

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

**APPLICATION      AYRBURN SCREEN HUB  
FTAA 2508-1093**

**APPLICANT        WATERFALL PARK  
DEVELOPMENTS LIMITED**

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**BRIEF OF EVIDENCE OF NATALIE HAMPSON IN SUPPORT OF THE  
COMMENTS OF JAN ANDERSSON AND DAVID KIDD**

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## **BRIEF OF EVIDENCE OF NATALIE HAMPSON IN SUPPORT OF THE COMMENTS OF JAN ANDERSSON AND DAVID KIDD**

### **Introduction**

1. My name is Natalie Dianne Hampson, I am an economic consultant, residing at Wanaka in the Queenstown Lakes District.
2. I have been engaged by the following statutory participants who have been invited to comment on the proposal under s 53(2)(h) of the Fast-Track Approvals Act 2024 (**FTAA**):
  - (a) Mr Jan Andersson, [REDACTED] (Lots 1-3 DP 27027 comprised in Record of Title 520807)
  - (b) Mr David Kidd, [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] (Lot 4 & 6 DP 336908 comprised in Record of Title 151018).

### **Qualifications and Experience**

3. I hold a Master of Science degree in Geography from the University of Auckland (first class honours). I was employed at McDermott Fairgray Limited in 2000, which subsequently reformed as Market Economics Limited in 2001. I worked there as an economic consultant through to October 2023, becoming a director in 2019. After leaving Market Economics I formed Savvy Consulting in November 2023. I am an associate member of the New Zealand Planning Institute and a member (and regional committee member) of the Resource Management Law Association.
4. I have worked in the field of economics for 25 years for commercial and public sector clients, with a particular (although not exclusive) focus on economic assessment within the framework of the Resource Management Act 1991 (RMA). Since 2001 I have specialised in studies relating to land use analysis, assessment of demand and markets, the form and function of urban economies and growth, policy analysis, and evaluation of economic outcomes and effects, including costs and benefits. This work has been nationwide.

5. I have considerable experience carrying out economic assessments within Queenstown Lakes District (“**QLD**”) over the last 20 plus years and have been a resident in the district for 10 years. My project work includes economic reports, peer reviews and expert evidence in relation to resource consents, plan changes and variations, district plan reviews, structure planning, covenant amendments, and housing and business demand and capacity assessments required under the National Policy Statement on Urban Development.
6. I have also provided economic evidence in relation to applications in the district for approval under the Fast Track Covid-19 Recovery Act and the Fast Track Approvals Act (“**FTAA**”) (with the latter work being ongoing). My work in the district has been for a range of private sector clients as well as for the Queenstown Lakes District Council. I have a sound knowledge of the district’s economic growth pressures and development patterns. My work experience in the rest of New Zealand has a similar scope and depth as the work carried out within QLD.
7. My expertise and experience specifically related to the proposed Ayrburn Screen Hub includes:
  - (a) Assessment of the economic effects of the Silverlight Studios development proposed in Wanaka (for the applicant). In addition to my report to support the Fast Track approval, I provided evidence and participated in expert conferencing, with a key focus on housing demand created by employment enabled within the facility, the options available for meeting that housing demand, the potential impact of construction and film production related housing demand on the Wanaka housing market, and the mitigating effect of a temporary construction workers camp and permanent on-site apartments for production crew (workers accommodation). Through that project I gained knowledge of the operational needs of integrated film and television production facilities.
  - (b) I am also familiar with the site of the proposed Ayrburn Screen Hub. I provided economic evidence on behalf of Waterfall Park

Developments Limited on the proposed Ayrburn Retirement Village (to be located on the Site of the current FFTA application) which was declined in the Environment Court. I was not involved in the subsequent and approved retirement village consent on an alternative site north of the Ayrburn hospitality precinct.

### **Code of Conduct**

8. Although this is not an Environment Court hearing I have read and agree to comply with the Code of Conduct for Expert Witnesses in the Environment Court Practice Note 2023. This evidence is within my area of expertise, except where I state that I am relying on material produced by another person. I have not omitted to consider material facts known to me that might alter or detract from the opinions that I express.

### **Scope of Evidence**

9. I have been asked to focus my evidence on the following questions:
  - (a) Are the stated regional and national economic benefits of the Project (quantified and qualified) appropriately identified and likely to be delivered, and consistent with my own economic research in the film and production sector, including specific to the district?
  - (b) Are the quantified economic impacts (assessed by Property Economics) robustly estimated and described, including any limitations of modelling approaches and assumptions?
  - (c) Are there any material economic costs of the application and have these been adequately addressed in the Application. If applicable, are the net economic benefits still significant?
  - (d) How do the proposed accommodation units contribute to the project's regional and national benefits?
  - (e) How will the proposed accommodation on the Site operate relative to film and production activity and tourism activity? And

does condition 68 and 68 adequately protect accommodation capacity for film and production activity?

- (f) Conclusions on net economic benefits of the Project and recommendations for further information and amended conditions.
10. In preparing this evidence, I have read and/or rely on the following documents:
- (a) Ayrburn Screen Hub Planning Report dated 18 November 2025 (track changes)
  - (b) Proposed Draft Consent Conditions, Version 2, 18 November 2025 (track changes)
  - (c) Ayrburn Screen Hub Architectural Design Report dated 27 June 2025
  - (d) Ayrburn Screen Hub Design Report dated 3 June 2025
  - (e) Ayrburn Screen Hub [Film Expert] Report, Dave Gibson, May 2025
  - (f) Ayrburn Screen Hub Fast Track Economic Impact Assessment, Property Economics, June 2025
  - (g) Various documents (including Economic Assessments, Economic Memos, Economic Joint Witness Statement, Panel Minutes, Application Responses, Proposed Conditions, Decisions and Final Conditions) relating to the Silverlight Studios Fast Track Consents FTC000027 and FTC000054.
  - (h) MBIE, Targeted Adjustments to the New Zealand Screen Production Rebate – International. 18 November 2025. Plus some web-searched articles (referenced in footnotes where applicable).

## Summary of Project

11. Prior to addressing the assessment questions above, this section brings together information from across various Application documents to summarise my understanding of the Ayrburn Screen Hub Project (**“the Project”**).
12. The Project is to construct and operate a screen production facility suitable for film and television productions. Buildings that form part of the facility include:
  - (a) Two sound stages, with a combined floorspace of 3,200sqm GFA and ceiling clearance of 12m. The design and layout allow the sound stages to be used at the same time, by the same or two different productions as booking schedules permit.
  - (b) Multipurpose workshop buildings for activities that support production activities (i.e. space for set construction, offices, storage, wardrobe, make-up, logistics etc). These have a combined floorspace of 5,354sqm GFA.
  - (c) an open space back-lot area within the production area and adjoining the sound stages and workshop buildings.
  - (d) fencing/access points demarcating the production area (studios, workshops and back-lot) from the accommodation areas.
  - (e) 201 accommodation units comprising 247 bedrooms (across a mix of sizes and quality standards).
    - (i) 62 units (being 31% of total units and comprising 44% of total bedrooms) are self-catering (with kitchens) and cover the premium, double, deluxe and 2 four bedroom units, and 139 units (being 69% of total units and comprising 56% of total bedrooms) will be equivalent to hotel units (described as standard units containing tea/coffee facilities only).
    - (ii) A total of 52 of the accommodation units are within Buildings B1 and B2 which are described as also doubling

as film offices – i.e., are described as having a closer functional relationship with the film production area and are grouped with the production area in the precinct plan.<sup>1</sup> Building B1 and B2 are illustrated as being capable of being 100% office in the accommodation units/bedrooms, or 100% accommodation units (with beds) (and combinations in between). The 'C' accommodation buildings are shown only as accommodation for the purpose of the application documents. They sit within a separate precinct in the precinct plan. Table 1 provides a summary of all accommodation units on the Site.

