



# GAIN

Newsletter #2, June 2017

EDITORIAL

## Welcome to our second GAIN Newsletter!

**JIM O'BRIEN**, UEPG Honorary-President, GAIN Convener



*The TaiSheng state-of-the-art Quarry in Guangdong, China, established in 2007, is part of the Dongsheng company owned by chairman Songgu Lai; the quarry comprises 120 hectares and has environmental protection as priority and includes extensive landscaping and a man-made lake*

**I am delighted to present our second newsletter, thanks to the enthusiastic responses by all in submitting their latest news items. There was very positive feedback from the first newsletter from across the globe; GAIN members really appreciated keeping in touch, and this has prompted ongoing sharing of experiences and solutions.**

The articles demonstrate positive momentum in our markets in most regions. The industry is becoming ever more sophisticated, and there is universal enthusiasm to be innovative in our challenges and to excel in our opportunities. I think GAIN has contributed to that progress.

There is good news in that a national aggregates association is now being formed in India. With India added to our membership by the end of 2017, GAIN will then represent no less than 75% of the global production of aggregates of 55 billion tonnes. Contacts are also being established with other regional aggregates associations, mainly in Asia. I am confident that GAIN will continue to grow and be ever more effective in strengthening our industry.

There is also excellent news in that Spain has offered to host the 2018 GAIN meeting in Barcelona. It will be held on May 21 and 22, with opportunity for quarry visits on

May 23. The program also ties in with premier UEPG annual events, namely the Entrepreneurs Forum on May 24 and the Delegates Assembly on May 25. Hence the program offers a really worthwhile series of events, particularly for those travelling from afar. Most GAIN members have already responded very positively towards the preliminary invitation. More details of the May 2018 GAIN meeting will be given in our third GAIN newsletter next November.

This newsletter also contains the contact details of GAIN members, so you all can readily continue to keep in touch. Please in turn ensure that you email all your newsletters and other useful publications to all GAIN members on the list.

Meantime, every good wish to you all, keep well and keep safe,

**Jim.**



# News from China

**YOUYI HU**, President of the China Aggregates Association (CAA)



## The Chinese Aggregates Industry – Positive Development Continues

Aggregates are the essential raw material for construction of roads, bridges, water, municipal and other infrastructure. The Chinese aggregates industry since 2015 is in a stage of major transformation, upgrading, up-scaling, also championing green development. Meanwhile, the

utilization of tailings, waste rock and construction solid waste to produce recycled aggregates is also showing a rapidly developing momentum.

According to statistics, the consumption of aggregates in China was more than 20 billion tonnes and the annual output value was worth approximately 14.5 billion US Dollars in 2016. With the implementation of China's national '13th Five-year' development plan, the number of infrastructure construction projects has again increased. All this is stimulating the current and future demand for aggregates.

## China Aggregates Association (CAA) development in 2016

Responding to the needs of aggregate industry, CAA has guided the relevant government departments on how to further develop the industry. The joint local governments plan to rationalise quarry resources and to eliminate poorly-performing smaller aggregates producers, and of course also to ensure ever-better environmental protection.

In 2016, CAA has published or prepared several new technical and environmental standards for the industry. In order to promote the technical progress of the industry and accelerate its industrialization process, CAA organized "The National Aggregate Innovation Conference", "The Second National Construction Waste Utilization Technology and Equipment Seminar", "The Aggregate Production Technology Forum and Equipment Exhibition" and many other technical information exchanges. We have held "The First National Aggregates Competition" and have launched "The Aggregate Production Demonstration Base" and "Abandoned Quarry Restoration Management Demonstration Base". More importantly, all these have shown very positive effect in promoting excellence in the Chinese aggregates industry.



The CAA Team, which recently received the top award as the most Advanced Unit amongst the 23 national building materials associations represented within the China Building Materials Federation

## 2017 Outlook - The 13th Five-Year Plan

"The 13th Five-year Modern Integrated Transportation System Development Plan" proposes that during the "13th Five-Year" period the total mileage of China's railway operations should increase by 30,000 km, the roads by 320,000 km, adding more than ten thousand berths in 300 harbours and adding 50 civil aviation airports. Consequently, infrastructure construction is still showing strong growth, driving the Chinese aggregates market to increase its demand.

## The Fourth National Aggregate Industry Innovation Conference, July 2017

Currently, the Chinese government has increased its effort on mining resources and environment protection. The aggregate industry transformation and upgrading, industrialization, modernization and green environmental protection process is significantly accelerated. New ideas, new models, new technologies and new equipment continue to emerge. In order to enhance the innovation, green cooperation and healthy development of China aggregate industry, CAA is scheduled to hold the "The Fourth National Aggregate Industry Innovation Conference" in middle of July.

## The Fourth China International Aggregate Conference, December 2017

This is an international stage that CAA is striving to build to enhance the connection between countries and share latest technology information. CAA is delighted to invite all the GAIN members to join with us and attend these important events.

# News from the United States

**MICHAEL W JOHNSON**, President and CEO of the National Stone, Sand & Gravel Association (NSSGA)



## A New President in the White House

With President Trump now in office, the new administration has sought to fulfil its numerous campaign promises. Two of the most important for the U.S. aggregates industry are (a) investing \$1 trillion USD in the country's crumbling infrastructure and (b) reducing unnecessary and burdensome regulations on the industry.

Speaking to a joint session of the U.S. Congress in February 2017, President Trump asked for legislation that invests \$1 trillion USD in the nation's infrastructure, financed through both public and private capital. However, to date, neither the U.S. Congress nor the White House has put forward a detailed plan.

