Submission from the AQA on the Draft Minerals Strategy for New Zealand

July 2024

Introduction

The Aggregate and Quarry Association (AQA) is the industry body representing quarrying companies which produce 47 million tonnes of aggregate and quarried materials consumed in New Zealand each year.

Funded by its members, the AQA has a mandate to increase New Zealanders' understanding of the need for aggregates, improve our industry and users' technical knowledge of aggregates and assist in developing a highly skilled workforce within a safe and sustainable work environment.

We would like to thank you for the opportunity to submit on the Draft Minerals Strategy for New Zealand (the Strategy).

Vision for the minerals sector

We are generally supportive of the overall vision for the minerals sector. It is critical that the sector "delivers value" now and into the future in an environmentally and socially responsible way. Sourcing aggregate locally, safely, at reasonable cost and in environmentally sustainable ways is fundamental to New Zealand's future.

In order to sustainably derive value from aggregate, it is critical that planning processes are simplified and streamlined, quarry resources are protected so they can supply vital construction materials, and quarry land is returned as an asset to the community once extraction is complete.

The critical importance of aggregates in New Zealand

In 2023, the New Zealand aggregate and quarrying sector produced an estimated 47.9 million tonnes of aggregate, including limestone and other products, with an economic contribution to New Zealand estimated at $2.8 billion.

Accessing, extracting, processing and transporting aggregate is required for the construction of infrastructure in New Zealand. Aggregates form the foundation of every road and building, either directly or as part of materials such as concrete. There will be increased demand for aggregate to build infrastructure and housing to meet population projections, and to address the nation's infrastructure deficit.

Additionally, as catastrophic events in recent years have highlighted, the impacts of climate change, including rising sea levels, will put added pressure on rock supply for sea walls, riverbank protection and restoration, and other climate adaptation solutions.

It is therefore more vital than ever that local aggregate resources throughout the country are identified, protected and effectively managed to build resilient new infrastructure and homes.

The Strategy needs to clearly articulate that minerals include all aggregates, and that a key action is to complete the GNS Science work to identify key potential sources of aggregate potential across the country.

Quarrying and the environment

Quarries fully expect to meet environmental and resource management requirements for new or renewed consents. We support use of the effects management hierarchy i.e. avoid, mitigate, offset or compensate, as it provides for improved environmental outcomes from activities like quarrying.

As an example of this, Meremere Quarry in collaboration with the Waikato Regional Council, a local farmer and the Waikato Catchment Ecological Enhancement Trust, constructed an internationally award winning 4ha wetland to act as a buffer and natural filtration for quarry runoff, protecting the precious Whangamarino wetland. More than 32,000 native trees and shrubs were planted, with the five-pond system and a central island providing a viewing area for the public to observe the now-flourishing populations of wildlife.

Responsible recycling of materials

We acknowledge the importance of recycling and reuse in the aggregate sector and generally, maximising the use and reuse of the same resources for as long as possible. However, while increased recycling and resource efficiency will have some impact, the technology is not yet advanced enough to fully replace the need for extraction of natural aggregates.

For a "circular economy" to work, the purpose needs to be established first and then must be supported by incentives for customers and suppliers to re-use or recycle products. Currently there is little incentive for recycling and re-use due to the cost of processing these products relative to natural products and the reluctance of customers to specify and/or allow the use of recycled products. These customers include central and local government who are both significant users of aggregates and sand.

We do not have accurate data on construction waste in New Zealand and general statements of the scale of construction waste mask weaknesses in understanding of the composition of the total waste stream. Such perceptions are simplifying what is ultimately a complex situation. More consistent and comprehensive data collection and monitoring of waste streams and resource use is needed.

A cost/benefit analysis for recycling and re-use of construction waste needs to be conducted by government, in consultation with industry, in order to establish the types of incentives, and/or penalties needed to achieve positive outcomes from the principle of a circular economy.

Strategy actions

Improve data on New Zealand's minerals resources

To aid councils and others in thinking about where the resources of aggregate will come from to support future growth, the New Zealand Infrastructure Commission/Te Waihanga commissioned GNS Science to identify potential extraction opportunities close to four high-growth areas: Auckland, Tauranga, Wellington and Queenstown/Central Otago. This work was published in June 2024.

We would like the Strategy to include the results of this work for the 13 remaining regions of New Zealand to assist councils in planning for future development and identifying where they are going to source aggregate.

It is also critical that accurate annual production/consumption data is obtained to aid decision making and ensure adequate supply is achieved on a regional basis to meet demand. The current New Zealand Petroleum and Minerals (NZP&M) survey has not delivered accurate results in recent years, and we would like to work with NZP&M to develop a process for accurately reporting aggregate production.

Ensure secure, affordable and responsible access to the minerals we need

We support the development of a critical minerals list that identifies those minerals that are essential to the New Zealand economy and have a level of supply risk.

Aggregate certainly meets such criteria as the high-volume, low-cost nature of them make them susceptible to transport costs and logistics. Transporting aggregate over long distances significantly increases cost and carbon emissions, and logistical problems at ports and with shipping makes importing such large volumes impractical.

Develop a more enduring, efficient and responsible regulatory framework

Planning needs to be enabling so that resource consents are quicker to obtain and are less costly. Even where appropriate planning zones and controls exist, the time and cost for obtaining consents for a quarry can be horrendous. Even a favourable decision can take three to five years before a quarry will ever produce their first tonne of aggregate.

Quarry materials are not universally available and can only be sourced from where they are located (locationally constrained due to geology). Without a consenting pathway that provides for adequate access to resources at workable locations, there is the real risk of losing access to such proximate resources.

Current national planning instruments contain conflicting definitions, with some referring to aggregate extraction and others to quarrying activities. They also contain different gateway tests for that development that needs to occur in certain areas. Most problematic are the National Policy Statement on Highly Productive Land (NPS-HPL) and the National Policy Statement on Indigenous Biodiversity (NPS-IB).

Poor drafting of national planning instruments has led to unintended consequences which severely impacted the quarrying sector. It is critical that these are reviewed and

amended to clarify definitions and ensure the wording of the gateway test provides a consenting pathway for quarries.

Foster sector innovation, value add and commercialisation, and workforce development

Workforce development is important to our sector, and we need a continuous supply of skilled staff to adjust to fluctuations in demand for aggregate. It is important that vocational education is industry led and outcome based to deliver:

- Quality unit standards (US) that are appropriate for our sector
- Programme learning outcomes that meet industry needs
- Availability and accessibility of training that is a blend of on-site, e-learning and classroom-based training
- Good moderation of US delivery and assessment
- A system that is flexible and able to change and adapt as necessary
- Non-qualification-based training and assessments (certificates of competency prescribed in legislation)

Our sector needs to be heavily involved in proposed reforms to the vocational education system.

Wayne Scott
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