**Table 1 – Summary of Accommodation Units (Maximum Accommodation Use) by Precinct and Building Number**

Precinct	Building Code	Standard	Premium	Deluxe	Double	4 Bedroom	Total Rooms	Total Beds	Occupants Minimum (1 per bed)	Occupants Maximum (2 per bed)
Film Facility	B1 *	14	-	-	4	2	20	30	30	60
	B2 *	16	4	-	12	-	32	44	44	88
	<b>Sub-Total B Buildings</b>	<b>30</b>	<b>4</b>	<b>-</b>	<b>16</b>	<b>2</b>	<b>52</b>	<b>74</b>	<b>74</b>	<b>148</b>
Accommodation	C1	13	-	-	3	-	16	19	19	38
	C2	13	-	-	3	-	16	19	19	38
	C3	13	-	-	3	-	16	19	19	38
	C4	13	-	-	3	-	16	19	19	38
	C5	13	-	-	3	-	16	19	19	38
	C6	9	-	-	3	-	12	15	15	30
	C7	26	4	-	-	-	30	30	30	60
	C8	3	-	4	2	-	9	11	11	22
	C9	6	4	-	4	-	14	18	18	36
	<b>Sub-Total C Buildings</b>	<b>109</b>	<b>8</b>	<b>4</b>	<b>24</b>	<b>-</b>	<b>145</b>	<b>169</b>	<b>169</b>	<b>338</b>
Reception/	E - Reception Building	-	-	-	-	-	-	-	-	-
Wellness	E - Wellness Centre/Spa	-	2	2	-	-	4	4	4	8
	<b>Sub-Total E Buildings</b>	<b>-</b>	<b>2</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>8</b>
<b>Total Facility (excl Studios/Depot)</b>		<b>139</b>	<b>14</b>	<b>6</b>	<b>40</b>	<b>2</b>	<b>201</b>	<b>247</b>	<b>247</b>	<b>494</b>

\* If not used for Accommodation and not Offices/actor spaces/dressing rooms/tech facilities and workrooms.

- (f) an accommodation reception and office building incorporating a lobby, reception area, bar and lounge area, a dedicated dining area for accommodation guests, staff and meeting rooms.<sup>2</sup>
- (g) a gym and wellness facility containing a gym, sauna, pool and spa, VIP lounge and small screening area. 4 visitor units are provided on the first floor (and included in the discussion above). The Design Report states that that while this building is for the

<sup>1</sup> See for example Appendix 7 Design Report, page 13.

<sup>2</sup> In the Referral Application, this building was called the Hotel Reception Building, while its name has changed for the substantive application, its role and function has not.

use of crew and guests using the accommodation units, it will be available to the public.<sup>3</sup>

- (h) a dual purpose depot building providing “*back of house amenity including inwards goods, storage, refuse and commercial kitchen support*” with ancillary office space for the Screen Hub and adjoining Ayrburn Hospitality Precinct.
  - (i) parking outside the production area and spread commensurate with the accommodation units.
13. The application states that the Applicant “*will make the facilities available for broader public use when they are not required for screen productions*”<sup>4</sup> and further clarifies this as being the accommodation facilities (accommodation units and reception building), although other documents include the wellness centre as a public facility.
14. The Project is stated as delivering significant regional and national benefits, in accordance with the purpose of the FFTA.<sup>5</sup> These benefits are economic and ecological in nature. The significant economic benefits are summarised by the applicant as:
- (a) Otago Regional benefits: contribute \$258 million to the regional economy over the three-year construction and development period and \$462 million in economic activity over a 10-year operational phase.<sup>6</sup> The Project is expected to sustain over 630 full-time jobs annually during the construction phase (indicated as 3 years) and 370 full time ongoing jobs (drawing on the Economic Assessment Report by Property Economics);<sup>7</sup> and

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<sup>3</sup> Architectural Design Report, Introduction.

<sup>4</sup> Planning report, 18 November 2025, page 9.

<sup>5</sup> Planning report, 18 November 2025, page 93. This section does not include significant national benefits.

<sup>6</sup> These are the net present value economic impacts based on a 6% discount rate.

<sup>7</sup> A number of economic benefits stated in the Planning Report, such as reducing leakage of production spending, provision of permanent jobs, increased local procurement, local contracting and supplier engagement are not net additional benefits to the operational impacts modelled by Property Economics. That is, they are captured in those modelling assumptions.



- (b) National benefits (which include Otago Region): Significantly strengthening New Zealand's film and television industry by improving infrastructure, expanding production capacity, and filling a "*critical national infrastructure shortfall*"<sup>8</sup> (drawing on the Film Expert Report by Mr Gibson and industry letters of support).
15. The Project is also stated as aligning with "*long-term economic and tourism strategies for the region and contributing to sustainable growth and increased economic resilience*";<sup>9</sup> facilitating the growth of Queenstown's reputation as a production location; and supporting the ongoing development of creative industries in QLD. While the development does not contribute to housing supply, a benefit of the Project is stated as avoiding additional pressure on housing supply from commercial growth by providing accommodation for workers.<sup>10</sup>

**Are the stated regional and national economic benefits of the Project (quantified and qualified) appropriately identified and likely to be delivered, and consistent with my own economic research in the film and production sector, including specific to the district?**

16. I agree with the summation of the supply/availability of studio (sound stage and ancillary workspaces) in the New Zealand screen production market. While there has been investment in new infrastructure, most production infrastructure is in the North Island. The description of the current location and capacity constraints of existing film studio infrastructure is consistent with my past research into the sector. As far as I am aware, there are no studios with adjoining accommodation facilities on the same site (and under the same ownership) in New Zealand – what I would call an 'integrated studio development'.
17. Silverlight Studios (consented in QLD but not developed) was also an integrated studio development (of a much greater scale) that included "worker accommodation" for cast and crew. The Ayrburn Screen Hub application does not use the term "*worker accommodation*" and instead

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<sup>8</sup> Planning Report, 18 November 2025, page 10.

<sup>9</sup> Planning Report, 18 November 2025, page 9.

<sup>10</sup> Planning Report, 18 November 2025, page 95.

calls it “*accommodation*” where screen production workers can stay. In the absence of Silverlight Studios, I understand that the Ayrburn Screen Hub would be the first of its kind in New Zealand. I therefore agree that it will be unique<sup>11</sup> and offer a point of difference from other studios in New Zealand.

18. I do note that there is a film studio in Remarkables Park in Queenstown that opened in October 2024.<sup>12</sup> This studio is in close proximity to a number of hotels (independently owned). A key difference between the studio at Remarkables Park and the Project’s studio is that Remarkables Park is not a purpose built facility. It has a relatively low ceiling height compared to many other sound stages in New Zealand and is not a ‘clear span’ indoor space.<sup>13</sup> While office space can be partitioned within the space, there is no separate or dedicated offices. I estimate, but am not certain, that the Remarkable Studio could only be used by one production at a time (for practicality reasons).
19. I do not consider that the Remarkable Studio represents an ‘integrated film studio’ or could operate as a local film industry hub. It is however the district’s only indoor production space at present and makes a valuable contribution to the region’s production infrastructure. Whether it has had a measurable impact on increasing production area spend (by capturing studio related spend that would otherwise have leaked from the region) is probably too soon to tell.
20. The Project’s impact on film infrastructure capacity has been informed by a wide range of industry experts. The district (and wider region) is well known for location filming, but the studio-based production (and post-production) activities of films/tv series/adverts shot in the district/region are usually carried out elsewhere in New Zealand, or overseas. Better studio infrastructure in the region (over and above

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<sup>11</sup> The Economic Report (Property Economics) states that the Ayrburn Screen Hub facilities are not unique in a national sense. I disagree. This would only be true if limited to the studio component of the proposal.

<sup>12</sup> <https://www.filmotagosouthland.com/locations/location-directory/remarkable-studio>

<sup>13</sup> The Remarkable Studio has structural pillars within the space which may make it unsuitable for some types of indoor film sets.

