

Industry Survey: Construction & Demolition Recycling Regulation

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ACOR
AUSTRALIAN COUNCIL OF RECYCLING

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The Australian Council of Recycling (ACOR) is Australia's peak body for resource recovery, recycling & remanufacturing, focused on policy, advocacy, thought leadership and championing the role of recycling in leading the transition to a circular economy.

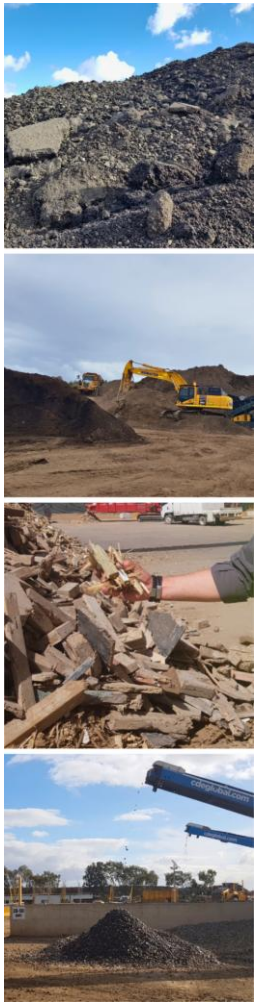
The Australian recycling industry contributes almost $19 billion in economic value, while delivering environmental benefits such as resource efficiency and diversion of material from landfill.

Construction and waste

- Australian construction is under sustained cost pressure, including materials, labour, freight and fuel.
- The construction industry generates over 27 million tonnes of C&D waste each year, with almost 85% recovered, and spends around $2 billion annually on waste services – more than any other sector.
- Greater Sydney is forecast to face a 2 million tonne annual shortfall in C&D / non-putrescible landfill capacity by 2031.
- Regulation that sends recoverable material to landfill adds disposal costs, consumes scarce landfill capacity and increases pressure on construction costs.



Construction and demolition recycling



- C&D recycling is central to Australia's resource recovery system and essential to the operation of the construction industry.
- It accounts for almost half of all recycling nationally, reflecting the large volumes of concrete, brick, masonry and other recoverable materials.
- Processing these materials requires significant long-term investment in facilities, plant and equipment.
- Maintaining and expanding that capacity depends on clear, proportionate and predictable regulation.
- Where regulatory settings unnecessarily drive recoverable material to landfill, construction projects incur additional transport, disposal and waste levy costs. These avoidable costs increase the cost of delivering housing and infrastructure.

Recycled materials in construction

- Recovered C&D materials are important construction inputs, with recycled concrete, brick, asphalt and fines substituting for quarried materials in aggregate, road base and engineered fill.
- Metals, glass, timber and other recovered materials also substitute for virgin inputs.
- Using locally recovered materials improves resource efficiency and can reduce reliance on distant quarries, imported materials and associated transport costs.
- This can reduce truck movements, emissions and exposure to freight disruption, international prices and currency movements.
- A strong domestic C&D recycling industry supports sovereign processing capability and more resilient construction supply chains.



State regulatory performance

C&D recycling is heavily influenced by State regulatory settings. Differences in licensing, enforcement, contaminant thresholds and end-of-waste frameworks can affect investment confidence, operating costs, market access and the amount of material ultimately recovered.

ACOR undertook the survey to benchmark and compare industry experience of State regulatory frameworks, identify areas of stronger performance and areas of concern, and highlight where regulatory improvement is needed.

- how effectively State regulatory settings support investment confidence and resource recovery
- where regulatory settings create operational or commercial constraints
- where comparative performance points to opportunities for regulatory improvement

The findings are intended to support constructive engagement with governments and regulators on opportunities for improvement, and provide a basis for tracking progress over time.



Survey process

Objective

- Benchmark and compare how effectively State regulatory frameworks support investment confidence and strong resource recovery outcomes in C&D recycling.

Methodology

- Survey of C&D recyclers operating at different scales across Australia, covering five themes: licensing and permitting, regulatory posture, waste leakage and compliance, contaminant thresholds, and end-of-waste provisions.
- Themes were weighted equally; questions were weighted within each theme and response options scored according to their relative operational and commercial impact. Results normalised to a common scale, with non-applicable responses excluded.
- Findings were tested with national and State industry peak bodies against broader sector experience.

Sample notes

- Sample sizes for ACT, NT and TAS were not sufficient to support meaningful analysis.
- Across the survey sample represented in the analysis, respondents collectively:
  - Process over 10 million tonnes of C&D material annually
  - Employ over 6,000 people
  - Have a combined annual revenue of approximately $5 billion

Industry assessment of State performance

1. **South Australia**: Leads on overall regulatory framework performance, supported by enforcement, practical testing and end-of-waste settings. Licensing timeframes are the main weakness.
2. **Queensland**: Combines regulator engagement with broadly supportive technical settings. Licensing performance is mixed.
3. **Western Australia**: Satisfactory level of regulator engagement but weak enforcement creates a major level-playing-field risk.
4. **Victoria**: Reasonable technical settings but licensing and regulatory posture are clear constraints.
5. **New South Wales**: Licensing processes are the dominant constraint, with contaminant thresholds and end-of-waste settings also creating substantial issues.

