



Will South Auckland quarries like Stevensons be affected by Labour's push to build more new houses?

New opportunities and challenges ahead

Like most people, I'm not particularly political. Sure, I have my preferences but I'm prepared to give any Government a fair go after elections are done and dusted and a new administration takes shape.

As an industry body, it's our job to work with whoever is in command of the Treasury benches to get the best results for our sector. That's the approach I'm proposing to take.

So, it is with the new Labour-led Government. Yes, it includes some Green MPs as Ministers and they are not famous for supporting the extractive sector. That said, with the new Government's commitment to reduce carbon emissions it would be churlish to force aggregate to be trucked long distances as opposed to continuing, if not improved, access to nearby resources. In Auckland especially, this could come up against the Labour Party's commitment to building 10,000 new homes a year. Some of those homes will inevitably need to push into areas like the Bombay Hills, where several quarries are sited. We will look to a measured and common-sense approach to such issues from the new Government. For a view of our new Ministers driving such policies, have a look at page 39.

I have to say that one Labour politician who has impressed our industry is Stuart Nash, who was the only MP to accept our invite to address our pre-election conference. His no-nonsense speech and encouragement for our sector is also on page 39.

Talking of matters political, I guess that's how some may see the shaping debate and looming decision as to whether the AQA joins a new extractive sector 'peak' organisation.

I've made my views clear and do so again on page 40 & 41. However, this is not my decision nor even that of the AQA Board. For that reason, we've been surveying members as our story reports. In the final analysis, this will come down to a vote by you as AQA members sometime next year.

Meantime, it's pleasing to see our industry's response to the call from MinEx for mentors to assist CoC oral exam applications. First off the blocks was the effervescent H+S Manager at Southern Screenworks, Keri Harrison. Read on page 42 how she's already helped several people across the CoC line.

And, AQA Technical adviser Mike Chilton reports on page 43 on a somewhat baffling 13% drop in aggregate production in 2016. He explains this among his other technical updates.

Finally, I wish you, your workmates/employees and your family a very Merry Christmas and well-earned break.

Stay safe on the roads and in the water as well as in your quarry so we are all recharged and ready to rock in 2018.

Brian Roche
Chair, AQA

Profiles of our new ministers

The new Labour-led Government brings a raft of new Ministers into portfolios affecting the quarrying sector.



MEGAN WOODS

Perhaps the most important portfolio for quarrying is Energy and Resources held by Megan Woods.

Dr Woods is in her third term of Parliament, having first won the Christchurch seat of Wigram in 2011 on the retirement of Jim Anderton who was her mentor.

After a PhD in New Zealand history from Canterbury University, Ms Woods worked as a Business Manager at Plant & Food Research. Megan has been a forceful advocate for those who continue to suffer the aftermath of the Canterbury earthquakes and has that portfolio as well as Energy and Resources and Research, Science and Innovation. She is sixth-ranked in the new Cabinet.



PHIL TWYFORD

Fifth-ranked Cabinet Minister Phil Twyford entered Parliament in 2008 and now represents the seat of Te Atatu on Auckland's west. Mr Twyford has the Housing, Urban Development and Transport portfolios.

He worked as a journalist and union organiser before becoming the founding Executive Director of Oxfam New Zealand, then Oxfam's Global Advocacy Director, based in Washington DC.

Phil Twyford has been the architect of the Government's commitments to building 10,000 more houses a year, as well as a key opponent of the East-West road link (already abandoned) and a supporter of light rail (already confirmed to proceed from Auckland's CBD to Airport.)

IAIN LEES-GALLOWAY

The new Minister for Workplace Relations and Safety won the Palmerston North seat in 2008.

Iain grew up on a beef farm near Waiuku, moved to study at Massey University and stayed on in Palmerston North. He worked for New Zealand Nurses Organisation before Parliament.

As Minister for Workplace Relations and Safety, Immigration and ACC, he says his aim is to create an employment relations framework that ensures working people get a fair share of a growing economy while workplaces are productive and safe. He is 14th ranked in Cabinet.