Remarkable Studio) would create the opportunity (limited to the annual capacity of the proposed Ayrburn Screen Hub studios) to capture some of those additional (value-added) activities – sustaining employment for longer and securing more direct, indirect and induced spending in the region. Some of this additional economic activity is likely to be a transfer of studio activity that would otherwise have taken place elsewhere in New Zealand.

21. I agree that the Project, if delivered in full, would have positive flow-on effects for QLD's (and New Zealand's) reputation as a location for film and television production. Net additional content filmed in the district will further increase the profile of the region to domestic and international visitors. I also agree that the Project would contribute to a more diverse and resilient district economy if it was successful in attracting net additional production activity. I consider this economic (and indirect) benefit to be minor.
22. While the application claims avoidance of added demand on the housing market by providing accommodation on the site that can be booked for workers as a benefit of the Project, I do not agree that this benefit can be claimed. The evidence contained in the application indicates that in Queenstown, most productions are already utilising visitor accommodation when needed for non-local cast and crew rather than securing long-term rentals (aka – interacting with the housing market).<sup>14</sup> If this is the counterfactual scenario, then potential increased production activity facilitated by the Project is only likely to transfer accommodation demand away from other visitor accommodation (hotels) in Queenstown to the Site.
23. I have considered the purpose of the FTAA which, distinct from the RMA purpose, specifically focuses on the delivery of infrastructure and development projects with regionally or nationally significant benefits. Given the assumptions made by the Film Studio Expert evidence and

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<sup>14</sup> The Economic Assessment report refers to the Queenstown Lakes District Council's Economic Futures division. In promoting the benefits of filming in the district, they emphasise "World-class accommodation" which is a reference to hotel and resort accommodation.

the optimistic modelling contained in the Property Economics Report (discussed further below) it has been necessary for me to consider the economic feasibility of the Project in relation to the purported benefits of the Project. This is reinforced by a number of comments throughout the application which refer to elements of the Project (particularly visitor accommodation) being required to facilitate the commercial viability of the Project.

24. The stated economic benefits of the Project will only occur in the event that:
  - (a) the development is constructed as proposed; and
  - (b) in so far as the quantified economic benefits are concerned, the Project achieves the modelled operational scenario as set out in the Property Economics report.
25. Given that the Project provides for staging (or a “phased” approach as described by Condition 67) it would be prudent for the Panel to consider an outcome in which the balance of the studio is not completed at all after the first 100 accommodation units are constructed.
26. I acknowledge that the landowner has an extensive development history and appears (at face-value) to be well-resourced to deliver the construction of the Project in its entirety. Though the provision for construction in phases appears to count against that as there is nothing *requiring* the full proposal from being delivered. As I discuss throughout my evidence, there are a number of untested or unverified assumptions which require clarification or are very optimistic. Although the Project may be considered “shovel-ready” from a construction perspective, the broader long-term benefits should be tested and clarified to ensure that the screen hub, if constructed, will be used for its stated purpose.
27. My recommendations to ensure that the regional economic benefits of the Project are delivered to the extent stated are summarised at the end of this statement.

**Are the quantified economic impacts (assessed by Property Economics) robustly estimated and described, including any limitations of modelling approaches and assumptions?**

28. Property Economics have provided a very high-level summary of the input-output multiplier approach and assumptions they have used to estimate the economic impact of the development and operational aspects of the Project. Although not all inputs and assumptions are available to be tested, I have taken this evidence at face value. If those assumptions are tested or additional information is provided which confirms them then it may be that this approach is reasonable. I consider input-output multiplier analysis appropriate for understanding the economic impacts of a Project of this nature. I also agree with direct, indirect and induced impacts being combined to understand a total impact, so long as they are not overstated.
29. Property Economics describe the Project “*supporting*” employment and do not claim that all of the total employment impact is new jobs. This is an important distinction and the correct one in my view. While the operation of the facilities will create some new jobs on site, and a net increase of film and screen activity in the region is likely to directly and indirectly create some new temporary and permanent jobs in the region, other indirect and induced jobs, as well as many of the construction jobs are more likely to be sustained existing jobs that contribute to a rise in productivity rather than new jobs.
30. The capex information underpinning the economic modelling is stated as being supplied by the Applicant with capex equating to \$190m of direct expenditure over three years of development. Taking the total construction costs (\$127m) and dividing this by Gross Floor Area (“**GFA**”) stated in the Architectural Report (23,402sqm GFA) gives a high (\$5,440/sqm) but not necessarily unreasonable average sqm construction rate given the standard/amenity of the development shown in the design reports (and district norms).<sup>15</sup>

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<sup>15</sup> Particularly if landscaping is perhaps included in the construction costs rather than the civil construction costs.

31. It is noted that Property Economic consider that the entire Project will be developed (land development, building construction, landscaping) in three years. All building construction is attributed to the second and third year, with land development starting in year one, and continuing to year 3. While it is outside of my expertise to determine if 2 years for all building construction is reasonable, any expansion of this time frame would likely maintain the total construction cost but reduce the annual average impact of the capital expenditure (“**capex**”), as well as the net present value (“**NPV**”). I return to the timing of capex further below in relation to the timing of operational expenditure (“**opex**”).
32. In terms of the extent of the economic impacts associated with the development and construction of the Project, 83% of the regional impact (output) is estimated to be felt within QLD, along with 88% of the employment impact. This matches my expectations of largely localised construction impacts. Overall, I consider the estimation of capex/construction impacts to be robust, although I discuss the NPV calculations further below.
33. The ongoing operational economic impacts of the Project are based on a scenario of potential production bookings over one year identified in the Film Expert Report. “*Area spend*” (being the portion of total production budget spent within QLD/the region) for a domestic drama series, domestic telemovie, offshore funded TV series, offshore funded film and several TV commercials are estimated. No further information is provided on:
  - (a) Whether this scenario factored in competition with Remarkable Studio,
  - (b) the indicative total cast/crew of these example productions,
  - (c) what share of that cast/crew count is likely to be local (and not require worker accommodation). Evidence in the Application indicates that this local share is likely to increase over time as a result of the Project,

- (d) how long those example productions might be based in Queenstown and the Ayrburn Screen Hub,
  - (e) whether they would be likely to require one, both or none of the studios (and ancillary workshop space) for that duration,
  - (f) what additional office space (i.e., converted accommodation bedrooms) might be required in addition to non-local worker accommodation bedrooms,
  - (g) how office and worker accommodation unit demand might change over the duration of each project (i.e., build slowly, reach a peak, and then decline rapidly), with consequences for accommodation rooms booked.
34. There is also no acknowledgement of the steady decline in the number of internationally funded productions taking place in New Zealand in recent years (with associated declines in demand for studios by international productions). The Ministry for Business, Employment and Innovation (“**MBIE**”) recently<sup>16</sup> provided an analysis of internationally funded productions. It referred to a report by the New Zealand Film Commission that stated, “*a 32 per cent decline in international production enquiries compared to the same period last year*”.<sup>17</sup> MBIE then referenced a letter from the New Zealand Studio Infrastructure Group (which covers New Zealand’s nine “*premier film and television studios*”) that stated, “*as of June 2025, 73 per cent of stage space was unoccupied, and four out of six international studio facilities have no forward bookings*”.<sup>18</sup> MBIE went on to state that beyond 2025/26, “*the longer-term production pipeline is less secure*”.<sup>19</sup>

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<sup>16</sup> November 2025.

<sup>17</sup> MBIE, paragraph 14.

<sup>18</sup> MBIE, paragraph 15.

<sup>19</sup> This recent assessment of surplus capacity suggests that there is not a critical shortage of film infrastructure at the national level, as claimed by the Application (i.e. a benefit of the Project is addressing this shortfall).

