



State of Israel
State Comptroller and Ombudsman
Annual Report 70A | 2020

Ministry of Energy

Advancing the Mining and Quarrying Industry in Israel

Abstract

Ministry of Energy

Advancing the Mining and Quarrying Industry in Israel

Background

Quarrying and mining materials are used in construction, laying roads, and industry. In September 2010, the National Council for Planning and Construction authorized the policy document of the National Mining and Quarrying Outline Plan - National Outline Plan 14B. This document set guidelines for demarcating mining and quarrying sites, and set out the supplementary measures required from government ministries to implement the planning and management policies for these sites. The National Outline Plan 14B was authorized in March 2018. The National Outline Plan demarcates sites from which raw materials for construction and paving are to be supplied until 2040, and for industry until 2045.

Key figures

10.7%

(~NIS 136 billion): the rate of investment in the building and paving sector as a percentage of the GDP in 2017

66

quarries operated in Israel in 2018

66-70 million tons

quarrying materials produced a year, of which 42 million tons are aggregates

129

mining and quarrying sites on an overall area of 34,400 hectares (344,000 dunams) marked in National Outline Plan 14B

139 million tons

the shortfall expected in quarrying materials by 2025 (assuming an annual population growth of 1.9%)


290 million tons

raw materials found in quarries returned to the Israel Lands Authorities from 2000 to 2015 and have yet to be sold


NIS 34 and 85 million





expected value from operating a freight transport track in 2025 and 2040



Scope

 From November 2018 to March 2019, the State Comptroller's Office examined the management of the mining and quarrying sector in Israel, supervision of quarries, advancement of planning of National Outline Plan 14B sites and their marketing, and the implementation of the supplementary means for implementing the National Outline Plan. The audit was conducted at the Ministry of Energy, the Israel Lands Authority (ILA), the Planning Administration at the Ministry of Finance, the Ministry of the Environment, the Ministry of Housing and Construction, the Ministry of Transportation and Road Safety, the Cargo Railways Company Ltd., the Administration for Local Government in the Ministry of the Interior, and the Ministry of Health.

Key Findings

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 **Lack of cooperation among the supervising entities:** The Ministry of Energy periodically holds joint tours with the following supervising entities: the ILA, the Ministry of the Environment, the Ministry of Labor, Welfare and Social Services, and local authorities. However, beyond these joint tours, the supervisory entities do not maintain any ongoing work interfaces or mutual exchanges of information.
-  **Difficulties in marketing quarries:** The ILA sold only seven quarries out of 18 designated for marketing and of those only four started operating; authorization from the security establishment has yet to be received to enter the area of the Modi'im quarry, located in a security zone, to conduct a geological survey; the geography committees have yet to make decisions regarding the distribution of municipal tax revenue regarding several quarries located at the edges of jurisdictional areas. This could delay the future expansion of quarries located near the Kiryat Gat North Site, near Kiryat Gat, and the Kidma North Site, near Kiryat Malachi, both included in the National Outline Plan 14B. If residential plans for expansion of these towns are authorized, it will not be possible to meet reserve supply targets set in the National Outline Plan through 2040.
-  **Delays in implementation of the rail transportation project:** In view of the delays in advancing implementation of the rail transportation project, there might be a shortfall of quarrying materials in the center of the country toward 2025.
-  **Lack of agreement on the evaluation of the risk quarries pose to public health:** Recommendations have yet to be formulated for an agreed upon methodology to evaluate health risks at quarries.

-  **Flaws in computer system:** The computer system of the Department of Mining and Quarrying at the National Resources Administration (mining division) at the Ministry of Energy is outdated, and the information on quarries is not fully updated.
-  **The procedure for submitting an application for a quarrying license is not accessible online:** The quarrying license application form and other required documents are available on the Ministry of Energy's website as downloadable files only, and cannot be submitted online to the mining division.





Computerized system: The Ministry of Energy has begun to advance a transfer of databases to a system based on new infrastructure and to update the existing computer systems.

Arranging contracts: The ILA is arranging contracts for all quarries.

Supervision: The Ministry of Energy's supervision of quarries is carried out regularly (three visits a year on average) at every active quarry.