SHANE JONES

This colourful former Labour MP is Minister for Infrastructure, Forestry and Regional Development. Harvard University-trained, he was chair of the Waitangi Fisheries Commission before first entering Parliament and was a Minister in the Helen Clark Government. In 2010 he admitted to using a Ministerial credit card to watch porn movies and was demoted from Labour's front bench. He left Parliament in May 2014 to become the National Government's Pacific Economic Ambassador before standing against National (unsuccessfully) for New Zealand First in Whangarei this year. As a list MP and Minister Shane will oversee the Government's \$1b a year boost to regional development spending.



STUART NASH

The MP for Napier is Minister for Police, Fisheries, Revenue and Small Business. Moreover, Mr Nash was the only MP to attend and speak to this year's QuarryNZ conference. As Labour's then economic development spokesman he said trying to eliminate all risk for businesses was the wrong focus as risk was a natural part of doing business.

"What separates successful companies from others are those that mitigate and manage risk."

Mr Nash said WorkSafe was doing a good job on health and safety but talk about eliminating all risk reflected poor legislation. Industry needed to play a bigger role. "Nobody knows more about risk than you."

The MP said the quarrying industry was an unsung hero when it provided the foundations of every road, home and building yet did little to tell people about its role.

"Some other industries promote themselves big time. You need to tell your story."

In his Napier electorate he got a few niggles about the Ravensdown limestone quarry.

"Those who niggle just don't understand the value it brings to the Hawkes Bay economy."

Mr Nash said quarries faced all manner of challenges getting and retaining resource consents. He said it was 'madness' that Auckland was importing much aggregate from Waikato and Northland when it had plenty of resource. He said the next Government needed to ensure access to aggregate was included in its infrastructure plan.



Stuart Nash gave a supportive speech to this year's QuarryNZ conference.



Everything we extract adds to New Zealand

We've now got a new Government and from all appearances, it was touch and go which way Winston would roll.

That comes to mind as we discuss and debate whether quarrying should be part of a new peak organisation, as suggested by Straterra.

Its consultant has been contacting some AQA members for their views and AQA's technical adviser Mike Chilton has been contacting the remainder about the benefits – or not – of having a 'peak' body to represent the collective extractive industry.

The results from Mike's part of the survey suggest we as an industry are about as evenly poised as Winston when he had to choose to back National or Labour to form the Government.

This consultation, part of the AQA board's conscious effort to thoroughly test our members views, is important because while we are willing to consider and even back appropriate change, the proposal for reform is being promoted by Straterra and some major quarry companies.

Mike's questions included how the board of any new organisation should be made up:

- whether it needed to represent the diverse Interests of mining and quarrying such as alluvial gold, fertiliser extraction, health and safety performance?
- what should be its areas of focus?
- would there be ethical or performance requirements to be

able to join, such as being current CoC holders?

- what funding options might be considered and what level of resources should such a peak body have?

Unsurprisingly, a wide variety of views emerged.

The first views expressed in the spreadsheet was not unrepresentative; that it's currently confusing what each organisation does (AQA, IOQ, Straterra, MinEx); that mining and quarrying are very different and health and safety requirements need to be applicable; quarrying was tarred with the Pike River deaths and that's semi-offensive to a company with an enviable safety record.

Here's my own views. I support being able to streamline things, with shared administrative resources; we need access to someone like Straterra's planning and policy adviser to keep an eye on what's emerging from Government and local Government; as for board make-up, that is far too premature to be decided now. However, in any interim I'd like to see more AQA board members sit in on Straterra board meetings to observe and understand a more complex organisation than our own. We could also learn more about the changes Straterra has faced with the downturn of coal (which has nearly halved in the last decade to 2.9m tonnes mined), the resulting loss of income and what picture that presents.

The quarry I run for Ravensdown is a lime producer - different to both aggregate quarrying and mining. It would



As AQA members, we've all got a view on any merger - and this will be what decides the outcome.

seem strange to replicate effectively what happens at present under the current Straterra regime (of which AQA is a member.) For me – and as an AQA member perhaps I'm a little biased, but I say it's mining that should join with the aggregates industry, not the other way around. From my perspective, a coal mine tragedy should not be able to taint our reputation in the quarrying sector. I do support fuller funding of any new body to allow more effective results. And I make the point that MinEx, run out of Staterra, is going really well, has no issues representing the fuller extractive sector and if that model could be replicated we would be in a good place.

I think AQA board member Tony Hunter raised a relevant point with his short response to the survey saying we could tell members what a peak organisation could look like, rather than implying it's happening. He did note that we will need to spend more, whatever way we go.