35. Potentially related to this downturn, two proposed studio projects in New Zealand have recently gone under, according to an article dated July 2025.<sup>20</sup>
36. The Government has responded to the drop in demand (and New Zealand's loss of market share and competitiveness in the global production market) by improving the New Zealand Screen Production Rebate settings. It is too soon to tell if New Zealand can recoup some or all of its market share through the new settings and increase the number of internationally funded productions taking place in the country. I consider it reasonable to assume that any positive change (increase) may be gradual rather than a sudden upswing.
37. As internationally funded productions account for between 77% and 94% of the activities potential seeking to book the Ayrburn Screen Hub in the Film Expert Report (in terms of area spend), and the Project will be competing with Remarkable Studio, it would be prudent (in my view) to consider that demand for the Ayrburn Studio could be more modest in the short-term (i.e., more conservative than the Film Expert report scenarios, but building towards those scenarios over the first few years of operation assuming national market recovery).
38. Property Economics have modelled a single operational scenario that included all the example projects listed as "*potential*" in the Film Expert Report. This is despite the slow-down in international funded production demand and the Film Expert report suggesting a scenario of "*one domestic film or series and one offshore financed or TV series plus the TV commercials*".<sup>21</sup> These combinations would have a total area spend in one year of \$26.5m to \$39.0m. The full scenario of including all of them in one year (\$65.5m of area spend) was caveated by Mr Gibson as "*If the Gods were on your side (and the Screen Hub can accommodate all of the above)*".<sup>22</sup>

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<sup>20</sup> <https://shownews.co.nz/new-zealand-studio-facilities-expansion-dealt-double-blow-as-projects-go-under/>

<sup>21</sup> Film Expert Report, paragraph 59.

<sup>22</sup> Ibid.



39. In the absence of any detail that would allow Property Economics to determine if including all potential production examples could feasibly be accommodated in a single year (which will largely be constrained by the studio capacity), and more importantly, if there is likely to be sufficient demand for the internationally funded activities in the short-term, I consider that the optimistic scenario modelled by Property Economics in year 1 of operation should be treated with considerable caution. The more conservative scenario combinations recommended by the Film Expert Report should also have been modelled to provide a range of operational impacts, including consideration of whether these are even realistic in year 1 of operations given the current market and uncertainty on the effectiveness of the new rebate settings for internationally funded production activity.
40. There is also insufficient information to confirm if Property Economics' assumption of 80% occupancy of the accommodation rooms (which have a combined available annual room night capacity of 90,155) is supported only by the film/production activities modelled, or if 80% occupancy includes top-up capacity from tourist nights. If the more conservative booking scenarios suggested by the Film Expert Report were applied, the occupancy rate attributed to the film/tv production bookings would be considerably lower. Understanding indicative occupancy of accommodation unit bedrooms by different (but likely more plausible) scenarios is relevant for determining if the quantum of proposed accommodation units has been appropriately scaled for the purpose of the Screen Hub.
41. Notwithstanding the lack of alternative first year production scenarios for the Project, Property Economics has also assumed (but not discussed) that 100% of the area spend of those activities is net additional to the regional economy. There is no discussion on the potential for those same future productions to have spent a lesser amount of their area spend on location shooting within the region (in keeping with current operational models where there is only limited studio and supporting infrastructure available). Assuming it is all net additional to the status quo future should be acknowledged as an upper

limit of expenditure facilitated by the Project (or otherwise further justified).

42. Property Economics model the full \$65.5m as “*Studio (Total Production Spend)*” in Table 3 of their report. However, in addition to that they model what is assumed to be the operational spend of the accommodation facilities and the wellness/spa.<sup>23</sup> To me, this appears (based on the limited detail provided) to be indirect spend (already captured by the multipliers) and not direct spend. Further, the area spend (\$65.5m) advised by the Film Expert Report is understood to capture the cost of accommodation.<sup>24</sup> Spa/wellness centre spend would be sustained by induced spend of cast and crew, with direct wages and salaries also captured in the area spend figure. I consider that Property Economics have potentially double counted accommodation and other spend in their operational model and this requires further justification.
43. Property Economics then assume that production spend (area spend) facilitated by the Project increases each year of operation, being 55% larger by 2036 (year 10 of operation) than in year 1. No information is provided as to the basis of this assumption. Given that the Film Expert Report considered that even the full scenario of area spend in year 1 would require God to be “*on your side*”, and there has been no assessment on the capacity to feasibly accommodate (across studio, office and accommodation spaces) the full scenario in year 1 (or any subsequent year), any annual increase in production area spend attributable to the Project is speculative and not supported by evidence. Holding the year 1 scenario constant (which may already exceed the capacity of the facility) would be a more appropriate indication of production spend over the medium term in my view (but may still be an optimistic upper limit for reasons stated above).

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<sup>23</sup> This is assumed to be the “other” in Table 3 of the Property Economics Report.

<sup>24</sup> Film Expert Report, paragraph 60.

44. It is also unclear why the total column of direct spend in Table 3 is not the sum of the columns. This seems to differ from Table 2 where the totals of direct spend are correct.
45. To give an indication of how direct operational spend – based only on “area spend” advised by the Film Expert report differs from the scenario modelled by Property Economics, Table 2 sets out a broader range of potential scenarios. I have included Property Economics’ Table 3 scenario that includes area spend plus accommodation and other spend with annual growth, followed by just the area spend row of Table 3 with annual growth, and last, just the area spend in year 1, held constant over time.
46. The two more attainable Film Expert Report scenarios are (and assuming no change in the quantum of spend each year) shown in the bottom two rows and are around 30-44% of the operational spend scenario modelled by Property Economics. For clarity, Table 2 below shows only the direct expenditure and not the direct, indirect and induced impact of that spend on the district or regional economy. It also excludes any discounting.

*Table 2 – Scenarios of Potential Area Spend Assumed to be Facilitated by the Project*

Area Spend Facilitated by the Project	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total first 10 years
Property Economic Scenario (God willing, area spend plus other spend with annual growth of area spend)	\$ 72.2	\$ 75.6	\$ 79.1	\$ 82.8	\$ 86.7	\$ 90.8	\$ 95.1	\$ 99.7	\$ 104.4	\$ 109.3	\$ 895.7
Property Economic Scenario (God willing, area spend only with annual growth)	\$ 65.5	\$ 68.8	\$ 72.2	\$ 75.8	\$ 79.6	\$ 83.6	\$ 87.8	\$ 92.2	\$ 96.8	\$ 101.6	\$ 823.9
Property Economic Scenario (God willing, area spend only without annual growth)	\$ 65.5	\$ 65.5	\$ 65.5	\$ 65.5	\$ 65.5	\$ 65.5	\$ 65.5	\$ 65.5	\$ 65.5	\$ 65.5	\$ 655.0
Film Expert Scenario 1 - with no growth *	\$ 26.5	\$ 26.5	\$ 26.5	\$ 26.5	\$ 26.5	\$ 26.5	\$ 26.5	\$ 26.5	\$ 26.5	\$ 26.5	\$ 265.0
Film Expert Scenario 2 - with no growth **	\$ 39.0	\$ 39.0	\$ 39.0	\$ 39.0	\$ 39.0	\$ 39.0	\$ 39.0	\$ 39.0	\$ 39.0	\$ 39.0	\$ 390.0

Source: Property Economics Table 3, Film Expert Report, Savvy. All scenarios still assume all area spend is net additional to the counterfactual where the studio does not exist.

\* Domestic drama, offshore TV series & commercials

\*\* Domestic telemovie, offshore film & commercials

47. The Economic Report states that it applies a discount rate of 6%. This is used for expressing economic impacts (total direct, indirect and induced output) over successive years in present value terms. While discounting is best practice, a 6% discount rate does not match current

Treasury guidance for commercial developments (i.e., 8% with a sensitivity test of 2%).<sup>25</sup> It would be appropriate for Property Economics to further justify their 6% discount rate, else report results under an 8% discount rate.

