

SYDNEY, Sept. 12, 2013 /PRNewswire/ -- Australian manufacturers are increasingly conscious about their environmental impact. Frost & Sullivan's just completed study, **'Voice of Customer' on the Australian Industrial Waste Management Industry** revealed that one of the primary priorities of industrial companies is to reduce the amount of waste they are contributing to landfills (i.e. waste-to-landfill ratio). Study findings are based on in-depth interviews with a sample of Environmental Managers and Directors, as well as Operations Managers at Industrial companies across the country.

While companies are increasingly proactive in better managing their waste streams to reduce their total waste output, they still look to their waste management providers to help them identify further opportunities, particularly in the area of increasing their recyclable waste ratio.

While many waste management providers position themselves as promoters of a circular economy, their business models are not conducive to helping clients achieve this goal. By charging clients for the amount of waste removed from their facilities, waste management providers have little real incentive to help clients reduce that amount of waste generated. This apparent contradiction in the incentive structure of the waste management services industry is not lost on its clients.

"Companies are not looking for waste management providers to tell them how to run their operations," said Frost & Sullivan Consultant, Dev Anand Dorasamy. "Ideally, they would like their waste management providers to take an interest in their waste streams and actively help identify areas that can be streamlined further, as well as identify new recycling options for their waste".

Another pain point among clients is the methodology used in measuring the amount of waste

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generated. Companies typically rely on data provided by their waste management providers to monitor and track their waste generation performance. However, the standard practice of this industry to measure waste generation does not always ensure accuracy.

"Charges in this industry are typically based on the number of bin-lifts and the size of the particular bins" says Dorasamy. And these metrics are the same ones employed in measuring the amount of waste that is being collected i.e. number of bin lifts multiplied by the capacity of the bins. The obvious issue in this methodology is 'are the bins themselves full when being picked up?' Having said that, some companies are increasingly using on-vehicle scales to accurately measure the weight of the waste that is being removed from client facilities."

In general, industrial clients' expectations of their waste management providers are on the rise. In an effort to both streamline their waste management costs, as well as to give waste management providers the incentive to increase the level of service they offer, many large Australian operations are looking to consolidate their waste management providers.

"What we hope to see is the 'servitisation' of the waste management industry in Australia" states Dorasamy. "Thanks to the increasing maturity of clients, there is an opportunity for waste management market players to value add to their basic waste removal services and move further up the value chain".

The study has also identified a role that the government could play in reducing Australia's industrial waste footprint. "There is an exciting initiative in the United States and Europe called 'By-Product Synergy'. Basically local governments are actively facilitating local manufacturers to share information about their material input and waste streams and helping identify potential synergies" explains Dorasamy. "Given that Australia's manufacturing zones typically tend to be clustered around certain areas, we believe there is strong potential for a similar initiative here" he added.

If you are interested in more information on this research, please send an email to **Donna Jeremiah**,
Corporate Communications

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, at

djeremiah@frost.com

, with your full name, company name, job title, telephone number, company email address, company website, city, state and country.

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'Australian Industrial Waste Management – Voice of the Customer Study'

Contact: Donna Jeremiah Corporate Communications – Asia Pacific P: +61 (02) 8247 8927 F: +61 (02) 9252 8066 E:

miah@frost.com

djere

<http://www.frost.com>

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