Mike Collins
Chief Executive Officer
Mobile: [redacted]
Email: [redacted]

Invitation to Comment

Bendigo–Ophir Gold Project (FTAA-2507-1089)
Fast Track Approvals Act 2025

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Executive Summary

Business South represents a diverse membership across the Central Lakes region with differing views on this proposal. This submission does not advocate for or against approval. Our role is to present a balanced view of both the opportunities and risks, to support evidence-based decision-making that reflects the long-term interests of the wider business community.

The Bendigo–Ophir Gold Project presents both a material economic opportunity and a set of identifiable risks. The potential contributions to regional GDP, export revenue, employment, and supply chain activity are significant. At the same time, there are environmental, sectoral, and social considerations that require careful assessment.

The key consideration for the Panel is whether the potential benefits and risks can be appropriately balanced, and whether the project can be developed in a way that supports both new economic activity and the ongoing success of existing industries.

Three questions are central to the Panel's decision:

1	To what extent can the project deliver sustained economic benefits for the region, including employment, investment, and business growth?
2	Can the project operate alongside existing industries, including viticulture, horticulture, and tourism, in a way that maintains confidence in environmental quality and regional reputation?
3	Are the environmental and operational risks able to be effectively managed through appropriate mitigation, monitoring, and long-term safeguards?

A number of businesses and sectors, including wine and tourism, have indicated they do not yet have sufficient confidence that safeguards are effective and that risks can be reduced to acceptable levels. Where they are not, impacts may extend beyond the project itself. Building that confidence requires transparent monitoring, clear engagement protocols, and accountability mechanisms that extend through the life of the project and beyond closure. Any potential benefits are contingent on those safeguards being real and enforceable.

Business South's recommended conditions (Section 8) are directed at the three questions above. The ultimate test is not whether this project can generate economic activity, but whether it can do so without compromising the long-term value of what already underpins the region's success.

These perspectives reflect a strong connection to Central Otago, with businesses deeply invested in their people, sectors, and environment. This shared commitment helps explain strongly held views and reinforces the need for clear communication, ongoing engagement, and evidence-based decision-making.

Area	Summary
Opportunities	The proposal is expected to drive increased economic activity and demand, creating new supply chain opportunities, supporting business growth and investment, and contributing to job creation, higher incomes, and workforce capability development.
Risks	Key risks include labour market pressure (including attracting staff from existing businesses), housing constraints, and supply chain cost escalation. There are also environmental and reputational risks, along with exposure to commodity cycles and economic concentration.
Critical Environmental Risks	Key risks include water contamination pathways, tailings storage and long-term containment, arsenic mobilisation (dust and water), and cyanide management. While low in likelihood, these risks are high in consequence, particularly in failure scenarios.
Wine & Tourism	These sectors are high-value and reputation-dependent, with success tied to environmental integrity. Even low-probability risks may result in disproportionate commercial impacts, particularly where perception influences market confidence.
Overall Consideration	Outcomes will depend on the strength of mitigation, monitoring, and ongoing engagement, with a need to ensure risks are well understood and actively managed over time.

1. Introduction

Business South appreciates the opportunity to provide comment on the proposed Bendigo–Ophir Gold Project. Business South has not undertaken a full technical review of the application and relies on available information and sector engagement. This commentary is prepared through a business lens, focusing on themes, risks, opportunities and drawing on:

- Member engagement via an indicative pulse check across our local membership (across construction, retail, hospitality, viticulture, tourism and professional services)
- Direct sector engagement, including with the wine and tourism industries
- Information provided by Santana Minerals
- Technical evidence from the Central Otago Winegrowers Association and associated expert reports

Business South's role in this process is to reflect the range of views across our membership, rather than to advocate for a single position. Our membership includes businesses both supportive of, and opposed to, the proposal. This submission seeks to present both the opportunities and the risks in a way that supports the Panel's assessment.

