

IN THE MATTER

of the Resource Management Act 1991 ("**RMA**")

AND

IN THE MATTER

of Plan Change 9 to the Operative Hamilton District
Plan ("**PC9**")

**STATEMENT OF EVIDENCE OF GRAEME MCCARRISON ON BEHALF OF SPARK
NEW ZEALAND TRADING LTD**

CORPORATE

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1. INTRODUCTION

- 1.1 My full name is Graeme Ian McCarrison. I am the Environment & Planning Manager at Spark New Zealand Trading Limited ("**Spark**"), a position I have held since February 2015.
- 1.2 I hold the qualification of Bachelor of Regional Planning (Honours) from Massey University. I am a full member of the New Zealand Planning Institute and have 39 years' experience in New Zealand and overseas. I was on the board of the New Zealand Planning Institute ("**NZPI**") between April 2018 and April 2022. Between 2012 and April 2015 I was the chairperson of the Auckland branch of the NZPI. In 2016 I was honoured with a NZPI Distinguished Service Award, and to be part of the team that received a best practice award for iwi engagement by NZPI in 2015.
- 1.3 During the last 39 years I have worked in the public sector in Auckland including as Director of Regulatory Services at Papakura District Council, Planning Manager for Waitakere City Council and in the private sector as a self-employed consultant and as a consultant at Murray North Partners. I have worked the last eleven years in the telecommunications sector. Prior to Spark I held the equivalent position at Chorus (November 2011 to January 2015), where I advised both Chorus and Spark on resource management and government matters. I am involved in the review of all regional and district plans plus any related local government documents that have the potential to enable or impact the telecommunications industry. During the proposed Unitary Plan process, I led and facilitated the combined approach of the Auckland Utility Operators Group (Spark, Chorus, Vodafone, Counties Power and Vector) over the four years of our involvement.
- 1.4 I continue to co-ordinate a wider group of twenty network utility organisations with interests nationally. I organise a shared approach and resources that enables Spark, Vodafone and Chorus to be involved at a national level in every relevant plan review which currently comprises 28 plan reviews including: Horizons, Auckland, Porirua, Wellington City, Otago Regional Council, Dunedin, Gisborne, Christchurch City, Timaru, Selwyn, Waimakariri, New Plymouth, Timaru, McKenzie, Waitaki, Waikato, Far North, and Nelson. Recently completed Great Wellington Regional – Natural Resources Plan, Taranaki Regional – Coastal Plan, and Queenstown.
- 1.5 I have submitted on behalf of Spark on a wide range of RMA matters and Resource Management reform documents including:

- (a) Spark Trading New Zealand Limited and Vodafone New Zealand Limited Submission - Resource Management (Enabling Housing Supply and other matters) Amendment Bill, November 2021.
- (b) Spark Trading New Zealand Limited and Vodafone New Zealand Limited Submission - Natural and Built Environments Bill Exposure Draft, August 2021.
- (c) Spark Trading New Zealand Limited and Vodafone New Zealand Limited Submission - Urban Development Bill, February 2020.
- (d) Spark Trading New Zealand Limited Submission - Proposed National Policy Statement Urban Development, October 2019.
- (e) Spark Trading New Zealand Limited - Submission National Policy Statement for Highly Productive Land, October 2019.
- (f) Spark Trading New Zealand Limited Submission – Te Waihangā/Infrastructure Commission Infrastructure for a Better Future, July 2021.

1.6 I am authorised to give this evidence on Spark's behalf.

2. SCOPE OF EVIDENCE

2.1 My evidence is focused on the proposed listing of Spark's existing telecommunication facility at 7 Caro Street, Hamilton ("**Hamilton Exchange Facility**").

2.2 This statement of evidence covered the following areas:

- (a) Spark's operations in Hamilton.
- (b) Proposed listing of Hamilton Exchange Facility as defined through PC9.

2.3 In preparing this evidence, I have primarily relied on the evidence of Rob Rawiri. I have also read the evidence of Council Officer, Ms Caddigan, dated 24 August 2023. I have also reviewed the WSP Identification and assessment of Built Heritage in relation to the Hamilton Exchange Facility which was included in Appendix 8 of the s 32 report.

