

To: Mayor and Council
From: Norm Cheesman, Executive Director
Ontario Stone, Sand & Gravel Association,
Re: Discovering the Truth about Stone, Sand & Gravel
Date: March 8, 2022

The Ontario Stone, Sand & Gravel Association (OSSGA) represents the producers and suppliers of aggregate resources – stone, sand and gravel – in Ontario.

An important part of our mandate is to correct misinformation about the industry that often finds its way into the media and the community at large. ‘NIMBY’ groups present themselves as watchdogs of industry, but all too often offer observations and recommendations which meet their own agendas – and most important, do not reflect the broader community and business interests.

As an example, a recent NIMBY campaign is calling for a moratorium on all new aggregate sites. This campaign is based on mistruth, exaggeration and information designed to alarm your constituents, and you as Mayors and Councillors and senior municipal officials. We’d like to put the record straight.

Stone, sand and gravel is what our modern world is made from. Calling for a moratorium is like saying no to future generations. It’s turning off the tap to economic prosperity, affordable housing, immigration and infrastructure.

We all need aggregate. If you support affordable housing, then you must support sand and gravel. If you support new schools, hospitals and roads, then you need to support sand and gravel. In the next 20 years 4 million more people will be calling Ontario home. To support that growth we need an estimated 4 billion tonnes of aggregate. It is estimated that the industry has current licences to supply approximately 10 years of that need. That’s a good thing – because it takes 10 years on average to licence a new site. Applications being submitted today will serve the needs of future generations of Ontarians.

The aggregate industry is governed by a robust legislative framework. In addition to the *Aggregate Resources Act*, the industry is governed by and goes above and beyond to comply with more than 24 other pieces of legislation and volumes of regulation. Extensive consultation is already built into the approval process for aggregate production.

A call for a moratorium is short-term thinking. Suppose 25 years ago the Province had subscribed to “no more aggregate production, not in my back yard” thinking. Imagine the

additional stress that would have put on today's housing crisis or how much more crowded our schools, roads and hospitals would be?

For more than 100 years the existing aggregate market has provided Ontario with a steady supply of low-cost aggregate that has built the Province. No government that supports economic growth, affordable housing or immigration in this Province should support a moratorium on the bedrock of our economy.

We trust these comments are helpful. We have also provided our responses to the misinformation being put forward by this NIMBY group.

We understand that you and your constituents may have questions or concerns about the aggregate industry. We're here to help. More information about the aggregate industry can be found at [GravelFacts.ca](https://www.GravelFacts.ca) or you may reach out to us at any time to answer any questions you may have.

OSSGA RESPONSES TO MISINFORMATION

CLAIM	FACT
<i>We Demand an Aggregate Moratorium Now</i>	<p>Stone, sand and gravel is what our modern world is made from. Calling for a moratorium is like saying no to future generations. It's turning off the tap to economic prosperity, affordable housing, immigration and infrastructure.</p> <p>The industry estimates there is a 10-year supply of close-to-market aggregate licensed. And it currently takes an average of 10 years to apply for and receive a new license. The new licenses industry is applying for today is for the aggregate that will be needed in 10 to 20 years – ensuring future Ontarians will have a place to call home.</p> <p>The idea of a moratorium is short-term thinking. Suppose 25 years ago we had said no more aggregate production, not in my back yard. Imagine the additional stress that would have been put on the current housing crisis.</p>
<i>The industry digs out 13 times more gravel every year than it uses</i>	<p>Stone, sand and gravel is mined on a just-in-time basis. That means that each year, the amount the industry extracts from the ground is roughly the amount that is used to build roads, bridges, homes, schools and hospitals.</p> <p>Ontario will require nearly 4 billion tonnes of aggregate over the next 20 years¹ to meet the needs of our citizens and the additional 5.3 million people that will call Ontario home². That is estimated to be 192 million tonnes of aggregate per year.</p> <p>It is estimated that the industry has roughly a 10-year supply of aggregate licensed to extract: The Golder/MHBC Supply Demand Study estimated the “amount of 'high' quality reserves is approximately 1.47 billion tonnes”.³</p> <p>It currently takes an average of 10 years to acquire an aggregate licence in Ontario. Which means that we need to continue to licence new sites as current sites are depleted and surrendered – and that any moratorium would put the supply of future close-to-market supply at risk.</p>