2. Economic Impact

From a business perspective, the project presents clear economic upside. Information provided by Santana Minerals indicates the project could generate, at peak production:

- GDP contribution: approximately $360 million – $535 million per annum (indicative and should be considered alongside sector-specific impacts and long-term sustainability of existing industries)
- Export revenue: approximately $742 million per annum, noting that export value does not necessarily reflect the full net economic return to the region
- Employment: approximately 350 direct jobs and over 800 total jobs, including indirect and induced employment
- Local procurement: a high proportion of local and national procurement activity, supporting regional businesses
- CODC contribution: a $1.25 million annual contribution to the Central Otago District Council (CPI-indexed), plus an upfront $250,000, in addition to standard rates

These projections are indicative. The distribution of benefits is expected to be uneven, with some sectors likely to experience gains while others may face increased cost pressures or risk exposure. These factors have the potential to deliver a meaningful uplift across parts of the local economy, particularly for businesses positioned within the project's supply chain, and may support the development of new businesses within the wider ecosystem.

It is important to assess these projected benefits alongside the scale of the region's existing economic base, which already makes significant and sustained contributions to both Central Otago and the wider Otago economy. At a district level in 2025:

- Agriculture, forestry and fishing contributed approximately $319.5 million (16% of district GDP)

- Construction contributed approximately $283.1 million
- The primary sector accounts for around 39% of total exports, with strong recent growth
- Premium horticulture and viticulture exports, including fruit, wine, and cherries, are significant contributors, with the wine sector estimated to generate $300–$400 million annually

These industries are characterised by high-value exports, long investment horizons, and strong reliance on environmental quality. They underpin the region's reputation and economic resilience.

The Panel should also consider three economic risks specific to this project:

- *Economic concentration risk*: increased reliance on a single large project introduces vulnerability if the project becomes uneconomic or curtails earlier than anticipated. Downstream businesses that have invested, scaled, or become reliant on project-related demand would face flow-on consequences.
- *Commodity price exposure*: gold price volatility means the project's economic contribution is inherently variable and not guaranteed over the medium to long term.
- *Uneven benefit distribution*: some sectors, particularly construction and trade services, are likely to see near-term gains; others, including wine and tourism, may experience net costs through environmental risk, labour competition, and reputational pressure.

From a business standpoint, this introduces a level of uncertainty. If gold prices fall or the project becomes uneconomic, activity may reduce or cease earlier than anticipated. This may result in flow-on impacts for downstream businesses that have invested, scaled operations, or become reliant on project-related demand.

In contrast, sectors such as tourism, agriculture, horticulture and wine are highly sensitive to environmental conditions and reputation, and their economic contribution is closely tied to long-term sustainability and market confidence. The construction sector, while likely to benefit in the short term, may also experience cost escalation and labour shortages, impacting broader project delivery across the region.

While the economic benefits of the project are clear, the potential impact on existing high-value sectors, particularly in the event of environmental issues, could be significant.

In addition to direct economic contributions, the project has the potential to support broader regional development outcomes. These may include increased business capability, supply chain expansion, skills development, and infrastructure investment. There is also potential for flow-on benefits across supporting industries, including professional services, logistics, and training providers.

Over time, these effects may contribute to a more diversified regional economy, provided they are supported by effective planning and coordination.

3. Workforce, Labour Market and Capability

From a business perspective, it is difficult to fully quantify the overall impact on the local labour market, given the scale and timing of the proposal. The project's projected labour demand is likely to create a set of competing effects across the regional economy. Santana has indicated relatively high average incomes for project-related roles, which may create opportunities through skills development and income growth, but is also likely to attract staff from existing businesses.

Indicative member feedback points to three near-term pressures:

- Upward pressure on wages across affected sectors
- Increasing difficulty securing contractors and skilled tradespeople
- Accommodation constraints expected to impact workforce availability and attraction

These pressures are likely to be immediate and widely felt, particularly in industries already facing workforce constraints. Smaller firms, which are typically less able to compete on wages and conditions, are likely to be disproportionately affected.

At the same time, the project presents genuine workforce development opportunities. There is potential for training and capability development in areas including heavy machinery, automotive, and electrical trades, and for providers such as the Otago Polytechnic Cromwell campus to play a role alongside targeted short-course delivery. However, training viability will depend on sustained demand and broad coordination across industry and tertiary providers.

The central tension is clear, workforce development and workforce displacement may occur simultaneously, with the immediate risk of labour competition arriving ahead of any training benefit. A clear workforce strategy, including local labour sourcing assumptions and sector-level engagement, is an essential condition of any approval.