The other key Trump campaign promise of interest to the U.S. aggregates industry is broad regulatory reform. Soon after his coming to office, NSSGA was asked to provide examples of overly-burdensome rules and regulations that should be updated or eliminated.

Here are the recommendations that NSSGA made:



### Environmental Protection Agency (EPA) – Repeal and replace the Waters of the U.S. Rule

EPA's Waters of the U.S. Rule would have radically expanded the agency's jurisdiction under the Clean Water Act (CWA) to include areas suspected of only tenuous connections to navigable waters. It is good news that the EPA is working on rescinding this rule and crafting a replacement, as NSSGA recommended.

### Mine Safety and Health Administration (MSHA) – Withdraw the Workplace Exams Rule

MSHA's Workplace Exams Rule would actually impede operator efforts to effectively manage workplace safety. In addition to forcing operators to substantially alter work processes, the rule would also mandate substantial increases in paperwork, especially tough on small operators, dramatically raising costs of compliance.

### Mine Safety & Health Administration – Replacing the Pattern of Violations Rule

MSHA's Pattern of Violations Rule should be withdrawn and re-written so that all thresholds needed for being declared a "pattern" violator are explicitly described and all constitutional protection of right of due process is preserved.

### Occupational Safety and Health Administration (OSHA)/ Mine Safety and Health Administration – Rescind the rule to cut the Workplace Exposure Limit for Crystalline Silica

NSSGA is urging OSHA to return to the former permissible exposure limit of 0.1mg/m<sup>3</sup> which, when followed and enforced, has contributed to a 90 percent or greater reduction in silicosis cases since taking effect in the early 1970s. The new rule of 0.05mg/m<sup>3</sup>, if it takes full effect, would cost regulated industries at least \$2.45 billion annually with no offsetting benefit to employees. As OSHA failed to follow its statutory requirements during the rulemaking process, the association is taking legal action against the agency as it is expected to be adopted, without change, by MSHA.

Moreover, most commercial laboratories cannot consistently measure workplace air samples with the accuracy required by statute. Inaccurate results may lead to employers unwittingly overlooking excess exposures or expending resources unnecessarily.

### Environmental Protection Agency – Toxic Substances Control Act (TSCA) Risk Evaluation

EPA's evaluation of "asbestos" should precisely define it and asbestos-containing material to be consistent with the original intent of existing U.S. law. The agency should precisely define asbestos based on its chemical makeup, physical and morphological properties, appropriate methods, criteria for identification, and other relevant factors. It should not include in its definition common rock fragments that have not been shown to present the health hazards associated with asbestos exposure.

## MSHA-NSSGA Alliance Delivers on Safety

The MSHA-NSSGA Alliance for education and training on safety and health continues to roll out important information products. "Rip & Shares" appear in NSSGA's bimonthly "Stone, Sand and Gravel Review" Magazine, and deliver reminders on key threats to safety in stone, sand and gravel. These valuable offerings can be easily "ripped" out of the magazine for workers to use in safety meetings. The most recent edition concerns fall hazards. The MSHA-NSSGA Alliance has proven to be a very productive example of government/industry cooperation to reduce injuries.

**THE FOURTH MOST COMMON CAUSE OF INJURIES IN 2014 WERE ASSOCIATED WITH MACHINERY.**  
Could These Accidents Happen at Your Facility?

**Use of Best Practices Can Eliminate These Kinds of Injuries.**

- Ensure that machinery is powered off and secured against hazardous motion before performing repairs or maintenance. Consider all energy hazards including electrical, mechanical, pneumatic, and hydraulic systems.
- When locking and tagging out equipment, use individual locks and tags, and ensure others know the ways to clear locks. Personnel should not remove locks that aren't their own.
- Inspect machinery prior to use. Tag out removed machinery from service that requires repairs.

The National Stone, Sand & Gravel Association is part of the MSHA Alliance Program. It does not endorse or support any political party or candidate for any office. The information contained herein is for informational purposes only and is not intended to be used as a substitute for professional advice. For more information, visit [www.nssga.org](http://www.nssga.org).

## Major NSSGA Events 2017-2018

**NSSGA Leadership and Networking Summit** June 12-14, 2017, Colorado Springs, Colo.

**NSSGA Legislative and Policy Forum** Sept. 24-28, 2017, Washington, D.C.

**NSSGA Annual Convention, AGG1 Academy and Expo** March 4-8, 2018

## Looking back: 2016 Aggregates Production (estimates)

- U.S. domestic production and use of construction aggregates amounted to 2.5 billion metric tonnes of crushed stone, sand and gravel, valued at US\$25 billion. This compared to 2.3 billion tonnes in 2015, a production increase of 8.7%.
- Of this, 1.48 billion tonnes of crushed stone was produced by 1,430 companies operating 3,700 quarries, and 82 underground operations (U.S. Geological Survey data). 76% was used as construction material, mostly for road construction and maintenance; 11% for cement manufacturing; 7% for lime manufacturing; 4% for special uses and products and 2% for agricultural uses.
- And 1.01 billion tonnes of sand and gravel (construction grade) was produced by an estimated 4,100 companies and government agencies from about 6,300 operations in all 50 U.S. States (U.S. Geological Survey data). 44% of construction sand and gravel was used as concrete aggregates; 25% for road base and coverings and road stabilization; 13% as asphaltic concrete aggregates and other bituminous mixtures; 12% as construction fill; 1% each for concrete products, such as blocks, bricks, and pipes, and the remaining 3% for filtration, golf courses, railroad ballast, etc.