2.4 As outlined in my evidence, Spark opposes the heritage classification of the existing telecommunication facility at 7 Caro Street, Hamilton.

3. EXECUTIVE SUMMARY

- 3.1 PC9 proposes to list the Hamilton Exchange Facility in Schedule 8A Built Heritage (buildings and structures) and as a Category B building. The Hamilton Exchange Facility is a critical component of telecommunications infrastructure for both Hamilton City and the wider Waikato region.
- 3.2 The implications of the scheduling of the Hamilton Exchange Facility in Schedule 8A as a Category B building means resource consent will likely be required for any future alteration to the exterior of the building. The Hamilton Exchange Facility is not in good repair and substantial works (including to the exterior of the building) will be required in the near future to ensure that it can be safely used. A resource consent process will delay these critical works, and if not granted, potentially mean that the Hamilton Exchange Facility can no longer be used. This has significant implications for the telecommunication services provided in the region by both Spark and other providers.
- 3.3 Spark endorses the recommendation from the Reporting Officer to remove the Hamilton Exchange Facility from Schedule 8A Built Heritage (buildings and structures) and classification as a Category B Building. The scheduling of Hamilton Exchange Facility is inconsistent with the:
- (a) lack of evidence of its significance. The building only rated one "high" significance value, being that the building was designed by the Government Architect F.G.F. Sheppard. However, there is no evidence that F.G.F. Sheppard designed the building among the more than 100 architects working for the Ministry of Works at that time;
 - (b) fact that the exterior of the building has already been substantially modified to address seismic and weathertightness issues which undermines any heritage value;
 - (c) objectives and policies of the Hamilton Operative District Plan ("ODP") which focus on protecting infrastructure and the associated social, economic and cultural benefits of infrastructure; and
 - (d) designated status of the building.
- 3.4 Spark seeks the Hamilton Exchange Facility be removed from Built Heritage item H172 Category B as recommended by the Council Officer.

4. SPARK'S OPERATIONS IN HAMILTON

Importance of telecommunications

- 4.1 Spark is New Zealand's largest digital services company delivering mobile, fixed and IT products and services to millions of New Zealand consumers and businesses. Spark is a multi-brand business, with principal brands such as Spark and Spark Digital and many more which has helped to transform the way New Zealanders communicate with one another and watch sport, with the introduction of Spark Sport streaming platform.
- 4.2 New Zealand is geographically isolated and is reliant on global communications via critical international and national submarine cables. Spark is a commercial partner in several international submarine cables and operates a number of major critical telecommunication exchanges, one of which is the Hamilton Exchange Facility.

Hamilton Exchange Facility

- 4.3 The Hamilton Exchange Facility supports the provision of our digital products and our critical network of backbone fibre. The Hamilton exchange is core to the resilience and diversity of our network. Currently Spark owns 1337km backhaul fibre and has 630km backhaul fibre exclusive, right to use granted by a third party, as well as a shared 7742km backhaul fibre with Chorus. These cables connect Hamilton and Waikato region to the rest of New Zealand and the world. The Waikato region depends on these exchange functions.
- 4.4 The Hamilton Exchange Facility continues to function to support our new and evolving communication technologies and remains within the 10 more major critical telecommunication facilities on the Spark network. It is designated G53 Operative Hamilton District Plan for the purpose of telecommunication, radiocommunication and ancillary purposes.
- 4.5 The Hamilton Exchange Facility is classified as a non-neutral data centre and is utilised by several Waikato businesses. Telecommunication network operators including Spark, One NZ, 2degrees and Tuatahi utilise the data centre services in the exchange. Tuatahi provides fibre network throughout Waikato, Bay of Plenty, Manawatū-Whanganui, and Taranaki regions. The Tuatahi fibre network connects at the Hamilton Exchange Facility into the Spark backbone national cable network, to the rest of the world via the underwater international cables of Southern Cross Next cables.