48. Last, while the Economic Report states capex occurs in 2025, 2026 and 2027 (i.e. years 1-3), the opex scenario is shown (in Table 3 of that report) as beginning in 2027 (year 3). This seem unlikely to be feasible given the optimistic production activity scenario adopted as there is \$5.7m of studio construction (and 40.7m of total capex) still occurring in 2027) according to Table 2 of the Economic Report. Either a lesser amount of production activity (area spend) should be applied in year 3 given that at least part of the studio facility is still under construction, or the first full year of operation should occur in year 4.<sup>26</sup> Pushing operational impacts out by a year will mean that, all else being equal, the NPV over the 10 years of operation is slightly lower.
49. Overall Property Economics estimate \$258m (NPV of direct, indirect and induced regional economic activity (output) generated from the capex of the Project. This is an annual average impact (in NPV terms) of \$86m sustained for 3 years. To put the scale of this annual average increase in economic activity into perspective today, this equates to a 0.46% increase in regional GDP.<sup>27</sup> The operational impact of the Project is estimated by Property Economics as a cumulative \$462 (NPV) of regional economic activity “*generated from the ongoing operation*” of the Project over a 10 year period. This is an annual average impact (in NPV terms) of \$46m sustained for the 10 years assessed. To put the scale of this annual average increase in

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<sup>25</sup> Treasury discount rates have been cited in multiple FFTA economic assessments to date.

<sup>26</sup> The delay to year 4 might be more realistic if construction noise would be incompatible with filming activity.

<sup>27</sup> I have relied on Otago Region GDP 2024 reported by Infometrics in the Otago Economic Profile (\$18,647 million). The Economic Report consistently states that impacts are measured as output and do not specifically say they used the GDP or valued added multipliers. As such, this may not be a like for like comparison.

economic activity into perspective today, this equates to a 0.25% increase in regional GDP.<sup>28</sup>

50. For reasons set out above, I consider that these economic impacts, particularly the operational impacts, are overstated and that more information is needed to demonstrate that the level of activity facilitated by the Project is firstly supported by industry demand, then fits within operational limits (particularly of the studio space and allowing for the timing of construction).
51. It is important to clarify that the operational impacts that have been modelled are not the impacts directly associated with the Ayrburn Screen Hub as an entity (i.e., it is not an indication of the Screen Hub's operation costs). The 'area spend' that has been modelled is spread across wages and salaries, and a range of local supplier businesses. Expenditure to hire building space at the Screen Hub forms part of that area spend and will cover the Screen Hubs operational costs, taxes and allowance for operator surplus – all built into the hire charges. It is therefore appropriate to consider the operational impacts as direct, indirect and induced spend in the region facilitated by the presence of the Project, noting that not all of that spend is necessarily net additional relative to the counterfactual.
52. The Property Economics report does not model any economic impacts outside of the region for their selected operational scenario (i.e. in the rest of New Zealand or for New Zealand as whole).<sup>29</sup> This does not mean that there is an absence of economic impacts (output and potentially employment) in the rest of the country attributable to the Project. However, only internationally financed productions (wholly or partly) would be net additional to the New Zealand economy (if

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<sup>28</sup> NPV annual average district impacts relative to district GDP of \$4,643m show a 1.53% increase during the capex period, decreasing to 0.82% increase during the first 10 years of operation.

<sup>29</sup> Although the Economic Report does exclude leakage of spending outside of Otago Region which is appropriate.

modelled).<sup>30</sup> At the national level, transfer effects and screen industry subsidies (rebates) would also need to be applied (subtracted).

53. Last, the Economic Report states that the “*assessment is not site specific, i.e., the EIA does not endeavour to identify the extent to which particular parts of the [the] region will benefit economically*”.<sup>31</sup> Property Economics go on to say that “*Although there are undoubtedly economic benefits that are specific to the location, they are primarily driven by proximity to transport corridors, efficiencies, ownership opportunities, site size, and the opportunity costs associated with other sites*”.
54. This is an appropriate caveat to state. The economic impacts reported are a function of the cost to develop the facilities and then the facilitated economic activity attributable to users of the facility over the medium term. Those impacts would not be sensitive to the location of the Project – i.e. if the same facility was built in another location in the district (with similar access and other locational attributes), the economic impacts and screen industry benefits would likely be the same.<sup>32</sup>
55. The Property Economic Report does not provide a specific discussion on benefits to economic wellbeing in the Region, focussing on just the regional economic impacts. While a portion (and potentially a large portion) of economic impacts can be said to contribute to economic wellbeing, a portion does not. It is therefore appropriate to consider economic benefits as being somewhat smaller than the monetised economic impacts.
56. I note that the stated significance of the regional and national benefits of the Project is not limited to the modelled (quantified) economic impacts. However, in so far as the modelled economic impacts are concerned, Property Economics concludes that they will be significant

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<sup>30</sup> That is, if the production would not have come to New Zealand if not for the Project.

<sup>31</sup> Economic Report, page 11.

<sup>32</sup> Any changes in slope, geotechnical conditions, infrastructure costs, environmental mitigations would influence the direct development costs.

for the Otago economy. I consider that the development of the Project (if fully developed) constitutes a significant development in the context of the district and region. Accounting for higher discount rate (and therefore slightly lower NPV), I agree that the additional economic output generated by the capex investment will have significant benefits at the regional level, but that the extent of that benefit is focussed on the QLD and only for the duration of the construction period (indicatively 3 years). QLD has a very large construction industry and workforce, and maintaining a strong pipeline of construction projects is critical to sustaining that industry (and the households linked to construction workers).

57. I do not consider that Property Economics can reliably conclude that the ongoing operation of the Project will have significant economic benefits on the regional economy. Even if fully constructed, demand and capacity for the adopted optimistic operational scenario (including changes over time) are uncertain and not supported by robust assessment. The net additionality of that spend is not considered and a higher discount rate further decreases the annual average and cumulative NPV. All considered, I consider that the economic output generated by the ongoing operation of the Project will be positive but it is unlikely to constitute a significant economic benefit at the regional level.

**Are there any material economic costs of the application and have these been adequately addressed in the Application. If applicable, are the net economic benefits still significant?**

58. The Planning Report states that *“No adverse economic effects are anticipated. The Proposal is expected to complement existing businesses, retain production spending that would otherwise leave the region, and increase the district’s attractiveness as a base for screen industry investment”*.<sup>33</sup> It is also expected to complement other facilities in the district/region. That is, there are no adverse effects on existing film infrastructure other than trade competition, which can be

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<sup>33</sup> Planning Report, page 87.

disregarded. The report also considers that there are no other upgrades on network infrastructure required, other than costs covered by the Applicant. The Property Economics report does not identify or discuss economic costs. I agree with the Planning Report that there are no material economic costs of the Project.<sup>34</sup>

**How do the proposed accommodation units contribute to the project's regional and national benefits??**

Accommodation Benefits as Distinct from Studio Benefits

59. The benefits of including co-located accommodation that is available to be booked by film production companies is well documented in the Application. While development of just the production/studio facilities (excluding the accommodation) could deliver positive regional benefits in my view (as it adds additional production infrastructure), the inclusion of adjoining accommodation further enhances those benefits (if it effectively meets the needs of film worker accommodation and/or office space).
60. Film and television productions normally have dedicated staff that find and manage accommodation for cast and crew. Having readily available accommodation in a single location close to the studios would be a clear advantage for production planning, logistics and crew cohesion, compared to the alternative of productions booking the Ayrburn studios accommodating their cast and crew in one or more hotels elsewhere in Queenstown.
61. Queenstown has a large and diverse range of commercial visitor accommodation and residential visitor accommodation. It is notable that the application contains no assessment of demand and capacity for visitor accommodation or demonstrates that there is a shortfall which the Project can help address. Despite the large volume of existing visitor accommodation in the district, I consider that there are likely to be challenges (not insurmountable) for productions in securing

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<sup>34</sup> Loss of plan enabled residential capacity is minimal. This conclusion takes into account the proposed conditions which help avoid, remedy, mitigate or offset externality effects.



sufficient accommodation in one place (or even spread across multiple places) for the duration of some larger production projects that Queenstown might otherwise attract. This was addressed in some industry letters of support. With sufficiently long lead times for those large scale accommodation bookings, I anticipate that those challenges would be reduced.

