (in November 1990), additions and alterations to the hospital were predominant uses (permitted activities under the District Scheme) and no planning consent was required. The current Operative District Plan provisions do not provide for hospital activities in any zone. Accordingly Mercy Hospital is required to seek resource consent for a non-complying activity for any new hospital related activities or for extensions to the hospital's existing facilities⁵.

Under the Operative District Plan the Mercy Hospital site is zoned Residential 1 (as shown on Maps 32, 33, 34 and 35 of the District Plan). There are eighteen trees located throughout the property that are listed as *Significant Trees* in the District Plan⁶. A list of the significant trees on the site is included with this plan change request, attached as **Appendix H**. A part of the south-eastern portion of the site falls within the Dunedin Town Belt – Urban Landscape Conservation Area (UCLA01). Also noted on the District Plan maps, the Marinoto building is listed as a heritage building in the District Plan (B748)⁷.

Purpose of and reasons for the Plan Change

The following resource management issue has been identified with regards to the Mercy Hospital site:

Mercy Hospital is of fundamental importance to the welfare and quality of life of the Otago and Southland community through the provision of health services, at a site suitable for this purpose.

The purpose of the plan change is to enhance the Mercy Hospital resource by providing the long-term land-use planning framework for Mercy Hospital to enable Mercy Hospital to meet existing and forecast demand for further Mercy Hospital private health care services. Addressing this issue will assist in maximising resource use efficiency and facilitate the avoidance and mitigation of adverse effects.

The Mercy Hospital site is unique in that it does not accord with the description for the Residential 1 zone (refer section 2.2 – receiving environment). The site is not used primarily for residential use, is not uniform in shape and size with surrounding properties and does not contain primarily single or double storey buildings or single dwelling development. It is appropriate that the District Plan recognises this site and the activities that have occurred on the site for a number of decades and will continue for the foreseeable future.

⁵ Under Rule 8.7.6(iii) of the Residential 1 zone in the District Plan.

⁶ Listed in Schedule 25.3 of the Dunedin City District Plan and shown on Planning Maps 33 - 35.

⁷ On Schedule 25.1 of the Dunedin City District Plan, Townscape and Heritage Buildings and Structures

Accordingly, Mercy Hospital is seeking to amend the provisions in the District Plan to provide for and specifically enable existing and future hospital activities on the Mercy site. Mercy is seeking that the District Plan provides for the range of community facilities and infrastructure currently associated with Mercy Hospital and that it enables the provision of the range of healthcare activities and related functions that are appropriate to be located at the Mercy Hospital site. To achieve this, a site specific zone and associated provisions and definitions have been proposed, and consequential amendments have been proposed to rules in five of the Specific and General chapters in the District Plan. These changes will enable the continued operation and development of Mercy Hospital to be maximised and will facilitate the avoidance or mitigation of potentially adverse effects.

The proposed plan change will enable Mercy Hospital to continue to operate, be maintained, upgraded and developed for private hospital activities including specialist medical assessment, treatment and care services for patients and will allow Mercy to increase its charitable outreach activities back to the community.

The plan change will provide greater certainty for Mercy, the City Council and the local community on the future direction of development at Mercy Hospital and use of the Mercy Hospital site. It is noted that the Council has sought more certainty with respect to the use and development of the site⁸.

There is extensive established vegetation in the neighbouring area and residents are exposed to very low levels of non-residential noise. Changing this could adversely affect the amenity of the site itself, and surrounding area. The new zone recognises and protects these characteristics. It is noted that residential activity could occur on this site at a much greater density than is proposed to be permitted by this plan change. However Mercy Hospital requires a different form and scale of development to that which is currently provided for and the plan change will ensure that development on the site is managed appropriately.

⁸ Advice Note 11 to resource consent LUC-2011-324.

"It is recommended that the consent holder consider applying for a new consent to replace all the existing consents for the site. This would provide an opportunity independent of the current project to review the existing conditions of all the current consents and determine which requirements are still relevant, and have them all set out in one consent document. As the consents have been given effect either in whole or in part they cannot now be surrendered, but a replacement consent will give the consent holder and the Council more certainty with respect to on-going use and development of the site."

4. PROCESS BEHIND THE PLAN CHANGE REQUEST

This section sets out the process that has been undertaken in the development of the plan change request. Moderate interest has been shown in the proposed plan change. The majority of feedback has been supportive. The feedback received during each of the consultation processes has assisted Mercy in developing the proposed plan change. Issues raised during the consultation process are addressed throughout this report.

4.1 STRATEGIC PLANNING

Mercy engaged Octa Associates Limited (“**Octa**”) to undertake a Master Planning exercise for the Mercy Hospital site. Octa’s Master Planning Report was finalised in May 2011. In preparing the Master Planning Report, Octa examined the requirements and planning options for Mercy Hospital and the Marinoto Clinic. The Master Planning Report outlines the key findings from the consultation and workshop process undertaken with key hospital and clinic personal by Octa. The Master Planning Report recommends a number of building reconfigurations and expansions and the relocation of services within existing and new spaces.

In September 2011 Mitchell Partnerships was engaged by Mercy to assist with the development of a forward planning strategy for Mercy Hospital in response to the Master Planning Exercise. Mitchell Partnerships recommended that a request to establish a site-specific zone via a private plan change request was the most appropriate way to enable Mercy to be able to efficiently and effectively continue current activities on the site along with enabling planned future development.

A team of experts were engaged to assess specific potential effects of the plan change proposal. This team included, McCoy and Wixon Architects (for urban design / architecture expertise), Traffic Design Group (for transportation expertise), Marshall Day Acoustics (for noise expertise) Terramark (for infrastructure expertise) and Vivian & Espie (for visual and landscape expertise). The outcomes of the assessments prepared by each of the specialists are reflected throughout this report, and individual assessments are attached as **Appendix I – Appendix L**.

4.2 DISCUSSION WITH COUNCIL

In 2011 a meeting was held with the City Development Manager and Principal Planner at the Dunedin City Council (“**DCC**”) to discuss the various planning options for the future development of the hospital site. The DCC noted they were investigating a review of the wider hospital provisions within the District Plan and suggested that a site-specific plan change would be an appropriate way forward at this time.

In early 2012 a further meeting was held with the DCC Principal Planner to update the DCC on progress with the plan change. This was followed by a meeting with the relevant DCC Departments to seek their initial feedback and identify any areas of concern or assessment requirements. Discussion took place around ensuring that

the potential for effects of increased development on the surrounding transportation network, including car parking, would be addressed in the plan change request. Further discussions have been had with DCC staff throughout the development of the plan change request to ensure that any comments from the Council are addressed and to ensure that the new zone will be an appropriate fit with the existing District Plan. Prior to the lodgement of the plan change request, another discussion was held with DCC policy and resource consent staff and comments were provided by these staff members on the draft plan change provisions. Those comments were taken into account in the drafting of the attached provisions.

4.3 STATUTORY CONSULTATION

Personalised information packs were sent to the Minister for the Environment, New Zealand Historic Places Trust (“**HPT**”), the Otago Regional Council and Kai Tahu ki Otago (“**KTKO**”) during the development phase of the plan change. In addition an on-site meeting was held with three staff from HPT. HPT wished to ensure that adequate provisions would be included in the new zone to protect the Marinoto Building and its setting. These comments were taken into account in the drafting of the provisions. HPT has agreed that overall the draft provisions provide greater control over development in the vicinity of Marinoto. KTKO has confirmed that it has no concerns with the plan change. No response was received from the Minister for the Environment or the Otago Regional Council.

4.4 CONSULTATION WITH KEY STAKEHOLDERS AND THE WIDER COMMUNITY

Mercy sought to engage with individuals to inform them about and obtain their feedback on the proposal to lodge a plan change with DCC to rezone the Mercy Hospital site as a “Major Facilities (Mercy Hospital) Zone” in the DCDP. The majority of feedback received was positive and people were generally found to be supportive of the proposed approach.

The following section describes the consultation undertaken with, and the feedback received from, key stakeholders and the wider community. This section also describes how the feedback has been used to inform the plan change.

Consultation with Key Stakeholders

The project team sought to meet with Mercy Hospital staff and Marinoto consultants on-site. Twenty staff members attended a presentation. No consultants attended an on-site meeting. Some positive feedback around the proposal was received from staff. Mercy staff have been kept informed of progress on the plan change as necessary via the weekly hospital newsletter.

An information pack containing an information sheet and a feedback form was sent to 300 owners/occupiers of properties within the residential areas surrounding the site (including but not limited to Newington Avenue; Burwood Avenue and Grendon Street). A map highlighting the properties that received the information pack is

attached as **Appendix M**. A copy of the information pack is attached as **Appendix N**. Eighteen people responded on the postal feedback forms.

Positive feedback included that the plan change will better reflect onsite activity, will enable efficient cohesive development, will improve the RMA process and will provide certainty for neighbours. Feedback also recognised that the hospital is a valuable community resource and that the proposed future development areas are appropriate. Some of the feedback was concerned about any destruction of vegetation, a lack of detail of the future development, car parking, the width of the staff/service road and the potential for noise.

Other suggestions and comments were to exclude the Grendon Street portion of the site from the new zone, the need to consider medical expertise in designing the area and to consider donating a portion of the site to the town belt. Those with specific concerns have been contact via telephone or letter to discuss the issues. Those who wished to be included on a contact list have been kept informed of progress with the plan change and were informed of when the plan change request was to be lodged.

Consultation with the wider community

An advertisement of the proposed plan change and public information day was placed in the Otago Daily Times on two occasions⁹. A copy of this advertisement is attached as **Appendix O**. A 'drop in' public information day was held from 3.30pm until 7.30pm on the 29th of March 2012. Twenty people attended the information day.

Positive feedback received at the open day was that the area of proposed development was not as great as initially envisaged and that it is good that green spaces around the site are to be maintained and that the overall building heights will not be exceeded. Areas of concern raised during the open day were the potential for geotechnical issues, around any proposed roading to the rear of the site, the potential for noise, the maintenance of green areas to rear of the existing building adjacent to private properties on Grendon Street, around on street car parking and the need to continue to consult with local neighbours.

How key stakeholder and community feedback has informed the plan change

This section responds to the main areas of feedback received from key stakeholders and the wider community.