Cross-cutting finding: Recovered materials face more stringent regulation than virgin materials in every jurisdiction, creating an uneven playing field that disadvantages recycled products.



Detailed snapshot

Regulatory outcome	NSW	VIC	QLD	SA	WA
Licensing and permitting	-44.1 Strong concern	-27.7 Concern	-11.7 Concern	-13.9 Concern	-8.0 Mixed or acceptable
Regulatory posture	-16.8 Concern	-20.8 Concern	+0.5 Mixed or acceptable	-6.5 Mixed or acceptable	+13.1 Positive
Waste leakage and compliance	-6.3 Mixed or acceptable	-8.7 Mixed or acceptable	-5.1 Mixed or acceptable	-4.5 Mixed or acceptable	-35.1 Strong concern
Contaminant thresholds	-28.9 Concern	-4.2 Mixed or acceptable	-7.2 Mixed or acceptable	+4.5 Mixed or acceptable	-18.4 Concern
End-of-waste provisions	-29.1 Concern	-19.6 Concern	-8.5 Mixed or acceptable	-9.4 Mixed or acceptable	+5.6 Mixed or acceptable
Overall framework position	5th -25.0 Concern	4th -16.2 Concern	2nd -6.4 Mixed or acceptable	1st -6.0 Mixed or acceptable	3rd -8.6 Mixed or acceptable

Strong concern Below -30	Concern -30 to below -10	Mixed or acceptable -10 to +10	Positive Above +10 to +30	Strong positive Above +30

Scores show the weighted result for each top-line theme on a -100 to +100 scale. Higher scores indicate more favourable reported outcomes. Each theme contributes 20% to the overall score. N/A and equivalent responses excluded.

C&D recycling industry sentiment: State regulatory performance league table

Theme	NSW	VIC	QLD	SA	WA
Licensing and permitting	5th	4th	2nd	3rd	1st
Regulatory posture	4th	5th	2nd	3rd	1st
Enforcement and compliance	3rd	4th	2nd	1st	5th
Contaminant thresholds	5th	2nd	3rd	1st	4th
End-of-waste and market access	5th	4th	2nd	3rd	1st
Overall ranking	5th	4th	2nd	1st	3rd

Scores and scoring method are shown on the preceding page.

New South Wales

Concerns	Mixed results	Strengths
Licensing and permitting: • Approval timeframes fall well below industry expectations, with licensing effort disproportionate to risk and scale. • Regulatory resourcing not generally viewed as sufficient to support timely assessments, with licensing processes creating business or financial uncertainty. • Inconsistent assessment, uneven application of regulatory standards and limited industry confidence in protection of commercial information. **Regulatory posture:** Slow responses, limited operational understanding and unclear settings impede compliance and contribute to unnecessary disposal. **Contaminant thresholds:** Thresholds and testing do not adequately reflect risk, resulting in recoverable material being landfilled. **End-of-waste provisions:** • Unclear definitions and impractical requirements restrict market access and product use. • Recovered materials face more stringent regulation than virgin materials.	**Waste leakage and compliance:** Enforcement, penalties and reporting protections produce mixed results. **End-of-waste provisions:** Mixed industry understanding of framework.	**Market access:** Where a clear end-of-waste framework operates, no material concern was identified about time to market.

Queensland

Concerns	Mixed results	Strengths
Licensing and permitting: • Approval timeframes are a clear concern, with business uncertainty and limited confidence in the protection of commercial information also evident. • Access to a dedicated regulator contact is limited • Standards are considered to be applied inconsistently across operations. **End-of-waste provisions:** • Recovered materials face more stringent regulation than virgin materials and can continue to be treated as waste. • Land-use restrictions limit the application of finished recycled products.	**Regulatory posture:** Operational understanding and the disposal effects of regulatory ambiguity are mixed. **Waste leakage and compliance:** Enforcement and confidence in reporting protections and the effectiveness of penalties produce mixed results. **Contaminant thresholds:** Risk alignment, testing requirements and landfill impacts are mixed. **End-of-waste provisions:** Definitions, practical requirements and market access produce mixed results.	**Licensing and permitting:** Assessors provide consistent support, resourcing is sufficient and licensing effort is proportionate to risk. **Regulatory posture:** Responses are timely, guidance is clear and the regulator supports compliance. **End-of-waste provisions:** The framework supports timely market access.

