

**BEFORE THE FAST TRACK PANEL**

**IN THE MATTER OF**

an application for approvals under section 42 of the Fast Track Approvals Act 2024 (“**FTAA**”)

**AND**

**IN THE MATTER OF**

the application for approvals by Waterfall Park Development Limited for the Ayrburn Screen Hub Project (“**Project**”) (FTAA 2508-1093).

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**JOINT WITNESS STATEMENT**

**(Economics)**

**Dated 16 January 2026**

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### **Introduction**

1. On 9 January 2026, initial expert witness conferencing occurred in relation to economic matters. The Joint Witness Statement (“**JWS**”) was finalised on the 16<sup>th</sup> January 2026 after further communication between the experts.
2. The conference attendees were:
  - (a) Phil Osborne (Applicant) – “**PO**”;
  - (b) Tim Heath (Applicant) – “**TH**”; and
  - (c) Natalie Hampson (Jan Anderson and David Kidd) – “**NH**”.
3. The session was not facilitated.

### **Code of Conduct**

4. The experts confirm that they have read the Code of Conduct for Expert Witnesses contained in the Environment Court Practice Note 2023 and agree to comply with it. The experts confirm that the issues addressed in this JWS are within their area of expertise, unless stated otherwise.

### **Scope**

5. Phil Osborne and Tim Heath of Property Economics prepared an economic report appended to the Project’s application dated June 2025. Natalie Hampson provided a statement of evidence dated 17 December 2025 which supported section 53(2)(h) comments on behalf of Jan Anderson and David Kidd.
6. The panel also requested the conference attendees provide comments on any relevant economic matters raised in the statement of Mr P. Dougherty. This is a separate section towards the end of the JWS.
7. Given the sequencing of expert conferencing in advance of any Applicant responses to comments, there has been no further clarification or narrowing of issues or uncertainty. On that basis, the issues on which there is some disagreement and which have been identified as forming the agenda for the conferencing have been drawn from points raised in Ms Hampson’s evidence

Modelling approach and interpretation of results

- (a) How have economic impacts been modelled and what units of measurement (i.e., output, value added/GDP, employment) are most relevant to understanding economic benefits of the project?

*PO and TH: The most relevant economic impacts under the FTAA include the impacts on regional GDP as well as employment. As identified, these are represented as gross figures, as there may exist supply-side constraints that could result in some employment being redistributed from less productivity (lower wage based) sectors. The increased value of this component of the employment would be based on the increased household income. PO and TH confirm the output in their economic impact modelling is in the form of value added to GDP.*

*NH: Agrees that GDP (or value added) and employment are the most relevant and useful indicators for measuring economic impacts. Further, she agrees that Input-Output multiplier analysis, such as adopted in the Economic Impact Assessment Report (“EIA”), provide measures of gross GDP and employment as supply side constraints are not typically captured in multipliers. This can mean that economic impacts can be overstated (and the extent of any over-statement will depend on economic context).*

*NH accepts PO and TH’s clarification that “output” in their report is in fact value added as this was a point of confusion.*

- (b) What is the appropriate discount rate to apply to the modelled economic impacts? What implications does a different discount rate have for Net Present Values?

*PO and TH: Treasury’s recommended figure at the time the EIA was undertaken was 6%. Subsequently, Treasury has updated its recommendation for commercial developments to an 8% discount rate with a 2% sensitivity. The 8% discount rate would result in a slight fall in the reported economic benefits, while the 2% sensitivity would increase the level of economic benefits.*

*PO and TH will run the economic impact model with the latest 8% and 2% discount rates and incorporate the outcomes as part of the applicant's response to the panel. The outputs of this updated impact modelling were not completed at the time of compiling this JWS.*

*NH: supports the re-running of the model with the latest discount rates.*

### Operational Scenario Assumptions

(c) How has 'area spend' information provided by the Film Expert been used in the economic modelling in terms of:

(i) the scenario of potential studio use adopted,

*TH and PO: This is the result of the applicant's industry expert, at the time of assessment, indicating that \$65.5m area spend was an appropriate scenario to model. However, PO and TH consider a more conservative scenario as identified by Mr Gibson (and Ms Hampson) would provide a balanced range within which the annual studio spend range is likely to fall.*