Certainty

The rules, including the performance standards (which include the Structure Plan) provide much greater certainty than is currently available with regards to the future development of the site and the impact of future development on on-site vegetation. As Private Hospital Activities that comply with the performance standards are permitted, there is certainty around what activities are anticipated to occur on the site, and if the performance standards are not met, what matters that the Council will consider in deciding on a resource consent application.

⁹ 24 March 2012 and 28 March 2012

Transportation

The traffic assessment has assessed impacts on the transportation network. This found that there will be no significant adverse effects and has determined a carparking ratio to ensure that adequate onsite carparking will be provided as the site is progressively developed.

Noise

The noise assessment has determined that the current residential noise rules that apply to the site are appropriate and will be able to be met. Construction noise is currently exempt from the noise standards set in the District Plan. The noise assessment prepared by Marshall Day Acoustics (**Appendix K**) recommended that Table 2 of NZS6803:1999 “Acoustics – Construction Noise” apply to construction and demolition activities within the new zone. The plan change proposes to amend Rule 25.5.1(v)(f) to require such compliance.

It is also notable that Mercy Hospital is particularly careful in managing the noise associated with both day-to-day activities and construction activities as a low noise environment is important for the operation of the hospital (i.e. patients require a peaceful and quiet environment). This has positive flow-on effects for the neighbours as the noise they are exposed to is minimised far as possible.

Plan change site

Initial plans included a portion of land owned by Mercy Hospital that is located adjacent to Grendon Street in the plan change area. The plan change area has been modified to exclude this portion of land because the best and most efficient use of the Grendon Street portion of land is not to be zoned “Major Facilities (Mercy Hospital) Zone”. It is a quality piece of residential land that is separate from the operational area of the hospital site. Should the hospital wish to develop that piece of land in the future it would most likely be for a use provided for in the Residential 1 zone.

Consultation and public involvement

While the plan change will mean that resource consent will be sought less often than under the current provisions, this does not mean that the community, staff, consultants and other interested parties cannot be involved in what occurs on the site. To the contrary, the plan change process enables comprehensive consultation in the determination of what is appropriate to be undertaken on the site.

If buildings (other than small ancillary buildings such as a garden shed or glass house) are planned outside of the areas defined in the Structure Plan, resource consent will be required, with public input if appropriate.

5. EVALUATION UNDER SECTION 32 OF THE ACT

5.1 REQUIREMENTS UNDER THE ACT

Section 32(1)(e) of the Act requires the person who made the request for a plan change to carry out an evaluation. Section 32 of the Act also specifies what the evaluation must examine.

- (3) *An evaluation must examine—*
 - a) *the extent to which each objective is the most appropriate way to achieve the purpose of this Act; and*
 - b) *whether, having regard to their efficiency and effectiveness, the policies, rules, or other methods are the most appropriate for achieving the objectives.*
- (4) *For the purposes of the examinations referred to in subsections (3) and (3A), an evaluation must take into account—*
 - a) *the benefits and costs of policies, rules, or other methods; and*
 - b) *the risk of acting or not acting if there is uncertain or insufficient information about the subject matter of the policies, rules, or other methods.*

As stated on the Quality Planning Guidance note “Section 32 – Methods of Implementation”¹⁰:

Section 32 does not explicitly require the consideration of alternative means. However, it does require that the evaluation shows that, having regard to effectiveness and efficiency, the proposed policies, rules, or other methods are the 'most appropriate'. This implies that some consideration of the effectiveness and efficiency of alternative provisions is required.

In 2011 the Court held that the “most appropriate” method does not need to be the superior method¹¹.

Schedule 1, Part 2, Clause 23(1)(c) of the Act states that the local authority may request further information to enable it to better understand the benefits and costs, the efficiency and effectiveness, and any possible alternatives to the request if such information is appropriate to the scale and significance of the actual or potential environmental effects anticipated from the implementation of the change or plan. As described in section 6 there are no significant adverse effects likely to arise from the implementation of this plan change.

However, possible planning strategies to address the resource management issue have been considered. Following the selection of the most appropriate planning strategy, the proposed objectives associated with the chosen strategy have been evaluated for their appropriateness in achieving the purpose of the Act, and the

¹⁰ Last updated in 2008; www.qualityplanning.org.nz/plan-development/implementation.php

¹¹ *Rational Transport Soc Inc v New Zealand Transport Agency* HC Wellington CIV-2011-485-2259, 15 December 2011.

proposed policies and methods associated with the chosen strategy have been evaluated for their appropriateness in achieving the objectives.

Alternative Planning Strategies

Two possible planning strategies have been identified that could be used to address the resource management issue:

1. Inserting provisions in the Residential 1 zone of the District Plan that provide for hospital activities (such as providing for Mercy Hospital as a scheduled activity); or
2. Establish a specific zone which provides for private hospital activities in accordance with performance standards (including a structure plan).

A third approach of maintaining the status quo (or the “do nothing” approach) has also been considered.

As discussed earlier in this report, the status quo does not address the resource management issue. This “do nothing” option is not the most appropriate way of achieving the objectives, which seek to provide for the current and future provide hospital activities, or the purpose of the Act as it does not provide for the sustainable management of the significant Mercy Hospital resource.

It has also been determined that providing for private hospital activities within the Residential 1 zone is not the best approach to addressing the resource management issue. In summary, this is because it is not appropriate that private hospital activities are allowed to occur on any site within the Residential 1 zone. In addition, the conditions that apply to activities permitted in the Residential 1 zone are not appropriate to apply directly private hospital activities. This could be overcome by scheduling the Mercy Hospital site and applying appropriate performance standards to the scheduled activity (similar to the school located within the Residential 1 zone). However this planning strategy does not address the concern that the zone description, issues, objectives and policies are not relevant to the Mercy Hospital activity. That the Council had advised that it was actively considering the approach of providing for hospitals via special zoning was also considered in selecting the most appropriate planning strategy. It was determined that to establish a specific zone for private hospital activities and manage potential effects via performance standards was the most appropriate planning strategy to address the resource management issue.

5.2 EVALUATION OF EACH NEW OBJECTIVE

The proposed objectives are:

1. *The continued use, maintenance and the future development of Mercy Hospital and associated private hospital activities are able to meet the reasonably foreseeable needs of the community.*

2. *Existing and future activities within the zone are compatible with the surrounding residential environment, and maintain or enhance the areas of established native bush adjacent to the Town Belt, the listed trees and heritage building on the Mercy Hospital site.*

These objectives are the desired end point from the resolution of the resource management issue set out on page 9.

Section 32(3)(a) of the RMA requires the evaluation to examine the extent to which each objective is the most appropriate way to achieve the purpose of the Act¹². This section of the report considers the role of each of the objectives in achieving the purpose of the Act and how each objective complements the other to achieve the sustainable management of the natural and physical resources associated with the Mercy Hospital site.

Section 5 of the Act sets out its purpose follows:

- (1) *The purpose of this Act is to promote the sustainable management of natural and physical resources.*
- (2) *In this Act, **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.*

The objectives seek to achieve the sustainable management of the Mercy Hospital and its environs. Mercy Hospital is an important physical resource for the community, the city and the wider region. Objective 1 recognises the value of the hospital resource and seeks that the zone enables the reasonably foreseeable needs of the community to be met. Objective 2 recognises the amenity values of the surrounding residential environment and on-site values and the need to manage this potential conflict between these values and private hospital related activities.

The plan change will enable people to provide for their social, economic and cultural well-being and their health and safety by facilitating the operation, maintenance, enhancement and development of the hospital resource. The services at Mercy Hospital offer, in addition to the principal health component, educational, religious and support activities. The plan change will enable these services to be continued, enhanced and expanded. The plan change will also provide greater certainty to the community regarding what land use activities can be expected to occur on the Mercy

¹² Brookers online commentary – “Each objective must be examined during evaluation, but it is not necessary that each objective individually be the most appropriate way of achieving the purpose of the Act. This is because the objectives may interrelate and have overlapping ways of achieving sustainable management of natural and physical resources: *Rational Transport Soc Inc v New Zealand Transport Agency* HC Wellington CIV-2011-485-2259, 15 December 2011”.

Hospital site. Mercy has a philosophy, including a set of values¹³, which contribute to providing for the communities' social and cultural wellbeing. Mercy also has a cultural policy and is committed to the Treaty of Waitangi and works in partnership with Ngai Tahu through the Otako Runaka.

There are currently approximately 144.25 full-time equivalent employees at the Mercy Hospital site. This excludes medical consultants, medical staff, chaplaincy staff and Marinoto Clinic support staff. This employment significantly contributes to the social and economic wellbeing of the Dunedin community. The plan change will decrease the costs to Mercy in future development works as it will not be required to seek resource consent for activities that are permitted within the new zone. The services offered at Mercy Hospital may also play a role in increasing the economic productivity of the community by reducing their health concerns. Mercy Hospital therefore has a significant role in providing for people's economic well-being.

The plan change will also contain private hospital activities to an area which is already relatively modified, has high amenity for the purpose and has been used for the purpose of private hospital activities for a number of decades.

The transportation, noise, and landscape and visual effects assessments undertaken for this plan change conclude that the proposed plan change area (the Mercy Hospital site) has the ability to absorb further development. The assessments have also determined that the site is capable of doing so without giving rise to adverse effects that are incapable of being avoided, remedied or mitigated.

Without these objectives, the Mercy Hospital resource is not adequately recognised and provided for in the District Plan. Achieving these objectives will make a substantial difference in addressing the resource management issue and therefore achieving the purpose of the Act. In addition, the matters sought to be addressed by these objectives are within the bounds of matters over which the District Council has jurisdiction¹⁴.

Based on the above assessment, these objectives are considered to be consistent with section 5 of the Act. However, achieving the purpose of the Act also requires addressing the matters sets out in sections 6 (matters of national importance), 7 (other matters) and 8 (Treaty of Waitangi) of the Act.

¹³ *We commit ourselves to excellence in health care by living out of our Mercy values. Through:*
Compassion: *We enter willingly into another's experience and response with empathy.*
Respect: *We appreciate the preciousness, dignity and uniqueness of each person.*
Hospitality: *We respond to others readily and generously, with warmth, care and respect.*
Justice: *We engage in balanced, equitable, fair and honest relationships with our caring environment and the wider community, encouraging other to meet their potential.*
Integrity: *We are authentic and accountable in everything we do, honouring our commitment to openness and honesty.*
Excellence: *We aspire to provide the highest quality care and service and engage in ongoing development to remain relevant and responsive.*

¹⁴ Section 31(1) of the Resource Management Act 1991, the functions of territorial authorities.