South Australia

Concerns	Mixed results	Strengths
Licensing and permitting: • New licence timeframes impede market entry and investment. • Access to a dedicated regulatory contact is limited. • Regulatory standards are not applied consistently across operations. **End-of-waste provisions:** • Unclear definitions, continued waste treatment and land-use restrictions limit recycled products. • Recovered materials face more stringent regulation than virgin materials.	**Licensing and permitting:** Performance against expected timeframes, assessor consistency, regulatory resourcing, business certainty, and protection of commercial information produce mixed results. **Regulatory posture:** Operational understanding, responsiveness and compliance support are mixed. Ambiguity can contribute to unnecessary disposal. **Waste leakage and compliance:** Enforcement, penalties and confidence in reporting produce mixed results. **Contaminant thresholds:** Risk alignment and estimates of material sent to landfill are mixed. **End-of-waste provisions:** Market access and the balance between rigour and practical application are mixed.	**Licensing and permitting:** Licensing effort is generally proportionate to risk. **Regulatory posture:** Guidance is clear and actionable. **Waste leakage and compliance:** Whistle-blower protections are adequate and effective. **Contaminant thresholds:** Testing is generally practical and risk-based, with limited landfill impact. **End-of-waste provisions:** Where a framework operates, products reach market in a timely manner.

