

Executive Summary

Overview

This project researched the barriers to waste reduction and resource recovery for SMEs in the Construction and Demolition (C&D) industry, and how governments can incentivise better resource recovery outcomes for SMEs. The Australian building and construction industry is the third-largest contributor to GDP¹ and provides employment to about 1.2 million people.² Small-medium sized businesses (SMEs) make up 98% of businesses in the construction industry,³ and most of these businesses are either sole traders or small businesses employing less than 20 people.⁴ The industry generates 27 million tonnes of waste each year, of which over 6 million tonnes are sent to landfill. This represents 28% of Australia's total waste to landfill,⁵ and a significant lost opportunity for resource recovery.

Findings

- Australia's C&D industry is already under immense pressure and waste management is not a priority.
- Key business drivers for SMEs are cost, time, quality, Work Health and Safety (WHS), and meeting government regulations.
- Most SMEs use co-mingled bins, which increases contamination and leads to larger volumes of waste to landfill.
- Business size and scale influences waste management capacity and outcomes.
- Prefabrication business models produce less waste and have potential to help address Australia's C&D waste challenges.
- There are five key barriers to improving waste outcomes for SMEs.

Barriers



Regulatory complexities, inconsistencies & oversight



Accessibility, size, & number of Material Recovery Facilities (MRFs) & collection services



Limited site space



Lack of education & training (& access to best practice waste management information)



Limited recovery pathways

Analysis led to the following three preliminary areas of recommendation for the C&D industry to contribute to achieving the National Waste Policy Action Plan (NWPAP) targets.⁶ Further consultation with the C&D industry is suggested to refine the scope of the recommendations and ensure their implementation leads to the desired outcomes.

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Regulatory streamlining



Phase 1. Invest in a deep dive study of the regulatory conditions that apply to the C&D industry, identifying a plan forward for reducing red tape for businesses.



Phase 2. Implement findings from the deep dive, pursuing an engagement process with all levels of government to reduce regulatory complexity for SMEs regarding waste management practices.

Education, training & resources to improve waste outcomes



Work with industry and peak bodies to fund the development and delivery of a short training program and associated resources on improving C&D waste management.



Develop a certification scheme for recycled products that meet regulatory requirements and industry standards for use in construction.

Incentives to increase resource recovery rates

Two streams of funding for 'Innovation Challenge Grants'



1. Improve local waste outcomes. Open to local governments & councils to improve waste management services & logistics to reduce the burden on SMEs.



Improve national capacity to solve C&D waste challenges. Open to C&D businesses, waste services, and researchers.

¹ Al Group Economics Research, Australia's Construction Industry: Profile and Outlook. 2015. Accessed here.

² Australian Industry and Skills Committee, Construction Industry Insights. 2022. Accessed here.

³ Love, Mills and Smith. Barriers to the Development of SMEs in the Australian Construction Industry. 2012. Accessed here.

⁴ Australian Industry and Skills Committee, Construction Industry Insights. 2022. Accessed here.

⁵ Australian Industry and Skills Committee, Construction Industry Insights. 2022. Accessed <u>here</u>.

⁶ DAWE, National Waste Policy Action Plan. 2019. Accessed here.