4. Impacts on the Wine Industry

The proposed project is located adjacent to the Bendigo subregion, which represents approximately 25% of Central Otago's vineyard area. The wine industry is a high-value, export-focused sector, with performance closely linked to environmental integrity and international reputation. The Bendigo subregion is internationally recognised for its premium Pinot Noir and plays a significant role in positioning Central Otago, and New Zealand, as a globally respected fine wine producer.

Baseline conditions are stable with current arsenic levels in soils low, and no arsenic has been detected in vineyard water sources. This provides a clear evidential foundation for assessing potential impacts and setting monitoring thresholds.

Technical evidence identifies several key pathways through which impacts could occur:

- Arsenic mobilisation via dust deposition, groundwater, and surface water pathways
- Water quality impacts, noting that vineyards rely directly on local water sources for irrigation and processing
- Tailings storage and long-term containment, with potential consequences if containment systems are compromised

- Cyanide use in processing, requiring strict operational management and containment

The evidence indicates these risks are not inevitable, and that systems are designed to mitigate them. Short-term arsenic uptake risk through soil appears low based on current baseline data. However, the wine sector is highly sensitive to even incremental changes in environmental quality and perception, given its export focus and the premium positioning of the Central Otago brand.

As a result, long-term cumulative effects and contamination pathways remain relevant considerations from both an operational and market confidence perspective. Even where individual risks carry low probability, the consequences of a contamination event or credible scare, including market access restrictions, export accreditation risks, or consumer confidence impacts, could be disproportionate and lasting.

5. Environmental, Tourism and Reputation

Tourism, wine, and other export-facing sectors are significant contributors to the Central Otago and Otago regional economies and are widely regarded as among New Zealand's highest-value regional industries. These sectors rely on a combination of:

- Environmental quality and landscape integrity
- Brand perception and global reputation for clean, natural provenance
- Long investment horizons that make them particularly vulnerable to sustained reputational damage

From a business perspective, the region's "clean, green" positioning is a core economic asset, underpinning both visitor demand and premium export value. While mining is part of Otago's history and has contributed to regional development, the key issue for the Panel is whether this proposal can operate alongside these high-value sectors without undermining the attributes they depend on. Businesses in these sectors have expressed clear concern about potential impacts on their operations and market positioning.

The identified risks that require careful management for businesses in these sectors are:

- *Water contamination* — direct operational implications for viticulture and horticulture, and flow-on effects on product integrity and market access
- *Tailings storage failure* — low probability, high consequence; downstream effects on neighbouring land uses and industries
- *Arsenic and dust exposure* — particularly cumulative effects over the project lifetime
- *Cyanide management* — requiring strict operational controls throughout the project lifecycle
- *Post-closure residual risk* — ongoing environmental liability after operations cease, including long-term groundwater effects

Even where the likelihood of these risks is low and mitigation measures are in place, the consequences of failure are high. This is particularly true for export-facing businesses where even isolated events, or sustained uncertainty can have potential impacts that may be significant depending on scale and duration through lost market access, damaged brand reputation, or reduced consumer confidence.

It is also acknowledged that modern mining operations are designed with established environmental management frameworks and regulatory oversight. Where these systems operate effectively, there is potential for projects to coexist with other land uses. The extent to which this can be achieved in this context is a key consideration for the Panel.

6. Social Impacts and Housing

Business engagement highlights the importance of managing social impacts alongside economic outcomes.

Housing

Central Otago already operates with constrained housing supply. The district has experienced sustained population growth and consistently low rental vacancy rates in recent years, with median rents and house prices among the highest in regional New Zealand relative to local incomes.

Additional workforce demand from the project has the potential to:

- Place further upward pressure on rents and house prices
- Reduce housing affordability for existing residents and workers
- Undermine the ability of businesses across sectors to attract and retain staff, particularly where workforce availability is already tight

A housing management plan that addresses these pressures, including assessments of worker accommodation options, impacts on the private rental market, and coordination with the Central Otago District Council, is an important element of any approval framework.

Infrastructure and Services

Increased workforce and population demand is likely to place pressure on local infrastructure, transport networks, and community services. The distribution of these pressures will not be uniform as some communities and sectors may experience stronger net benefits, while others face increased costs, congestion, or service constraints.

