



Aggregate News

AGGREGATE & QUARRY ASSOCIATION OF NZ

Our quarries rise above the gloom

As we grind towards the end of another year with depleted energy and reserves, it's comforting to have a bit of good news. It's too easy to get lost in the dark tunnel of an economic downturn.

So, let's celebrate the fact that we Kiwi quarry operators have kept up our country's end in world aggregate production statistics.

At the annual Global Aggregates Information (GAIN) meeting in Spain recently, our CEO Wayne Scott was able to explain that while most of the rest of the world has declining production, New Zealand had a 4.4 per cent rise in the 2024/25 year.

Okay, so that followed a dip the previous year – but if aggregate production is now coming right, that bodes well for the rest of the economy next year.

When you consider that aggregate demand in the economic superpower of China has dropped by more than a whopping third since 2019 you get a picture of why the international economy is still paying the cost of Covid.

Note too Wayne's commentary that in China – by far our biggest trading partner – sustainability is now a key focus in every quarry, and enhanced environmental performance is demanded. That's a message to us all, not to say we are not also diligent in all matters environmental.

I was not able to get down to the Future Roads conference in Hamilton but I understand Wayne's presentation was one of the best. We capture that in this *Aggregate News*. He lists the reasons why we top OECD infrastructure spending, but get one of the poorest results.

Transmission Gully has become a bit



of a pin-up for how things can go wrong. We learn that a cost benefit analysis done hurriedly over two months for that project (for political reasons) was, within 12 months replaced by a fuller analysis which set the cost at \$77 million higher.

Another example of our poor planning was that three weeks before paving was to start on Transmission Gully, a project manager asked where he could source 600,000 tonnes of GAP 65.

Of course, any roading or quarry project also faces a likely onslaught of Nimbyism which adds to costs and time delays. So it is refreshing to learn from our counterparts in the UK that there's a new movement being championed by parties of right and left – Yimbyism: Yes In My Backyard! Let's hope it takes hold in New Zealand in 2026, an election year.

To complete our positive intro to this

Aggregate News, I'm thrilled to see one of the first moves by Earth Sciences NZ (the merger of GNS Science and NIWA) was to produce Critical Minerals web maps (also featured in this issue of *Q&M*).

The work the AQA has done with its national quarry database helped create this new resource which you, as a quarry operator, can download, as can any council to allow planning for future supply.

And a pat on the back to those operators who got the reminder from the AQA and did supply their production stats to NZPAM. Knowing how much we actually produce as a critical industry allows us to take our case to the government – and indeed the world.

Have a good break; I believe you'll be needed in 2026. **AQA**

Jayden Ellis
Chair, AQA



The GAIN 2025 group photo. Wayne Scott is standing in the middle, to the right, behind the meeting Chair and GAIN President, Jim O'Brien; and Aggregates Europe President and newly-elected GAIN Vice President, Antonis Antoniou Latouros.

Wayne on GAIN in Spain

AQA CEO Wayne Scott was among representatives attending the Global Aggregates Information Network (GAIN) meeting in the Spanish city of Cordoba in late October.

Wayne says worldwide there has been a drop in demand for aggregates. While our production is up since Covid struck, most GAIN members still have a Covid hangover.

Demand in the United States fell 5.5 per cent on 2024. Cement production is down and the residential market weak. Inflation is up and there are significant delays in infrastructure delivery. The future American forecast for aggregates is more positive. However, increased tariff costs are affecting customers. Mergers have reduced the number of quarrying companies. Sustainability is still a focus for the sector despite the Trump administration winding back Federal support. Permitting is challenging, though environmental law changes may speed things up.

In China, demand declined 4.6 per cent in the past year, down by more than a third overall since 2019 as the economy adapts to structural over-capacity and quality control, and environmental regulations get stricter. More large-scale Chinese operations have seen quarry numbers reduced by three-quarters to 14,000. Sustainability is now a key focus with zero waste and enhanced

environmental performance required from every quarry.

India saw a 7.7 per cent increase in demand for aggregates in the 2024/25 year with many major projects. Quarries are limited to 5ha in size with a significant number of illegal operations. Manufactured sand is replacing over-extracted river sand.

Europe anticipates a downturn of 2.9 per cent on 2024/25. Consenting is slow and complex. With much competition for land use, it's increasingly difficult to access local resources. Recycled aggregates meet 10% of demand and is expected to peak at 20% by 2035. Marine aggregates provide 2 per cent; manufactured sand 2.6 per cent. Biodiversity projects are common and part of the positive story for quarries.