Section 6

In achieving the purpose of this Act, all persons exercising functions and powers under it, in relation to managing the use, development, and protection of natural and physical resources, shall recognise and provide for the following matters of national importance:

- (b) *The protection of outstanding natural features and landscapes from inappropriate subdivision, use, and development:*
- (c) *The protection of areas of significant indigenous vegetation and significant habitats of indigenous fauna:*
- (e) *Relationship of Maori and their cultures and traditions with their ancestral lands, water, sites, waahi tapu, and other taonga*
- (f) *The protection of historic heritage from inappropriate subdivision, use, and development.*

Mercy Hospital is not classified as an outstanding natural feature or landscape in the Dunedin City District Plan (“**DCDP**”). Objective 2 seeks to protect the values of the significant trees and the urban landscape conservation area (“**ULCA**”). KTKO have confirmed that they have no concerns regarding the plan change. Discussions with HPT have concluded that Marinoto house needs to be adequately recognised and protected; objective 2 seeks to achieve this. Any relevant section 6 matters are recognised and provided for.

Section 7

In achieving the purpose of this Act, all persons exercising functions and powers under it, in relation to managing the use, development, and protection of natural and physical resources, shall have particular regard to:

- (a) *Kaitiakitanga*
- (aa) *The ethic of stewardship*
- (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:*

The objectives proposed in the plan change seek that the Mercy Hospital resource, and the site on which it is located, is managed and used in the most efficient way. Achieving proposed objective 1 will result in a more efficient use of resources than the current approach which requires Mercy to seek resource consent for a non-complying activity for each hospital activity it wishes to undertake on the site. Achieving proposed objective 2 will assist in the maintenance and enhancement of the site and surrounds amenity values and environmental qualities.

Section 8

In achieving the purpose of this Act, all persons exercising functions and powers under it, in relation to managing the use, development, and protection of natural and physical resources, shall take into account the principles of the Treaty of Waitangi (Te Tiriti o Waitangi).

Whilst no cultural values report has been prepared in relation to this plan change, there are no known Treaty principles that will be affected by this plan change. KTKO

have confirmed they have no concerns. The plan change is not contrary to the Kai Tahu Ki Otago resource management plan.

With regards to other objectives in the District Plan

Section 72 of the Act states that the purpose of the preparation, implementation, and administration of district plans is to assist territorial authorities to carry out their functions in order to achieve the purpose of this Act. In assessing whether the proposed objective is the most appropriate way to achieve the purpose of the Act, it is therefore appropriate to undertake an assessment to ensure that the proposed objectives are generally consistent with the other objectives in the District Plan as these are an existing expression of how the Council carries out its functions. Objectives are set out in a number of chapters of the District Plan. Those objectives most relevant to the proposed objectives are attached as **Appendix P**.

The objectives in Chapter 18 of the DCDP apply to the residential zone. These are relevant as the new “Major Facilities (Mercy Hospital) Zone” will be adjacent to a residential zone. It is therefore important to ensure that any potential cross boundary effects do not compromise the objectives of the residential zone. Objectives 8.2.1, 8.2.4, 8.2.5 and 8.2.7 seek to protect the important values that exist in, and are attributed to, residential areas. The proposed objectives support these existing objectives by recognising the important amenity values that exist in the neighbouring residential area.

The objectives of Chapter 13 (Townscape) of the DCDP are relevant to the land within the Dunedin Town Belt - ULCA and Marinoto house. Objectives 13.2.1, 13.2.2 and 13.2.3 seek provide for townscape and heritage values. The proposed objectives sit comfortably along-side this existing objective.

The objectives within Chapter 15 (Trees) of the DCDP are particularly relevant as there are 18 listed trees on the site and a large number of trees that are not listed within the District Plan. Objectives 15.2.1 and 15.2.2 encourage the conservation and planting of trees and the protection of the most significant trees. The proposed objectives do not challenge these objectives and recognise the value of the listed trees.

Potential effects on the transportation have been assessed and addressed through this plan change. Therefore the objectives in Chapter 20 of the DCDP are a relevant consideration. Objectives 20.2.1, 20.2.2 and 20.2.4 seek to manage effects of and on the transportation network. The proposed objectives are not contrary to these objectives.

The objectives of Chapter 21 of the DCDP relate to environmental issues and are therefore a relevant consideration. Objective 21.2.2 seeks to “ensure that noise associated with the development of resources and the carrying out of activities does not affect public health and amenity values”. The proposed objectives sit along-side and support this objective.

Conclusion

The objectives seek to provide for Mercy Hospital as a significant physical resource in the District Plan and appropriately manage potential and actual effects associated with the use of the Mercy Hospital resource and site. The proposed objectives seek to address the resource management issue. It has been determined that these objectives are appropriate to achieve the purpose of the Act.

5.3 EVALUATION OF POLICIES, RULES AND OTHER METHODS

Risks of acting or not acting if there is uncertain or insufficient information

Section 32(4)(b) of the Act requires, in the evaluation of the proposed policies and methods, the consideration of the risk of acting or not acting if there is uncertain or insufficient information about the subject matter. It has been determined that there are no aspects of the proposed plan change for which there is insufficient or uncertain information.

The resource consent record for this site is set out in **Appendix G**. Eighteen resource consents have been sought on the Mercy Hospital site since 1988¹⁵. Nine of these were for private hospital activities; four were related to trees; and three were variations to the conditions of RMA-2006-307974. RMA-2006-307974 was subject to an appeal to the High Court and was ultimately granted.

The Mercy Hospital strategic planning anticipates that development will occur in a number of stages. Under the status quo, or by “not acting”, further resource consents would need to be sought for a number of activities. The draft Dunedin Spatial Plan suggests that the Council will investigate recognising and providing for hospital activities in the District Plan and Council planners have indicated they are looking to review the provisions for hospitals in the District Plan. It has been determined that there is sufficient evidence that the issue warrants attention in the District Plan.

The information that has been provided regarding the future growth of Mercy Hospital and the potential effects has been prepared by appropriate experts. This reduces the risk of uncertain or insufficient information being relied upon. There are no technical issues about which there is insufficient information.

The plan change is site specific and activity specific. During the development of the plan change request the effects of future development in accordance with the performance standards, including structure plan, have been assessed. Any activities proposed outside the structure plan, that are not in accordance with the performance standards or that are not private hospital activities will require further assessment via the resource consent process.

The information behind the policies and methods promoted in this plan change is very certain and there is little risk associated with the plan change going ahead. The risk of not acting (not pursuing this plan change) is that the resource management issue remains unresolved and Mercy Hospital is not managed efficiently and effectively.

¹⁵ One of these, for the removal of a tree trunk, was cancelled.

Costs, benefits and appropriateness in achieving the objectives

The necessary assessment of the proposed policies, rules and other methods under section 32(3)(b), 32(4)(a) and 32(4)(b) is provided in Table 1 below. The policies, rules and other methods that are specific to the Major Facilities (Mercy Hospital) Zone have been assessed for their appropriateness in achieving the proposed objectives for the Major Facilities (Mercy Hospital) Zone.

The consequential amendments to the rules in the other sections of the plans have been assessed for both their appropriateness in achieving the proposed objectives of the Major Facilities (Mercy Hospital) Zone and their appropriateness in achieving the relevant objectives of the relevant section.

Table 1. Assessment of the proposed policies, rules and other methods under sections 32(3)(b), 32(4)(a) and 32(4)(b) of the Act

<p><i>Proposed Objective 1. The continued use, maintenance and the future development of Mercy Hospital and associated private hospital activities are able to meet the reasonably foreseeable needs of the community.</i></p> <p><i>Proposed Objective 2. Existing and future activities within the zone are compatible with the surrounding residential environment, and maintain or enhance the areas of established native bush adjacent to the Town Belt, the listed trees and heritage building on the Mercy Hospital site.</i></p>			
Policy / Rule / Method	Assessment under section 32(4)(a) of the Act		Assessment under section 32(3)(b) of the Act:
	Benefits	Costs	Having regard to their efficiency and effectiveness, appropriateness in achieving the objectives
<p>Proposed Policy 28.3.1 Provide for the ongoing use, maintenance and operation of private hospital related activities within the Major Facilities (Mercy Hospital) Zone.</p>	<p>Mercy Hospital offers a wide variety of activities that contribute to the hospital being a significant asset to the community, City and wider region. Through these activities, Mercy Hospital promotes the cultural, social and economic well-being of the community and assists in providing for its health and safety. Mercy Hospital is the only private surgical hospital in Dunedin. It has been determined that the Mercy Hospital site is suitable for its continued use as a hospital. This was not questioned in the feedback received during consultation. It is therefore appropriate to specifically recognise the significant Mercy Hospital asset in the District Plan.</p> <p>The current zoning is inappropriate in that it does not recognise the existing Mercy Hospital activity. The Residential 1 zone provisions are restricting the efficient operation of activities that are appropriate to be undertaken at the Mercy Hospital site by requiring resource consents to be acquired for extensions to existing and for new hospital activities.</p> <p>Providing for the on-going use and operation of private hospital related activities legitimises the existing use and will enable Mercy Hospital to continue to be maintained for private hospital activities including for specialist medical assessment, treatment and care services for patients.</p> <p>The draft Dunedin Spatial Plan suggests that the Council intends to investigate reviewing the provisions for hospitals in the District Plan to ensure that hospitals are recognised. The private plan change process assists the Council in this.</p>		<p>Efficiency: This policy promotes the ongoing use of the site and the ability of Mercy Hospital to continue to meet the needs of the community. There are significant benefits to be gained and no identified costs that cannot be remedied. These efficiencies were not achieved with the status quo.</p> <p>Effectiveness: This policy seeks that private hospital activities are provided for and legitimises the use of the site for the purpose of Mercy Hospital. This policy will assist in achieving the continued operation of Mercy Hospital's activities on the site.</p> <p>Appropriateness: The efficiency and effectiveness of the policy will assist in in making significant progress towards achieving proposed objective 1. It has been determined that this policy is appropriate.</p>
<p>Proposed Policy 28.3.2 Enable the future expansion and establishment of private hospital activities within the Major Facilities (Mercy Hospital) Zone in accordance with a Structure Plan.</p>	<p>Mercy Hospital offers a wider variety of activities that contribute to the hospital being a significant asset to the community, City and wider region. Through these activities, Mercy Hospital promotes the cultural, social and economic well-being of the community and assists in providing for its health and safety. Mercy Hospital is the only private surgical hospital offering these services in Dunedin. These services are also used by members of the wider region. It is therefore appropriate to recognise the significant Mercy Hospital asset in the District Plan.</p> <p>It has been determined that the Mercy Hospital site is suitable for its continued use as a hospital. This was not questioned in the feedback received during consultation. However, the current zoning is inappropriate in that it does not provide for the Mercy Hospital activity. The Residential 1 zone provisions are restricting the efficient operation of activities that are appropriate to be undertaken at the Mercy Hospital site. Under the current provisions in the District Plan Mercy is required to seek resource consent for a non-complying activity for any new hospital related activities or extensions to the existing facilities. To date Mercy has been developing on a consent by consent basis.</p>	<p>Forecasting the needs of a business and future demand for services is inherently difficult. Should development not occur as anticipated, Mercy will be required to seek resource consents for discretionary or non-complying activities, or pursue a further plan change.</p> <p>A lack of certainty around proposed works was raised by some members of the community during consultation.</p> <p>If uncontrolled expansion occurred on the site, there is a risk that this could generate adverse effects on the surrounding neighbourhood residential amenity. This risk is remedied however via the imposition of the performance</p>	<p>Efficiency: The benefits of allowing future expansion and establishment of private hospital activities within the Major Facilities (Mercy Hospital) Zone in accordance with a Structure Plan, including the certainty provided to the community, are greater than the potential costs associated with this policy. This option is much more efficient in addressing the objective than the status quo, or inserting provisions for hospital activities into the Plan without the associated objectives, policies and structure plan.</p> <p>Effectiveness: This policy seeks that future private hospital activities are provided for. The policy is directly related to the proposed objectives and immediately addresses the part of objective 1 that seeks provision for the future development of Mercy Hospital and associated private hospital activities.</p>