Workforce Imbalances

Higher wages in the mining sector have the potential to draw labour away from hospitality, retail, viticulture, horticulture, and other sectors, creating workforce imbalances and cost pressures across the wider economy. These dynamics are closely interlinked with housing pressures as businesses struggling to compete on wages may also struggle to attract workers who cannot afford local housing.

Overall, social impacts are likely to be material. Active management, including clear commitments on housing, infrastructure, and workforce engagement, is required to ensure the project's economic benefits are not offset by unintended pressures on community stability.

7. Natural Hazard Risk – Alpine Fault

The project site is located within a region influenced by the Alpine Fault, one of New Zealand's most significant seismic features. Future rupture is expected, and this is not a hypothetical risk. From a business perspective, the relevant question is not whether a major seismic event occurs, but whether project systems are designed to remain resilient when it does.

Key considerations for the Panel include:

- The performance of tailings storage and containment systems under significant seismic stress
- Infrastructure resilience and the capacity to maintain critical controls during and after a major event
- Downstream impacts on neighbouring land uses, waterways, and industries in the event of containment failure
- Contingency, response, and remediation planning for seismic scenarios

In assessing the impacts with low probability and high consequence risks, it will require robust engineering design, independent verification, and clearly defined contingency and response protocols as conditions of approval.

8. Recommended Conditions

Business South's role is to support informed, evidence-based decision-making that reflects the long-term interests of the wider business community. The recommended conditions below are directed at the three central questions identified in the Executive Summary that the business community would expect to see implemented to eliminate and mitigate risks. They are organised into two tiers: conditions that are standard for a project of this type, and conditions that are particularly important given the specific context of this proposal.

Business South notes that it has not undertaken a full technical review of the application. Our role is to highlight the business implications of the proposal and to seek assurance that identified risks are clearly understood, robustly mitigated, and transparently managed.

If the project is approved, there would need to be conditions such as:

A. **Environmental Monitoring and Transparency** (Standard conditions, enhanced scope)

A. Environmental Monitoring and Transparency	
Real-time monitoring	Continuous monitoring of water quality, air quality, and dust deposition, with results made publicly available on an accessible platform.
Independent auditing	Regular independent environmental audits throughout the project lifecycle, with findings reported publicly.

Baseline protection	All monitoring frameworks to be calibrated against established baselines, particularly for arsenic levels in soils and water sources adjacent to viticultural land.

B. **Critical Risk Controls** (Standard conditions)

B. Critical Risk Controls	
Arsenic and cyanide management	Defined operational controls, containment protocols, and incident response procedures for arsenic mobilisation and cyanide use.
Tailings management	Robust tailings storage facility design, independent engineering review, and contingency plans for containment scenarios including seismic events.
Trigger levels and escalation	Clearly defined environmental trigger levels with mandatory escalation, notification, and response protocols for any exceedances.
Seismic resilience	Engineering design and independent verification of critical infrastructure resilience to Alpine Fault seismic scenarios.

C. **Long-Term Safeguards** (Enhanced conditions — particularly important given post-closure risk profile)

C. Long-Term Safeguards	
Post-closure monitoring	Monitoring and treatment obligations extending beyond closure, with a defined minimum period and provisions for extension if risks remain.
Financial assurance	Financial assurance sufficient to cover long-term remediation obligations, including worst-case closure and post-closure scenarios, held independently of the operator.
Standards review	Periodic review of environmental standards and conditions to reflect best practice and any changes in land use or risk profile in the vicinity.

D. **Sector Engagement and Business Continuity** (Enhanced conditions — critical to building trust and confidence)

D. Sector Engagement and Business Continuity	
Ongoing engagement	A formal, structured engagement programme with directly affected sectors, including wine and tourism, throughout the project lifecycle. The aim is to build trust and confidence, supported by robust processes to minimise risk and ensure there is transparency around it.
Line of sight to risk management	Affected sector representatives to receive regular, accessible reporting on environmental performance, risk management actions, and any incidents or near-misses.
Cumulative impact assessment	Periodic assessment of cumulative and cross-sector impacts, with findings shared with affected sectors and the Panel.
Reputation risk recognition	Explicit acknowledgement in the management framework that reputational risk, not just direct physical impact, is a material consideration for export-facing sectors.

