

21 January 2026

ECONOMIC MEMORANDUM

To: **Waterfall Park Developments Limited**

c/- Lauren Christie

General Manager Queenstown

Winton

Email: [REDACTED]

RE: **AYRBURN SCREEN HUB ECONOMIC RESPONSES**

INTRODUCTION

This memorandum is filed in response to comments on the economic analysis on the Ayrburn Screen Hub fast track application in Queenstown. The following represent what are considered the key relevant questions raised in the submissions on economic matters.

1. The Suitability Of The Inputs And Assessment Approach:

While there is agreement from Ms Hampson (paragraph 28) regarding the methodology utilised in the assessment¹, both the evidence of Ms Hampson (specifically paragraph 23) and to a lesser extent the comments of Mr Dougherty raise specific matters regarding the inputs into the economic modelling including:

- a) The potential to include the updated recommended Treasury discount rates;
- b) The optimism of the operational scenario utilised in the economic assessment (both in terms of base activity levels and potential levels for growth);
- c) The inclusion of the accommodation operation in addition to the production area spend.

2. Construction Impacts

It is important to note that, in terms of this economic impact, in paragraph 56 Ms Hampson agreed that the construction of the proposed screen hub would have regionally significant impacts.

Property Economics found these to be approximately \$258m regionally over a 3-year development period utilising Treasury's recommended 6% discount rate (NPV) at the time. More recently, Treasury has recommended a generalised 8% rate with a 2% sensitivity for commercial projects.

Table 1 below outlines the changes to the construction economic impacts considering this updated NPV range. The 6% NPV figures are included for comparative context.

¹ That being the use of I-O modelling and the inclusion of direct, indirect and induced impacts.

Table 1: Regional Economic Impact of Construction (including 8 and 2% discount rates.

		2026	2027	2028	Total
Total QLD Output NPV	(6%)	\$44.2	\$125.6	\$42.8	\$212.6
Total Regional Output NPV	(6%)	\$52.7	\$152.7	\$52.2	\$257.6
Total QLD Output NPV	8%	\$44.2	\$122.9	\$41.0	\$208.1
Total Regional Output NPV	8%	\$52.7	\$149.5	\$50.0	\$252.2
Total QLD Output NPV	2%	\$44.2	\$130.9	\$46.5	\$221.6
Total Regional Output NPV	2%	\$52.7	\$159.2	\$56.7	\$268.6

Source: Property Economics

This indicates that under an 8% discount rate the total regional impact of construction would be approximately \$252m with a range extending to \$268m under a 2% rate. The use of either of these discount rates does not materially change the level of economic impact (given the relatively short timeframe for construction), nor the regional significance of this aspect of the development.

3. [Operational Impacts](#)

The operational Impacts are additional to the construction impacts identified above. A number of matters were raised in relation to this activity that are responded to below.

The original analysis undertook an impact assessment based on the 'upper range' of the level of activity. This provided a regional impact of approximately \$462m over a 10-year period. Additionally, the analysis included the operational impact of the proposed accommodation as an additional line item. Upon clarification, it has become apparent that this aspect of the impact was inherently included in the production area² spend for the associated scenario. It is therefore prudent to exclude this as a separate line item from Table 3 in the report.

The following represents sensitivity tests based on the following variables³ including:

- A lower range scenario of \$31.5m in spend proportionalising expenses.
- The removal of 'accommodation' as a separate line item.
- A growth rate of 5% over the first 5 years falling to 1% subsequently
- The assessment of an 8 and 2% discount rate.
- Operations (in full) do not start till 2029.

The original scenario is included as Scenario 1 (with 6% discount rate) for comparison. Scenarios 2-6 all exclude accommodation.