<p><i>Proposed Objective 1. The continued use, maintenance and the future development of Mercy Hospital and associated private hospital activities are able to meet the reasonably foreseeable needs of the community.</i></p> <p><i>Proposed Objective 2. Existing and future activities within the zone are compatible with the surrounding residential environment, and maintain or enhance the areas of established native bush adjacent to the Town Belt, the listed trees and heritage building on the Mercy Hospital site.</i></p>			
Policy / Rule / Method	Assessment under section 32(4)(a) of the Act		Assessment under section 32(3)(b) of the Act:
	Benefits	Costs	Having regard to their efficiency and effectiveness, appropriateness in achieving the objectives
	<p>The historic piecemeal approach to development is not ideal. This policy seeks to enable the introduction of additional services that are appropriate to be located at the Mercy Hospital site. This will enable Mercy Hospital to continue to be maintained, upgraded and developed for private hospital activities including for specialist medical assessment, treatment and care services for patients. Providing the long-term land-use planning framework for Mercy Hospital will assist in maximising resource use efficiency and facilitate the avoidance and mitigation of adverse effects.</p> <p>Through the use of performance standards, including the structure plan, the plan change will minimise adverse effects on the surrounding residential amenity. Because the structure plan is site specific, activity specific and well defined the structure plan will also provide greater certainty for Mercy, the City Council, the local community and other interested people in the future direction of development at Mercy Hospital and the use of the Mercy Hospital site.</p> <p>Due to the density, level of amenity and landscaping on this site, the site contributes to the high level of residential amenity received by the surrounding area. This policy seeks to ensure that these amenity values are retained.</p> <p>The draft Dunedin Spatial Plan suggests that the Council intends to investigate reviewing the provisions for hospitals in the District Plan to ensure there is provision for future development of hospitals where appropriate</p>	<p>standards, including the structure plan.</p>	<p>That the policy encourages activities in accordance with a structure plan will enable the relationship between the activities within the zone and the surrounding residential environment and native bush, trees and heritage buildings to be managed appropriately.</p> <p>Appropriateness: The efficiency and effectiveness of this policy will assist in in making significant progress towards achieving proposed objectives 1 and 2. Therefore it has been determined that this policy is appropriate.</p>
<p>Proposed Policy 28.3.3 Manage adverse effects on residential amenity values including the visual effect of buildings and the use of the transportation network (including carparking) associated with activities undertaken at Mercy Hospital.</p>	<p>It is recognised that the site is located within an established residential setting. This policy seeks to ensure that there are no significant adverse effects on residential amenity.</p> <p>The provision of car parking was raised by a number of members of the community as a key concern during consultation. Site specific transportation rules have been proposed to ensure that the site and transportation network can accommodate the anticipated increased vehicle movements to and from the site (including on site car parking) without any significant adverse effects.</p> <p>As described in the infrastructure assessment, the existing off-site infrastructure will not be adversely affected by development that is permitted within the new zone (i.e. existing, or in accordance with the performance standards, including the structure plan).</p> <p>It has been determined that development that is permitted within the new zone (i.e. existing, or in accordance with the performance standards, including the structure plan) can be managed to achieve the current noise rules in the District Plan. Therefore, there will be no adverse noise effects which may affect the residential amenity, or people's health and safety.</p>	<p>There is the risk of increased cost to Mercy of ensuring development is undertaken in accordance with this policy.</p>	<p>Efficiency: The risk of increased cost to Mercy in ensuring development is undertaken in accordance with this policy are no greater than required under the current process for seeking resource consent for a non-complying activity on the site. The benefits of ensuring adverse effects on residential amenity are avoided, remedied or mitigated for the community are immense. Recognising that Mercy Hospital has the potential to cause adverse effects on residential amenity is not currently provided for in the District Plan. Therefore this proposed policy is efficient in addressing that part of proposed objective 2 that seeks that activities within the zone are compatible with the surrounding residential environment.</p> <p>Effectiveness: The potential impact on residential amenity was a major driving force behind the development of the proposed provisions. Likewise, the risk of inadequate car parking was raised as a concern by a number of people who participated in consultation. By seeking to minimise adverse effects on residential amenity, this</p>

<p><i>Proposed Objective 1. The continued use, maintenance and the future development of Mercy Hospital and associated private hospital activities are able to meet the reasonably foreseeable needs of the community.</i></p> <p><i>Proposed Objective 2. Existing and future activities within the zone are compatible with the surrounding residential environment, and maintain or enhance the areas of established native bush adjacent to the Town Belt, the listed trees and heritage building on the Mercy Hospital site.</i></p>			
Policy / Rule / Method	Assessment under section 32(4)(a) of the Act		Assessment under section 32(3)(b) of the Act:
	Benefits	Costs	Having regard to their efficiency and effectiveness, appropriateness in achieving the objectives
	<p>While parts of the fully developed building envelope will be visible from some private properties and public places, it has been determined that effects from development in accordance with the proposed rules on amenity values will remain of a low degree.</p> <p>It was concluded in the assessment of environment effects that the potential and actual effects from the implementation of the plan change can be mitigated to a level where they are minor or less than minor and that there are significant positive effects to be gained from the implementation of the proposed plan change.</p>		<p>policy is effective in addressing these matters and directly relates to that part of objective 2 that activities are compatible with the surrounding residential environment.</p> <p>Appropriateness: The efficiency and effectiveness of this policy will assist in in making significant progress towards achieving proposed objective 2. It has been determined that this policy is appropriate.</p>
<p>Proposed Policy 28.3.4 Control development within the zone so that the heritage values of Marinoto House, scheduled trees and the values of the Dunedin Town Belt Urban Landscape Conservation Area that are present within the zone are maintained or enhanced.</p>	<p>There are 18 significant trees located on the site. There is one heritage building located on the site. Part of the site is located within the Dunedin Town Belt – UCLA.</p> <p>The removal of vegetation was a concern raised by some members of the community during consultation. Marinoto is registered on the Historic Places register and is listed as a Heritage Building in the District Plan. Effects on Marinoto, and view shafts to Marinoto, were a concern raised by the HPT during consultation.</p> <p>This policy provides further recognition of these features.</p>	<p>There is the risk of limitations to development on the site in ensuring development is undertaken in accordance with this policy.</p>	<p>Efficiency: The benefits of achieving the protection of these important values far exceed the cost. The structure plan and rules have been designed in such a way that development of the site is controlled to ensure that adverse effects on these values can be avoided, remedied or mitigated. The District Plan currently includes provisions to protect these values. This policy emphasises this by drawing these important provisions through into the new zone.</p> <p>Effectiveness: This policy is particularly effective at addressing the concerns raised in the feedback provided by HPT and the concerns during consultation regarding vegetation removal.</p> <p>Appropriateness: The efficiency and effectiveness of this policy will assist in in making significant progress towards achieving proposed objective 2. Therefore it has been determined that this policy is appropriate.</p>
RULES AND OTHER METHODS			
<p>The creation of a new “Major Facilities (Mercy Hospital) Zone” and application of that zone to the Mercy Hospital site.</p>	<p>Mercy Hospital promotes the cultural, social and economic well-being of the community and provides for its health and safety. It is appropriate to recognise the significance of the Mercy Hospital asset in the District Plan.</p> <p>Under the current provisions in the District Plan, Mercy is required to seek resource consent for a non-complying activity for any new hospital related activities or extensions to the existing facilities. The value of the Mercy Hospital resource is not recognised in the existing objectives and policies. It has been determined that the Mercy Hospital site is suitable for continued use as a hospital (this was not questioned in the feedback).</p> <p>The current zoning is inappropriate and is restricting the efficient operation of activities that are appropriate to be undertaken at the Mercy Hospital site. Providing the long-term land-use planning framework for Mercy Hospital will assist in maximising resource use</p>	<p>The new zone has not been designed to be able to be applied to other sites.</p> <p>Time and monetary costs associated with the Plan Change process for the Council, Mercy and the community.</p> <p>The District Plan will need to be amended to reflect the new zone on the maps.</p>	<p>Efficiency: The zone is necessarily specific so that it cannot be applied to other locations. It is this specificity that makes the proposed methods so efficient in achieving the objectives of the plan change and addressing the resource management issue. It is the lack of specific recognition of the Mercy Hospital activity as a significant physical resource that is the foundation of the resource management issue.</p> <p>Effectiveness: This method is particularly successful in achieving the proposed objectives. Once the new zone is operational, Mercy will be able to continue to operate and undertake development of Mercy Hospital</p>