62. I also anticipate that these challenges that exist today are likely to increase over time as visitor counts in the district grow (as higher demand is likely to drive up prices). Long-term residential rentals are also in high demand and low supply in the district and among the most expensive in New Zealand so are not a practical solution (on scale) for productions looking for accommodation for several months.
63. Provision of accommodation as part of the facility would overcome these Queenstown challenges and I agree will be a key factor in attracting more production activity to the Region (over and above the attractiveness of a new studio comprising two sound stages and valuable supporting workspace).

Do the Accommodation Units Proposed Meet the Needs of Workers Accommodation?

64. I understand that non-local crew on film and television productions are typically provided with accommodation organised by the production, but alternatively, crew may take the accommodation supplement as cash and find their own accommodation. However, for studio-based projects, there is no precedent in New Zealand on how crew would weigh up accommodation provided adjacent to the film studio relative to other options where they may face additional travel costs. I expect that productions using the Ayrburn Film Hub in future would have a high take up of the accommodation on offer to cast and crew (for convenience reasons).
65. However, the Film Expert Report states that accommodation units with kitchens would be “*a definite attraction*” for workers<sup>35</sup> (particularly those

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<sup>35</sup> Film Expert Report, paragraph 53.

on longer projects). Longer projects are also likely to be the larger productions using the facility, with the highest relative worker accommodation demand. In light of this, it is not clear why 139 out of the 201 units proposed as accommodation for screen workers do not contain kitchens (69% of the units and 56% of the rooms).

66. I understood from the Application that a benefit of the Project is to provide a solution to production companies currently having to resort to hotel accommodation when based in the district to accommodate cast and crew. With two thirds of the proposed accommodation units (and just over half of the rooms) 'hotel-style' rooms (with no ability for self-catering), a substantial portion of the benefit of having adjoining accommodation is reduced to providing 'hotel-styled' rooms close to the studio and able to be bulk-booked. That is, for the standard rooms, production companies are still effectively booking a hotel for a portion of the cast and crew, albeit a conveniently located one.
67. In this regard, the Application does not contain any discussion or mechanism that indicates that the rooms with kitchens will be prioritised for production related bookings. It may be useful to clarify from the Application's film experts if production demand for accommodation is weighted towards self-catering or non-self-catering room types, or a mix of both.
68. By way of comparison, the workers accommodation units consented for Silverlight Studios were self-contained apartments. There were approximately 250 apartments proposed (with 314 bedrooms), which was estimated to accommodate a high share of on-site production crew in the short-term, but when additional sound stages were added (up to 10 across the site), the on-site workers accommodation would likely meet demand for around 20-30% of crew housing needs. It was intended to mitigate projected housing market impacts, not remedy them.
69. For the Silverlight facility, there was no accommodation reception building or ancillary hotel facilities like spas or breakfast services for use by crew. The accommodation was to be managed by the studio

(by the accommodation team based in the main studio office who would also assist other crew to find accommodation outside of the facility). The proposed apartments did not have the look or feel of the accommodation facilities proposed in the Ayrburn Screen Hub which I consider to be a hotel complex in design and function. If the production facilities/studio were theoretically excluded from the Project, what is left is a hotel complex, complete with hotel amenities. The only thing that operationally ties the accommodation to the studio is condition 68 which is effectively a supply agreement between the studio and the accommodation facilities.

70. A key difference of the Silverlight operational model (that has a bearing on the type and management of accommodation for production workers) is that the sound stages were to be leased on multi-year contracts (i.e. a 10 year lease) to one or more large international streaming production companies who would then use the facilities to rotate through multiple productions – ensuring that the facility was used as productively as possible. This approach of a ‘resident production company(s)’ created more long-term employment opportunities for crew (in addition to short-term crew and cast roles), which also made the ability for self-catering a more critical requirement for the worker accommodation.<sup>36 37</sup>
71. I agree that maximising occupancy of the accommodation units will be important for the commercial viability of the accommodation development. If the accommodation development is not commercially viable over the medium-long term, then a portion of the Project’s benefits will not be realised. On that basis, I agree that making rooms available for booking by tourists when not required by production companies (for offices or crew/cast accommodation) would help achieve a sustainable and consistent occupancy level (and return on

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<sup>36</sup> The Silverlight apartments were also proposed to be available for Film School students studying on-site, who would be there for extensive parts of the year.

<sup>37</sup> A small number of restaurants were also approved in the Silverlight development which would be available to crew and cast based at the facility. This is not dissimilar the adjacent Ayrburn Hospitality Precinct for the Project.

investment). Silverlight Studios sought a similar outcome for their consent, also citing commercial feasibility reasons.<sup>38</sup>

72. However, it was clearer in the Silverlight proposal that the periods and scale of vacancy would be more limited (such as when film students went home for the holidays, long-term crew took holidays, or periods between productions (where crew numbers were expected to drop and then build up slowly as new productions progressed).<sup>39</sup> The short term rental of those apartments was more akin to residential visitor accommodation and not commercial visitor accommodation as is the case for Ayrburn.
73. Ultimately, Silverlight's request for an ability to use vacant worker/student apartments for visitor accommodation was denied in the consent conditions – with worker accommodation use limited to crew, cast and film school students only. That Panel did not consider that the visitor accommodation "*would be consistent with the intended nature and character of the consented Film Studios Project*".<sup>40</sup>
74. There is no assessment in the Ayrburn ScreenHub Application on what accommodation occupancy film and tv production bookings might sustain, and therefore the role that public availability of accommodation units might play to achieve commercial feasibility (or even what threshold of occupancy would make it commercially viable). While the Economic Report adopts an 80% occupancy assumption for their modelling (discussed above), it is not clear if this related to a production only occupancy, or a mixed model and further clarity could be sought.<sup>41</sup>
75. It is observed that despite proposing to build a hotel complex (in look and function), albeit with a priority booking protocol for the adjoining studio, that the Application is silent on the benefits (or costs) of the

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<sup>38</sup> FTC000054 Decision, paragraphs 183, 188-190.

<sup>39</sup> FTC000054 Decision, paragraph 184.

<sup>40</sup> FTC000054 Decision, paragraph 253. While Silverlight Studios did not proceed, I do not consider that condition precluding residential visitor accommodation from underutilised apartments was a material factor in its overall economic viability.

<sup>41</sup> It is my understanding that 80% occupancy is ideal for commercial accommodation as higher occupancy rates make maintenance and repair scheduling difficult.

proposed accommodation for tourism in Queenstown and the wider region.

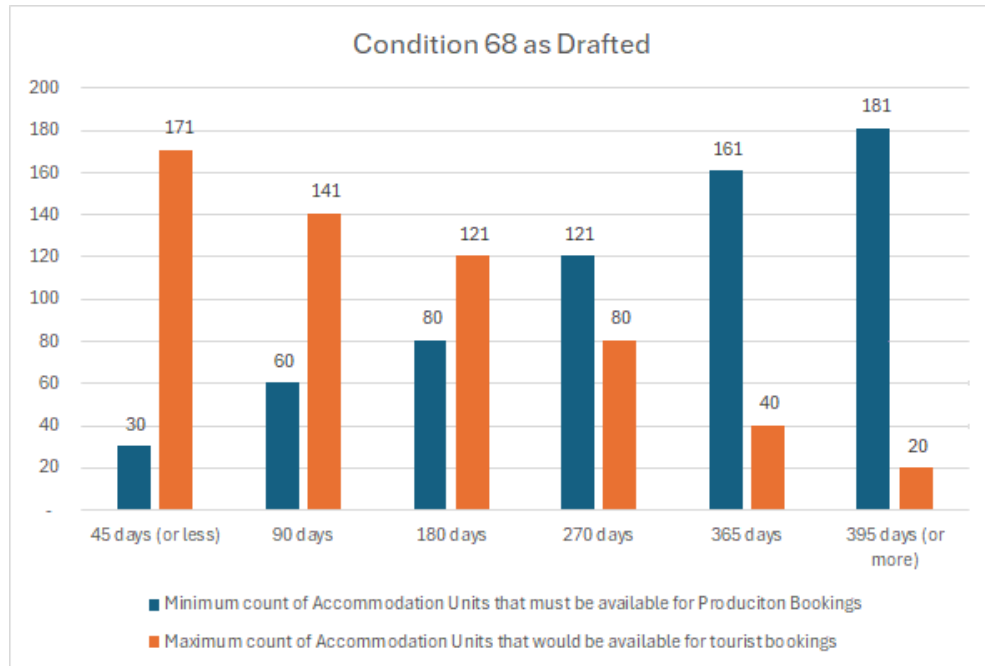
**How will the proposed accommodation on the Site operate relative to film and production activity and tourism activity? And does condition 68 and 69 adequately protect accommodation capacity for film and production activity?**