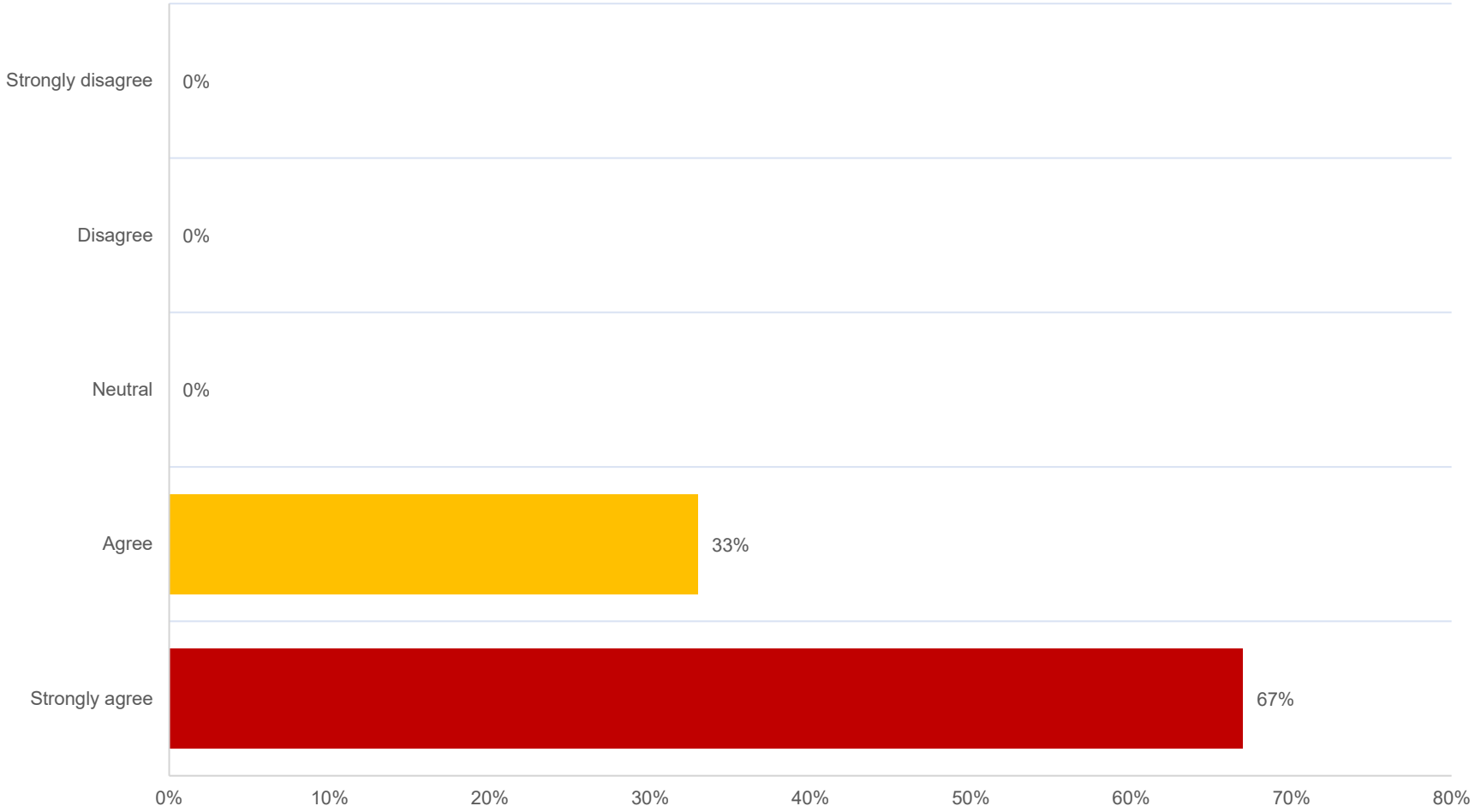
Victoria

Concerns	Mixed results	Strengths
Licensing and permitting: • Long approval periods impede investment. • Inconsistent assessment, uneven application of regulatory standards, limited access to a dedicated regulatory contact and business uncertainty compound the constraint. **Regulatory posture:** Limited operational understanding and slow responses constrain ongoing operations. **End-of-waste provisions:** Waste and product definitions are unclear and recovered materials face more stringent regulation than virgin materials.	**Licensing and permitting:** Resourcing, proportionality and protection of commercial information produce mixed results. **Regulatory posture:** Guidance, compliance support and the disposal effects of regulatory ambiguity are mixed. **Waste leakage and compliance:** Enforcement, penalties and whistle-blower protections and confidence in reporting non-compliance without reprisal produce mixed results. **Contaminant thresholds:** Risk alignment, testing requirements and landfill impacts are mixed. **End-of-waste provisions:** • Framework availability, market access, practical application and continued waste treatment produce mixed results. • Where a framework operates, views are mixed on whether products reach market in a timely manner.	

Western Australia

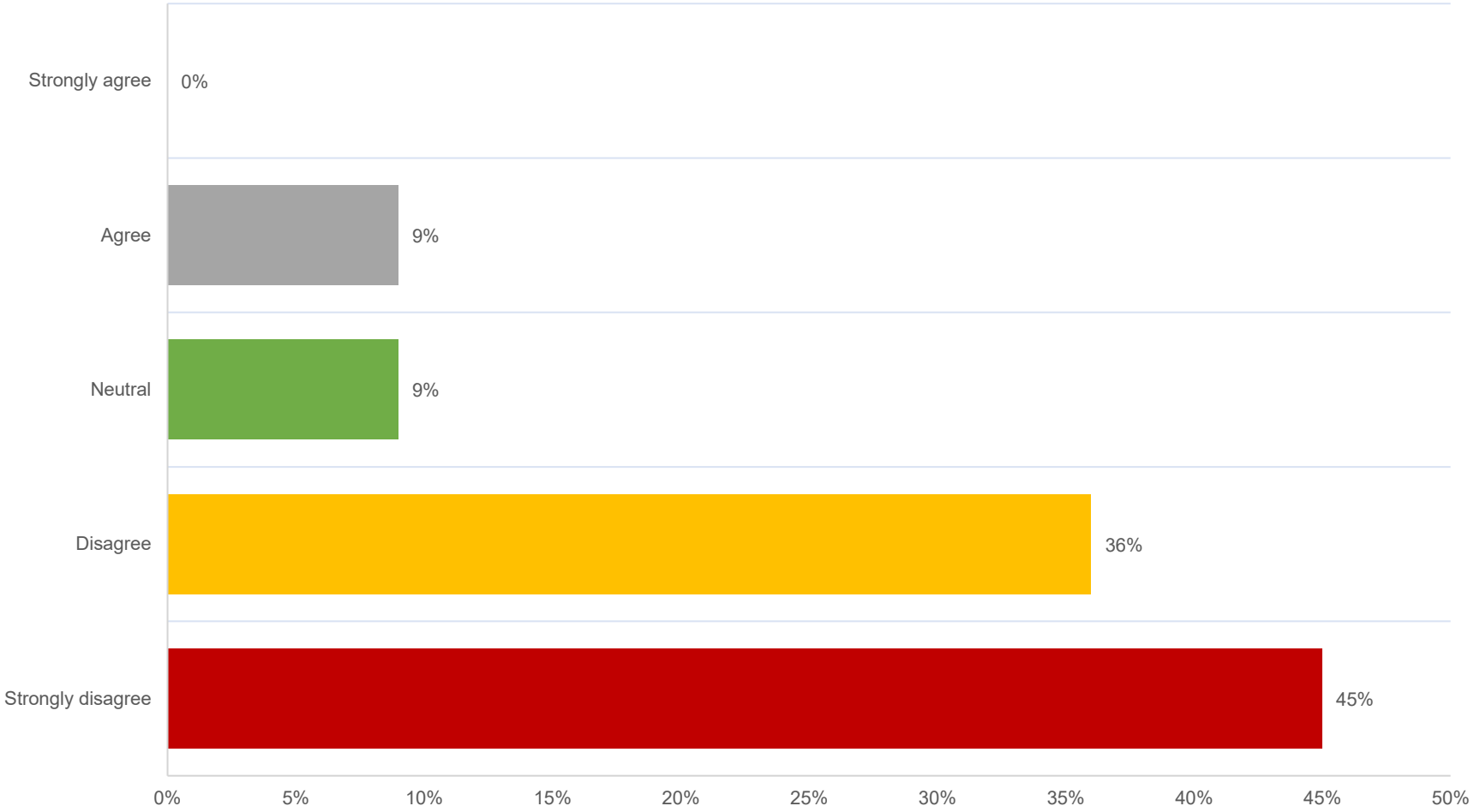
Concerns	Mixed results	Strengths
Licensing and permitting: Long approval periods hinder investment and create business uncertainty. **Regulatory posture:** Regulatory ambiguity contributes to unnecessary disposal. **Waste leakage and compliance:** Inconsistent enforcement, ineffective penalties and weak whistle-blower protections create a major level-playing-field risk. **Contaminant thresholds:** Testing requirements are not sufficiently practical or risk-based, while landfill impacts are difficult to quantify. **End-of-waste provisions:** Recovered materials face more stringent regulation than virgin materials. Land-use restrictions limit the application of finished recycled products.	**Licensing and permitting:** Performance against expected timeframes, regulatory resourcing, protection of commercial information, and proportionality of licensing effort is mixed. **Regulatory posture:** The clarity and practical use of regulator guidance is mixed. **Waste leakage and compliance:** Confidence in reporting non-compliance without reprisal is mixed. **Contaminant thresholds:** Risk alignment is mixed **End-of-waste provisions:** Definitions, continued waste treatment and the balance between rigour and practical application, and land-use settings, produce mixed results.	**Licensing and permitting:** • Assessors are consistent and licensing effort is proportionate to risk. • Access to a dedicated regulatory contact was also reported. **Regulatory posture:** The regulator understands operational realities, responds promptly and supports compliance. **End-of-waste provisions:** The framework supports timely market access, with practical requirements.