<p><i>Proposed Objective 1. The continued use, maintenance and the future development of Mercy Hospital and associated private hospital activities are able to meet the reasonably foreseeable needs of the community.</i></p> <p><i>Proposed Objective 2. Existing and future activities within the zone are compatible with the surrounding residential environment, and maintain or enhance the areas of established native bush adjacent to the Town Belt, the listed trees and heritage building on the Mercy Hospital site.</i></p>			
Policy / Rule / Method	Assessment under section 32(4)(a) of the Act		Assessment under section 32(3)(b) of the Act:
	Benefits	Costs	Having regard to their efficiency and effectiveness, appropriateness in achieving the objectives
	<p>efficiency and facilitate the avoidance and mitigation of adverse effects. The proposed zone specifically addresses the resource management issue.</p> <p>The community has the opportunity to be activity engaged in consultation regarding the future use of the site without having to continually be involved in individual resource consent applications. This will reduce the risk of consultation fatigue.</p> <p>A reduction in the number of resource consents required will also decrease the time and administration costs for the DCC and Mercy.</p>		<p>and associated private hospital activities.</p> <p>Appropriateness: The efficiency and effectiveness of this method will assist in in making significant progress towards achieving the proposed objectives. By legitimising the existing use and providing for future uses, this method will assist in achieving both objectives 1 and 2. Therefore it has been determined that this method is appropriate.</p>
The introduction of a Structure Plan	<p>The structure plan (including the 3D images) has been designed to be user friendly.</p> <p>The structure plan is site specific and activity specific which means that it is able to provide a greater level of certainty to those interested in the future use and development of the Mercy Hospital site than rules without the structure plan.</p> <p>The structure plan and associated rules will also provide greater certainty for Mercy, the City Council, the local community and other interested people in the future direction of development at Mercy Hospital and the use of the Mercy Hospital site than exists under the current provisions.</p> <p>The certainty provided by the structure plan and associated rules have enabled the technical experts to assess the potential and adverse effects of development permitted on the site within the new zone.</p>	<p>A lack of certainty around proposed works was raised by some members of the community during consultation.</p> <p>Parts of the building envelope will be visible from some private properties and public places (bearing in mind that the existing Mercy Hospital buildings are visible from some public and private places).</p> <p>The District Plan will need to be amended to include the structure plan.</p>	<p>Efficiency: The use of the structure plan will make the use of the new zone (while ensuring adverse effects are avoided, remedied or mitigated) and ensuring greater certainty is provided around the future use of the site a relatively straightforward process. The introduction of the structure plan will provide far greater certainty than the status quo, or another alternative that does not include a structure plan.</p> <p>Effectiveness: The structure plan, in conjunction with the rules, will be useful in assisting to achieve the proposed objective 2 as it is based on reports which have determined that there will be no significant adverse effects on residential amenity values, or significant on-site values, as a result of development in accordance with the performance standards, including the structure plan.</p> <p>Appropriateness: The efficiency and effectiveness of this method will assist in in making significant progress towards achieving proposed objective 2 as the structure plan can be designed to structure the development on site to ensure it is compatible with the surrounding environment and that it will maintain or enhance other on-site values. Therefore it has been determined that this method is appropriate.</p>
Introduction of new definitions	<p>Mercy Hospital makes an important contribution to the cultural and economic welfare of the City and its health services. Mercy Hospital offers a wider variety of activities that contribute to the hospital being a significant asset to the community, City and wider region.</p> <p>Private hospital activities are not currently provided for in the District Plan. The introduction of this definition is necessary to adequately recognise and explain all of the activities that are appropriate to occur on the site. The introduction of the definition</p>	<p>If the definition does not accurately define all activities that are intended to be provided for, there could be confusion in determining what activities are provided for. If this definition does not include an activity that is proposed to be undertaken on site, resource consent will be required for a non-complying activity.</p>	<p>Efficiency: The definitions are necessary to enable the new zone and associated provisions to be workable. It is an appropriate way of ensuring that suitable activities are provided for within the zone and that adequate carparking is provided.</p> <p>Effectiveness: The definition for Private Hospital Activity includes all existing on-</p>

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Policy / Rule / Method	Assessment under section 32(4)(a) of the Act		Assessment under section 32(3)(b) of the Act:
	Benefits	Costs	Having regard to their efficiency and effectiveness, appropriateness in achieving the objectives
	<p>provides certainty around what activities are provided for on the site.</p> <p>The existing definition in the District Plan for Floor Area excludes those floors or parts of floors below the natural ground line. The transportation assessment has determined that the floor area from which the carparking requirements are to be calculated is to include those floors below the natural ground line and to exclude Marinoto House (refer Appendix I). This definition ensures that the correct number of required car parks is calculated.</p>	<p>The District Plan will need to be amended to include the definition.</p>	<p>site activities and activities that it is anticipated might be appropriate to occur on the site in the future, including ancillary and support activities. The definition for Floor Area (for the purposes of Rule 28.5.2(iii) Carparking Requirements) will ensure that the appropriate number of car parks is provided.</p> <p>Appropriateness: The efficiency and effectiveness of this method will assist in in making significant progress towards achieving the proposed objectives. Therefore it has been determined that this method is appropriate.</p>
<p>The introduction of new rules:</p> <ul style="list-style-type: none"> • Rule 1: Permitted Activities • Rule 2: Performance Standards Attaching to Permitted Activities <ul style="list-style-type: none"> - Structure Plan - Maximum Height - Car Parking Requirement • Rule 3 Discretionary Activities (Restricted) • Rule 4: Non-Complying Activities 	<p>Under the current provisions in the District Plan, Mercy is required to seek resource consent for a non-complying activity for any new hospital related activities or extensions to the existing facilities. The plan change will enable the introduction of additional services that are appropriate to be located at the Mercy Hospital site as permitted activities.</p> <p>The rules recognise the visual, amenity, historic and cultural values attached to the site and will ensure that the site is managed and developed in a way that appropriately protects these values through the requirement to meet performance standards or require resource consent.</p> <p>Through the use of a structure plan, other performance standards and assessment matters, the plan change will ensure that adverse effects on the surrounding residential amenity are minimised.</p> <p>The rules will provide greater certainty for Mercy, the Council, the local community and other interested people in the future direction of development at Mercy Hospital and the use of the Mercy Hospital site.</p> <p>These rules are an integral component of the proposed long-term land-use planning framework for Mercy Hospital. The rules will assist in maximising resource use efficiency and facilitate the avoidance and mitigation of adverse effects.</p> <p>The provision of car parking was raised by a number of members of the community as a key concern during consultation. A site specific carparking ratio has been proposed to ensure that the site and transportation network can accommodate the anticipated increased vehicle movements to and from the site (including on site car parking) without any significant adverse effects.</p> <p>While parts of the building envelope will be visible from some private properties and public places, it has been determined that amenity effects will remain of a low degree.</p>	<p>In the unlikely event that any effects not identified during this plan change process arise from permitted activities, another plan change would be required to address the effect.</p> <p>Forecasting is inherently difficult. If Mercy determines that any other activities are necessary (that do not meet the definition of Private Hospital Activity), Mercy will be required to apply for resource consent for a non-complying activity or seek a further plan change to be able to undertake that activity.</p> <p>The District Plan will need to be amended to include the new provisions and consequential amendments within a number of chapters.</p>	<p>Efficiency: The benefits to be realised over time are far greater than the costs and risks associated with the proposed methods. This option is much more efficient than the status quo, or inserting provisions for hospital activities into the Plan without the associated objectives, policies and structure plan.</p> <p>The proposed rules seek to ensure that the new zone is easy to use. The use of rules is an efficient way of managing potential and actual effects and these rules will ensure that potential effects are adequately and appropriately assessed and managed.</p> <p>The structure plan and associated 3D images will make the application of the zone rules straight forward for users of the plan. This combination of methods will ensure that the objectives are readily able to be achieved.</p> <p>Effectiveness: By requiring resource consent for a non-complying activity for activities that are not private hospital activities it, and discretionary (restricted) activity for activities that do not comply with the performance standards, it can be ensured that on-site development is compatible with the surrounding residential environment and on-site values noted in the District Plan.</p> <p>Appropriateness: The efficiency and effectiveness of these rules will assist in making significant progress towards achieving the proposed objectives. Therefore it has been determined that these rules are appropriate.</p>

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Policy / Rule / Method	Assessment under section 32(4)(a) of the Act		Assessment under section 32(3)(b) of the Act:
	Benefits	Costs	Having regard to their efficiency and effectiveness, appropriateness in achieving the objectives
	<p>Any buildings (other than small accessory buildings) proposed beyond the assessed area (beyond the extent of the structure plan) will require resource consent.</p> <p>It has been determined that development that is permitted within the new zone (i.e. existing, or in accordance with the performance standards including structure plan) can be managed to achieve the current noise rules in the Plan. This will ensure that there will be no adverse noise effects which may affect the residential amenity, or people's health and safety.</p> <p>The purpose of the "Major Facilities (Mercy Hospital) Zone" is to provide for private hospital activities. The non-complying activity status for activities that do not meet this definition ensures that the more stringent test under section 104D of the Act is required to be passed for resource consent to be able to be granted.</p> <p>The draft Dunedin Spatial Plan suggests that the Council intends to investigate reviewing the provisions for hospitals in the District Plan to ensure they are recognised along with provisions for future development where appropriate. The proposed rules have been considered by DCC staff during their development to ensure that they are generally in line with the direction the Council envisages within the new zone.</p>		
<p>Consequential amendments to:</p> <ul style="list-style-type: none"> Section 17 – Hazards, Hazardous Substances and Earthworks 	<p>The use of hazardous substances is integral to the activities undertaken on the Mercy Hospital site.</p> <p>It is proposed to amend Section 17 to provide for the hazardous substances currently stored and used on site as permitted activities. Mercy stores and uses hazardous substances in accordance with the requirements set out in the Hazardous Substances and New Organisms Act 1996 and the District Plan prior to the newly operative Plan Change 13. The quantities of some hazardous substances stored and used on site exceed the thresholds that apply to the Residential 1 zone set by the newly operative rules introduced by Plan Change 13 to the District Plan (note that existing use rights currently apply).</p> <p>The amendments proposed in this plan change seek to apply the thresholds set for the Residential 1 zone to the Major Facilities (Mercy Hospital) zone, except for those substances which are held in quantities that exceed the Residential 1 zone thresholds. For those substances which exceed the Residential 1 zone thresholds, thresholds have been proposed which are consistent with the quantities of the substances currently stored and used on site. Therefore there is no increase in perceived or real risk as a result of these changes.</p>		<p>It is also necessary for these amendments to achieve the objectives relevant to hazardous substances in the District Plan.</p> <p>Objective 17.2.2 is particularly relevant:</p> <p><i>Prevent or mitigate the adverse environmental effects and risks arising from facilities and activities involving the storage, use, disposal or transportation of hazardous substances.</i></p> <p>Efficiency and Effectiveness</p> <p>Council's Decision on Plan Change 13 (hazardous substances) to the District Plan has recently been released. With regards to Mercy's submission on Plan Change 13, the Decision notes that:</p> <p><i>"In respect of non-residential limits, the Committee considered accommodating Mercy Hospital within the Group 3: Campus zone as this is where the thresholds for Dunedin Public Hospital are set, however, after testing all of the thresholds which apply to the Group 3 zone, the Committee is uneasy with these limits applying to the Residential 1 zoned site. Ultimately, the Committee accepts that Mercy Hospital's activity is an exception within this zone but considers that it would be irresponsible to raise the District Plan thresholds for the residential zones across the board to accommodate one anomalous hazardous substance user and that given the location of the site it is appropriate that the use or storage of any</i></p>