# News from Canada - Ontario

**NORMAN CHEESMAN**, Executive Director, Ontario Stone, Sand & Gravel Association (OSSGA)



## Putting a New Face to Aggregates

OSSGA has been hard at work designing and implementing a new advertising campaign for 2017, including new bus shelter ads that will appear in Toronto, and three 15-second online videos that will appear on Facebook, YouTube and other popular websites throughout the province.

The outdoor ads are a continuation of the "Fact or Fiction" campaign to dispel the myth that aggregates sites cannot be rehabilitated to agriculture, and to encourage the use of close-to-market aggregate. The videos use the element of surprise to highlight the rehabilitation efforts and successes of the aggregate industry.



In 2017 OSSGA will also be rolling out 20 trucks featuring the "I

Build..." decals that we launched last year. The first two trucks are already on the road and we expect the others to be hitting the highways in the next four weeks.

To see the new ads, videos, or the truck campaign visit <http://ossga.com/advertising>.

## Bill 39 ARA Amendments Passes Ontario Legislature

After months and indeed years of waiting, Bill 39, the Aggregate Resources and Mining Modernization Act, or ARMMA, passed 3rd Reading in the Ontario Legislature in mid-May. The Bill approved amendments to the existing Aggregate Resources Act, or ARA. OSSGA testified at Committee in February during hearings at Queen's Park, and called for several changes which unfortunately were subsequently voted down. Discussions will now begin with the local government policy staff on the regulations, a process which is expected to take several months.

The amendments to ARA change the legislation in three important ways:

- The new legislation provides powers to the Minister responsible for aggregates to request new studies – even on sites that have already been issued a licence. The industry is concerned about this new power as it creates uncertainty on the extractability of reserves that have already undergone an extensive and expensive licensing process. OSSGA is working with the government in the regulation phase to ensure that these concerns are met.
- Consultation with First Nations (aboriginal people in Canada) is another concern. The new legislation calls for "adequate consultation" to have taken place. The term "adequate" is not

defined in the legislation and the industry will be looking to the government to set out more defined guidelines as part of the regulations.

- Finally, the legislation changed the definition of tonnage limits on each site to include recycled aggregates. Industry is concerned that this could have the unintended consequence of providing a disincentive to producers to participate in recycling programs.

OSSGA is also working closely with municipalities to increase the levy that is charged on aggregate. The levy is not consistent across Canada. It is currently 11.5¢ in Ontario; 25¢ in Alberta and 53¢ in the province of Quebec. OSSGA and its members believe the levy in Ontario is too low. To build public trust in the aggregate industry so that new close-to-market supplies can be approved we need to demonstrate that we are good neighbours. More money to help local infrastructure, and more money to help monitoring and enforcement of legislation is an important step. We are recommending a new levy of 54¢ per tonne.

## Axle Weight Project with Ministry of Transportation

An area of on-going concern in Ontario is the transportation of aggregate. Trucks in Ontario must meet overall gross manufactured weight limits, as well as axle weight limits that have been set by the Ministry of Transportation.

Meeting the axle weight limits has been an on-going issue for more than 30 years. Due to the nature of loading aggregate product, it is difficult (or impossible) to reach the appropriate distribution of axle weights that are set out in the regulations. Trucks leave a producer's site loaded appropriately to their maximum allowable weight, but then test over on the axle weights when they hit a government scale down the highway. This has resulted in trucker strikes over tickets, lost production time, and frustration all around.

OSSGA, the Ministry of Transportation and some other interested parties have finally teamed up to conduct a pilot project to weigh vehicles and begin work to resolve this long-standing issue. In Ontario transportation represents approximately 50% of the cost of aggregate – so the outcome of these tests will have a significant impact on the industry.

# News from Canada - Alberta

**JOHN ASHTON**, Executive Director, Alberta Sand & Gravel Association (ASGA)



## ASGA Reflects on "The Fire" - one year later, some ASGA members in Fort McMurray are still feeling the heat from a year ago.

"My wife was panicking and the next thing I knew the Royal Canadian Mounted Police were at our door saying 'you must leave NOW,'" recounts ASGA member Wayne Woodhouse. "Suddenly it was organized chaos. It took two hours to go 12 blocks, and as I drove through town, flames were rising on the side of the road."

Woodhouse is one of the principals of Fort McMurray-based Stony Valley Contracting, which does both contract-crushing and resource development. He had seen a lot over 30 years in the gravel business, but "The Fire of 2016" was unparalleled, and for all the wrong reasons. "The toughest thing for us was that we had employees scattered north and south of town who couldn't get home," says Woodhouse. "Families were split up, in some cases for days, and there was nothing we could do about it."

From a personal standpoint, he and his family were fortunate. There was no damage to their existing home, and while the fire threatened the new home they were building at the time, it too dodged the flames. Unfortunately, the same could not be said for his company and its 100 workers. "Business-wise, it sucked. We lost three months of revenue and any pending projects were put on hold or late getting started," remembers Woodhouse.

## Heart-breaking and Heart-warming

Also feeling the impact was Wes Holodnick and his staff at H. Wilson Industries (2010) Ltd. The company has operated in Fort McMurray for three decades, specializing in asphalt paving and underground water/sewer installation. A Fort McMurray resident of 25 years, Wes said it could have been worse, but it was still pretty bad. "Traumatic" describes it well. My wife was really scared and we were less impacted than many, so I can only imagine how others felt."

Two of the company's employees are now going through a total re-build and one is reconstructing part of their home. By contrast, Wes and his wife emerged relatively unscathed in that they didn't lose anything in the fire and their home suffered only minor smoke damage. When they weren't counting their blessings, they were busy helping others in the community who didn't fare as well. "We had two crews assisting with water and sewer repairs and we prepared a laydown area for a temporary campground," recounts Holodnick.

