

# Submission from the AQA on the discussion document – Developing an enduring National Infrastructure Plan

December 2024

## Introduction

The Aggregate and Quarry Association (AQA) is the industry body representing construction material companies which produce an estimated 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 understanding of the need for aggregates to New Zealanders, 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 make the following submission in relation to the discussion document on developing an enduring National Infrastructure Plan.

## Section 1 – Why we need a National Infrastructure Plan

We agree that New Zealand needs greater certainty around infrastructure delivery so that we can plan for what skills, people and essential materials such as aggregates we'll need to build our infrastructure.

The timing and scheduling of projects is critical as capability is limited, particularly in some parts of the country. An example of where we have not done this well is the construction of two of the largest tunnelling jobs in our history, at the same time. This put significant pressure on the availability of equipment, skilled and experienced labour, and the supply of high strength concrete in Auckland. If these projects had been completed one after the other many of these pressures would have been alleviated.

Establishing a new quarry or significantly increasing production at an existing one can take up to 10 years so an infrastructure plan providing some certainty over the medium to long term is critical to ensuring materials are available for such infrastructure.

## Section 2 – Our long-term needs

A major source of uncertainty in infrastructure planning is our capability to deliver to the design, within the time frames and within budget. Often business cases ignore capability by assuming that there will be contractors available, that material supply will be available within the programmed timeframes and that the cost of delivery will be similar to historical projects, some of which may have been completed many years earlier.

Cost and time overruns are often the result of materials having to be carted from further away due to capacity constraint from local quarries or concrete plants.

Specifications and designs often do not take account of materials available locally with generic designs being used particularly on roading infrastructure which result in cost overruns and often time overruns. When designing infrastructure, consideration should be given to local supply of materials and local contractor capability.

## **Section 4 – Changing the approach**

### **Capability to plan and build**

We agree that when organisations don't take the time to plan and understand project options and details upfront, there is a greater risk of it costing more or taking longer to build than expected.

The Government, in consultation with the aggregates sector, needs to confirm the available sources of aggregate and sand throughout the country, including aggregate quality, accessibility, and proximity to markets so that those sources identified as critical for the country's Infrastructure Plan and future growth, are protected and appropriate provision is made for their development to meet future demand for aggregates.

We consider it imperative that local authorities are directed to protect key resource areas and enable their development, to both protect existing quarries from encroachment of non-compatible land uses such as housing, reduce reverse sensitivity potential, and to enable the expansion of these resources and development of new greenfield resources.

### **Aggregate is a locally constrained resource**

Quarry materials are not universally available and can only be sourced from where they are located; without planning to provide for adequate access to resources at workable locations, there is the real risk of losing access to such proximate resources.

New Zealand relies heavily on locally sourced aggregate resources for infrastructure repair following natural disasters, for road and rail transport corridors, major projects and for affordable housing development, all of which are essential for the social, economic, and cultural well-being of communities.

Currently, the cost of a tonne of aggregate doubles when it has to travel 30 kilometres from a quarry, with additional costs for each extra kilometre thereafter. By ensuring quarries are close to their markets, transport costs, transport congestion and carbon emissions are significantly reduced. We have seen recent projects such as Transmission Gully and Gisborne Airport sourcing aggregates from quarries up to 400km from the site due to lack of planning for aggregates, and environmental and production constraints at local quarries.

## Theme 2 – Taking care of what we've got

We agree that we do not need to renew everything on a 'like for like' basis. We can replace worn out infrastructure with something better so that it can serve more people. This is particularly the case with roading infrastructure.

Design of roading infrastructure should take account of local needs, number of traffic movements and availability of locally sourced aggregates. All roads are not the same and do not need to be flexible pavements designed to a generic standard. It may well be that locally maintained unsealed roads are a good option for smaller communities as they are cheaper to maintain, can be built out of locally sourced materials and may mean that more roading can be delivered for the same investment.

Alternative rigid pavements (e.g. concrete and asphalt) could be considered on higher impact roads, and whilst the initial capital cost may be higher, whole of life cost would be lower and there would be less demand on regular maintenance. Rigid pavements are also more resilient to natural hazards, including earthquakes, flooding, volcanic eruptions, and tsunamis.

### **Decarbonisation**

Our 2050 target requires New Zealand to reach and maintain net zero emissions of all greenhouse gases other than biogenic methane and to reduce biogenic methane emissions by 24-47% from 2017 levels.

Given transport emissions is our largest contributor to emissions reduction, it is important to decrease the need for carbon-intensive transportation and improve energy efficiency in the long-term by ensuring quarries are close to their markets, thus significantly reducing transport costs, transport congestion and carbon emissions.

### **Regulation**

We agree that consenting processes for infrastructure projects and support activities such as quarries, can be too slow or too costly, and they don't always give us the economic, social, or environmental benefits they were designed to promote.

Rather than taking an integrated approach to resource management, it appears that officials across government departments are in their separate silos creating unnecessary duplication and imposition of additional costs and restrictions, all with similar stated goals but with inevitable unintended consequences. We have seen this with the unintended consequences of the NES Freshwater Regulations, particularly concerning earthworks around wetlands, and in inconsistencies across national direction instruments such as the National Policy Statement on Highly Productive Land and National Policy Statement on Indigenous Biodiversity.

Coherent policy is important to ensure our infrastructure keeps pace with population and economic growth and gives New Zealanders the services they expect, while ensuring their collective wellbeing.

## **A National Infrastructure Plan can only endure if there is bipartisan support**

To be enduring, an infrastructure plan spanning several Election cycles will need cross-party support, and it will need to go beyond simply comprising the details of proposed infrastructure development projects. The Plan will not be effective unless it also includes details of supporting policy initiatives, especially measures addressing workforce development, supply of materials such as aggregate and consenting.

We were heartened by the recent bipartisanship in the foreword to the proposed New Zealand PPP Framework, which was co-written by the Labour Party spokesperson for Infrastructure, as well as by government ministers. However, we would like to see more explicit declarations of intent by the Government and opposition parties to build on this.

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