

**BEFORE THE EXPERT PANEL APPOINTED UNDER
THE FAST-TRACK APPROVALS ACT 2024**

UNDER

The Fast-Track Approvals Act 2024

IN THE MATTER OF

An application for referred project approvals for the **Ayrburn Screen Hub**
(FTAA 2508-1093)

BY

WATERFALL PARK DEVELOPMENTS LIMITED

Applicant

STATEMENT BY MR SEAN KELLY

(in support of Comments from David Kidd and Geoff Deursen)

INTRODUCTION

1. My name is **Sean Kelly**. I have worked in the New Zealand film industry for approximately 30 years, on both domestic and international productions. My experience is primarily in technical crew roles, including as a senior film technician.
2. I am not an economist or planner. My statement is given from the perspective of a long-term industry practitioner, with direct experience of how productions actually make location, studio and accommodation decisions in New Zealand.
3. I am providing this statement in support of the comments from **Mr David Kidd and Geoff van Deursen**, statutory participants invited to comment on the Ayrburn Screen Hub proposal under s 53(2)(h) of the Fast-Track Approvals Act 2024 (FTAA).
4. I understand that a key question for the Panel is whether the proposed Ayrburn Screen Hub is likely to deliver **significant regional or national benefits**, including through the provision of a new studio facility and co-located accommodation. My statement addresses how film productions typically use studios and locations in New Zealand, with a particular focus on **Queenstown**, and whether a permanent studio in Queenstown is likely to be heavily used.
5. In preparing this statement, I have read the economic evidence of **Ms Natalie Hampson** and understand that my role is to provide industry context that may assist the Panel in assessing the realism of the demand and utilisation assumptions for the proposed facility.

SCOPE

7. My statement addresses:
 - (a) Why film studios are generally located in cities rather than regional centres;
 - (b) How Queenstown is typically used by film and television productions (exterior versus interior work);
 - (c) Accommodation patterns for cast and crew working in Queenstown;
 - (d) The commercial and practical challenges I see in establishing a permanent studio in Queenstown; and
 - (e) The implications of these industry realities for the likely use of a Queenstown studio such as the proposed Ayrburn facility.
8. My statement does **not** attempt to quantify GDP, NPV or other economic metrics. Those matters are addressed by Ms Hampson. My role is to explain whether, in my experience, the assumptions about how the industry would use a Queenstown studio are realistic.

SUMMARY

9. In summary:
 - (a) Film studios in New Zealand are generally located in major cities, particularly Auckland and Wellington. A key reason is that most technicians live in those cities, and moving a large crew out of a city is very expensive once accommodation, per diems, vehicles and transport are taken into account. Avoiding those overheads is one of the main reasons studios are typically city-based.
 - (b) In my experience, productions come to Queenstown primarily for its exterior locations and landscapes. Interior work is usually a small portion of the overall shoot and is normally done in city studios. If a significant portion of a film requires studio-style interior work, productions relocate to a city studio (usually Auckland, sometimes Wellington) rather than building or using a permanent studio in Queenstown.
 - (c) When interiors are needed in Queenstown, they are typically handled through one-off hire of existing buildings (for example, an aircraft hangar or an empty industrial space) which are converted temporarily for shooting. This is a common and cost-effective approach, and recognised within the industry as more sensible than constructing and maintaining a dedicated studio in Queenstown.
 - (d) Cast and crew working in Queenstown are generally accommodated in hotels or similar visitor accommodation within or close to the town centre, with ready access to food and drink. Queenstown already has plenty of hotels that meet these needs. In professional production, accommodation is generally not shared except in very remote locations where options are limited.

(e) Over my 30 years of experience, I have observed that “99%” of productions come to Queenstown for exterior locations. If the majority of a film requires interior shooting, productions leave Queenstown for city studios. In my opinion, it does not make financial sense to build and maintain a permanent studio for indoor shooting in Queenstown. The example of the Vertical Limit stage – which was used for that film and possibly once or twice more before being dismantled – illustrates the lack of long-term demand for such a facility.

(f) Decisions in film production are always cost-driven. In my view, those cost realities mean that the level of ongoing utilisation assumed for a large permanent studio facility in Queenstown is unlikely to be achieved in practice. A facility such as the proposed Ayrburn studio is likely to be used intermittently rather than at a constant high level of activity.