As for the town itself, Woodhouse said the rebuild has been slower than expected. Both literally and

figuratively, the fire took a lot of life from Fort MacMurray. "It's still a great community, but anyone who wasn't really committed to this place and had no real ties here in many cases left."

Some went back east, got a job and stayed there, while many who were nearing the end of their careers took early retirement and moved on. There was also the emotional factor where "people got scared and didn't want to come back". Despite the damage, Woodhouse was heartened by the stories of people who really stepped up, of firefighters, doctors, nurses, teachers, and municipal employees who focused on helping others even as their own families were being torn apart.

**Trial by Fire**

Less helpful are what Woodhouse calls the "couch critics". "Some observers are now second-guessing and saying that the city or the province could have done this or should have done that, but we weren't sitting in the chairs of those dealing with a fire that moved at an unbelievable pace and drawing on information they had at that minute, only to have Mother Nature change the game the next minute. They made the best decisions they could at the time, so we need to respect that and move forward."

Part of moving forward to Woodhouse means new emergency access roads. "This fire has taught many how important other accesses are for communities with only one ingress and egress. Fort McMurray was fortunate that the oil companies could support not only camp accommodation but air flights to Edmonton. The province has turned down a project to provide another route in and out of Wood Buffalo, but thankfully the municipality has approved emergency secondary accesses. Once completed, the routes will ensure safe passage out of neighbourhoods that currently have only one access point.

Another positive by-product of the fire is what it taught about taking the Boy Scout motto to heart: be prepared. "Since that day, we have improved our evacuation and communication plans for staff," said Holodnick. "We've also gained a better understanding of insurance, fire prevention and ensuring business continuity in the face of disaster."

Perhaps the most poignant lesson relates to its residents. "To me, this confirmed that Fort MacMurray is resilient," said Holodnick. "The people that call it home invested a lot of blood, sweat and tears in building this place and they've endured a lot over the years, from the fires in '95 to the floods that closed Highway 63 and forced people to escape by air."

This article was written by Geoff Geddes, Communications Coordinator, ASGA.



# The GAIN Map of the World



# News from Canada – British Columbia



**PAUL ALLARD**, Executive Director, British Columbia Stone, Sand & Gravel Association (BCSSGA)



## The Economic Importance of our Aggregates Industry

The BC Stone, Sand & Gravel Association is the voice of the aggregate industry in British Columbia and strives very hard to represent members concerns to Government. 2017 has been a very busy year for both the aggregate producers and their suppliers of goods and services. The industry is strong in most areas in the Province and looks to remain strong for the balance of 2017 and even well into 2018.

British Columbians consume over 55 million tonnes of aggregate annually, representing almost 13 metric tonnes/capita. Infrastructure construction and repairs, hospitals, schools and office buildings, residential construction and government projects require the aggregate industry to remain viable and competitive. Aggregate production occurs in over 700 publicly and privately held permitted mine sites in British Columbia and provides more than 3500 direct jobs in the aggregate production business.

## The Political Challenges

We have just gone through a tumultuous Provincial election process and the doubt that surrounds the outcome of the vote is hurting business investment in British Columbia, for the time being. As of this moment, one party (The Liberal Party with 43 seats) has a 2-seat lead over the next party (The NDP Party with 41 seats) but the balance of power is being wielded by a third party (The Green Party) who gained 3 seats in the election on May 9th, 2017. Needless to say both the Liberal Party & the NDP Party are negotiating with the Green Party to see who forms Government. Even after 3 weeks of recounting ballots and all the negotiating that has taken place, we, the people, still do not know who will be Government, and that leads to much confusion in the aggregate industry, and every industry for that matter.

We too, at the BC Stone, Sand & Gravel Association, have gone through a transformation with the election of new Directors and eventually a new Executive Committee, at our Annual General Meeting on May 25th, 2017. These elected people will lead our Association for the next several years. We have recently revamped our web site ([www.gravelbc.ca](http://www.gravelbc.ca)) to give it more meaning and update it to try and attract the new generation of aggregate producers and suppliers to our site. Please have a look at the new web site and send me any comments you may have.

British Columbia remains vibrant and strong in maintaining its current infrastructure and building new infrastructure to meet the demands of new people moving into the Province. This trend is likely to continue for the foreseeable future.

The aggregates industry in BC, although strong, faces many challenges from Government and the public, as was mentioned in my last article. We have not resolved issues with Government concerning the Water Sustainability Act or costs of permit renewals or applications for new mine sites. The new Health, Safety & Reclamation Code for Mines in BC is complete and should be delivered to all aggregate producers by mid-June 2017. The dialogue continues and we are hopeful that Government is there to help the industry rather than hurt it.

I would like to invite members of GAIN to update us here in BC, by supplying us with a few words about what is happening around the world in the aggregate industry. I have just become the editor of our newsletter and I am always looking for good articles to include in the newsletter so please feel free to submit your articles directly to me at [gravelbc@telus.net](mailto:gravelbc@telus.net). Thank you for your continued interest in the aggregate industry in British Columbia. We wish GAIN much success in the future.

# News from Australia

**KEN SLATTERY**, CEO, Cement, Concrete, Aggregates, Australia



## Respirable Crystalline Silica – In Focus

Domestic and international developments are bringing Respirable Crystalline Silica (RCS) to the fore in Australia. The federal work health and safety regulator, Safe Work Australia, is currently reviewing of role of exposure standards for all airborne contaminants. This project will consider whether the current RCS exposure standard of 0.1mg/m<sup>3</sup> on an 8-hour Time Weighted Average (TWA) is appropriate.