*NH: Disagrees that the industry expert's report can be interpreted as saying that the \$65.5m area spend scenario was the likely scenario. Likely scenarios were set out in that report, with the \$65.5m area spend scenario being an unlikely but optimistic scenario. NH maintains that the likely scenarios should have been modelled instead, or in addition to the optimistic scenario and supports the modelling of additional scenarios.*

(ii) how the scope of the area spend has been interpreted, and how this relates to 'accommodation' and 'other' expenditure in the operational impact model,

*TH and PO: This query required further clarification from the industry expert (Mr Gibson) on how he had categorised non-studio related accommodation (and 'other') spend. He clarified this spend was incorporated into his studio production area spend. This requires the impact model to be re-run to ensure*

*spend is allocated appropriately. The outputs of this updated impact modelling were not completed at the time of compiling this JWS but may form part of the applicant's response to the panel.*

*NH cannot comment further until revised results and associated explanation are available.*

- (iii) what that area spend represents in the modelling (i.e. whether it is spend in the region facilitated by the screen hub or represents expenditure at the screen hub), and

*TH and PO: In terms of how this information is utilised it is assumed the 'area spend' represents spend from the activities that would be accommodated at the studio. This is the total direct spend through the activities attracted.*

*NH agrees that the area spend is spend in the region facilitated by the presence of the Screen Hub, of which a portion will be paid to the operators of the Screen Hub (for venue hire, inclusive of accommodation) and a portion will be spent as wages of crew and payments to supporting businesses elsewhere in the region. NH remains unclear how the accommodation and other spend rows in Table 3 of the EIA should be interpreted (i.e. what this direct spend represents, and by whom). NH considers that the Panel would benefit from further explanation of these assumptions. Alternatively, it may become clearer when TH and PO update their modelling.*

- (iv) the assumptions made on what spend is net additional to the counterfactual of no screen hub,

*TH and PO: It is our understanding, and an assumption within our economic impact modelling, that this activity would not otherwise locate in the Region without the proposed facilities and therefore represents a net gain. Hence the counterfactual is that this activity is lost to the Region.*

*NH: accepts that as an assumption but considers that further information from the industry expert would assist in validating that assumption.*

#### Extent of Economic Benefits

- (d) How should modelled employment impacts be interpreted and what is the extent of the employment benefits of the Project?

*TH and PO: As identified these are gross impacts (e.g. factors such as supply-side constraints have not been factored in) with factors such as resource utilisation rates, productivity levels and general market conditions contributing to overall impacts (generally identified in the report). On the whole the employment levels indicated are those required to supply the level of activity from both the construction and on-going impacts of operations.*

*NH: Agrees with this explanation and maintains that this means that direct, indirect, induced employment impacts represent a likely mix of sustained existing jobs and new jobs.*

- (e) What are the economic costs of the Project?

*TH and PO: Any consent that alters land use results in the potential to forego the existing use, however it is TH and PO's opinion that this opportunity cost is likely to be minimal. Additionally, there is the potential for infrastructure costs to fall on the community. TH and PO are currently unaware of any specific costs beyond those that would be met through the rating mechanism.*

*NH agrees that the opportunity cost for any lost primary production occurring on the rural land would be minimal. NH has not specifically considered infrastructure requirements of the Project. NH notes that providing a large-scale hotel complex on the site will disperse tourists by adding another location where visitor accommodation is provided in the district. This represents an opportunity cost of increasing visitor accommodation capacity in existing (and more accessible) locations*

*anticipated by the district plan, and where tourism needs, and externalities, can be more efficiently met/managed.*

- (f) What is the extent and significance of the Project's regional benefits?

*TH and PO: The economic benefits attributable to this project fall in two categories. The first, being the economic impacts of the project's construction and development, this aspect of the project is considered significant with regional benefits of \$258m supporting 1,890 FTE years over the 3-year development timeframe. In considering the potential range of extent of impacts for the on-going operations under the preceding considerations, TH and PO consider these benefits have the potential to range from moderate to significant given the unique nature of the activities and their economic extent.*

*NH agrees that construction benefits likely constitute significant regional benefits and are short term. NH does not consider that the economic modelling has demonstrated that operational economic activity will be of significance in the context of the district and regional economy. The additional modelling required, as discussed by PO and TH above, indicates that there remains some uncertainty as to what those gross operational value added and employment impacts will be.*

- (g) What is the extent and significance of the Project's net national benefits?

