



Aggregate Update

AGGREGATE & QUARRY ASSOCIATION OF NZ

Big, beautiful and buoyant

Wow. To adapt a current phrase, we've just had a big, beautiful conference.

QuarryNZ 2025 was our largest-ever event but more than that, it was buoyant. While some supplying our sector say they are experiencing tough times — a "bloodbath" was one word used — quarrying seems to be coming through pretty well.

Perhaps that has something to do with the Government policy successes we've been having. It was great to hear the AQA getting particular credit during conference for its role in securing those achievements.

However, there's always more to do and at the last conference panel discussion, RMA lawyer Bal Matheson put a strong case for a specific National Environment Standard (NES) for quarrying.

He reckons without one, quarry resource consent applications could be picked apart under the separate plans of 83 different councils.

To his credit, Simon Court, the Parliamentary Infrastructure Under-Secretary — and architect of the emerging NPS for Infrastructure — said this was a great idea and exactly the sort of change the Government is still working on (see story on page 2).

In fact, the AQA has itself quietly been working on an NES for Quarrying, so watch this space.

There were some other important messages at the Hamilton conference.

Infometrics Chief Economist Brad Olsen gave us a blunt reminder that our production reporting is appallingly low as an industry — and this lack of data has consequences when you want the government to do things on your behalf. Read the story on page 5 and please fill in the NZPAM production survey later this year.



And the Te Waihangā Infrastructure Commission's presentation on its draft National Infrastructure Plan shows it proposes to prioritise maintenance. State highway builds, for one, will diminish. So again, a trend to keep your eye on.

Our industry's inability to access river gravel has also come into focus again with the recent floods in Tasman. Road Metals George Kelcher says councils have for years been shutting off access to river gravels.

Expect this to be an issue which the AQA now ramps up, but in the interim read the comments of George and others on page 3.

Our conference also opened with the AQA and IOQNZ AGMs, and it's great to welcome Joe Hunter to our Board. He's our youngest member but carries six generations of quarrying DNA, not least that of his father Tony, who gave our

Board sterling service over many years and will be missed.

Our opening day also had a good technical session reviewing the M04 2024 (basecourse) and introduced the M03 2025 (sub-base) specifications. As a member of the AQA Technical Committee I can't help but feel proud about the work we do on your behalf.

Conference ended as usual with our gala TDX/Volvo awards dinner and congratulations to all who were recognised for their contributions to our industry.

Given we had to turn people away in Hamilton who hadn't booked to attend, I urge you to start planning now for our next conference on July 22-24, 2026 in Invercargill.

Let's keep things rolling from north to south. **AQA**

Jayden Ellis, Chair, AQA

Simon Court, left, on the panel with Bal Matheson, Geoff England and Greg Severinsen.



Separate policy for quarries gets backing

There's support in Government for a separate National Environment Standard for quarrying.

Attendees at the final session of QuarryNZ conference heard Bal Matheson, an Auckland lawyer with 25 years' RMA experience, put the case for a specific industry standard. He did so during a panel discussion with Infrastructure Under-Secretary Simon Court.

Court outlined to the conference the Government's RMA reforms and their aim: "... so we can extract, process, and build, baby, build."

As part of the reforms, Court led the development of the recently proposed National Policy Statement for Infrastructure.

"Given the critical importance of quarrying activities, I have made sure these have been explicitly recognised," he said.

However, Matheson says that while the Government's RMA reforms were moving in the right direction, a separate National Environment Standard for quarrying was the best solution.

"If we accept quarrying is essential, why not make it as permissive as possible?"

Otherwise, he says, a quarrying consent application would still face consent risks across 67 district councils and 16 regional

councils, each with different planning rules.

"If you don't get it all right, you will be hauled off to the courts."

A one-stop shop for quarrying could consider all planning issues in one place. A hearing could set conditions, but it would not be about whether a project was going ahead. Quarry consent times and costs could be considerably reduced.

Matheson says RMA planning was inevitably political, with trade-offs by people wanting to control what happens on someone else's land.

Simon Court says the idea of an NES for quarrying was a "fantastic idea".

"What we want to do in the new system is exactly that."

The Government's intention is to standardise a range of activities, he adds, and while this work was still underway, he would be "very disappointed" if some examples of this were not apparent by next year.

Court also acknowledged AQA CEO Wayne Scott and his team, and said he'd learned a lot about quarries from engaging with them. Wayne says the AQA has worked with Bal Matheson in developing a draft NES for quarrying which has been

shared with Government officials.

"It's great to hear the Infrastructure Under-Secretary being supportive on a separate NES for our sector," says Wayne. "We trust this will get wider backing to become Government policy."

Dr Greg Severinsen from the Environmental Defence Society told the panel that there is a lot of room for more consistency by councils, but blanket plans were trickier.

"There needs to be site-specific assessments."

If issues such as wetlands and biodiversity values were required to be mapped, then a conversation could be had. He agreed that consent for quarries needed to be able to move faster.

Geoff England, a RM planner from Boffa Miskell, also welcomed the RMA reforms but questioned if they would solve all planning issues. He suggested that allowing offsetting in advance of a project would assist with vegetation removal.

