



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.



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.



¹ AI 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 [here](#).

⁶ DAWE, National Waste Policy Action Plan. 2019. Accessed [here](#).