Overarching findings: Recovered materials face stricter rules compared to virgin



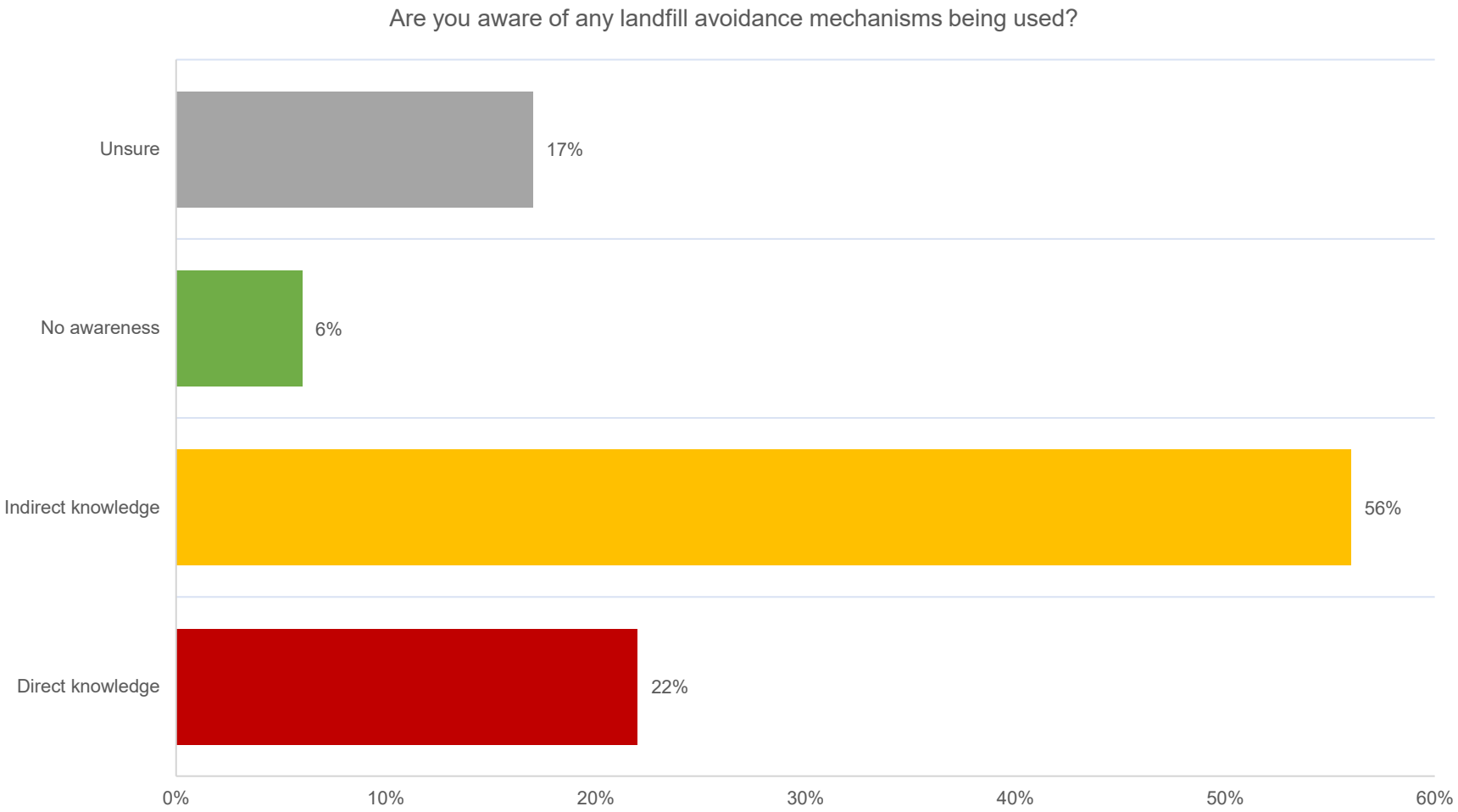
100% of operators agreed or strongly agreed that recovered materials face more stringent regulation compared to virgin materials