INDUSTRY CONTEXT: WHY STUDIOS ARE CITY-BASED

10. In New Zealand, the major studio facilities are located in Auckland and Wellington. There are sound stages, post-production houses and other specialist facilities clustered in those centres. The reasons for this are primarily practical and cost-based.
11. Technicians and crew (lighting, grip, camera, set construction, wardrobe, etc.) are overwhelmingly city-based. For a large production, the bulk of the crew will come from those existing pools.
12. Moving a production out of a city involves substantial additional costs:
 - (a) Accommodation for cast and crew;
 - (b) Per diems (daily allowances);
 - (c) Vehicle hire and transport; and
 - (d) The lost efficiency of being away from other work and established support networks.

These costs are all borne by the production.

13. Avoiding those relocation costs is one of the main reasons studios are city-located. When most of a project’s interior work can be done in a city studio, producers can minimise travel and accommodation costs and make use of a deep, local crew pool.
14. In my experience, producers only move large segments of interior work away from the cities when there is a very compelling reason – and even then, it is carefully weighed against those additional costs.

HOW QUEENSTOWN IS USED BY PRODUCTIONS

15. By contrast, Queenstown’s role in the industry is as a location-shoot destination. Productions come to Queenstown for its outdoor environment – mountains, lakes, rural landscapes and the like.

16. Over my career, I have seen many productions come through Queenstown. In my experience, “99%” of those come for exterior locations. The interiors for those projects are:
- (a) Either kept very limited and handled through short-term uses of ad-hoc spaces in Queenstown; or
 - (b) Done in city studios before or after the Queenstown block.
17. Where a film or series has a significant interior component, the usual pattern is:
- (a) Base interior work in Auckland or Wellington studio facilities;
 - (b) Travel to Queenstown for a defined location block to capture exteriors; and
 - (c) Return to the city studio for further interior work.
18. This pattern is driven by cost and logistics, not by a lack of appreciation for Queenstown as a location. It reflects the reality that interior work does not need to be near the landscapes that Queenstown offers, whereas exterior work obviously does.

ONE-OFF INDOOR SPACE IN QUEENSTOWN

19. When an interior space is required in Queenstown itself, productions typically manage it as a one-off hire rather than seeking a permanent studio.
20. Examples include:
- (a) Renting an aircraft hangar;
 - (b) Using an unused building (for example, a warehouse); or
 - (c) Converting an empty industrial space for a short period.
21. These spaces are then dressed and lit to suit the production, used for the required scenes, and returned to their normal use afterwards.
22. This approach is, in my experience:
- (a) Common and accepted within the industry; and
 - (b) Cost-effective, because crews know that a full, purpose-built studio in Queenstown is unlikely to be justified by the limited interior work typically done there.
23. From my point of view as a crew member, there has never been a widely felt industry push for a large permanent studio in Queenstown. When indoor space is needed, productions find practical solutions on a case-by-case basis.

ACCOMMODATION PRACTICE FOR CAST AND CREW

24. In Queenstown, crew and cast are generally accommodated in hotels or similar visitor accommodation in or near the town centre.
25. That pattern reflects several practical needs:

- (a) Ready access to food and drink (restaurants, cafes, supermarkets);
- (b) Proximity to transport hubs and production meeting points;
- (c) Basic comfort and privacy requirements for people working long, irregular hours.

26. In my experience:

- (a) Shared accommodation is not standard in professional production; and
- (b) Shared or more basic accommodation is used only in very remote locations where lodging is scarce or hard to source.

27. Queenstown already has a wide range of hotels that meet these requirements. Productions are used to booking room blocks in these facilities and working with them to manage timing and logistics.

28. While having some on-site rooms near a studio could be convenient in particular cases, I do not see a structural industry problem around accommodation supply in Queenstown that would, by itself, drive a large increase in production volume simply because a new, co-located facility exists.

CHALLENGES IN JUSTIFYING A PERMANENT STUDIO IN QUEENSTOWN

29. Based on the factors described above, I find the argument for building a large, permanent studio in Queenstown difficult to justify in practical, cost terms.