*Priority Studio Booking Arrangement*

76. Condition 68 is proposed to ensure a minimum amount of the accommodation units are available to be booked by production companies also wanting to book the studios/film facilities. As discussed above, a portion of the stated economic benefits stated for the Project, including benefits described in industry support letters, are contingent on the ability of production companies being able to access the accommodation they need.
77. It is not explicit in the Application that the 90% and 15% thresholds (for 395 day and 45 day advanced booking periods respectively) are fixed upper and lower thresholds. I have assumed that they are, and that the sliding scale only applies within these thresholds. This may warrant confirmation. Further, it may be clearer to state '45 days or less' and '395 days or more' if that is the intent.
78. On the basis that they are fixed upper and lower limits, the Application therefore provides for a minimum of 30 accommodation units for production-only booking and use year-round (i.e.  $15\% \times 201 = 30$ ). That is, at short notice, a minimum of 30 units will be available, increasing to a minimum of 181 units if booking more than a year ahead. At the other end of the scale, the Application provides up to 20 accommodation units for tourist booking and use year-round (i.e.  $100\% - 90\% = 10\% \times 201 = 20$ ). That is, at sufficient long notice, up to 20 units could be available for tourists, increasing to a maximum of 171 units if bookings are made at short notice (i.e. up to 45 days in advance).

79. Figure 1 translates the proposed condition thresholds into the actual count of accommodation units (based on 201 in total), and includes the counterfactual thresholds which are maximum amounts of accommodation units available to be booked by visitors at those same booking lead-times.

*Figure 1 – Proposed Condition 68 – Count of Protected Accommodation Units*



80. The effect of this condition is such that:
- (a) Production Booking Strategy: The larger the scale of the production (wanting to use the facility), the earlier they will need (or be encouraged) to book in advance in order to secure accommodation in addition to the studio facilities (assuming that there is a relationship between production scale and accommodation needs). Conversely, smaller scale productions may be able to book the facilities (and some accommodation) closer to the time that it is needed on the basis that their lower accommodation needs are still likely to be protected by the condition.
  - (b) Tourist Booking Strategy: The Applicant (operator) will need to target short term (near future or spontaneous holiday/trip

bookings) as this is where they have the most capacity to work with. This would work well with business travel also, which tends to be more short notice. It would also work well if targeting people planning to attend events in the district if they are advertised only a few months ahead of the fixture. The operator will need to take a cautious approach to accepting too many long-term bookings (particularly 6 or more months in advance) if it is to avoid exceeding the conditions of consent.

81. It is my understanding that booking sound stages/studios for large or high value<sup>42</sup> productions are likely to be something that *is* planned well in advance and so the condition is expected to work effectively for that purpose over the long term operation of the facility. In other words, the outcome may be no different than if the accommodation was for the exclusive use of users of the studio. This is particularly the case if the facility's reputation builds in the market to the extent that production companies end up becoming 'slot takers' if demand in the future outweighs capacity.
82. It is important to understand that condition 68 (as drafted) is not a reflection of potential tourism use of the accommodation facility. During periods when both of the studios are booked, even bookings that may be a year out, the studios will not be available for any other production bookings in that period and therefore the accommodation units not also booked by the production(s) would be fully available for tourism bookings (well in advance or at short notice), and condition 68 will not apply during that time as it is only forward looking. On any given day, accommodation units may be 100% occupied by production activity or 85% occupied by tourism activity.<sup>43</sup>

#### Effectiveness of Condition 68 Prior to All Accommodation Units Completed

83. I am not certain that the condition works well for the first year of operation. The timing of when the percentage thresholds start to apply

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<sup>42</sup> Based on area spend.

<sup>43</sup> This relies on my assumption that the 15% threshold is for 45 days or less.

is unclear. Unless the Applicant is able to secure contracts for the studio (in part or in whole) well in advance of when the facility is operational and able to be booked, bookings in the first year (also looking to commence in the first year) may find that the minimum share of accommodation units made available to studio users is not sufficient.

84. For example, a booking made on the first available day of booking (i.e. day one of operation) for a commencement within 180 days of the booking (taking advantage of the fact the facility is new and vacant) may have only 40% of accommodation units available to them (i.e. a minimum of 80 units, with the balance – a maximum of 121 units - *potentially* already booked out for tourists (and still complying with the condition).
85. It is also not clear how effective condition 68 will be in conjunction with any phased development of the sound stages and accommodation units. It appears from condition 67, that one sound stage may be available for booking before there is any accommodation built and available.<sup>44</sup> I.e. a studio only booking. This seems a sound approach to start generating income from the sound stage and workshop space and will immediately start generating positive benefits to the region. Any bookings during that phase may need to direct accommodation demand outside of the development.
86. The second sound stage – if not completed prior, must be constructed as part of a stage that occurs after the first 100 accommodation units have been completed (condition 67b). This suggests that prior to the second sound stage being constructed, there would be period when the first sound stage will be able to be booked when there is a minimum of 100 accommodation units completed on site (increasing incrementally over time). Alternatively, if the second sound stage is completed prior to 100 accommodation units being ready, that the two sound stages will compete for access to those 100 (or more) accommodation units.

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<sup>44</sup> This would assume that construction noise on the rest of the site did not create any issues for production companies.



87. However the phasing/staging of studios and accommodation plays out, condition 68 may, in the period before all construction is complete, mean that a much smaller number of accommodation units are available to be booked by production companies. Using the same example above, 40% of 100 built units (for example) is only a minimum of 40 of those units protected for production companies.
88. To achieve the benefits of including accommodation adjacent to the production facilities while accommodation units are being progressively completed, (and attracting productions that might not otherwise come to the district as per the purpose of the Project), consideration should be given to more conservative percentages than those in condition 68 (that will protect more accommodation units for production bookings) in years 1-3 (or however long it actually takes to complete development of the Project in full).<sup>45</sup> This new/modified condition could also take into consideration concerns raised in paragraph 83 above.

Wording of Condition 68 Limited to Studio Bookings

89. The letter of support from Paul Yates<sup>46</sup> (and others) indicates that while some productions taking place in (and around) Queenstown may not have need for studios (if they are filmed primarily on location or are TV commercials), that access to workshops, office space, and crew accommodation (in a single location) would be highly advantageous. While I consider that the proposed facility would look to accommodate such bookings where possible, it is not clear how condition 68 specifically protects accommodation capacity (which includes office capacity as a potential use of accommodation units in Buildings B1 and B2) for that sort of future demand given the wording that protects accommodation capacity only for studio bookings.
90. Given that on-location filming will continue to be a key feature of production activity taking place in the district, providing infrastructure at the Ayrburn Screen Hub for this part of the production market would be an important way that the proposed facility helps grow and support

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<sup>45</sup> Or linked to different quantities of completed units if this provides more certainty than construction timing.