Overarching findings: End-of-waste settings are consistent between jurisdictions



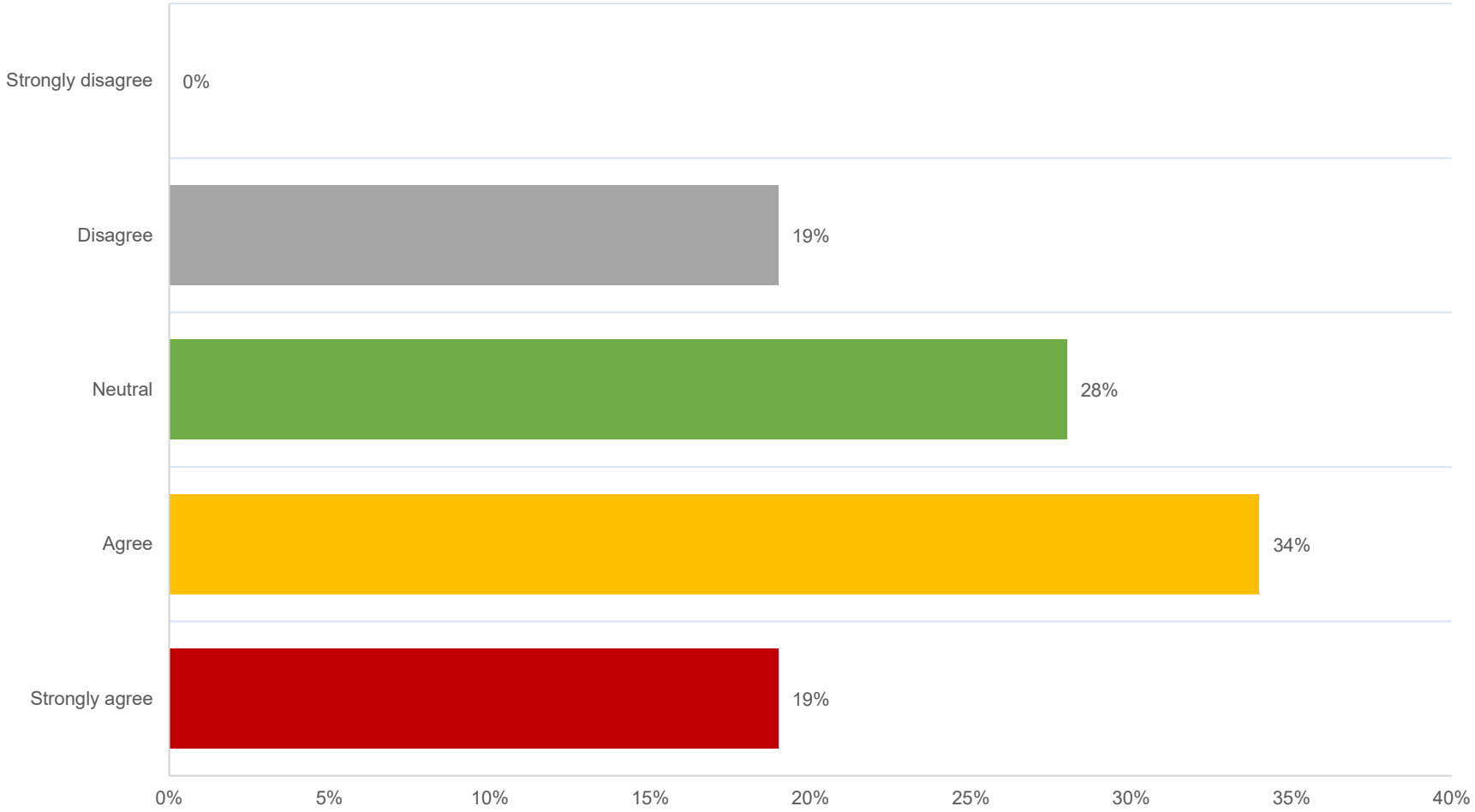
82% of jurisdiction-level responses identified that end-of-waste provisions are not implemented consistently between jurisdictions.