30. The key issues are:

- (a) There is little reason to shoot extensive interior scenes in Queenstown, given that the main draw of the region is its outdoor environment;
- (b) Interior shooting in Queenstown would generally be for short periods, and productions can usually handle those periods via one-off space hire;
- (c) There is no large local pool of technicians in Queenstown, so productions would need to bring in crews from elsewhere, adding substantial costs for travel, accommodation, per diems and vehicle hire; and
- (d) A permanent studio is typically used for an entire film or series, and for multiple long-form projects over time. That model fits naturally in cities with large, local crew bases and other infrastructure, not in regional centres primarily used for location work.

31. I know of one previous example where a studio-type facility was built for a specific Queenstown-based project – the stage constructed for the film Vertical Limit. As I understand it, that facility was used for that production and perhaps once or twice more, but was eventually dismantled and removed. In my view, that experience illustrates the difficulty of sustaining a permanent studio in Queenstown once the initial project is complete.

32. To put it plainly, from my perspective as a long-term crew member, it “makes no financial sense to build a studio for indoor shooting in Queenstown” as a general proposition.

33. I also emphasise that, while I am not involved in budgeting decisions, I see that almost all production decisions are ultimately cost-driven. When there is a cheaper

and simpler option that works (city studio + one-off indoor spaces + hotel accommodation in town), that is the route productions will normally take.

IMPLICATIONS FOR THE AYRBURN SCREEN HUB

34. I understand that the Ayrburn Screen Hub proposal involves:

- (a) Purpose-built sound stages and production facilities in Queenstown; and
- (b) A large number of on-site accommodation units and associated amenities.

35. I also understand, from Ms Hampson's evidence, that the applicant's economic case assumes a substantial level of utilisation of those studios by both international and domestic productions.

36. Based on my experience, I make the following observations:

(a) A permanent studio in Queenstown, even if very well specified, is unlikely to become the default location for studio-intensive work in New Zealand. Producers will still prefer city studios in most cases, because that is where the crew are and where costs are lower.

(b) Queenstown will continue to be used primarily for exterior location work. A new studio may add some options at the margins, but it will not change the basic pattern that interior work tends to be done in cities.

(c) To achieve a very high ongoing level of utilisation of the Ayrburn studios, as appears to be assumed in some of the economic modelling, multiple productions would need to make location and studio decisions that are materially different from current industry practice, and to do so consistently over many years. In my opinion, that is unlikely.

(d) The presence of on-site accommodation at Ayrburn may be convenient for some productions but is not, in itself, a game-changer. Productions already have access to a large stock of hotel accommodation in Queenstown. I do not consider that on-site accommodation will, by itself, drive a step-change in the number or scale of productions choosing Queenstown.

(e) Given the cost-driven nature of the industry and the availability of cheaper city-based alternatives, I consider that any assumption of continuous, near-full utilisation of a Queenstown studio is optimistic. A more realistic expectation is intermittent use, tied to particular projects, with longer gaps between major productions.

37. These opinions align with, and in my view support, Ms Hampson's conclusion that the applicant's economic modelling represents an upper-bound scenario and that the ongoing operational benefits of the project should be treated as positive but modest, rather than as a large, regionally significant uplift.

CONCLUSIONS

38. In conclusion:

(a) Film studios are generally city-based because that is where technicians live and where productions can avoid large relocation and accommodation costs.

(b) Queenstown's role in production is overwhelmingly as a location-shoot destination. Interior work is usually done in city studios, with only limited indoor work attempted in Queenstown, often using one-off hired spaces.

(c) Cast and crew in Queenstown are typically housed in existing hotels near the town centre. There is no general industry practice or need for large, permanent on-site accommodation complexes for productions in Queenstown.

(d) The historical experience, including the short-lived Vertical Limit stage, suggests that long-term, high utilisation of a permanent studio in Queenstown is unlikely.

(e) For these reasons, I consider it difficult to justify, in practical and cost terms, the assumption that a Queenstown studio such as the proposed Ayrburn facility would attract and sustain the high levels of usage implied by the applicant's economic case.

39. I confirm that the opinions I have expressed in this brief are based on my direct experience in the film industry.

Sean Kelly

17 December 2025