EMULSION CHIPSEALING: GENERATING CONSCIOUS CAPITAL

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Conscious Capital

Corporate Social Responsibility

Triple Bottom Line Reporting

People, Planet and Profit

- Health, safety and welfare
- Environmental protection, eco-efficiency and sustainability
- Sustainable profitability

Safe and Sustainable Road Surfaces







Health and Safety

Health and Safety at Work Act (2015)

- ... workers and other persons should be given the **highest level of protection** against harm to their health, safety and welfare from work risks as is **reasonably practicable**.
- ... the cost is not grossly disproportionate to eliminating or minimising the risk.







Health and Safety

Penalties under the Health and Safety at Work Act (2015)

	Individual (Worker)	Individual (Manager)	Organisation
Reckless conduct creating risk of serious injury, illness or death.	5 years prison or, \$300,000 fine, or both	5 years prison or, \$600,000 fine, or both	\$3.0 million fine
Failure to comply that creates risk of serious injury, illness or death.	\$150,000 fine	\$300,000 fine	\$1.5 million fine
Failure to comply with a duty.	\$50,000 fine	\$100,000 fine	\$500,000 fine







Chipseal Costs in NZ

Chipsealing is cost effective surfacing

- Maintains skid resistance
- Protects pavement from water ingress

Cost is typically \$4.00 - \$6.00 /m²

- Materials cost accounts for 50 70%
- Bitumen cost is majority of this

Cutback bitumen chipseals 10 – 15% less expensive than emulsion









Chipseal Health and Safety Costs

Accident Rate per 100kT Bitumen

	Cutback	Emulsion
Fatality	0.2	0.0
Serious Harm	8.7	0.0
Minor Harm	2.8	10.6
TOTAL	11.7	10.6

Value of Statistical Life (VSL) approach

• \$4.06 million in NZ (2015)

Typical Accident Costs used by NZTA

- Fatality = \$4,700,000
- Serious Harm = \$500,000
- Minor Harm = \$29,000







Chipseal Health and Safety Costs

Estimated Annual Accident Costs Associated with Cutback and Emulsified Bitumen in New Zealand

	Cutback	Emulsion
Fatality	\$940,000	\$0
Serious Harm	\$4,350,000	\$0
Minor Harm	\$81,200	\$307,400
TOTAL	\$5,371,200	\$307,400







Chipseal Health and Safety Costs

Emulsion generates a risk 17 times lower than cutback bitumen

- Estimated health and safety cost for cutback bitumen in NZ is \$5.4 million p.a.
- Estimated health and safety cost for emulsified bitumen in NZ is \$0.3 million p.a.









Does emulsified bitumen perform better, worse of the same as cutback?

NZ research is inconclusive

- Small data sets and large variation in performance throughout NZ.
- Some regions report reduction in life by 6 years, others report increase in life by 7 years
- Emulsions often used in high stress, multicoat applications, where cutback not expected to perform.
- Emulsion is often polymer modified (47%) whereas only 7% of hot bitumen is modified.
- Emulsion tends to be applied at lower residual binder rates (4% less on average)
- Emulsion binders are 15 20% stronger than cutback binders







Other experience indicates emulsion has performance advantages

- Polymer modified emulsion chipseals has lower rate of texture loss than hot AC15-5GTR in Texas (Gransberg and Carlisle, 2005)
- NZ experience is that there are less early life stripping failures when using emulsion
 - Especially in spring and autumn
 - Prefer emulsion for polymer modified and stiffer binders that are expected to have poorer wetting and adhesion
- Emulsification improves ageing resistance and durability (Zhao et al, 2012).







Potential Impact of Emulsion Use

- Emulsion Reduces Low Texture Failures
 - Reduced spray rates
 - Reduces rate of texture loss and stronger binder
- Emulsion Reduces Scabbing
 - Estimated 80% less adhesive stripping failure
 - Estimated 10% less age related scabbing failure
- Emulsion Reduces Low Friction Failures
 - Lower spray rates and stronger binder reduce low friction failure caused by binder tracking

Estimated Chipseal Failure Rates

	Cutback	Emulsion
Cracking	33%	33%
Low Texture	42%	36%
Polishing	20%	20%
Bleeding/Tracking	1.0%	0.5%
Stripping	2.0%	0.4%
Scabbing	2.7%	2.4%
TOTAL		







Estimated that emulsion has potential to improve chipseal life by 5 – 10%

- Potential saving of \$23.5 million p.a. due to increased life if emulsion is used in place of cutback
- Quality cost for emulsion in NZ is estimated at \$1.3 million p.a.









Chipseal Environmental Costs

Greenhouse Gas Emissions

- Certified by CarboNZero
- Emulsions produce 49% less CO₂ than cutback

Annual CO₂ Cost to NZ

- Cutback produces 142,000 tonne CO₂ annually at a cost of \$5.7 million
- Emulsion produces 72,300 tonne CO₂ annually at a cost of \$2.9 million

Estimated CO₂ Emissions (kg CO₂-e /tonne of bitumen)

	Cutback	Emulsion
Upstream Processes	439	425
Production	1	5
Distribution	50	65
Operations	906	211
Maintenance/Disposal	24	17
TOTAL	1420	723





Chipseal Environmental Costs

NMVOC Emissions

- Cutback discharges up to 20,000 L kerosene to air on any typical summer's day in NZ
- Emulsions spills may result in 100 L daily

Annual Marginal Damage Cost to NZ

• Cutback is estimated to cost NZ \$3.3 million annually in NMVOC emissions.

Marginal Damage Costs for NMVOC Emissions from Cutback Bitumen in NZ

	NMVOC	Chipseal
	Damage Cost	Damage Cost
	(\$ /tonne)	(\$ /m2)
Large City	4,250	0.130
Small City	2,460	0.085
Large Town	2,150	0.082
Small Town	1,625	0.069
Rural Areas	1,350	0.057







Chipseal Environmental Costs

Estimated environmental benefit to NZ by using emulsion instead of cutback for chipsealing is \$6.1 million p.a.

- Estimated environmental cost for cutback bitumen in NZ is \$9.0 million p.a.
- Estimated environmental cost for emulsion in NZ is \$2.9 million p.a.









Generating Conscious Capital









Generating Conscious Capital

Using emulsion instead of cutback for chipseals

- Health and safety costs are 17 times lower
- Environmental costs are 3 times lower
- Estimated reduction in marginal costs for NZ = \$33 million
 - Health and Safety Benefit = \$5.1 million
 - Environmental Benefit = \$6.1 million
 - Quality Improvement Benefit = \$22.2 million
- Allows choice between accepting collateral damage or investing in conscious capital
- <u>Reasonably & practicably meets health & safety obligations at a cost that is</u> proportional to the risk
- Emulsion should now be considered best practice