Brazil has the 5th largest economy in the world. Demand for aggregate has been maintained since Covid. Environmental issues dominate and create legal uncertainty. Zoning restrictions mean much land use competition.

Canada saw demand down five per cent on 2024. Recycled aggregates represent five per cent of demand but is not widely accepted in specifications. Access to resources and environmental compliance

are the top issues in the sector.

Costa Rica has a similar population to NZ but demand is only a quarter of ours at 12.2 million tonnes. It's home to six per cent of the world's ecological species and 25 per cent of the country is protected from development. An increase in rainfall is impacting on river gravel extraction (about 50 per cent of demand).

Chile, with about three times our population and which has mining as its main industry, only has aggregate demand of 35Mt a year. Environmental legislation is very restrictive and social licence is very important. Quarries cannot operate there without community support.

Argentina saw demand down another 10 per cent on 2024. Almost all public works have stopped due to the Government's efforts to bring inflation down – from 200 per cent in 2023 to 22 per cent.

South Africa saw another 7.2 per cent drop in demand on 2024, with construction activity weak.

The United Arab Emirates exports large quantities of aggregate and high-quality manufactured sand. It uses limestone fines up to 30 per cent as a cement replacement in concrete. **AQA**



UK Housing Secretary Steve Reed wearing a "Build Baby Build!" cap at the recent British Labour Party conference.

'Yimbyism' lessons from the UK

A reverse movement to Nimby is underway in the UK. **Joseph Hackett** from the Mineral Products Association explains.

As in many countries, the aggregates sector in Britain has endured years of relatively low construction rates, poor delivery of infrastructure projects and restrictive planning rules, driven in large part by the classic Nimby (Not In My Backyard) instinct.

This was exacerbated by a shift towards local decision-making in the 2010s. Delivering homes and infrastructure requires difficult decisions, and without strong top-down direction, these are often trumped by local interests.

But leaders across the political spectrum are now saying "Yimby" (Yes In My Backyard).

The Yimby approach started in America in the 2010s as a reaction to low rates of house building, which were driving up rents and house prices, and it quickly spread to Britain, where housing costs have also spiralled in recent years.

It went mainstream in 2023 when Keir Starmer's Labour Party, then in Opposition, adopted the Yimby label, bucking the trend of politicians caving to Nimbyism. Starmer called himself a "Yimby" and promised to reinstate targets and "bulldoze" planning rules. He said a Labour government would "back the builders, not the blockers." Faced with a tricky fiscal situation, Labour saw planning reform and construction as a means of boosting economic growth and reducing the need for unpopular tax rises or spending cuts.

Elected the following year, Starmer unveiled a raft of planning reforms and set his Government a highly ambitious target of building 1.5 million new homes before the next election in 2029. The rhetoric has only hardened since; at Labour's party conference last September, new Housing Secretary Steve Reed donned a red

cap emblazoned with the slogan "Build Baby Build!".

A week later the Conservatives unveiled their own blue "Build baby build" caps and hard hats.

So Yimby rhetoric has become something of a cross-party consensus, with the dividing lines now more about where we should build and how more building can be unleashed, rather than whether we need more construction.

Now that rhetoric needs to be converted into reality. Planning reform remains a work in progress and has yet to translate into an uptick in construction activity.

If the Starmer Labour Government want to reach its 1.5 million new homes target, it must act quickly to tackle regulatory chokepoints so the capacity and supply chain can still be there to reap the benefits of planning reform delivering growth when it arrives.

Meanwhile, the challenge for the UK aggregates sector is reminding policymakers that they can't "Build, baby, build!" if they don't also "Quarry, baby, quarry!"

The link between the houses and infrastructure, which politicians are now so eager to see, requires a secure supply of the construction materials needed to build them.

They cannot take that supply for granted; it must be planned, monitored and managed to ensure the right products are available in the right place, at the right time.

It's welcome that across the political divide there's acknowledgement that Britain needs to get building to grow the economy and tackle living costs. Next will be convincing its politicians you can only be truly Yimby about houses if you're also Yimby about quarries. **AQA**

Critical **Minerals** web maps

The GNS Science merger with NIWA in July has delivered a new name – Earth Sciences New Zealand – along with some excellent Critical Minerals web maps that can be used by quarry owners and anyone else keen to plan for the future (as featured on page 10 of Q&M).

The website is a little more metallic-mineral heavy than aggregate, but AQA Technical Adviser Mike Chilton says Senior Geologist Matt Hill has done his best to ensure that aggregate is included, as it is probably our “most critical” mineral after all.