That's a big consideration for us all. Currently we run the AQA on what most sectors would consider the smell of an oily rag. Fees start at under \$10 a week for someone producing less than 10,000 tonnes a year through to less than \$1000 a week for our handful of very big companies. And that includes the levy for MinEx.

If you like, the small guy is funding a couple of coffees a week towards our industry trying to represent itself while the biggest companies are meeting less than the salary of the person who goes and collects them.

Or to put it another way, given we produce around 40m tonnes a year and our total AQA budget including MinEx is around \$300,000, the total cost to industry for AQA and MinEx = \$0.0075 per tonne (less than one cent a tonne.)

That's to represent us on every issue from engaging with other organisations on your behalf, monitoring Government

and local Government policies, training, technical advice, communications, conference planning and health and safety.

Our wages bill is less than \$150,000 a year for three competent part-time staff.

Dare I mention that Fonterra has more than 125 staff earning more than \$500,000? Ok that's a \$20b industry and we may be less than \$1b but we compete for attention in the same market of policies and ideas.

All up, New Zealand's economic output (GDP) is around \$200b. Through our connection to mining we make it into the last spot of the 16 top contributors to that GDP, with output of around \$3.6b or 1.8% of GDP.

That's why I say our best outcome may be an organisation which recognises that there is value in being part of a greater hole (excuse the pun).

Yes, there are some downsides to being associated with mining, notably Pike River but let's not forget that, God forbid, if we had half a dozen years like 2015 (four deaths), we've have as many fatalities in quarrying. And let's be honest. The days when coal was king are over (and quarrying remains as big as ever.) If that wasn't already clear, it will be with the new Government and its commitments on climate change. It is also committed to building 10,000 more houses a year. That's going to require a helluva lot more aggregate.

If our industry is put front and centre in any peak organisation proposal, I say we should seriously consider it. Any final decision has to be made by the members at a Special General meeting – so it will be members who decide.

We will have to fund our industry better in future but that can be kept in check if we work as a unified extractive industry, one that proudly and repeatedly tells our story; that everything we extract, adds to New Zealand.

By Brian Roche, Chair, AQA

Mentoring builds confidence and results

Keri Harrison didn't need much encouragement when her Southern Screenworks boss Brett Swain asked her if she'd mentor staff from other quarries who were preparing for oral exams.

Now she's assisting people from around Canterbury to prepare themselves, including a very grateful Lara Murphy from Isaac Construction who says Keri's assistance was a fantastic boost in gaining her B Grade Certificate of Competence including the oral exam pass.

After putting herself through a B Grade Certificate of Competence, Keri was already helping her own colleagues pass their exams. So when MinEx's new Chief Executive Wayne Scott asked the Aggregate and Quarry Association board to back his mentoring plan, Brett Swain didn't hesitate to approach his Health and Safety manager.

Keri Harrison put herself through her B Grade CoC in November 2015 and then set about helping her Southern Screenworks colleagues. "I developed a package of tools for our guys." She was already helping staff from Winstone GBC Canterbury quarries when Wayne Scott asked if she could also assist a couple of Isaac Construction staff.

"I'm just lucky I've got a big office," says Keri. She'd developed an easy to follow format that looks at the various guidelines, regulations and legislation affecting quarries.

"The biggest thing I focus on is how to manage risks and emergencies.

Everyone I've taught is highly competent in what they do. Many of my students just lack confidence at presenting their knowledge verbally so I work on that with them."

Most of her students are in their 40s through to late 50s. "I use a variety of tools to mentor my students and often take them out into the quarry and ask them to tell me what'd they'd do on that site." It is a good way to measure how much they have learnt from our study together and it helps me to refine my study tools.

To date, Keri has mentored 10 people with five passes and five fails, all of whom are re-sitting. "I really enjoy seeing my students grow in confidence especially when they say they feel comfortable to attend the exam", she says.

Lara Murphy is one of her passes. The former Auckland landscape gardener began working for Isaac four years ago as a plant operator. She set her sights on a B Grade CoC and was already studying hard for it when she heard of Keri's mentoring offer.

"I had exhausted myself," she says. While she was making some progress it didn't help to hear about the high failure rates with oral exams. The only external assistance had been a one-day course which didn't greatly help. "To be quite honest I didn't find it one little bit helpful. It confused me. The stuff I got in that course was stuff I already knew."