<p><i>The aggregate industry destroys 5,000 acres of land a year.</i></p>	<p>Aggregate extraction does not destroy land.</p> <p>It removes the natural resources from the land and turns that resource into houses, roads, buildings, glass and other products we each use every day. At the end of its life -- a pit or quarry is returned to nature, agriculture or becomes a wetland. In many urban centres -- aggregate pits and quarries from decades ago are our treasured parks and public green spaces.</p> <p>With respect to the amount of new land that is excavated every year – the average for the past 10 years as reported in The Ontario Aggregate Resources Corporation annual production report is approximately 2600 acres per year. An average of 2000 acres per year is rehabilitated for a total net new disturbed area of 600 acres.⁴</p>
<p><i>The aggregate industry takes up to 4.6 billion litres of precious water every day.</i></p>	<p>One of the largest myths about pits and quarries is that they use a significant amount of water.</p> <p>Aggregate operations are permitted to 'take' water each day for three main reasons: to keep the working area of a quarry dry, to wash product with recycled water and for dust mitigation. It is a common misunderstanding that because aggregate operations have permits to take large volumes of water each day, that they do.</p> <p>The truth is the aggregate industry only uses a small portion of water in comparison to what their permit allows. During the spring or after a heavy rainstorm, operations may need to remove their daily allowable maximum – but for most of the year, they take significantly less or nothing at all. For example, after a heavy rainfall they may need to relocate large volumes of water to keep the quarry floor dry so that workers can extract the rock. And even when water is pumped, it doesn't leave the watershed.</p> <p><u>2016 Actual data (From MECP – 2020 data is currently being tabulated)⁵</u></p> <ul style="list-style-type: none"> • The industry was permitted to 'take' 3.3 billion litres per day • The industry actually took an average of 375 million litres per day – or 11% of what it was permitted – and more than 90% of that water remained within the watershed. • The aggregate industry water taking represents only 0.13% of all water taken in Ontario <p>Aggregate producers are water managers, not water users.</p>

<p><i>The aggregate industry accelerates the climate crisis by feeding sprawl, highways, cement production and other massive causes of green house gases.</i></p>	<p>Regardless of how communities choose to grow – whether vertically by increasing density, or by expanding the municipal boundaries – aggregate is needed to build the infrastructure to support that growth.</p> <p>To reduce greenhouse gas emissions (GHGs), the most important thing is to locate pits and quarries as close to where the resource is needed as possible. Aggregate is a clean industry. No chemicals are used in the processing of aggregate and the industry is not a significant contributor of GHG emissions; however, trucks transporting aggregate do create GHG emissions. So don't make gravel travel and support close-to-market aggregate.</p>
<p><i>The aggregate industry does not have consent of First Nations.</i></p>	<p>Section 3.1 of the <i>Aggregate Resources Act</i> specifically states that the Minister will consider whether adequate consultation with Aboriginal communities has been carried out before exercising any power under this Act relating to licences or permits that has the potential to adversely affect established or credibly asserted Aboriginal or treaty rights. 2017, c. 6, Sched. 1, s. 2.⁶</p>
<p><i>The aggregate industry is multi-national and foreign owned.</i></p>	<p>The membership of the Ontario Stone, Sand & Gravel Association, represents approximately 100 aggregate producers.</p> <p>Of those members, approximately 5% are multi-national organizations. A further 40% are medium sized organizations, and the balance, roughly 55% are small operators – many family-owned businesses – who are working hard to provide jobs and drive the economies of communities across Ontario.</p>
<p><i>The aggregate industry is unchecked and self-regulating.</i></p>	<p>The aggregate industry is one of the most highly regulated in Ontario. Our members comply with more than 25 pieces of legislation and volumes of regulation that protect the environment and the people of Ontario.⁷</p> <p>The most important piece of legislation is the <i>Aggregate Resources Act</i> which provides legislation requiring the Ministry of Northern Development, Mines, Natural Resources and Forestry to:</p> <ul style="list-style-type: none"> • oversee the rules governing aggregate management • issue licences, permits and changes to existing approvals • inspect aggregate operations and respond to complaints • enforce compliance and, ensure rehabilitation is carried out on sites⁸

	<p>For sites to operate they must also comply with many permits and regulations overseen by other ministries including the Ministry of Environment, Conservation and Parks, Ministry of Municipal Affairs and Housing, Ministry of Transportation and more.</p> <p>In addition to the above, the industry is constantly working on new rehabilitation techniques and ways to go above and beyond the regulations. Creating vibrant wetlands, doing research to improve the quality of the soil when returning a site to agriculture for example.</p>
<p><i>The aggregate industry pays less property tax than some families do.</i></p>	<p>The issue of a fair and equitable MPAC valuation system for aggregate is not new. From 2005 to the present there has been a full pendulum swing from what the industry would consider reasonable rates, to excessive rates, and back to reasonable rates again.</p> <p>A court proceeding is currently underway and will hopefully result in a resolution to this decades-old dispute that both aggregate producers and municipalities believe is fair and equitable.</p> <p>That said, what municipalities fail to mention, is that in addition to property tax, the aggregate industry is now on track to pay more than \$35 million annually through the aggregate levy.</p> <p>Sixty-one percent of those monies, or just over \$21 million goes to lower-tier municipalities. Another key point is that in Ontario, aggregate is the only industry that pays a levy of this kind. Over the years industry and municipalities worked together to lobby the provincial government to increase the levy. In 2018 the levy was raised from 11.5¢ per tonne to 19.8¢ – an increase of 72%. Annual increases in the levy are now tied to CPI (the 2022 rate is 21.3¢/tonne).</p>

1. 4.4.5 Golder MHBC Supply Demand Study for Aggregate Resources (2016)
2. Government of Ontario [Population Projections](#)
3. 6.1 Golder MHBC Supply Demand Study for Aggregate Resources (2016)
4. <https://toarc.com/production-statistics/> Years 2011 to 2020
5. https://ossga.com/multimedia/2021-04-14-125234-40583/waterhandling_gravelfact_sheet_april_2021.pdf
6. [Aggregate Resources Act](#)
7. [GravelFacts List of Legislations](#)
8. [Government of Ontario Aggregate Resources](#)