Equally, new cases of either Coal Workers or Mixed Dust Pneumoconiosis in Queensland and New South Wales have some State Regulators contemplating improvements to monitoring and mitigation measures for RCS, coal dust and diesel emissions.

With the issue being tackled at both the Federal and the State level, CCAA is concerned that an inconsistent regulatory response will eventuate. We expect that internationally developments, such as the contested decision by OSHA to half the exposure standard in the USA and discussions around the regulation of RCS under the EU Carcinogens and Mutagens Directive will also influence the dialogue here in Australia.

## Economic Outlook

The Federal Government handed down its Budget for 2017-18 on 9 May, with a predicted return to surplus by 2020-21. The return to surplus of A\$7.4bn in 2020-11 and further surpluses over the medium term will enable a reduction in debt and place Australia in a better position to withstand any future economic downturns.

The Government has estimated that real growth in the Australian economy will rebound to 3% over the next two years. Wage growth is also expected to increase from 2% to above 3% over the next four years.

Treasurer Scott Morrison linked investing in infrastructure with overall growth for Australia, outlining several projects to create jobs and build businesses. Key infrastructure measures in the Budget include:

- Building a second airport in Sydney
- A 1700km railway line between Brisbane and Melbourne
- Rail improvements across states and territories
- Investment in energy and emissions

## Growing the Market for Heavy Construction Materials

Developing and growing the market for our members' products is a key pillar of CCAA's strategy. To support this objective, CCAA has developed a series of new brochures and promotional tools to further grow concrete's share in core market applications. New collateral is now available on CCAA's website relating to Concrete Roads, Concrete Houses and Concrete in the Urban Landscape.

These products aim to support discussions with relevant market stakeholders and are tailored to represent the key benefits of concrete within each segment in a simple, user relevant and consistent way.



## CCAA Innovation Awards

CCAA's annual state-based awards have undergone a branding refresh this year, making way for a third award category – Community Leadership. CCAA's Innovation Awards recognise the industry's commitment to continuous improvement across three award categories:

1. **Health & Safety Innovation**
2. **Environmental Innovation**
3. **Community Leadership**

The inclusion of the Community Leadership Award demonstrates the importance of local communities in supporting our industry's social licence to operate and how managing relationships with the community is becoming an integral part of day to day operations



CCAA National Environment Innovation and Health & Safety Innovation Award Winners 2016

## Other Projects in Brief

Other key projects that CCAA is working on in the aggregates space include:

- **A Strategic Framework for Environmental Regulation**  
Given the inconsistent approach to environmental regulation across States, CCAA is developing a strategic policy framework for engaging with regulators to reduce 'green tape' within the industry.
- **Environmental Offsets**  
An industry policy position on environmental offsetting, encompassing recommendations for how offsetting frameworks across Australian jurisdictions can be improved, is being developed by CCAA.
- **Diversity in the Industry**  
Strategies and approaches are being investigated by CCAA to encourage and attract a more diverse group of people to our industry's workforce.



# News from New Zealand

**ROGER PARTON**, Chief Executive, Aggregates & Quarrying Association (AQA)



## Aggregates Production Driven by Quakes, Flooding and Rebuilds

The latest available production figures show that in 2015, New Zealand produced 39 million tonnes of aggregates including limestone and other products. That's around 8.5 tonnes per capita - or the equivalent of nearly a truck load for every New Zealander every year. The total was a little down on 2014 of 9.3 tonnes per capita, in part reflecting the end of the peak of the rebuild of Canterbury after the region's 2010/11 earthquakes.



*Brian Roche,  
AQA Chair*



Another major earthquake on November 14, 2016, affecting north Canterbury, Kaikoura, the southern parts of the Marlborough wine region and even the capital city, Wellington are seeing another quake-induced lift in aggregate production. This will be further boosted by some of the worst flooding in New Zealand in recent memory over the past few months.

Over half of the aggregate produced in New Zealand is used on roads; a further fifth is used to construct commercial and residential building. The total for aggregate production does include limestone (used extensively for farming) and other aggregates. The direct revenue earned from the 39Mt of aggregates produced in 2015 was NZ\$502M in 2015. The economic benefit of quarrying to our country (direct, indirect and induced) is \$2.1 billion. Approximately 10,000 New Zealand jobs rely on aggregate.

## Impacts of Transport Distance and the Need for Local Quarries

The Aggregate and Quarry Association (AQA), representing companies producing more than 80% of New Zealand production, has recently revised one of its key calculations. For some years, the industry quoted a figure that for each tonne of aggregates produced, the cost doubles with every 30km it was transported. The figure was challenged by an industry consultant and research by AQA's Technical Adviser confirmed that in fact while the cost doubles for the first 30 kilometres, further increases for the next 30km and more add further to the overall cost, and these costs are passed on to consumers. That's why the AQA maintains that it's crucial that aggregates are sourced as close as possible to where they are needed.



*New Zealand produces nearly a truckload of aggregates per person/year*

## New Focus on Air Quality near Quarries

One recent development has been the regional council in Canterbury announcing a total ban against any dust landing on any neighbouring property. It was sparked by perceived neighbour concerns around crystalline silica dust. AQA chair Brian Roche says that's a valid concern which is taken seriously in the NZ industry on behalf of workers. "But our redoubtable European quarry colleague Jim O'Brien and also Martin Isles advised us, that they knew of no case of respirable crystalline silica reaching to and over a quarry boundary in sufficient concentrations to cause a neighbour any issues".