- 4.6 Spark has antennas attached to the exterior of the building to provide mobile services in the CBD as part of our national cell-site network. Noting that Connexa now owns most of the poles, equipment mounts on buildings and cabinets that Sparks attaches and home mobile e.g. antennas, batteries and operating equipment and IoT (Internet of Things) networks such as CAT-M1, NB-IoT and LoRaWAN. The exchange building provides an existing and potential platform for other network operators' wireless equipment. Currently Spark, Kordia and Vital have antennas and dishes mounted on the building or existing mast attached to the roof.
- 4.7 The Hamilton Exchange Facility is no longer used by Spark staff for offices. Our staff relocated to the Spark Precinct at 168 Bryce Street, Hamilton Central in early 2023. Spark continues to have security and operations staff in the exchange. The presence of operations staff is required to refuel the diesel tanks, carry out rubbish collections and to facilitate access for contractors to support the other network operators in the building.
- 4.8 In the Hamilton Exchange Facility, there are 4 floors of the 8-storey building which were previously offices. Currently there are no plans for the vacant areas and there is uncertainty in the future of the Hamilton Exchange Facility given the risk of heritage listing under PC9. There is also a need to significantly strengthen each of the building's floors. This is expanded on further in the evidence of Mr Rawiri.
- 4.9 If the exterior features of the building such as the aluminium exterior fins must be retained, the building will be unlikely to be able to be modified to be an unattractive investment option as office space for Spark staff or other tenants.

Importance of the Hamilton Exchange Facility

- 4.1 Telecommunications services are relied on by many areas of society and the economy. The Hamilton Exchange Facility continues to be a critical telecommunication and lifeline centre for the Hamilton and Waikato region as it supports the provision of services by Spark, which underpin and transform a range of services delivered by Central Government and businesses alike, including:
- (a) Smart pay apps on your device and other payment services including payWave.
 - (b) Infrastructure management ie monitoring movement and traffic flow, monitoring and managing water, electricity and other utility services

including waste management providing customers real-time information.

- (c) Monitoring and real-time reporting of air flow and quality; or water quality for swim ability or drinking; flood warning accompanied with real-time mapping and predictions.
- (d) Health and safety monitoring, for example GPS tracking sensors.
- (e) Communication in all its forms from calling, text, social media, Microsoft Teams or Zoom to evolving VR meeting and collaboration interaction services in 3D platforms such as MeetinVR.

- 4.2 The Hamilton Exchange Facility is a secure and critical part of the regional and national lifelines network. If required, the building could be used as a civil emergency hub centre. The exchange has diesel generators that ensure the facility can continue to provide essential telecommunication services during any emergency event. In addition, the generator can be operated to feed power into the national grid during peak overload periods.

5. PC9

- 5.1 PC9 proposes to list the Hamilton Exchange Facility in Schedule 8A Built Heritage (buildings and structures) and classify it as a Category B building. Spark seeks the Hamilton Exchange Facility is removed from any classification as a "heritage building" under PC9.
- 5.2 PC9 also classified the Hamilton Exchange Facility as a "Former Telephone Exchange". However, as established above, the Hamilton Exchange Facility is in fact fully operational as a critical telecommunication facility.

Assessment of the Hamilton Exchange Facility

- 5.3 The significance of the building was assessed against the following qualities: associative value, historical pattern, style/design/type, designer or builder, rarity, integrity, setting, landmark, continuity, group, technological, human occupation/activities and events, existing HNZPT listing, cultural, and scientific value.
- 5.4 The exchange had a single "high" significance value, being that the building was designed by the Government Architect F.G.F. Sheppard and constructed under the control of the Ministry of Works.

- 5.5 The other significance evaluations were no more than “moderate”. This included “*moderate technological significance for its use of ‘brise soleil’ to the exterior. In addition, the construction of telephone exchange was a key technological turning point in the needs of the Hamilton region in the 1960’s. The building was the first of its kind due to its technical achievement in servicing the growing demand for improved communications in the region.*” I note that *brise soleil* are defined as a device, such as a perforated screen or louvres, for shutting out direct or excessive sunlight. Figure 1 shows the aluminium fins/louvres.