<p><i>Proposed Objective 1. The continued use, maintenance and the future development of Mercy Hospital and associated private hospital activities are able to meet the reasonably foreseeable needs of the community.</i></p> <p><i>Proposed Objective 2. Existing and future activities within the zone are compatible with the surrounding residential environment, and maintain or enhance the areas of established native bush adjacent to the Town Belt, the listed trees and heritage building on the Mercy Hospital site.</i></p>			
Policy / Rule / Method	Assessment under section 32(4)(a) of the Act		Assessment under section 32(3)(b) of the Act:
	Benefits	Costs	Having regard to their efficiency and effectiveness, appropriateness in achieving the objectives
			<p><i>hazardous substances is assessed separately.”</i></p> <p>The proposed amendments to the thresholds set in Table 17.1 are effective in addressing the issues discussed within the decision on Plan Change 13 that the thresholds that apply to the Residential zones are not appropriate for Mercy Hospital’s activities but that it is not appropriate to raise the thresholds for the Residential zones because of this anomaly. The proposed amendments apply the thresholds that apply to the Residential zones to the Major Facilities (Mercy Hospital) zone except for those substances which Mercy holds in a quantity which exceeds those thresholds.</p> <p>Appropriateness:</p> <p>These changes to the hazardous substances rules are appropriate in achieving proposed objective 1 as they provide for a functional requirement for the continued operation and future development of private hospital activities on the site. These changes are also appropriate in achieving existing objective 17.2.2 as the quantities of hazardous substances held on site will not increase beyond the existing quantities for the substances for which specific thresholds are proposed (acetylene; various solvents; diesel; and organic peroxide: types A-G) and the quantities permitted in the Residential zones for other substances, without resource consent.</p>
<p>Consequential amendments to:</p> <ul style="list-style-type: none"> Section 18 – Subdivision Activity 	<p>This provision provides certainty to the neighbours and wider community that subdivision is not an anticipated activity within the Major Facilities (Mercy Hospital) Zone.</p> <p>Should Mercy need to subdivide the site within the Zone in the future, the onerous test imposed by section 104D of the Act will be required to be passed.</p>	<p>Should Mercy need to subdivide the site within the Zone in the future, the onerous test imposed by section 104D of the Act will be required to be passed. This will likely be costly in both time and money for Mercy.</p>	<p>It is also necessary for these amendments to achieve the objectives relevant to subdivision in the District Plan.</p> <p>Objective 18.2.6 is particularly relevant:</p> <p><i>Ensure that the adverse effects of subdivision activities and subsequent land use activities on the City’s natural, physical and heritage resources are avoided, remedied or mitigated.</i></p> <p>Efficiency and Effectiveness</p> <p>The proposed amendment to section 17 ensures that future subdivision within the Major Facilities (Mercy Hospital) Zone is a non-complying activity.</p> <p>Appropriateness:</p> <p>This change is appropriate in assisting to achieve proposed objective 2 and existing objective 18.2.6 as it will assist in ensuring that future development on the site is compatible with the surrounding residential environment, and that adverse effects on the City’s natural, physical and heritage resources are avoided, remedied or mitigated, by requiring a comprehensive consideration</p>

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Policy / Rule / Method	Assessment under section 32(4)(a) of the Act		Assessment under section 32(3)(b) of the Act:
	Benefits	Costs	Having regard to their efficiency and effectiveness, appropriateness in achieving the objectives
			of the proposed subdivision in relation to the objectives and policies of the plan and the potential adverse effects (section 104D of the Act) prior to subdivision consent being able to be granted.
<p>Consequential amendments to:</p> <ul style="list-style-type: none"> • Section 19 – Signs 	<p>Mercy will be able to locate signage as required throughout the site. Signage is essential to the functionality of the hospital site. Signage assists staff, patients, visitors and contractors to be able to navigate the site, including knowing where to park and how to enter and exit the site. Signage is also important in ensuring the safety of staff, patients, visitors and contractors as some parts of the hospital need to be restricted to certain people for safety reasons.</p> <p>Signage that is particularly visible from public locations (road frontages) is limited in quantity, size and height.</p>		<p>It is also necessary for these amendments to achieve the objectives relevant to signs in the District Plan.</p> <p>Objectives 19.2.1, 19.2.2 and 19.2.3 are particularly relevant:</p> <p><i>Avoid, remedy or mitigate the adverse effects of signs on amenity values.</i></p> <p><i>Ensure that signs do not adversely affect the safe and efficient functioning of the road network.</i></p> <p><i>Ensure that signs do not adversely affect the heritage and townscape values of buildings.</i></p> <p>Efficiency and Effectiveness</p> <p>This rule is particularly effective in assisting to achieve proposed objective 1 as signage is a very important component of ensuring that the site is functional. This is because signage enables staff, patients, visitors and contractors to be able to navigate the site, including knowing where to park and how to enter and exit the site. Signage is also important in ensuring the safety of staff, patients, visitors and contractors as some parts of the hospital need to be restricted to certain people for safety reasons.</p> <p>Appropriateness:</p> <p>It has been determined that it is appropriate for any on-site signage to be permitted, as, being a hospital a lot of locational and directional signage is required, and there is limited visibility onto the site from off-site locations. It would be unnecessarily onerous to require consent for each sign. The proposed rule is also appropriate for achieving the existing objectives of the signs section as they propose limits on quantity, size and height at the road frontage of each vehicle / pedestrian entry / exit point.</p>
<p>Consequential amendments to:</p> <ul style="list-style-type: none"> • Section 21 – Environmental Issues 	<p>As the changes proposed to Section 21 impose more onerous construction noise requirements on future development on the site than are currently required under the Residential 1 zoning, the neighbours and wider community can be certain that they will not be subject to any noise from the Mercy Hospital site louder than is currently permitted.</p> <p>The construction noise standard that this amendment requires compliance with is the same standard that was attached as a condition to the consent to develop the Mercy Care East building which was granted in 2011.</p>	<p>To ensure compliance with this rule, a copy of a Standard not included within the District Plan must be referred to.</p>	<p>It is also necessary for these amendments to achieve the objectives relevant to noise in the District Plan.</p> <p>Objective 21.2.2 is particularly relevant:</p> <p><i>Ensure that noise associated with the development of resources and the carrying out of activities does not affect public health and amenity values.</i></p> <p>Efficiency and Effectiveness</p>

<p><i>Proposed Objective 1. The continued use, maintenance and the future development of Mercy Hospital and associated private hospital activities are able to meet the reasonably foreseeable needs of the community.</i></p> <p><i>Proposed Objective 2. Existing and future activities within the zone are compatible with the surrounding residential environment, and maintain or enhance the areas of established native bush adjacent to the Town Belt, the listed trees and heritage building on the Mercy Hospital site.</i></p>			
Policy / Rule / Method	Assessment under section 32(4)(a) of the Act		Assessment under section 32(3)(b) of the Act:
	Benefits	Costs	Having regard to their efficiency and effectiveness, appropriateness in achieving the objectives
	It is also of benefit to the neighbours that Mercy Hospital is particularly careful in managing the noise associated with both day-to-day activities and construction activities as a low noise environment is important for the operation of the hospital (i.e. patients require peace and quiet) as this limits the noise the neighbours are exposed to.		<p>The reference to the New Zealand Standard on construction noise is an accepted and widely used method for managing such noise. This is a way of managing construction noise that is generally understood by the construction industry.</p> <p>Appropriateness: To achieve proposed objective 2, it is necessary to ensure that activities on site, including construction activities, do not have adverse noise effects on residents of the surrounding neighbourhood. The proposed noise rule will ensure that construction noise is adequately managed and will assist in achieving objective 21.2.2.</p>
<p>Consequential amendments to:</p> <ul style="list-style-type: none"> • Section 22 – Utilities 	As this simply involves applying the existing Residential 1 rules to the Major Facilities (Mercy Hospital) Zone, there are no new rules relating to utilities that will be applied to the Mercy Hospital site.		<p>It is also necessary for these amendments to achieve the objectives relevant to utilities in the District Plan.</p> <p>Objectives 22.2.1 and 22.2.2 are particularly relevant:</p> <p><i>Provide for the safe and efficient use and development of utilities within the City; and</i></p> <p><i>Ensure that any adverse environmental effects of the construction, operation and upgrading of utilities in the City are avoided, remedied or mitigated.</i></p> <p>Efficiency and Effectiveness The consequential amendments to section 22 apply the rules that apply to the Residential Zones to the Major Facilities (Mercy Hospital) Zone.</p> <p>Appropriateness: To achieve the continued operation and future development of the Hospital and associated activities, it is important to ensure that any necessary utilities are able to be located on the site. As the rules reflect those currently provided for the site as zoned Residential 1, these rules also assist to ensure future activities will be compatible with the surrounding residential environment and will assist in achieving objectives 22.2.1 and 22.2.2.</p>

6. ASSESSMENT OF ENVIRONMENT EFFECTS

This section addresses the requirements of clause 22(2) of Part 2 of Schedule 1 by describing any anticipated environmental effects from the implementation of the proposed plan change¹⁶. It has been determined that there is the potential for effects on the transportation network and infrastructure as well as potential noise and visual and landscape effects. Technical reports have been prepared by the relevant experts to determine the scale and significance of these potential effects. It has also been determined that there are a number of positive effects that are likely to arise from the implementation of the proposed plan change.