Europe is now moving to confirm the same maximum level of workplace acceptable respirable crystalline silica as New Zealand has in place. Regulatory developments in Europe are being closely monitored. Brian Roche says for a regional council to absolutely ban any dust – whether with respirable crystalline silica in it or not - just defies logic. He warns that if this takes hold, not just quarries but all and every industry in NZ that turns over a piece of ground will be affected.

## Safety Training

The NZ quarry industry is now acutely aware of the very high level of failure rates with B- Grade Certificate of Competence oral exams and the emerging consequences for quarry operations. The 60% failure rates and the potential impacts on quarries saw a special meeting called by the AQA and IOQNZ in February, also attended by the Government regulator, WorkSafe. It was agreed that the causes of failure are complex and there is not one simple solution, with a range of action points emerging from the meeting. This will also be a key focus of the annual 2017 QuarryNZ conference to be held in Auckland in July.

# News from South Africa



**NICO PIENAAR**, CEO, Aggregate and Sand Producers' Association of South Africa (ASPASA)



## ASPASA expands its Portfolio

Noted for its success in representing the extractive industry, ASPASA has been approached by various other opencast mining bodies who wish to join. Industry sectors like Salt, Dimension Stone and Clay Brick operations are now joining ASPASA, attracted by its excellent services. ASPASA has now also taken over the administration of the South African Coal Ash Association (SACAA), which will be run by a General Manager with the administration being supported by the ASPASA office. To accommodate all of this, provision for different types of membership is being made:

- Producer Membership
- Associate Membership
- Affiliate Membership

## The ASPASA Constitution has been Updated

In recognition of this expanded portfolio, the ASPASA Constitution is now being re-focussed towards the following pillars:

- Government Interaction
- Training & Skills Development
- Health & Safety Issues
- Environmental Issues
- Legal Issues
- Public Image
- Technical issues
- Representing ASPASA on various bodies
- Close liaison with overseas and international bodies.

## ASPASA Committees

The following committees have been formed and some meetings have successfully been held in Health & Safety, Environment, Technical, Transport and Government Liaison.

## Campaigning against Illegal Mining

Illegal Mining is a continuous struggle within the mining industry and includes aggregates and sand mining. ASPASA is already engaged with various committees to fight this very important industry cause. In order to further strengthen its position against illegal mining, ASPASA has obtained very helpful legal opinion, which not only sets out the legislation but also gives direction on what ASPASA can better do to aggressively address the issue.

## ASPASA Is Better Educating the Industry

Members cite ASPASA education opportunities as one of the primary reason for membership. With that in mind, association experts within their respective departments are actively developing training content. Theories, facts and figures are linked to application "how to's" for achieving greater efficiency, higher profitability, reduced liability, greater customer value and better employee engagement. As a result, a producer's short-term expense in staff training then becomes their long-term investment in human capital.

Due to the gap in the industry and the demand for skills training, ASPASA has along with various professionals and professional bodies started doing aggressive training for the industry. The following training has already been placed on the ASPASA calendar:

- Health & Safety Training, Lockout Rules, Fatigue Management
- Environmental Training
- Construction Materials - Crushing Screening Workshops
- G1 Base Training – done in conjunction with South African Roads Federation

ASPASA has teamed up with a service provider who is an accredited training provider who will cover a range of further areas. Some of the possible courses are anticipated to cover Total Quality Management, Blasting Practices in Surface Mines & Quarries, Mentorship Training, Production Procedures for Supervisors in Quarries, Understanding of continual improvement in the quarry cycle, Skills programme, Safety Reps Courses, Explosives Courses and machinery including Conveyor Belt training, Lifting equipment and so on.

ASPASA will gladly share training material and experiences with other GAIN members willing to reciprocate.

## ASPASA Awards

ASPASA again gave recognition to members for excellence in both Health & Safety and Environmental achievements. The awards for 2016 audit results were presented on 21 April 2017 at the IOQ/ASPASA annual conference.

ASPASA also awarded Gert Coffee with the "Aggregate Champion" for 2016 award for his commitment to the industry and the continued support he shows towards ASPASA.



# News from Latin America

**CÉSAR LUACES FRADES**, Director General, FIPA (The Ibero-American Federation of Aggregates Producers).



## Introduction to FIPA

FIPA is effectively a sub-set of GAIN, where FIPA focuses on liaison between aggregates industry associations in Spain, Portugal, all countries of South America and of the Caribbean (LATAM).

The total aggregates production of Ibero-America is estimated at about 3 billion tonnes, equivalent to about 4 tonnes/capita. The region has enormous growth potential in the coming decades.

FIPA's current Board of Directors consists of:

- President: Rodolfo Guerra (Argentina),
- Secretary General: Carlos Fernando Forero Bonell (Colombia),
- Director General: César Luaces Frades (Spain),
- Treasurer: Jaume Puig i Canal (Spain).



## Key FIPA Events during 2017

### Colombia:

The Colombian Aggregates Association, ASOGRAVAS is organizing its "5th Annual Aggregates Conference" at Cartagena de las Indias on September 13, 14 and 15, 2017. The conference covers all key industry topics, and runs in parallel with a major exhibition of new machinery, processes and technologies. The national market for aggregates in Colombia is growing strongly, and is expected to double by 2026.



### Argentina:

The Chamber of Mining of Cordoba (CEMINCOR) and the Chamber of Stone of the Province of Buenos Aires are organizing the "Third Argentine Congress of Aggregates" to be held on November 15, 16 and 17, 2017 in the city of Cordoba (Argentina), with the title "Aggregates: fundamental resources for the construction of sustainable development". FIPA will take advantage of the convening capacity of this triennial event to organize its annual meeting to analyze the evolution and prospective of the aggregates industry in Latin America.