<sup>46</sup> Consultation Summary Report, page 133

the local production sector. I therefore recommend that the wording of condition 68 be amended to relate to film and television bookings of all sorts, which may or may not include studio use.

#### Effectiveness of Condition 69

91. Condition 69, as I understand it, is to demonstrate to the Council that condition 68 is being complied with. As currently drafted, the focus is demonstrating the amount and timing of the rooms booked/occupied by film productions. It is not necessary to prove how successful the accommodation facilities are at securing production bookings.<sup>47</sup> Rather, I consider that it is only necessary to be able to demonstrate to Council that tourism bookings (out front) do not exceed the thresholds. I anticipate that being able to periodically show tourism unit bookings for the next 395 days (for example) do not exceed those thresholds is what is most relevant.<sup>48</sup>

#### **Conclusions on economic effects of the Project and recommendations for further information and amended conditions**

92. Overall, I consider that the addition of screen production infrastructure in the region (sound stages, flexible workshop space and back-lot as proposed) would have moderate regional economic benefits if delivered when compared with the status quo. These moderate benefits relate to the positive effect the additional infrastructure could have on Otago's reputation as a place for production activity.
93. The provision of accommodation adjacent to the production facilities will be, as I understand it, a first-of-its-kind offering in New Zealand and is especially beneficial in the QLD given potential challenges of securing residential or commercial visitor accommodation at scale throughout the year at short to moderate notice for small to medium sized productions or for large productions, even when booked well in advance.<sup>49</sup> The adjoining accommodation units enhance the ability to

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<sup>47</sup> Although this may be interesting to monitor for other reasons, including reviewing the effectiveness of condition 68 in the future.

<sup>48</sup> The same forward dates (45, 90, 180, 270, 365, 395 days) could be highlighted for ease of review by compliance officers.

<sup>49</sup> QLD doesn't really have a low season anymore.

attract productions that would not otherwise come or to the region, including production activity that requires studio facilities in addition to location shooting. It could help expand the range and duration of screen production activity that occur in the region each year. As such, the provision of adjoining accommodation further enhances the economic benefits that could be achieved.

94. I consider that the quantified economic impacts (output and employment) may be overstated, particularly for the ongoing operation of the screen hub. If fully constructed as proposed (and in the three years indicated), I consider that the economic benefits generated by the capital investment would deliver significant short-term benefits to the region. Assumptions relied on for the operational impact are not always clear and are contingent on achieving an optimistic but unverified demand scenario where facilitated activity grows over time. I consider that there is insufficient evidence to confirm significant regional economic benefits from the ongoing operation of the Project.
95. While the accommodation units are available for workers (crew and cast) of production activities booking the studio spaces, I would not categorise the proposed accommodation as 'workers accommodation'. Nor does the Application describe it as such. Equally, the Application does not describe the accommodation as a hotel.<sup>50</sup> This does not change the fact that the accommodation facilities look and function as a comprehensive hotel complex capable (hypothetically) of being booked to 85% occupancy by tourists on any given day if there are no production related accommodation unit bookings.
96. I agree that enabling tourism use of accommodation units not booked or used by production activities would reduce investment risk and ensure more consistent occupancy levels. The extent to which tourism use is required for commercial feasibility has not been clearly established. While the inclusion of accommodation is stated as being core to the economic benefits of the Project, I do not consider that it is the "screen hub" that has driven the need for a hotel complex per se.

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<sup>50</sup> Although this was the case in the referral application.

The hotel facilities (wellness centre and reception building) appear to be driven primarily by the tourism accommodation use, despite being portrayed as a secondary use of the facility and not its core purpose.

97. In my view, the Project is more accurately described as delivering a film studio and a hotel, with a supply agreement in favour of long-term production bookings. Only the economic benefits of the potential future production activity (inclusive of accommodation demand) have been assessed in terms of operational effects, with no tourism benefits assessed or stated.<sup>51</sup> Other forms of workers accommodation (than a hotel complex), including a lesser number of units, may have achieved the same or similar economic benefits in my view. No alternative options to provide on-site accommodation (even if those options were discounted by the Applicant) have been discussed. Other forms of worker accommodation capacity may still have benefited from alternative (tourist) revenue streams in some form but this may have been less critical to overall commercial feasibility than the proposed development.
98. Based on my assessment of the Application, the following are my recommendations for amendments to the proposed consent conditions (some of which have been alluded to above). In my view, these amendments more closely align the accommodation provision on the Site with the functional and operational needs of an integrated screen production studio and the stated intent of the Project. I do not consider that such amendments would materially affect commercial viability of the accommodation facilities.
  - (a) Condition 68 should (for clarity and ease of compliance monitoring) include the counts next to the percentages and include “or less” and “or more” for the lower and upper thresholds.

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<sup>51</sup> This may be entirely appropriate if the tourism accommodation is just a reallocation of demand that would otherwise be met within Queenstown.

- (b) The merits of changing Condition 68 to apply to bedrooms instead of units should be considered as rooms is likely to be a more accurate reflection of production company demand/needs.
- (c) Consideration should be given, subject to industry expert advice, on whether the priority booking for production companies should apply first to self-catering units/rooms and then standard rooms to make up the balance of the threshold to ensure that the accommodation capacity is best aligned with the needs of production workers.
- (d) If the purpose of the accommodation is “*integral*” to the studios as stated, then consideration should be given to the 365 and/or 395 day thresholds being increased to 100%. Else, justification should be provided as to why retaining the opportunity for a number of accommodation units for long term visitor bookings (a year or more in advance) aligns with the intent of only using the accommodation units for tourist when not needed.
- (e) Consideration of how condition 68 will be effective (for the benefit of production activity) during the construction period when the full number of accommodation units has yet to be reached. This may require a condition for each period (construction period and fully operational period).
- (f) Consideration should be given to a condition that prioritises buildings B1 and B2 to maximise the utility of the Screen Hub as soon as practicable.
- (g) The wording of condition 68 should be amended to decouple the priority booking for production activities in the region to only those bookings that include the studio. This will protect accommodation capacity for other types of production activity that may require office and accommodation rooms, but not the studio per se.
- (h) Condition 69 could be amended to monitor compliance of tourism bookings (ensuring they don’t exceed the minimum thresholds required to be protected for production bookings).

- (i) An alternative approach would be to make buildings B1 and B2 only available to screen production activity and adjusting condition 68 to relate only to 'C' buildings. This may mean that the percentages could change to account for the accommodation units (or rooms) already secured in B1 and B2. I consider that there could be greater economic benefits of this outcome whereby, the studio facility can be marketed as inclusive of those buildings (increasing the critical mass of the production area as portrayed by the precinct plan but not secured through any conditions), production companies benefit from the rooms closest to the studio being assured at all times, and local screen companies may see value in 'leasing' office space/rooms long-term to be actively part of the hub environment (and creating agglomeration benefits by given the local industry a central base).
99. Last, the Application states that production activities outside of Monday-Friday (0800-1845) "*will occur only occasionally*".<sup>52</sup> While I know that the design of the production facilities has been developed in collaboration with industry experts, I observe only that these time frames for production activities in the studios/back-lot do not match information advised for the proposed Silverlight Studio development. It is my understanding that production activities are carried out very intensively, often for longer than average days and often 7-days a week. The following was the consent condition for hours of operation for the Silverlight Studios FTC000027 consent that reflected this.

**Hours of Operation - Operational**

19. The consent holder must ensure that activities undertaken on the site comply with the following hours of operation:

Activity	Hours of Operation (7 days per week)
Film Making and Set Construction within the Sound Stage Lot	Up to 24hrs per day
Production Offices	Up to 24hrs per day
Temporary Filming on Back Lots	Up to 24hrs per day (subject to limitations set out in the Temporary Filming Management Plan)

<sup>52</sup> Planning Report (18 November 2025), page 35.

100. The hours of operation may be a matter that requires further testing for this Project.

Dated 17 December 2025

Natalie Hampson