6.1 POSITIVE EFFECTS

The provision of private hospital services at Mercy Hospital is an important community service. The plan change will enable the efficient use of the Mercy Hospital site. It will provide for the maintenance, operation, upgrading and expansion of the facilities on-site and the introduction of additional services that are appropriate to be provided at Mercy Hospital. This will enable the hospital resource to be managed and used efficiently.

The plan change recognises the visual, amenity, historic and cultural values attached to the site and will ensure that the site is managed and developed in a way which appropriately protects these values.

The plan change will provide certainty to Mercy, neighbours, the community and the Council regarding the future use of the site. Currently there is no guidance to the community around future plans for the expansion and use of the site. The structure plan provides an indication of what activities will occur on the site. Resource consent will be required for activities outside the structure plan, or that do not meet the performance standards or the Special and General provisions in the District Plan. The Council may choose to publically notify the application if the Council determined that the activity is likely to have adverse effect on the environment that is more than minor¹⁷.

6.2 TRANSPORTATION EFFECTS

Traffic Design Group (“**TDG**”) has prepared a Transportation Assessment Report which assesses the traffic effects of proposed changes to the sites operation that are likely to occur under the proposed structure plan. A copy of this report is attached as **Appendix I**.

TDG has made the following recommendations:

¹⁶ This assessment takes into account the provisions of schedule 4, in such detail as corresponds with the scale and significance of the actual or potential environmental effects anticipated from the implementation of the plan change.

¹⁷ Rule 95A(2)(a). In accordance with Rule 95D(C) of the RMA, the Council must disregard an adverse effect of the activity that does not relate to the matter for which the rule restricts discretion.

- That a zone specific rule is incorporated that requires the site to provide a minimum on-site car parking rate based on the proposed gross floor area (GFA) of 1.9 car parking spaces per 100m² of building GFA. The current supply of parking spaces will be able to provide for up to an additional 2,740m² of GFA. An additional 22 parking spaces (over and above the existing 284) will be required on-site after the proposed development.
- That it is appropriate that future evidence based demonstration of lower parking rates should be equally acceptable.
- That the rules in Section 20.5 Transportation Rules of the District Plan are applicable to any development within the new zone.
- That a rule requiring a Construction Traffic Management Plan when undertaking works that require resource consent is necessary.
- That a review and improvement of signage and potentially internal roadway circulation to optimise use of the public parking facilities is undertaken once the current construction is completed.

TDG concluded that with the proposed plan change re-zoning, subject to adoption of the recommended site specific transportation rules, the proposed development can be implemented without significantly affecting the safe and efficient operation of the surrounding road network and that the network can accommodate the anticipated additional vehicle movements with only minor effects.

Based on this assessment we have determined that there will be no significant adverse effects on the transportation network or the amenity of the neighbourhood in as much as transportation effects are concerned as a result of the proposed plan change. General transportation methods 20.4.6(iii) regarding works programmes relating to cycle parking facilities and 20.4.10(ii) regarding formation, education and public awareness around encouraging the use of public transport, cycling and walking will continue to apply to the site under the new zoning.

6.3 EFFECTS ON INFRASTRUCTURE

Terramark Ltd has prepared a report detailing the potential effect the proposed zone change might have on the existing off-site utility services, water and drainage networks infrastructure that is owned and/or administered by the respective power, telecommunications, water and drainage authorities. A copy of this report is attached as **Appendix J**.

Following consultation with the relevant authorities, Terramark Ltd has concluded that the proposed changes to Mercy Hospital over the next 10 years are unlikely to have any appreciable effects on the existing service infrastructure supply the site. There is spare capacity in the power and telecommunications networks and future growth within the site is not likely to result in capacity or capability problems for this network infrastructure. If future growth results in a considerable increase in water consumption, this will have an adverse effect on the foul sewer and water reticulation networks. If the overall area of the site covered by impervious surfaces were to

increase, this would likely have an adverse effect on the downstream stormwater network.

Terramark Ltd has concluded that “it seems there are a number of solutions available to remedy any capacity issues which might arise as a result of future growth on-site. The extent and nature of any required service infrastructure upgrades can realistically only be determined when the extent of any proposed growth/development is known and accurately quantified”¹⁸.

Based on this assessment, we have determined that there will be no significant adverse effects on infrastructure as a result of this plan change.

6.4 NOISE

Marshall Day Acoustics (“**MDA**”) has undertaken a review of potential noise effects of the proposed plan change. In their report, attached as **Appendix K**, MDA determine that the existing hospital activities comply with the noise standards for the Residential 1 zone in the District Plan. The noise assessment has also determined that activities undertaken in accordance with the performance standards including structure plan will comply with these limits. Therefore there is no justification for or need to increase the noise limits which apply to the site.

A low noise environment is important for the operation of the hospital. That is, patients require a quiet and peaceful environment. Accordingly, the day-to-day noise and construction noise is kept to a minimum. This results in low noise levels outside the site. With regards to construction noise, the changes proposed to the noise rules require that construction and demolition activities on the site comply with the standards set out in of NZS6803:1999 (Acoustics – Construction Noise). Construction noise is currently exempt from the noise standards for permitted activities in the Residential 1 zone.

Based on this it has been determined that there will be no adverse noise effects on the amenity of the surrounding residential properties as a result of the plan change.

6.5 LANDSCAPE AND VISUAL

Vivian and Espie have undertaken an assessment of effects that relate to landscape and amenity. In their report (refer **Appendix L**) Vivian and Espie state that there is some limited visibility of the proposed building envelope from some public places however, new built form within this envelope would have only slight effects in relation to amenity.

Vivian and Espie has determined that there is likely to be clearer visibility of the building envelope from parts of private properties and dwellings but again, new built form will not significantly increase the bulk or height of the existing hospital buildings,

¹⁸ Page 5, Servicing and Infrastructure Scoping Report, February 2012, Terramark.

the overall effect on the composition of views and the amenity that they provide will remain of a low degree.

Vivian and Espie have determined that from Brent and Baxter Streets, visibility of the proposed building envelope is likely to be somewhat clearer and the proposed north-eastern area of built form may break the line of the roof of the existing building. However, the hospital buildings are a relatively peripheral element in these views and amenity of observers will not change to any major degree. Private views will again be clearer, particularly from dwellings on the south-western side of Grendon Street. Vivian and Espie state that without reference to individual private views, it seems that amenity effects will remain of a low degree.

6.6 HAZARDOUS SUBSTANCES

Hazardous substances are used onsite and Mercy Hospital holds a Stationary Container System Test Certificate and Hazardous Substance Location Test Certificates pursuant to Section 82 of the Hazardous Substances and New Organisms Act 1996 (“**HSNO**”). Hazardous substances stored and used on-site will continue to comply with the HSNO standards and will comply with the standards set out in the District Plan for the “Major Facilities (Mercy Hospital) Zone”.

There are no anticipated adverse effects on people or the environment from the use of these substances at the Mercy Hospital site as a result of this plan change.

6.7 LISTED TREES AND THE URBAN LANDSCAPE CONSERVATION AREA

As stated earlier in this report, there are eighteen trees located throughout the property that are listed as *Significant Trees* in the District Plan (refer **Appendix H**)¹⁹. A part of the eastern portion of the site falls within the Dunedin Town Belt – ULCA²⁰. This section assesses the potential effects the proposed plan change may have on the values attributed to the significant trees and the ULCA.

The District Plan attributes a number of values to trees including that they are a natural element of the landscape, they are visually attractive, they provide habitat, shelter, some have botanical, historical or cultural significance and they provide soil and slope stability²¹. The District Plan goes on to states that “management of trees as a natural resource is essential. It is important to protect significant trees, promote the retention of trees, and promote new plantings in recognition of their important role in enhancing the urban environment while providing for individual landowners who may need to modify or remove trees no longer suitable for their location”²².

The townscape section of the District Plan notes that “within the City are large tracts of rural land and bush which provide contrast with the built environment”²³ and

¹⁹ Listed in Schedule 25.3 of the Dunedin City District Plan and shown on Planning Maps 33 - 35

²⁰ ULCA01

²¹ Dunedin City District Plan, Page 15:1

²² Dunedin City District Plan, Page 15:1

²³ Dunedin City District Plan, Page 13:1

explains the way in which this landscape framework is significant. The town belt is recognised as the best example of an urban landscape framework in the City.

The proposed plan change does not seek to remove any of the provisions within the District Plan that recognise and provide for listed trees or the ULCA. To the contrary, the proposed provisions reinforce the importance of these values. It has been determined that there will be no adverse effects on these values as a result of the proposed plan change.

6.8 HERITAGE VALUES

As noted throughout this report, Marinoto House is recognised as heritage building B748 on Schedule 25.1 of the District Plan and is registered as a Category II Heritage Building on the New Zealand Historic Places register. The plan change does not seek to remove or amend this recognition or the associated protection in any way. The provisions promoted by the plan change recognise the significance of this heritage resource and seek to ensure that future development and activity on the site does not compromise these heritage values.

The protection of viewshafts towards Marinoto House was a concern raised by the HTP during consultation. The explanation text to the provisions recognises these viewshafts. Buildings permitted to be constructed within the new zone will not adversely affect these viewshafts. For resource consents required for buildings located outside the structure plan, consideration of these viewshafts will be an assessment matter.

Therefore it has been determined that there will not be any adverse effects on the heritage values associated with the Mercy Hospital site as a result of the proposed plan change.

6.9 CONCLUSION

The technical assessments have determined that any potential and actual effects arising from the implementation of this plan change can be mitigated to a level where they are an acceptable level. Particular attention has been given to the potential for adverse effects on general residential amenity from noise, the visibility of future buildings and changes to on-site landscaping, trees and vegetation. It has also been determined that there are significant positive effects to be gained from the introduction of the proposed changes to the District Plan.