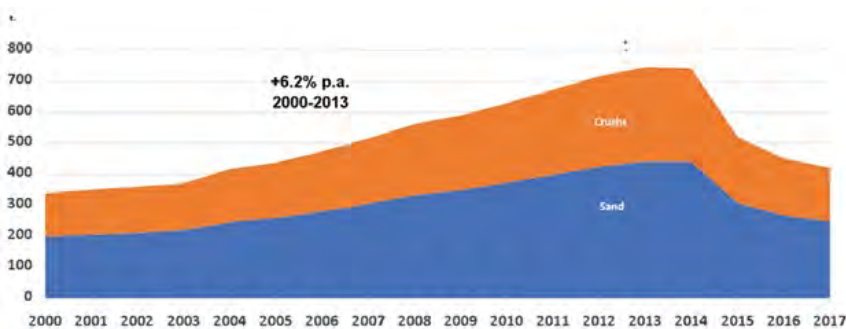
# News from Brazil

FERNANDO VALVERDE, CEO, ANEPAC, Brazil



## Perspective on Aggregates Production in Brazil

Up to 2013, Brazil enjoyed 15 years of continuous growth in aggregates production, reaching a total of 745 million tonnes, equivalent to 3.7 tonnes per capita, then produced by 3,000 companies employing 75,000 people. This represented a remarkable compound annual growth rate of 6.2% between 2000 and 2013 (see graph below). 2014 saw a small decline to 741 million tonnes.



Evolution of Brazilian Sand & Gravel production (shaded blue) and Crushed Stone production (shaded red) in millions of tonnes since the year 2000

However, an economic and political crisis hit the country in 2015, which together with a post-Olympics decline, led to an unprecedented decline of 30% in production to 519 million tonnes that year. The year 2016 saw a further decline to 452 million tonnes, produced by 2550 companies employing 60,000 people, of an estimated economic value of 10.5 billion Brazilian Reals.

Year 2017 is anticipated to see a further decline to 420 million tonnes (only 2.2 tonnes/capita), equivalent to an overall 44% decline from the 2013 peak. It is anticipated that 2017 may see a return to very modest 1% economic growth, though this will likely not positively influence aggregates consumption until 2018.

## ANEPAC is Looking to the Future

There is an enormous pent-up demand for housing and infrastructure in Brazil. When the country eventually returns to economic growth, a consumption of 5 tonnes/capita is possible, requiring a national output of 1 billion tonnes. Already there are increasing difficulties of access to local deposits as cities and infrastructures expand, frequently sterilizing development of new deposits. Since its inception in 1995, ANEPAC has lobbied the Government for better access to local resources in order to provide low-cost high-quality aggregates to the construction industry. In parallel, the industry is campaigning for simplification of the permitting process, an issue which is doubtless all-too-familiar to GAIN members. Equally there are some challenges in poor application of regulations to ensure a "level playing field" for all players in the industry, while the responsible players aim to achieve ever-higher standards of corporate governance.

ANEPAC is also encouraging its members to upgrade their production technology, availing of the latest advances in fixed and mobile plant, optimizing the process through greater use of IT, increasing productivity, better customizing products to market needs, and of course thereby ensuring future more sustainable performance in the industry.

# News from Europe

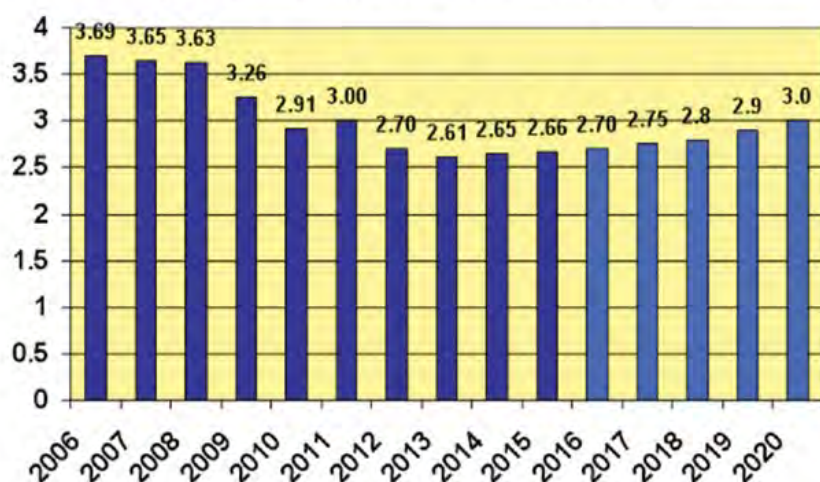
**DIRK FINCKE**, Secretary-General, European Aggregates Association (UEPG)



## European Economy and Production Trends

Despite some political headwinds, the European economy is demonstrating a welcome return to very modest economic growth. The associated good news is that the production of aggregates in Europe, having declined 30% between 2006 and 2013, continues to recover slowly since then, reaching an estimated 2.7 billion tonnes in 2016, equating to just over 5 tonnes per capita.

**EU+EFTA Production in billions tonnes**



The 15,000 aggregates companies in Europe, mostly SMEs, now operate 26,000 quarries, employing over 200,000 people. If the return to growth can be sustained, European demand might reach 3 billion tonnes by 2020 - great progress, but still a long way from the 3.7 billion tonnes produced in 2006.

## UEPG joins EU Circular Economy Mission to South Africa

Convinced of the added value of the Circular Economy and the legislative proposals published in 2015, the European Commission organises Missions to countries which are considered strategic partners. UEPG was selected to accompany the Director General of DG Environment, Mr Daniel Calleja-Crespo, to meet high-level policy makers and business representatives in its recent mission to South Africa.