Overarching findings: Landfill levy avoidance is widespread



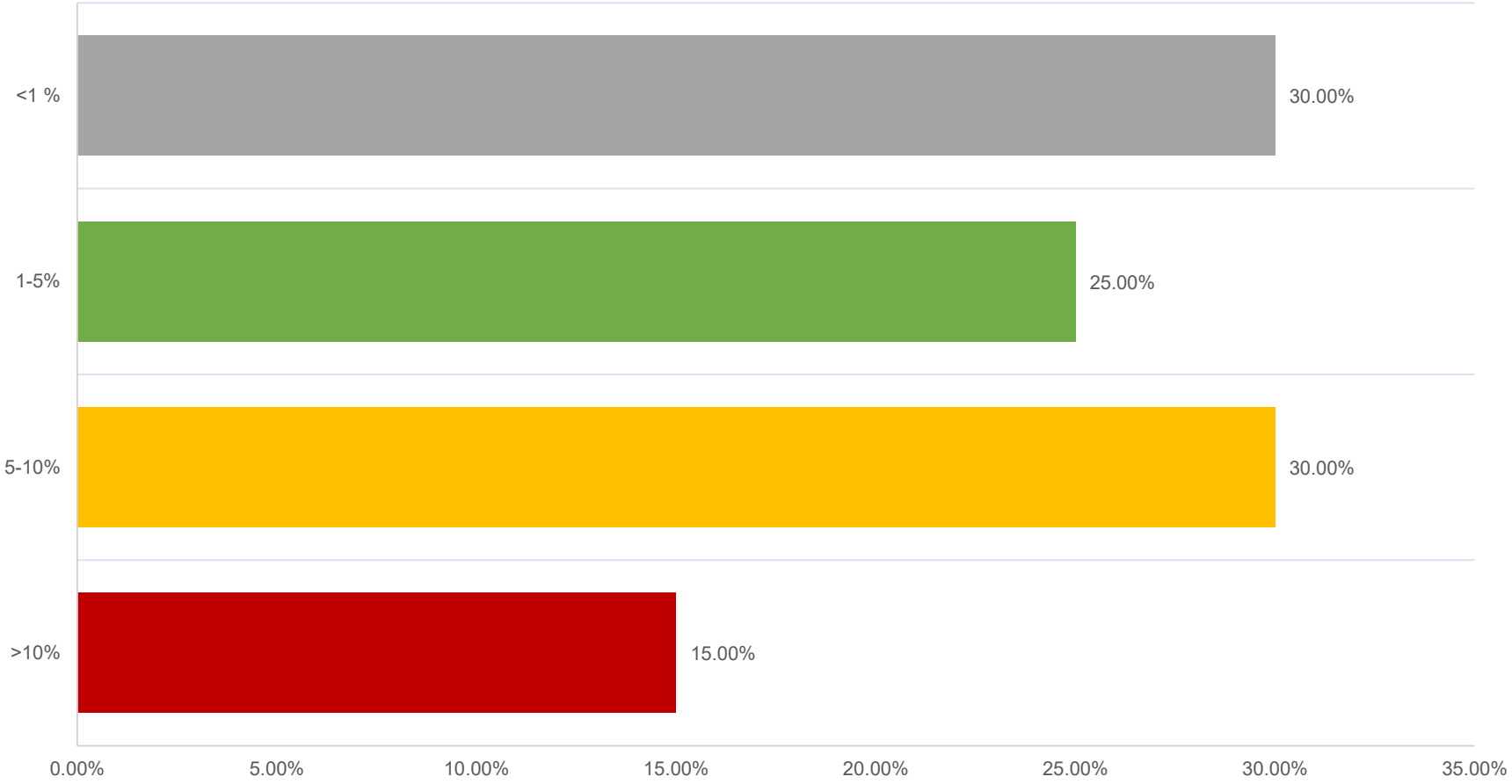
78% of operators nationally reported direct or indirect knowledge of landfill levy avoidance

Overarching findings: Regulatory ambiguity drives unnecessary landfilling of recoverable materials