E. **Economic and Workforce** (Standard conditions)

E. Economic and Workforce	
Workforce strategy	A clear workforce plan, including local labour sourcing targets, sector engagement protocols, and measures to minimise labour displacement across existing industries.
Housing plan	An assessment of worker accommodation options and potential housing market impacts, developed in consultation with the Central Otago District Council.
Local procurement	A local procurement framework with defined targets and regular reporting against them.

9. Key questions for the Panel

1. Environmental Assurance
   How will the Panel ensure that key risks, including water quality, arsenic pathways, tailings management, and cyanide use, are robustly mitigated, continuously monitored, and transparently reported?

2. High-Value Sector Protection
   How has the Panel assessed the potential impact on high-value, export-facing sectors such as wine and tourism, and what measures will ensure these sectors have confidence in ongoing environmental management and business continuity?

3. Workforce and Housing Impacts
   What consideration has been given to labour displacement across sectors, and are there expectations or conditions to address workforce sourcing and accommodation pressures in an already constrained market?

4. Economic Resilience
   How has the Panel considered commodity risk (including gold price volatility) in assessing the long-term sustainability of the project and its potential impact on businesses reliant on project-related demand?

5. Long-Term Liability and Financial Assurance
   What level of financial assurance and accountability mechanisms will be required to address long-term environmental risks and worst-case scenarios, including post-closure obligations?

6. Governance, Transparency and Engagement
   What requirements will be in place to ensure independent oversight, public reporting, and ongoing engagement with affected sectors, so businesses have a clear line of sight to risk management over time?

10. Conclusion

Business South does not take a singular position for or against the proposal. This submission reflects a range of perspectives across our membership and is intended to support balanced, evidence-based decision-making.

The Bendigo–Ophir Gold Project presents both a meaningful economic opportunity and a set of risks that require careful consideration. The potential benefits in terms of GDP contribution, employment, export revenue, and business activity are significant. At the same time, there are environmental, sectoral, and social factors that will influence how those benefits are realised and distributed.

The Panel's decision ultimately rests on the extent to which the project can deliver its economic potential while appropriately managing risks and maintaining confidence across existing industries and communities.

Where mitigation, monitoring, and engagement frameworks are robust and effectively implemented, the project has the potential to contribute positively to the regional economy. Where these are insufficient, there is potential for impacts that extend beyond the project itself.

In Business South's assessment, the Panel's decision ultimately turns on three trade-offs:

The three key trade-offs		
1	**Environmental credibility vs economic opportunity**	The project's economic benefits are contingent on environmental safeguards that are genuinely robust. If those safeguards fail, or are perceived to be inadequate, the cost to existing industries could exceed the benefit to the regional economy.
2	**Short-term gain vs long-term resilience**	The project may deliver meaningful near-term economic uplift but introduce commodity exposure and sector displacement that reduce the region's long-term economic resilience. The Panel should assess whether the benefit profile is durable.
3	**Coexistence vs competition**	The project and existing high-value sectors have acknowledged tension regarding coexistence. It requires active, ongoing management of shared resources of water, labour, reputation and a genuine commitment to engagement with affected industries throughout the project's life.

Business South encourages the Panel to focus its assessment on whether:

- The environmental safeguards attached to any approval are sufficient to credibly protect water quality, air quality, and the long-term integrity of adjacent land uses
- The project can demonstrably coexist with viticulture, tourism, and horticulture without undermining their environmental or reputational foundations
- The economic benefits are sustainable and broadly distributed, rather than concentrated and fragile
- Affected sectors have genuine line of sight to risk management, monitoring, and business continuity throughout the project's life
- Resilience to low-probability, high-consequence events, including seismic scenarios, has been independently verified

Business South supports an outcome that reflects strong and enforceable mitigation measures, transparent monitoring and accountability, and ongoing engagement with affected sectors. If those conditions are met, the project has the potential to support the ongoing success of existing industries alongside new development. If they are not, the risk is that economic benefit is short-term while the costs to the region's most valuable long-term assets are lasting.

Ultimately, the decision is not only about enabling growth, but ensuring it is balanced, resilient, and protects the long-term value of the region's existing industries.

This commentary reflects the range of views across our membership. It is intended to support balanced, evidence-based decision-making, and we thank the Panel for the opportunity to contribute.