Utilization of raw material: In 2018, the ILA published two tenders related to programs whereby raw materials would be utilized prior to new development, thereby starting to implement the relevant provision in National Outline Plan 14B.

Key recommendations

-  The government must consider expanding the powers of the mining division to include the promotion of detailed planning, the coordination of marketing, and the promotion of supplementary measures, so that it can function as an integrative entity.
-  In order to ensure the regular and reliable supply of raw materials that meet the needs of the economy, the ILA must act to market un-marketed quarries; the Ministry of Defense and Ministry of Energy must agree on a system of coordination and work with it, as well as obtain the necessary approvals for the expansion of the Modi'im quarry and examine the issue also with regard to other quarries located in security zones; and the geography committees must decide to operate quarries located on the boundaries of two or more local government jurisdictions and examine fair distributional arrangements to divide income from municipal taxes among municipalities to enable quarry expansion.

- 💡 The Planning Administration must formulate possible solutions together with Israel Rail Cargo Company Ltd. to promote planning of railway lines and loading and off-loading terminals near the quarries.
- 💡 The Ministry of Energy and other ministries must implement supplementary means for the supply of quarrying and mining materials and advance recycling of building waste.
- 💡 The Ministry of Energy must work to fully update and upgrade IT systems to manage the mining and quarrying sector in order to generate a full assessment of quarries, achieve efficient and optimal supervision and advance online interfaces with all the relevant entities.

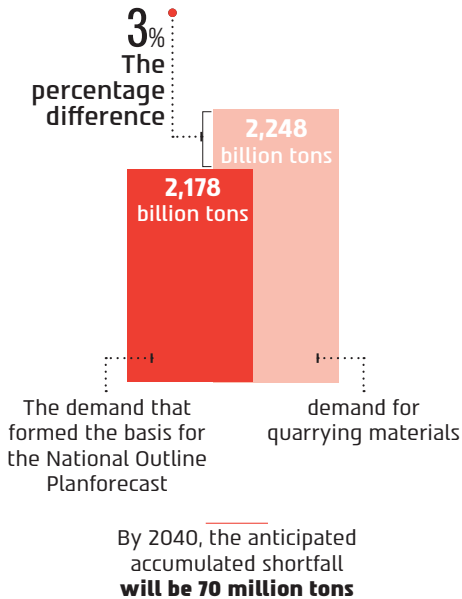
Summary

The development of the State of Israel is based, inter alia, on the construction and paving sector. The findings of this audit show that the planning and marketing of quarries is being delayed and that some of the supplementary means to supply mining and quarrying materials - necessary to implement the National Outline Plan - have yet to be implemented.

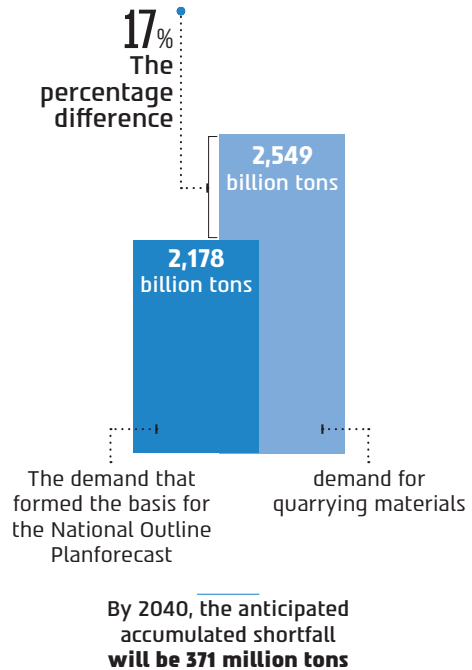
Government ministries must cooperate on implementing the recommendations in the policy document to prevent a significant shortage of quarrying materials, which would lead to a delay in development and an increase in the price of raw materials for the construction industry and subsequently to an increase in the cost of living.

The expected shortage of quarrying materials in 2040

slowdown in the population growth rate



continued population growth at an annual rate of 1.9%



* According to data from the Ministry of Energy, processed by the State Comptroller