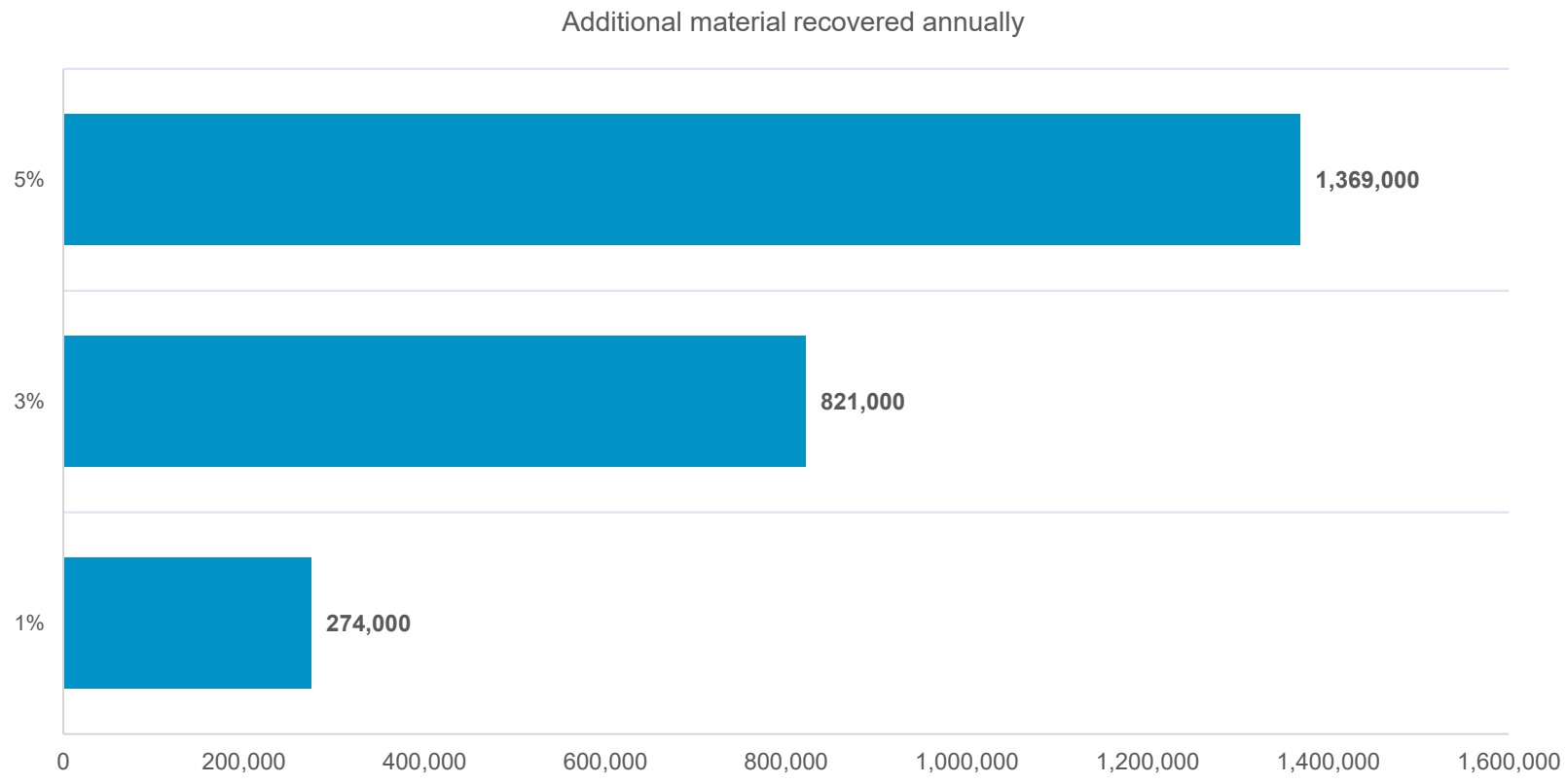
More than half of respondents identified that regulatory ambiguity contributes to the unnecessary disposal of recoverable materials.

Overarching findings: Contaminant thresholds contribute to avoidable landfill



Based on the midpoint of the survey ranges, the estimates indicate that contaminant thresholds send around 5% of otherwise recoverable material to landfill.

Small changes in C&D recovery have significant impacts



Australia generates over 27 million tonnes of C&D waste annually. At this scale, a one percentage point change in recovery could shift around 274,000 tonnes between productive use and disposal.

Impacts on recycling and construction

Poor regulatory settings	Reduced recovery / more disposal	Higher waste costs and pressures	Higher construction costs
Licensing delays, inconsistent administration, weak and uneven enforcement, impractical thresholds, inconsistent end-of-waste settings.	Recoverable material is sent to landfill and investment in recycling capacity is weakened.	Construction spends around $2 billion a year on waste services – unnecessary disposal adds transport, landfill and levy costs, while diverting recoverable materials from productive use.	Construction sector delivers over $325 billion of work annually, including almost $110 billion in residential, with waste costs feeding into housing and infrastructure delivery.
	Contaminant thresholds alone are estimated to send around 5% of otherwise recoverable material to landfill.	*Greater Sydney is heading towards a 2 million tonne annual landfill capacity shortfall by 2031.*	*House construction costs are around 50% higher than pre-pandemic levels, with elevated costs constraining project feasibility.*

Priorities for better recycling regulation

- **Licensing and permitting:** Establish clear timeframes and ensure requirements are proportionate to operational risk and scale.
- **Administration:** Improve consistency, operational understanding and access to clear guidance.
- **Waste leakage and compliance:** Apply timely and effective enforcement to maintain a level playing field.
- **Contaminant thresholds:** Align testing and thresholds with demonstrated environmental and human health risks.
- **End-of-waste provisions:** Provide clear, practical pathways for compliant recovered materials to cease being defined as waste.
- **National consistency:** Harmonise resource recovery frameworks across jurisdictions and address the unequal regulatory treatment of recovered and virgin materials.



More detail on survey questions and responses can be found in the full report, available via this link.



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