Keri provided workable two-hour periods and sent Lara and other



First-up mentor Keri Harrison, left, has helped several people including Lara Murphy through her CoC oral exams.

mentorees home with some things to think about. She also offered to be on call by phone.

Mentorees are taken through the Good Practice Guidelines for quarrying, H&S Management Plans, Risk Assessments and Emergency Management Plans.

"Keri gave me the confidence I needed to go into that exam without feeling worried," says Lara. "She didn't tell me any of the answers but would point me in the right direction."

Wayne Scott says he's blown away that in just two months since he launched the initiative, MinEx now has 20+ mentors providing support to CoC candidates in various parts of the country.

• If you think you could assist, please contact Wayne on 021 944 336, wayne@minex.org.nz

The Aggregate & Quarry Association appreciates the support of our associate members

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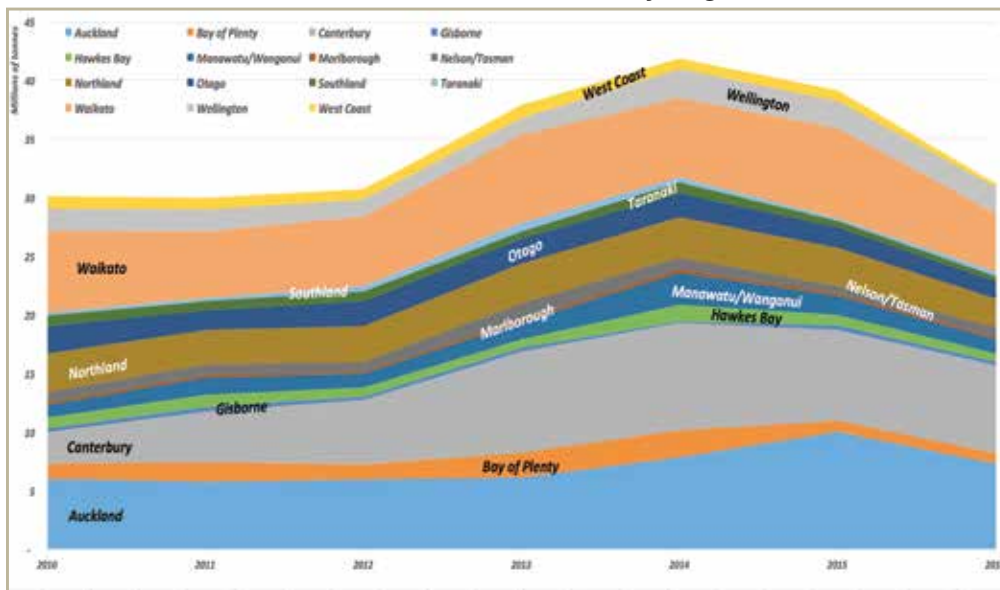


TECHNICAL ISSUES FOR AQA MEMBERS

2016 production figures

- 2016 figures have been published by NZP&M bit.ly/NZpetroleum
- Only 65% of quarries responded to the survey so the numbers look artificially low (31Mt)
- To those who ignored the 2016 survey, please give some time to the 2017 survey so the Government is not making aggregate policies on incorrect data, thank you.

New Zealand Industrial Minerals Production by Region (Source NZPAM 2017)



Pavement rehab and design guides published

- NZTA has published its updated guides and is currently running a roadshow.
- The guides have NZTA's latest guidance on aggregate testing and use suitable for different types of pavements.
- Pavement Evaluation and Treatment Guide is bit.ly/PavementManagement
- Pavement Structural Design Guide is bit.ly/PavementStructure

Quarrying and mining in one industry organisation

- AQA and an independent consultant have been soliciting thoughts on merging mining and quarrying into one organisation
- Thank you to all who have responded and had input into this.
- A report on members' views will be brought to the AQA and Straterra Boards to determine the next steps.

Thank you Alan

- Alan Stevens is standing down from the AQA technical committee after several years of dedicated service. He is finishing up with CCNZ at the end of the year.
- All the best from us Alan, your experience and input has been invaluable.

Ethylene Glycol test

- A reminder that although this test is becoming more common in contracts, it is an indicator test only, designed to trigger an XRD analysis of the parent rock if a potential swelling clays issue is indicated.

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