Once the AQA's national quarry database was collated (with help from GNS Science) and put online as a spatial dataset, it was able to be imported into all sorts of documents and maps, including the Critical Minerals web maps. Check <https://data.gns.cri.nz/tez/index.html?map=Aggregate%20Opportunity> to see the national quarry database in the context of Earth Sciences' aggregate opportunity modelling project.

Mike Chilton, who has been active in all of this from the start, says maps like these will help planners and local authorities understand where the future of our infrastructure materials lies – and hopefully be better able to protect them from conflicting uses.

He says one of the best things about these web maps is that



Matt Hill

the spatial data can be downloaded (or streamed live) into any territorial authority's planning system or a quarry owner's system.

"This allows you to look at potential resources close by an existing quarry and plan for the future."

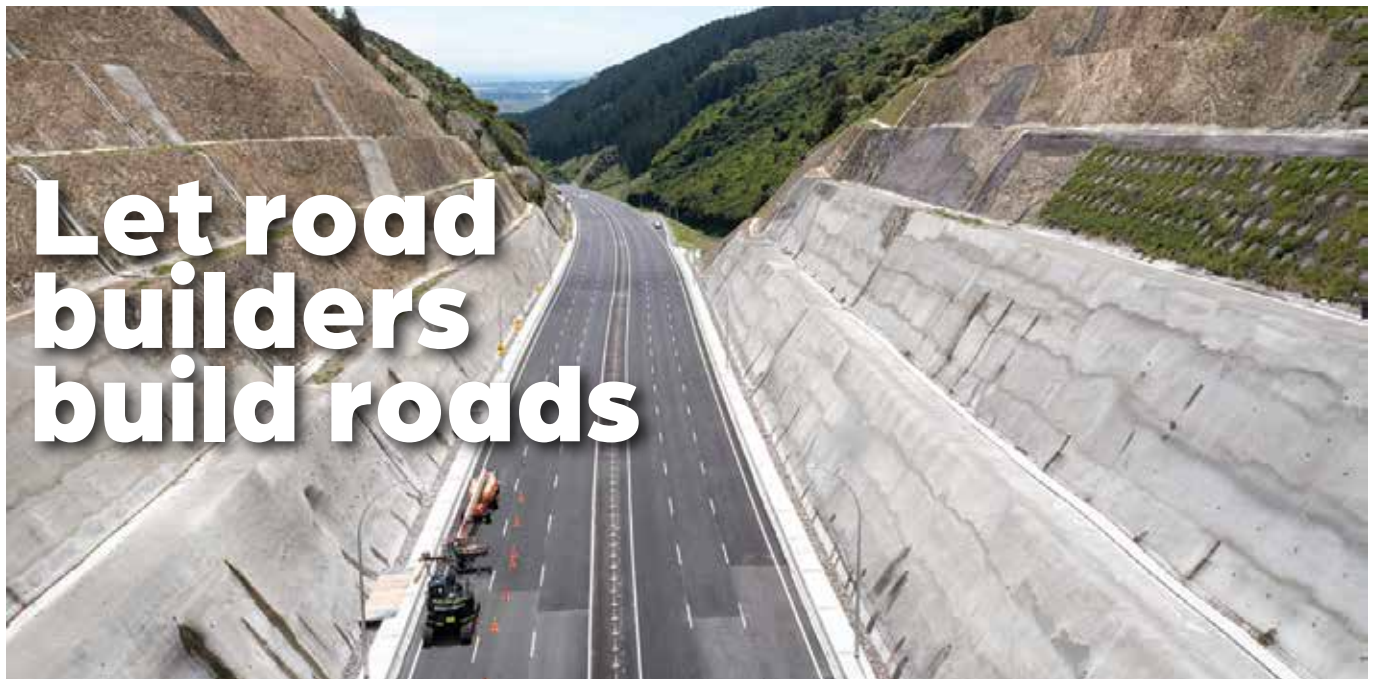
The QMAP (quarter-million scale geological map) has been available online for years but the ability to include the aggregate opportunity modelling and current quarries makes this a powerful tool.

"It's a nice way to keep sustainable aggregate procurement front and centre in people's minds when looking to the future," says Mike.

For any further information or help contact Mike Chilton
tech@aqg.org.nz **AQA**

The Aggregate & Quarry Association appreciates the support of our members





Let road builders build roads

We spend nearly six per cent of GDP on public infrastructure investments – the highest in the developed world – but get some of the poorest returns, AQA CEO Wayne Scott told the Future Roads conference.