² Area spend is defined as spend from production that is spent in the Queenstown and Otago area

³ The appropriateness of these factors is considered in the response of Mr Gibson section 2.4

Table 2: Updated High Operational NPV Scenarios

HIGH OPERATIONAL SCENARIO											
	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	Total
Studio (Total Production Spend)	\$65.5	\$68.8	\$72.2	\$75.8	\$79.6	\$83.6	\$84.4	\$85.3	\$86.1	\$87.0	\$788.4
Other	\$1.3	\$1.4	\$1.5	\$1.6	\$1.7	\$1.8	\$1.9	\$2.1	\$2.2	\$2.3	\$17.8
Total Regional Output NPV (6%)	\$41.3	\$41.2	\$41.1	\$41.0	\$40.8	\$40.7	\$40.5	\$40.3	\$40.2	\$40.0	\$407.2
Studio (Total Production Spend)	\$65.5	\$68.8	\$72.2	\$75.8	\$79.6	\$83.6	\$84.4	\$85.3	\$86.1	\$87.0	\$788.4
Other	\$1.3	\$1.4	\$1.5	\$1.6	\$1.7	\$1.8	\$1.9	\$2.1	\$2.2	\$2.3	\$17.8
Total Regional Output NPV (8%)	\$40.5	\$39.5	\$38.5	\$37.6	\$36.7	\$35.8	\$34.9	\$34.0	\$33.1	\$32.3	\$362.7
Studio (Total Production Spend)	\$65.5	\$68.8	\$72.2	\$75.8	\$79.6	\$83.6	\$84.4	\$85.3	\$86.1	\$87.0	\$788.4
Other	\$1.3	\$1.4	\$1.5	\$1.6	\$1.7	\$1.8	\$1.9	\$2.1	\$2.2	\$2.3	\$17.8
Total Regional Output NPV (2%)	\$42.2	\$44.8	\$46.5	\$48.4	\$50.3	\$52.3	\$54.3	\$56.3	\$58.5	\$60.7	\$514.3

Source: Property Economics

Table 3: Updated Low Operational NPV Scenarios

LOW OPERATIONAL SCENARIO											
	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	Total
Studio (Total Production Spend)	\$31.5	\$33.1	\$34.7	\$36.5	\$38.3	\$40.2	\$40.6	\$41.0	\$41.4	\$41.8	\$379.1
Other	\$1.3	\$1.4	\$1.5	\$1.6	\$1.7	\$1.8	\$1.9	\$2.1	\$2.2	\$2.3	\$17.8
Total Regional Output NPV (6%)	\$20.3	\$20.2	\$20.2	\$20.1	\$20.1	\$20.0	\$20.0	\$19.9	\$19.8	\$19.8	\$200.5
Studio (Total Production Spend)	\$31.5	\$33.1	\$34.7	\$36.5	\$38.3	\$40.2	\$40.6	\$41.0	\$41.4	\$41.8	\$379.1
Other	\$1.3	\$1.4	\$1.5	\$1.6	\$1.7	\$1.8	\$1.9	\$2.1	\$2.2	\$2.3	\$17.8
Total Regional Output NPV (8%)	\$19.9	\$19.4	\$18.9	\$18.5	\$18.0	\$17.6	\$17.2	\$16.8	\$16.4	\$16.0	\$178.5
Studio (Total Production Spend)	\$31.5	\$33.1	\$34.7	\$36.5	\$38.3	\$40.2	\$40.6	\$41.0	\$41.4	\$41.8	\$379.1
Other	\$1.3	\$1.4	\$1.5	\$1.6	\$1.7	\$1.8	\$1.9	\$2.1	\$2.2	\$2.3	\$17.8
Total Regional Output NPV (2%)	\$21.2	\$22.0	\$22.9	\$23.8	\$24.7	\$25.7	\$26.7	\$27.8	\$28.9	\$30.0	\$253.7

Source: Property Economics

NB: the original Table 3 in Property Economics' EIA did not sum the working rows, but for clarification this did not affect the overall impact totals.

The table above outlines the potential impacts from the various scenarios. The range provided indicates that, with a growth rate of 5% (first 5 years) to 1% p.a. (last 5 years) the high scenario ranges from \$363m (8%) to \$514m (2%) over 10 years, with the low range scenario ranging from \$178m (8%) to \$254m (2%) over the 10-year period.

In considering the significance of this in terms of the regional economy, an important consideration is that this activity is considered net to the current regional activity and therefore represents growth that is unlikely to otherwise occur.

4. Tourism Benefits

The economic benefits identified and assessed above does not consider the material benefits that accrue from improved tourism as a result of increased profile from screen productions overseas.

According to estimates tourism expenditure linked to screen content results in around \$2.7b annually for New Zealand⁴.

Phil Osborne / Tim Heath

Directors

⁴ <https://www.nzfilm.co.nz/news/lights-camera-impact-the-role-of-screen-production-in-shaping-new-zealands-economy-and-culture>