Submission by the
Housing Industry Association Ltd

to

Queensland's Waste Strategy 2010 – 2020

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Statement:

This submission has been prepared by the Housing Industry Association (HIA) in response to the Queensland's Waste Strategy 2010 - 2020.

Introduction

At the outset HIA would like to highlight while the discussion paper identifies that Queensland is the only state which doesn't currently impose a levy, **this does not translate to the Queensland residential construction industry perceiving that sending waste to landfill is the cheap option.** Most builders are already concerned about the costs (typically around $2000 for a house site) they currently incur for managing waste on a building site. HIA would argue that legitimate cost effective alternatives would be welcomed by most in the industry.

Waste management is a complex issue for the housing industry as no single waste management approach guarantees significant waste reduction and cost savings. It also needs to be acknowledged that in developing any strategy, quite different responses will be required to address the issues faced by the new home building sector as opposed to the renovation sector.

The residential construction industry in Queensland is dominated by small to medium sized companies. This is demonstrated by the fact that the 25 largest residential construction companies active in Queensland currently build less than 30% of all new dwellings. The other **70 percent of new dwellings are constructed by small family owned businesses for whom waste management is costly, time consuming and often impractical.**

Significant barriers still exist for recycling materials. Individual companies are often frustrated as they feel they cannot make a difference due to the lack of economies of scale for the disposal of relatively small amounts of waste generated.

Disappointingly HIA can see little tangible evidence that in developing the strategy the government has acknowledged in any way the day to day issues faced by the average participant in the residential construction sector in Queensland in dealing with waste materials.

The key areas which impact on the level of recycling and reuse of material include the significant cost of recycling services, limitation and absence of recycling services, site constraints with ever decreasing allotment sizes and local government regulation. Until these matters are addressed and improved, changes will be slow.

HIA acknowledges that providing economic indicators by way of a levy can be a useful tool in modifying behaviour. **HIA strongly supports the suggestion that in isolation the introduction of a levy is nothing more than a tax.** The purpose of a levy must surely be to shift behaviour towards legitimate alternatives. HIA would argue that for a variety of reasons legitimate alternatives are fairly limited in Queensland at this point in time.

Unless meaningful alternatives are provided the imposition of a levy will be perceived as just an additional cost being lumbered on the industry to bolster the State Government coffers, at a time when housing affordability in this state is reaching a crisis point. Once again HIA would argue that legitimate cost effective alternatives would be welcomed by many in the industry.

Education and innovation will assist with change and there are some excellent industry and individual initiatives in practice already including the HIA Greensmart program that has been running for over 10 years.

Structure of the Housing Industry and Waste Management

Waste management strategies implemented by housing companies largely depend on the size of the operation.

Whilst some larger builders are able to generate sufficient economies of scale in arranging for materials to be recycled, they also experience difficulty in finding services that offer total solutions which include collection of all materials from site.

The industry's reliance on independent trade contractors as a workforce means that many building companies are working with multiple contractors, creating a number of constraints for recycling waste materials. It is more difficult to implement systems for waste management with such a disparate workforce.

It needs to be acknowledged that approximately 47 percent of total expenditure on housing in Queensland occurs in the renovation sector. As mentioned above in identifying solutions it also needs to be acknowledged that the issues faced by new home builders are likely to be different to the issues faced by the renovation sector, and the quantities and makeup of waste generated are also likely to be significantly different.

Waste Management and the Small Builder

Waste Generation Issues

It is worth highlighting that the governments own figures indicate that recycling in the construction sector has improved substantially since 2005.

While, smaller builders have traditionally undertaken some over ordering of materials, builder feedback to HIA indicates there has been considerable effort in recent years to ensure more accurate estimating (primarily driven by the need to provide competitive pricing) and therefore less waste generation. The advent of pre-fabricated and pre-cut material has helped reduce waste significantly as has the considerable advancements in computer software technology which creates more accurate estimation of materials required for a construction job.

It also needs to be acknowledged that the greatest efficiencies are usually achieved when a builder is able to roll out a consistent design where material requirements have been tested in real life.

Competing Interests

There are however a number of competing issues that frustrate efforts by the builder to minimise the amount of waste generated and put in place practical solutions for sorting waste on site.

The propensity amongst Local Governments to dictate specific design outcomes through their planning scheme requirements regularly requires the builder to modify designs and therefore vary material quantities to the carefully calculated requirements of a standard design or project home. This often results in a project generating a larger amount of waste than it might ordinarily create. It is ridiculous that there are currently nine councils within south east Queensland all of whom have differing sets of design requirements to build a house.

Council local laws pertaining to site management inevitably makes it difficult for the builder to separate waste materials on the construction site, an issue that is becoming more difficult as building sites get smaller. An example is the common (Council) requirement to have skips provided on sites, rather than allow the builder the more flexible option of sorting on site, using trailers or cages. While this may have advantages in terms of site appearance, due to tight site constraints (smaller blocks of land) it often acts as a deterrent to separate waste.

Adding to this, the growing propensity of Councils to issue fines ($2000) if compliance officers perceive materials stored on site have the potential to blow out of, or fall out of skips also means builders are more likely to have the skips emptied when less than full, resulting in smaller loads and more vehicle trips.

The result is that the low volumes of waste generated by individual builders (**figures indicate individual material streams make up less than 15% of the total waste generated on a site**) is of little value and often not able to be economically recycled. There is also a lack of available, co-ordinated services to economically collect the small volumes generated. Both are disincentives to recycling for smaller builders.

Additionally, the issue of illegal dumping of non building related waste into skips on building sites by the general community remains an ongoing problem. This practice occurs in both established housing areas and partly-developed estates. A recent study undertaken indicated illegal dumping accounted for between 10 and 15 percent of waste collected from the average residential building site.

Conclusion and Recommendations

Constraints experienced in the housing industry with regard to waste management clearly relate to the structure of the industry. **A dominance of small to medium sized companies means the creation of economies of scale for recycling and reuse of unused product is difficult.** Even larger companies experience difficulties with recycling products with a lack of collection services available.

The governments own figures indicate that recycling in the construction sector (35%) has been well above the other sectors since 2008 and yet the proposal is too require a doubling (75%) of this performance within 10 years.

HIA would suggest that the State Government needs to liaise directly with the building industry to identify specific and targeted strategies to assist the average family owned business that dominates the industry to recycle more waste. As well as become directly involved in the establishment of well located recycling stations.

Local government should be encouraged to undertake a more rigorous surveillance regime of building sites to reduce the incidence of illegal dumping of unrelated material.

The Department of Infrastructure and Planning and the Department of Environment and Resource Management should commence an education program with Local Government aimed at reducing the variations in the regulatory requirements surrounding housing design, which is ultimately contributing to waste generation.