Wayne says our difficult terrain and small population spread over a large land area are factors, but we get poor value for money.

Consenting costs amount to 5.5 per cent of the cost of our road construction and can add years to delivery times. The EU's consenting costs are 1.5 per cent and its pre-construction costs overall are 3-5 per cent. New Zealand's is 10 per cent.

Temporary traffic control costs amounted to more than six per cent of a road project's cost.

Wayne told the Future Roads audience that work on procurement models suggested the competitive tendering model does not work. Australia had done some roading projects on a cost-plus basis where once design and capability are established the parties agree on a margin to be paid above costs.

He says large highly complex roading projects are one area in particular where our roading project costs don't compare well with other OECD countries.

Central government, as the owner of 60 per cent of all our infrastructure, makes political decisions that don't help. A cost benefit analysis was done hurriedly over two months for Transmission Gully in 2013 due to a political decision. Within a year, a more detailed analysis had increased the cost by \$77 million.

Procurement practices drive low pricing and overpromise. There are no incentives for good performance, very little oversight during projects and no accountability for overruns (time or cost).

Moreover, Wayne says there is no post-project analysis of what went right and what didn't.

"We are in a state of 'optimism bias'. We are told projects can be done cheaper and quicker. In fact, too often projects

overpromise and under-deliver."

"Everyone is optimistic about what they can do, often ignoring the reality of previous projects or justifying why this one is different."

Rising labour costs for infrastructure were not usually taken into account. Engineering costs are escalating as most "easy" roading projects have already been completed.

"We already have 110,000 kilometres of roads and most of the new roads will be in more difficult terrain."

Wayne says there is often a failure to consider if there is enough local aggregate available for a project. If not, it will add considerably to the cost. Three weeks before paving was to start on Transmission Gully, a project manager asked where he could source 600,000 tonnes of GAP 65!

Then, there were over-the-top regulatory and environmental requirements such as spending millions of dollars on penguin protection for the Wellington-Petone cycleway.

By way of contrast, Wayne pointed to the construction in seven months (half the usual timeframe) of a section of State Highway 25A in the Coromandel which had been destroyed by a landslide.

Emergency legislation slashed consenting requirements; an existing bridge design was used; and repurposed steel plates from another project sped up the supply chain. Flexible working hours allowed 24/7 operation.

"Would a long-winded consenting process or issuing of a wildlife permit have changed anything for the better on this project?" he asks.

"The slip probably killed a lot more wildlife than a project like this ever would. We need to get out of the way and let road builders build roads," says Wayne Scott. **AQA**

AQA Technical update

NPTG Special Interest Research

- The National Pavements Technical Group runs a number of subgroups for various task delivery.
- AQA keeps a watching brief on the groups' progress through its membership of NPTG.
- Groups working on matters relevant to AQA members are the performance of cement modified basecourses group, the roller compacted concrete group and the communications subgroup. You can join the NPTG LinkedIn group to keep updated on NPTG publications and meetings.

M04 Regional Variations

- AQA is working with the NZTA on the regional variation for Northland.
- Note that other regional variations of M04 basecourse only support lower classes of basecourse (usually Classes 3 and 4).
- Only one of the recycled crushed concrete grades meets Class 2 M04.
- If you can supply Class 1 M04 at your quarry, please let me know so the quarry can go on the supply register. Email me at tech@aqa.org.nz. There is a high demand for Class 1 M04, particularly in the North Island and only a few compliant providers are known so far.

Inspiring Futures Foundation

- Current IFF Chair Sturrock Saunders is standing down from the Foundation to become Chair of the MITO transitional board as MITO heads back into industry ownership as a private training establishment (PTE).
- Industry Council member and CEO of the Motor Trade Association (MTA) Lee Marshall has been appointed to the Foundation as a replacement trustee.

NZPAM Quarry Production Survey

- Thank you very much to all the quarry owners who provided their production data for the 2024 calendar year to New Zealand Petroleum and Minerals.
- NZPAM says there was a run of extra companies completing their production returns following the reminder from AQA.
- This is the only nationwide production data that our industry can draw on for justifying policy and the importance of the quarry sector. It is critical that as much data as possible is returned to NZPAM so AQA has reliable volumes to use for policy and planning work.
- AQA will issue a note and summary of the production information once it is publicly released. **AQA**

Mike Chilton, AQA Technical Adviser

AQA works for the quarry industry – join us today

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