7. CONSIDERATION OF POLICIES, PLANS AND OTHER RELEVANT DOCUMENTS

Section 74(1) of the RMA sets out matters which are to be considered by territorial authorities when preparing or changing district plans. That section states that any change to district plans must be in accordance with the functions for territorial authorities set out in section 31, the provisions of Part 2, the duties under section 32, and any regulations.

Section 74(2) of the Act requires that when preparing or changing a district plan, a territorial shall have regard to:

- (a) *any –*
 - (i) *proposed regional policy statement; or*
 - (ii) *proposed regional plan of its region in regard to any matter of regional significance or for which the regional council has primary responsibility under Part 4; and*
- (b) *any-*
 - (i) *management plans and strategies prepared under other Acts; and*
 - (ii) *repealed*
 - (iii) *relevant entry in the Historic Places Register; and*
 - (iv) *regulations relating to ensuring sustainability, or the conservation, management, or sustainability of fisheries resources (including regulations or bylaws relating to taiapure, mahinga mataitai, or other non-commercial Maori customary fishing),—*
to the extent that their content has a bearing on resource management issues of the district; and
- (c) *the extent to which the district plan needs to be consistent with the plans or proposed plans of adjacent territorial authorities.*

Section 74(2A) requires that when changing a district plan a territorial authority must 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.

Section 75 of the Act details the requirements for the content of district plans. Section 75 of the Act states that:

- (3) *A district plan must give effect to –*
 - a) *any national policy statement; and*
 - b) *any New Zealand coastal policy statement; and*
 - c) *any regional policy statement.*
- (4) *A district plan must not be inconsistent with -*
 - a) *a water conservation order; or*
 - b) *a regional plan for any matter specified in section 30(1).*

To assist the Council in making a decision on the plan change request, through the preparation of this report, consideration has been given to the matters detailed in sections 74 and 75 of the Act

7.1 NATIONAL POLICY STATEMENTS

There are currently four operative national policy statements which the District Plan must give effect to. There are:

- The New Zealand Coastal Policy Statement
- The National Policy Statement for Renewable Electricity Generation 2011
- The National Policy Statement for Freshwater Management 2011
- The National Policy Statement for Electricity Transmission 2008

It has been determined that none of these policy statements are relevant to the proposed plan change.

7.2 REGIONAL POLICY STATEMENT

Otago's Regional Policy Statement ("**RPS**") promotes the sustainable management of natural and physical resources by giving an overview of the resource management issues facing Otago, and by setting policies and methods to manage Otago's natural and physical resources. The RPS does not contain any rules. A copy of the relevant objectives and policies is attached as **Appendix Q**.

Key resource management issues identified by the RPS can be summarised as follows:

- Maintain and enhance the primary productive capacity and life supporting capacity of land resources.
- Meet the reasonably foreseeable needs of the Region's people and communities via development which is efficient and meets community's expectations regarding amenity values.
- Ensure efficiency of urban development and the efficient use of infrastructure by maximising the use of existing infrastructure.
- Minimise adverse effects of urban development and settlement on the region's environment. Such effects include pollution, loss of productive land to urban development and increased energy consumption.
- Maintain and enhance the quality of life for people and communities. This is to be achieved via the identification and provision of an acceptable level of amenity, avoiding, remedying and mitigating adverse effects on community health and safety, and adverse effects of subdivision, land use and development on landscape values.

The proposed plan change will achieve the relevant objectives and their associated policies contained within the RPS. In particular:

- The site is located within the urban area of Dunedin. There is no productive land included within the boundary of the site.
- The site is not located within an outstanding natural landscape, and does not contain any significant indigenous vegetation or habitats of indigenous fauna. It does contain land that lies within the Dunedin Town Belt - ULCA and also contains a number of significant trees which are identified within the DCDP. The site specific structure plan avoids development within the ULCA and no significant trees will be affected by the proposed extension).
- There are no water courses within the site which will be impacted by future expansion of the site.
- Master planning and associated controls on future development can assist in achieving a quality environment for the hospital and surrounding residents.
- Concentrating development within the Plan Change site is an efficient use of land and infrastructure provision.

7.3 REGIONAL PLAN

The purpose of the Otago Regional Plan: Air is to promote the sustainable management of the air resource in the Otago region. The Otago Regional Plan: Water is for the use, development and protection of Otago's rivers, lakes, aquifers and wetlands. The Otago Regional Plan: Coast is relevant to the coastal marine area. This plan change does not seek to address any matters that are managed under any of these regional plans.

The Otago Regional Plan: Waste applies to solid waste management, including waste minimisation, contaminated sites, hazardous substances and hazardous wastes and landfills. Section 6.1.2.3 of the Regional Plan: Waste discusses medical wastes. Policy 6.1.11 and Rule 6.6.1 of the Regional Plan: Waste are relevant to the Mercy Hospital site. The proposed provisions are not contrary to these provisions.

This plan change will complement any relevant provisions at the regional level by enhancing the opportunity to ensure sustainable management of the hospital resource and its site and wider environment.

7.4 IWI MANAGEMENT PLAN

The Kai Tahu Ki Otago Resource Management Plan (2005) (NRMP) is the principal planning document for KTKO (KTKO is used to describe the four Papatipu Runanga and associated whanau and ropu of the Otago Region). Chapter 5 of the NRMP identifies issues, objectives and policies for the Otago Region as a whole. Chapter 8 sets out objectives and policies as they are relevant to the Otago Harbour Catchment, in which the Mercy Hospital site is located. None of the provisions are directly relevant to the proposed plan change. During pre-lodgement consultation, KTKO confirmed that they have no concerns with the proposed plan change.

7.5 DUNEDIN SPATIAL PLAN

A draft Spatial Plan for Dunedin was publicised in November 2011. The draft Spatial Plan states that:

the Spatial Plan will be used to ensure there is a clear and shared vision about what type of city we want in the future, with a focus on what that means in terms of the 'look and feel' of the city and how it functions. This vision will guide land-use planning, infrastructure provisions and facilities and services provision²⁴.

It is intended that:

through the DCC's role as regulator, the Spatial Plan will form a vital part of the direction for the view of the District Plan and the justification for future changes in the preparation of the Second Generation District Plan²⁵.

The draft Spatial Plan recognises that the maintenance and improvement of hospital and health services is an economic strength of the city that needs to be protected²⁶. Action number DP28²⁷ in the Action Plan within the draft Spatial Plan is:

Review the provisions for hospitals and schools and develop mechanisms to ensure they are recognised along with the provision for future development where appropriate.

It has been determined that the proposal to introduce hospital specific provisions in the District Plan is what is envisaged to be included in the second generation District Plan.

7.6 HISTORIC PLACES REGISTER

As noted earlier in this report, Marinoto House is registered on the Historic Places Register. Marinoto House was constructed in 1878, and was registered in December 1995. The Recommendation for Registration considered by the HTP Board at the time of registration noted that²⁸:

- Marinoto House is an important link to three significant Otago entrepreneurs.
- This large Victorian residence stands apart in its own grounds. House and gardens are something of an aesthetic unit and have landmark value despite modifications over the years. The grounds apparently seem to form part of the town belt.
- Marinoto House was constructed over the period 1878-1883 of Port Chalmers bluestone with Oamaru stone facing-work. The original style of the building was an eclectic Victorian Scots Baronial, with tall Medieval chimneys, pinnacles, lanterns elaborate bracketed eaves, and an exterior of rock-faced ashlar. Much of this has been stripped off; the roof slate has been covered.

²⁴ Page 9, Draft Spatial Plan for Dunedin, November 2011.

²⁵ Page 9, Draft Spatial Plan for Dunedin, November 2011.

²⁶ Page 22, Draft Spatial Plan for Dunedin, November 2011.

²⁷ Page 100, Draft Spatial Plan for Dunedin, November 2011. This action has the status "investigate".

²⁸ New Zealand Historic Places Trust Pouhere Taonga, Register Search Results. <http://www.historic.org.nz/TheRegister/RegisterSearch/RegisterResults.aspx?RID=7303>

- Marinoto House exemplifies the lifestyles of the New Zealand business elite. Its institutional history, after the death of Sargood typifies the way in which these large, usually well constructed inner city residences were recycled for other uses.

Marinoto House is currently recognised on Schedule 25.1 of the District Plan. The plan change does not seek to remove or amend this recognition or the associated protection in any way. The provisions promoted by the plan change recognise the significance of this heritage resource and seek to ensure that future development and activity on the site does not compromise the heritage values that are associated with the site. It is also noted here that Mercy intends to undertake works to enhance Marinoto House. HPT have been consulted on this process and Mercy will continue to involve HPT as appropriate.

8. CONCLUSION

This report is a private plan change request to rezone the Mercy Hospital site, which is currently zoned Residential 1 in the District Plan, to a new “Major Facilities (Mercy Hospital) Zone”. The current Residential 1 zoning is inappropriate and is restricting the efficient operation of activities that are appropriate to be undertaken at the Mercy Hospital site.

It is proposed to insert new objectives, policies and methods (including a new zone, rules, a structure plan and two new definitions) into the District Plan. The purpose of this is to ensure that the hospital resource and the site on which it is located is managed in accordance with the purpose of the RMA, which is to promote sustainable management of natural and physical resources²⁹.

Achieving this outcome involves recognising the significance of the hospital asset in promoting the cultural, social and economic well-being of the community. This also involves ensuring that potential adverse effects, such as effects on residential amenity, visual and landscape values, heritage values, the values attached to trees, and effects on the transportation network and infrastructure are avoided, remedied or mitigated. Technical assessments that have been undertaken with specific regard to the proposed plan change have not identified any significant adverse effects that are unable to be mitigated that are likely to arise from the implementation of the plan change. Within this report a number of positive effects that will result from the implementation of the plan change have been identified.

An assessment of the proposed provisions under section 32 of the Act has determined that the proposed objectives are appropriate to achieve the purpose of the Act, and that the proposed policies, rules and other methods are the most appropriate way to achieve the proposed objectives. It has also been determined that the proposed objectives are not contrary to the existing objectives in the District Plan.

To assist the Council in determining this plan change request, the plan change has been drafted taking into consideration the policy statements, plans and other requirements imposed on territorial authorities when making a change to a district plan in accordance with the RMA.

Consultation has found there to be moderate interest in the proposed plan change. Issues raised during consultation have been addressed through the commissioning of technical assessments, the refinement of the plan change proposal and throughout the discussion and assessments in this plan change request report.

²⁹ Section 5, Resource Management Act 1991