Bal Matheson warned if the RMA reforms swung too far to the right, they'd be followed by a swing to the left. Striking the right balance needed to include a focus on treating the environment fairly.

"It sustains us." **AQA**

Gravel extraction key to reducing flood risk

The quarry industry says recent flood events confirm the need to return to significantly higher levels of river gravel extraction.

AQA CEO Wayne Scott says access to river gravels has shrunk to a trickle in recent years and that is not unconnected with increasing flood impacts.

“We’ve seen it most recently in the Tasman region where my members say it’s very difficult to get a gravel consent anymore.

“We also saw it when the Ashburton River burst its banks in 2021, and farms were flooded with water and accumulated gravel.”

Oamaru-based George Kelcher, who’s worked for Road Metals for more than 50 years, says the quarry company used to produce most of its aggregate from South Island river sources; now this only accounts for a fraction.

He has been submitting to Environment Canterbury for years asking it to re-open river extraction. He says both ECAN and the Otago Regional Council have largely abandoned any river management and accepted the resulting damage that occurs during floods.

“This then means the cost of repairs falls directly on government, district council ratepayers and river-adjacent landowners.”

He says the gravel extraction industry is being driven out of rivers as a source of raw materials. As well as steep increases in consent fees, up to 10 different government departments and various interest groups now have to be consulted on a resource.

George says the result is that very little gravel extraction or river management takes place across Canterbury and Otago.

Edridge Contracting says it’s much the same in the Nelson Tasman and Marlborough regions where it operates. Its Managing Director, Malcolm Edridge, says he believes that while



Very little gravel is now extracted from South Island rivers, contributing to increased flood risks, says Road Metals’ George Kelcher.

more gravel extraction would not have prevented the recent flooding in the top of the South, it would have likely reduced the impacts.

Hawke’s Bay quarry operators are also frustrated by their regional council which allows limited access to river gravels from local rivers, on sites 50 kilometres and more from Hastings and Napier.

The AQA has long calculated that the cost of a truckload of gravel doubles after the first 30 km from a quarry and continues to increase for every extra kilometre.

George says that with access to river gravel denied from many sites around Tekapo, Road Metals now has to cart aggregate in from their quarry in Twizel — up to 100 kilometres away.

He says land-based sites have to be purchased and consented, so they produce aggregate at considerably higher costs which are further passed on in the cost of roads and buildings.

Murray Francis, the Managing Director of Road Metals, says it’s high time the Government intervened.

“These councils used to do river management. We’d work with a river engineer to identify where the flood risks lay and take the gravel from those spots and pay the council a fee for each tonne we removed. It was a win-win.

“Now all we do is get asked to come in and build bigger stop banks — after floods have caused havoc.”

He says the Government is faced with rising costs to meet flood damage and it could save itself a lot of money and unnecessary grief for farmers by requiring councils to increase the allowable volumes of river-extracted gravel. **AQA**

AQA works for the quarry industry – join us today

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AGGREGATE & QUARRY ASSOCIATION OF NZ

Supporting New Zealand from the ground up





Maintenance in the **infrastructure plan**

Spending on state highways will reduce, and maintenance of existing infrastructure will be prioritised under the draft National Infrastructure Plan that was released in June.

Attendees at QuarryNZ conference were given a detailed outline of the plan by the Infrastructure Commission's Andy Hagan, who says our country is top for all infrastructure spending among developed nations, but near the bottom for outcomes.

Road spending features prominently yet we are below the OECD average for the quality of road spend, along with lower than average usage and quantity delivered.

The time taken to get infrastructure projects delivered had also increased by 150 per cent over five recent years and costs of consenting had been rising at 10 per cent a year for seven years. Consent processes now made up 5.5 per cent of project cost, totalling \$1.29 billion.

Hagan says it is expected that we will need lower investment in state highways through to 2055, but there would be the need for a marked increase in spending on local roads — reflecting use.

On overall infrastructure, we rank towards the bottom on maintaining assets, as shown by leaking school roofs, police stations with mouldy walls and defence housing in poor condition. The majority of the Government's big spenders on infrastructure did not have adequate asset management plans.

Spending on maintenance would become a priority if the draft plan is confirmed, taking 60 cents in every dollar spent on infrastructure.

"Looking at what we've got, it should be a no-brainer," says Hagan.

The Commission identified \$207 billion in potential

infrastructure spending over the next 30 years, extending to 8100 projects, of which 141 have price tags estimated at \$100 million or more. The National Infrastructure Plan endorses 17 projects, many related to upgrading Defence Force facilities, but also providing Mass Rapid Transit for Christchurch, improved water infrastructure in Nelson, Wellington and Hamilton, and finishing the fibre broadband rollout.

It is, however, for central government to decide on spending priorities, says Hagan.

While this meant projects facing the "gyrations" of political cycles, there is widespread agreement among parties on the need to properly maintain infrastructure that had already been built. There was also agreement on needing to have resilient infrastructure when it was built new.

Andy Hagan says the Commission is not asking parties to agree on new projects and it's "healthy" and part of being a democracy for there to be competing priorities.