UEPG officially endorsed the EU Construction and Demolition Waste Management Protocol and supports the European Commission in promoting its application and is a partner of the European Demolition Association (EDA) on the Demolition, Decontamination and Recycling (DDR) Forum and Exposition. While UEPG strongly supports further growth in recycling, future supply will continue to predominantly come from primary quarry materials.

A similar mission is being planned to Colombia on October 17, 18 and 19, 2017, which will be actively supported by FIPA and ASOGRAVAS.

## UEPG initiative on Better Implementation and Regulatory Enforcement

UEPG is carrying out an innovative survey to identify the real situation in Europe of the extent of implementation and regulatory enforcement of EU legislation in each country. UEPG Members invest a significant stake in promoting best health and safety standards, sustainable access to local resources, recycling, excellence in environmental stewardship and biodiversity. However, in some countries, illegal or "grey" operators create an unbearable distortion of what should be a fair level-playing-field.

Ironically, the attempts of legislators to address this issue through even stricter legislative proposals and targets can perversely increase the constraints for responsible operators and benefit the "illegal players". Therefore, UEPG believes there is an argument for less legislation but more even enforcement across all players in the industry.

Hence UEPG is now carrying out a detailed survey on the real extent of enforcement and the extent of illegal or grey operations in each country. Preliminary results show that this problem exists more widely than hitherto recognized. This will enable UEPG to make a stronger argument with authorities and better regulatory enforcement right across the sector. An extension of the study to GAIN members will be proposed this Autumn to present the global results at the GAIN meeting in May 2018.

## Respirable Crystalline Silica (RCS) & NEPSI

The EU Commission has issued a proposal on 13 May 2016 [2016/0130(COD)] to include “work involving exposure to respirable crystalline silica dust generated by a work process” in Annex I of the Carcinogens and Mutagens Directive (2004/37/EC). It proposed the establishment of a binding occupational exposure limit at 0.1 mg/m<sup>3</sup> (respirable fraction, 8h TWA) in Annex III of the Directive. This limit value had been approved by the EC tripartite Advisory Committee for Safety and Health at work. This proposal of the European Commission triggered the ordinary legislative procedure requiring amendments, opinions and approval by the EU Council and the European Parliament after a first or second reading or under conciliation or third reading stages.

On 13 October 2016, the EU Council adopted its position to the Carcinogens and Mutagens Directive (CMD). There were no modifications of the proposed limit values for RCS but with a few additions into the proposal like ‘Residual Risks’.

The European Parliament in mid-2016 designated the Rapporteur and Shadow Rapporteurs and started exchanges with the European Commission and EU stakeholders. The leading Committee of the European Parliament was the Employment and Social Affairs Committee. MEP Marita Ulvskog (S&D, Sweden) was appointed as main Rapporteur; she published her draft report on 22 November 2016 with a proposal to lower the threshold limit value of RCS to 0.05 mg/m<sup>3</sup>. The vote at Committee level took place on 28 February 2017 and approved a compromise amendment on a Binding Occupational Threshold Limit Value of 0.05 mg/m<sup>3</sup> to be implemented in 10 years with a review in 5 years and a stronger recital 6 in favour of the NEPSI Agreement, see <http://www.nepsi.eu/>.

The trilogue negotiations between the European Parliament, the Council and the European Commission started on 30 March, 2017, with a first meeting to set the timeline and list the views of each stakeholder. The second official meeting was on 4 May 2017, but without any progress. The third official meeting was planned for 30 May 2017, but was postponed until June. The Maltese EU Council Presidency intends to find an agreement on the first batch of substances by the end of its Presidency in June 2017. UEPG will advise the outcome as soon as it is available.

In the meantime, NEPSI, with the strong support of UEPG and its Members, has prepared definitive position papers and with these has briefed MEPs, Governments and National Permanent Representations on the absolute importance of maintaining the 0.1mg/m<sup>3</sup> limit as the operationally-practicable limit for the industry. The UEPG Team continues to dedicate enormous lobbying efforts into the final stages of this marathon regulatory process.

## UEPG, Celebrating 30 Years of Excellence



*Jesus Ortiz, President, leading the Ceremony*

UEPG has just celebrated its 30th Anniversary, featured at its Delegates Assembly on 22-23 May 2017 in Vienna, kindly hosted by its Austrian Member, Forum Rohstoffe and Fachverband Steine-Keramik. Guests of Honour, Delegates and Members were welcomed at a Gala Dinner on 22 May 2017 at the Kursalon Hübner to review 30 Years of excellent cooperation and milestones as well as outlining a strategic outlook to 2030. For 30 years, UEPG Founders, Presidents, Secretary Generals, Chairs, Members’ Experts and Teams have contributed to making UEPG a truly trustworthy partner for EU and national decision-makers and a really effective voice for the European Aggregates Industry.

*Celebrating the history of UEPG, a photograph featuring 6 Past Presidents, with current and past Secretaries-General and several “founding fathers”*



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Australia	CCAA	<a href="http://www.ccaa.com.au">www.ccaa.com.au</a>	<b>Ken Slattery</b> Ken.slattery@ccaa.com.au
Brazil	ANEPAC	<a href="http://www.anepac.org.br">www.anepac.org.br</a>	<b>Fernando Valverde</b> Fernando.valverde@anepac.org.br
Canada	ASGA	<a href="http://www.asga.ab.ca">www.asga.ab.ca</a>	<b>John Ashton</b> john.ashton@asga.ab.ca
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