Figure 1: Hamilton Exchange Facility

Implication of heritage classification on the Hamilton Exchange Facility

- 5.6 The Hamilton Exchange Facility's listing in PC9's heritage schedule will create challenges for Spark and will be at odds with the core function of the building as a designated network exchange.
- 5.7 As a Category B building the exterior of the exchange is protected. This means that under Rule 19.3.1:

- a. Permitted to undertake maintenance and repair of buildings or structures where compliance with Rule 19.4.1 is achieved.
- b. Restricted discretionary activity when the maintenance and repair of buildings and structures where compliance with Rule 19.4.1 is not achieved.
- c. Internal changes to the building continue to be permitted.
- h. Restricted discretionary activity when undertaking alterations or additions (excluding maintenance and repair) to the exterior of any structure or building.
- l. Discretionary activity for the demolition of any structure or building.
- n. Controlled activity for earthquake strengthening works the external façade or to the interior where the strengthening will be visible externally visible, of any structure or building.

5.8 Rule 19.4.1 requires that maintenance and repairs to a Schedule 8A Built Heritage (Building or Structure) is limited to those works that come within the definition of maintenance and repair of buildings and structures in Volume 2, Appendix 1.1. The proposed amended definition of maintenance under Volume 2, Appendix 1.1 Definitions and Terms is as follows:

Maintenance and repair of buildings and structures (in relation to Chapter 19: Historic Heritage): Means for maintenance, regular and on-going protective care of a building or structure to prevent deterioration and to retain its heritage value, including work for the purpose of weatherproofing, painting (when the building or structure has previously been painted), rendering (where the building or structure has previously been rendered) and maintaining plumbing and electrical work; and for repair to damaged fabric using identical, closely similar, or like-for-like materials that maintain consistency in colour, texture, form, profile, strength and design with the materials replaced.

5.9 As a result, undertaking any alteration to the Hamilton Exchange Facility will trigger a resource consent process to assess whether any proposed changes are still in keeping with the character of the building, and if changes are required that are not in keeping with its heritage values, how the effects of these changes can be avoided, remedied or mitigated. As outlined in the evidence of Mr Rawiri, works such as significant earthquake/structural works will change the exterior of the building and will require resource consent. These are fundamental works which will be delayed in the event a resource consent process is required.

- 5.10 As well as implications for Spark, the existing network operators Connexa, Kordia and Vital will now have to get resource consent to alter and upgrade existing or put new telecommunication equipment on the exterior of the building.

Hamilton Exchange Facility should not be listed

- 5.11 The listing of the building in PC9 failed to consider:
- (a) The building is already highly modified. I provide further detail of the modifications in paragraph 5.16 below.
 - (b) The heritage assessment in Appendix 8 Built Heritage Methodology Report and Inventories only finds a single point of significance for this building – that it was designed by Government Architect F.G.F. Sheppard. However, the assessment does not provide evidence that the building was designed by F.G.F. Sheppard. I understand that F.G.F. Sheppard was the Government Architect at the time the building was commissioned and designed, however, there were more than 100 plus architects working for the Ministry of Works in the late 1950s and early 1960s. Spark has not seen any evidence from the Council or any other party that the Hamilton Exchange Facility was designed by F.G.F. Sheppard rather than any of the other 100+ architects working for the Ministry of Works.
 - (c) The Hamilton Exchange Facility is designated G53 under the ODP for telecommunication, radiocommunication and ancillary purposes. It is a critical piece of infrastructure for Spark's network and New Zealand's wider telecommunication infrastructure and falls within the definition of infrastructure. This designation provides flexibility to Spark to make changes at short notice to the building and the associated infrastructure, without unnecessary restriction, to maintain a resilient telecommunications network which in turn provides for the wellbeing of communities.
 - (d) Restricting the ability to alter, amend and demolish parts of the building is inconsistent with its designation. In particular, in my opinion it is inconsistent with the effect of a designation under the RMA which provides that:
 - (i) nothing should be done in relation to the land subject to the designation that would prevent or hinder work to which the designation relates;