*TH and PO: It is TH and PO's position that while there may be national economic benefits arising from the proposed activities, they are less likely to reach the threshold of nationally significant.*

*NH: Agrees that the Project does not deliver significant national benefits.*

#### Response to Mr Dougherty's Evidence

- (h) *TH and PO consider the evidence of Mr Dougherty raises similar economic queries to Ms Hampson which have already been addressed in this JWS.*

- (i) *NH considers that a number of Mr Dougherty's high-level concerns align with points set out in her evidence. This includes general points relating to the relevance of recent declines in demand on the selected operational scenario (including growth assumptions) modelled in the EIA, insufficient detail in the EIA to fully understand assumptions and the significance of regional benefits, and the potential for regional impacts reported in the EIA to be overstated.*
- (j) *NH agrees in part with Mr Dougherty's recommendation (at paragraph 7.3) to restrict the use of buildings B1 and B2 to offices and not full accommodation. Removing these buildings from the pool of tourism accommodation was proposed in her evidence to expand the utility of the screen hub, provide certainty to the production market that these facilities formed part of the screen hub, and to potentially enable other local screen production service providers to establish a permanent base at the Screen Hub. However, NH considers that it would be appropriate for these buildings to maintain flexibility for office or crew accommodation use as required.*
- (k) *NH does not agree with Mr Dougherty's suggestion for a 10% discount rate (at his paragraph 30.4). NH considers that the Treasury guidance of an 8% discount rate for commercial developments is sufficient.*

*TH and PO agree with Ms Hampson, albeit the Treasury guidelines for commercial developments provide a discount rate sensitivity range of 8% and 2%. This range is considered the more appropriate discount rates to apply.*

- (l) *NH does not agree with Mr Dougherty (at paragraph 30.7.1) that the economic analysis should have considered negative impact on competing businesses (Remarkables Studio and potentially Silverlight). This would amount to trade competition and is not to be considered under the RMA. However, I agree that that it valid that alternative capacity provided by Remarkables Studio would need to be taken into consideration when considering the demand scenario for the Ayrburn Screen Hub. It remains unclear if this has been factored into the film expert's operational scenarios.*

*TH and PO: As indicated earlier, it is our understanding, and an assumption within our economic impact modelling, that this activity*

*would not otherwise locate in the Region without the proposed facilities and therefore represents a net gain.*

*TH and PO agree with Ms Hampson that consideration of negative impacts on trade competitors is not a requirement under the FTAA or RMA.*

*TH and PO consider the following questions were not relevant to this JWS as they were not the relevant experts to address the query or did not relate to work undertaken by TH and PO in their EIA.*

Matters unable to be discussed during conferencing

- (m) NH records that several additional points of disagreement or uncertainty raised in her evidence, and that related to content in the EIA report or stated economic benefits in the EIA or Application, were put forward for discussion during conferencing. These additional points were:
- (i) How does the 80% occupancy of accommodation units assumed in the modelling relate to the modelled operational scenario?
  - (ii) Is the assumption of operational scenario spend increasing each year in the economic model robust? What factors will drive annual growth?
  - (iii) How has incomplete studio and overall site construction been taken into account in the operational scenario modelled in year 3 of the economic model?
  - (iv) Is avoiding additional pressure on housing supply a valid economic benefit of the Project based on available information?
  - (v) What impact will recent decreases in international production studio demand in New Zealand have on the stated economic benefits of the Project?
  - (vi) Do the proposed consent conditions ensure that the stated economic benefits of the Project will be delivered?

**Joint Witness Statement Signatories**



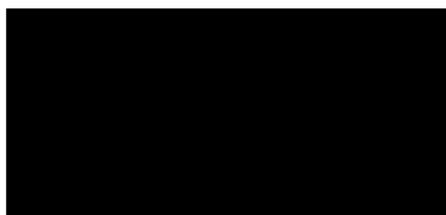
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Natalie Hampson



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Phillip Osborne



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Tim Heath