The Commission does however want to build consensus on a range of considerations vital for any infrastructure project to succeed. They are:

- Affordability
- Balance – so spending is across sectors
- Deliverability
- Transparency and accountability

The draft National Infrastructure Plan is due to be finalised for the Coalition Government by the end of this year, with the Government's response due mid-2026. **AQA**

Failure to report quarry production

The failure of a high percentage of quarries to report their production is counting against the industry, says a leading economic commentator.

Brad Olsen, the Chief Executive and Principal Economist at Infometrics, told the QuarryNZ conference in Hamilton that the under-reporting by quarries is a seriously challenging issue for the sector.

He says when Infometrics saw that quarries had reported aggregate production of just over 30 million tonnes in recent years, his consultancy knew this couldn't be correct — the figure simply didn't align with other statistics showing a rise in infrastructure activity.

Instead, Infometrics used an estimate of more than 50 million tonnes which the AQA had to put together to cover the widespread failure of quarry companies to report.

Only 38 per cent of the 1000 commercial quarries reported aggregate production in 2021 and 2022, Brad told the conference.

"More data would make your industry's case more convincing with the Government," he says.

"It's really hard to make your case without it. A few minutes answering the survey could make your lives a whole lot easier."

Brad says aggregate prices increased between 2022 and 2023 but have since eased off. At the same time, operating costs — including machinery and repairs — have continued to climb, eroding real returns.

He says that's been part of a 'stunted economic recovery' driven by global impacts which has left things in first gear. Looming American tariffs were a factor contributing to global instability. These would affect New Zealand's \$9 billion export trade with the



Lack of production reporting from quarries seriously challenging for sector, says Infometrics' Brad Olsen, pictured here with Wayne Scott.

US, which is imposing its highest tariffs on imported goods since before World War I.

While our Government was pumping billions of dollars into infrastructure spending, this was not yet feeding into projects at the required levels, and would take until 2027 to kick in.

Construction remained the flattest sector, with its workforce down 6.7 per cent on a year ago. Employers in the sector faced challenges retaining skilled staff when there wasn't the earlier volume of work — even though a boost in construction was in the pipeline. Brad says last year the motto of many was 'survive to 25' but consumer spending had remained flat since February of this year.

There were also some inflationary pressures in the economy including energy costs and the risk that fuel prices could rise again amid instability in the Middle East.

The Reserve Bank's July decision to hold on cutting the OCR after six consecutive cuts reflected these concerns. Interest rates might now be bottoming out, raising worries that we could see a 2020s version of "stagflation" — stagnant growth accompanied by persistent inflationary pressures.

- The 2024 quarry production statistics are yet to be sought by NZ Petroleum and Minerals and not expected to be published until late this year.

The Aggregate & Quarry Association appreciates the support of our members



AQA Technical update

Quarry Database

- The database was updated at the end of June, now showing over 3000 active quarries and over 2100 historic sites. If you find this a bit confusing because we often refer to around 1000 quarries, that number relates to commercial quarries selling products. Many of the others are on forestry blocks and farms, while some are dormant sites such as those on riverbanks or rehabilitated sites.
- An unaudited check has shown a few quarries inside DoC-managed areas (usually gravel extraction in rivers). Eight of these are in national parks, nine in conservation areas, seven in reserves and 14 in stewardship areas. Good to see DoC rocks!

QuarryNZ Technical Session

- The AQA Technical Committee hosted a technical session on basecourse and sub-base at QuarryNZ. The guest speaker from the NZTA was Rob Damhuis — its Principal Pavement Engineer.
- We reviewed M04 2024 (basecourse) and introduced M03 2025 (sub-base), discussing challenges related to producing M04 (mainly meeting Class 1) around the country, including the pathway to introduce a regional variant for Northland similar to the Wellington one.
- We also talked about the combination of specifications being used, particularly in the upper North Island that is causing confusion for consultants and contractors alike.

M03 Sub-base Specification

- The NZTA has included four AQA Technical Committee members on its sub-base specification working group. Clare Dring, Stacy Goldsworthy, Jayden Ellis and Mike Chilton.
- The specification and notes documents are now agreed to go for ratification through the NZTA's internal system, with



Clare Dring, AQA Technical Committee Chair at the QuarryNZ tech session.

- expected publication before the end of the year.
- Keeping many of the original notes' ideas, the new M03 spec adds statistical acceptance criteria and two different classes of material, dependent on designed pavement loadings.
- An alternate grading can be offered by producers, as long as RLT and permeability requirements are met.

Inspiring Futures Foundation

- The IFF has welcomed a new trustee, Delaney Myers, following Nick Leggett's departure, and reappointed Bob Boniface and Sturrock Saunders.
- It has now handed out over \$1.1 million in grants.
- The quarry training material has been drafted and includes wider scope to train quarry operators in detail on manufacturing aggregates.
- AI has been helpful in writing the video scripts and potentially can help with the video production through the AI Academy or similar.

Civil Contractors NZ Changes

- Michelle Farrell (CCNZ's Technical Manager) has resigned to rejoin the water industry, leaving the CCNZ representative space free on the AQA Technical Committee. **AQA**

AQA Board

<https://aqa.org.nz/our-members/>

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