- (ii) enabling works to be undertaken under the designation without land use consents; and
 - (iii) provisions of a district plan should not apply to land subject to a designation to the extent that the land is used for the purpose of the designation.
 - (e) The objectives and policies of Chapter 25.7 Network Utilities and the Electricity National Grid Corridor of the ODP which focus on protecting infrastructure and the associated social, economic and cultural benefits of infrastructure. I provide further detail on the objectives and policies below.
 - (f) The importance of infrastructure and, in particular, the need to retain the ability to upgrade infrastructure so that it can keep pace with Hamilton and Waikato's growing population.
- 5.12 The ODP recognises the importance of Network Utilities in Objective 25.7.2.1 which states:
- The importance of network utilities to support the development and functioning of Hamilton is recognised.
- 5.13 Policies relevant to supporting network utilities includes:
- 25.7.2.2a - Network utilities shall be designed, located, installed, operated and maintained to:*
- vi Allow for the provision and efficient operation of other network utilities.*
 - vii Co-locate or co-site where possible.*
- 25.7.2.2c - Network utility structures are to be in accordance with all relevant National Environmental Standards.*
- 5.14 Many elements of Spark's telecommunications infrastructure are regulated under the Resource Management (National Environmental Standards for Telecommunications Facilities) Regulations 2016 ("**NESTF**") which came into force on 1 January 2017.

Council Officer's report

- 5.15 Spark requested the removal of the classification of the Hamilton Exchange Facility as Built Heritage item H172 category B. The lack of engagement with

Spark when the heritage value assessment of the building was undertaken meant the Council did not hold have a true understanding:

- (a) that the building was still a functioning major critical infrastructure facility;
- (b) of the modifications that had been already undertaken to façade of the building and features that were proposed to be protected; and
- (c) of the on-going variability of the building including the risks to the structure and weather tightness of the building. This includes the need for critical future structural works, which will further modify the original architectural features of the building.

5.16 I agree with the recommendation of the Council Officer at paragraph 42 of his report to remove the Hamilton Exchange Facility from the PC9 list of additional scheduled heritage buildings. The recommendation recognises that the external of the building has been modified to detract for the heritage values that originally existed. The modifications, also illustrated by photos in Appendix 1 that have occurred over the life of the building include:

- (a) The original façade precast concrete panels which had a scoria insert finish on the north and south walls have been significant modified due to weathertightness and seismic issues. The repair to spalling damage that was and still is occurring to the panels involved removal of the scoria inserts, sealing of the panels with fibreglass and painting the panels in the grey colour. The panels undergo regular inspection due to the high probability that the observed deterioration will continue to worsen with time. Every 5 years the panels will need to be re-fibre glassed and painted.
- (b) In 2010 Opus assessed that the building's seismic performance was 35%NBS (IL3). Seismic strengthening consisted of foundation upgrades and shear wall thickening up to the 1st floor level. Thickening of the shear walls on the north and south elevations up to the roof level has yet to be undertaken. This work will further significantly alter the appearance of the northern and southern walls
- (c) External exhaust system on the east side of the building.
- (d) Mast on the roof of the building.

- (e) Antennas and dishes attached outside edges of the roof and on the lift well.
- (f) Air conditioning units attached to building.
- (g) Health and safety aluminium security grilles attached below the louvres on each level.
- (h) Mesh has been attached over the aluminium security grilles and louvres to deter birds nesting.
- (i) The building entrance has had multiple refits, including narrowing the entrance and installation of bollards.

5.17 This illustrates that the building can no longer be considered a "heritage" building as its design has significantly altered since it was first designed.

6. CONCLUSION

6.1 Spark seeks the Hamilton Exchange Facility be removed from as Built Heritage item H172 Category B. This is also the recommendation of the Council Officer.

Graeme McCarrison

22 September 2023

Appendix – Photographs



Figure 7: The Telephone Exchange, as seen from Garden Place, c. 1970's.
Source: HCL, ID: HCL_14405

Hamilton Exchange Facility – 1970s



Hamilton Exchange Facility - April 2023



Northern and eastern façade embedded panels - April 2023



Example of scoria

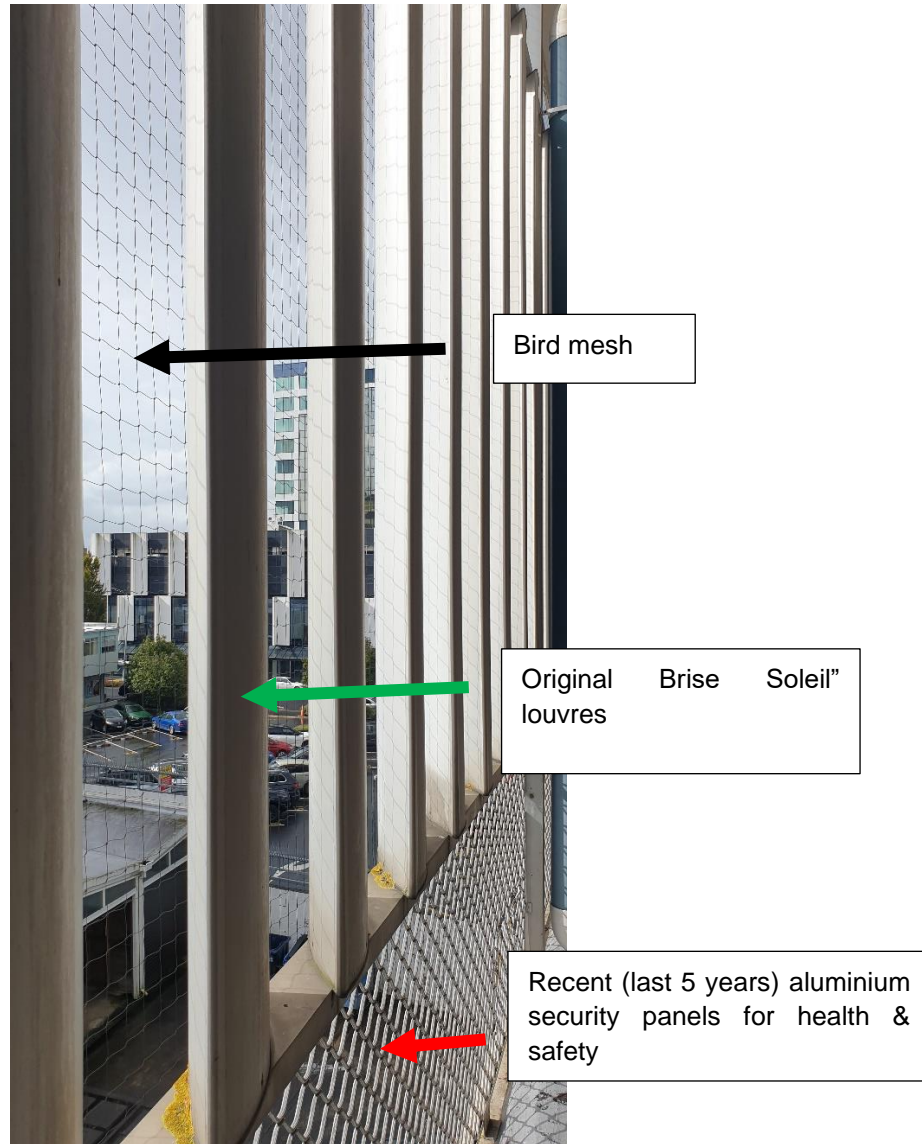


Example of one of the two existing shear wall thickening up to the 1st floor level on the northern & southern facades. This seismic structure work is required to be undertaken on each floor up to the roof. 4 windows will be blocked on each floor.



Northern façade Caro Street looking toward Anglesea Street

Southern façade looking toward Anglesea Street





View from Anglesea Street into the modernised entry