



Factsheet

Waste Levy changes

Waste levy (per tonne, GST-exclusive)

Landfill Class		1 July 2021*	1 July 2022*	1 July 2023*	1 July 2024*	1 July 2025	1 July 2026	1 July 2027
Municipal landfill (class 1)	Mixed municipal waste from residential, commercial and industrial sources	\$20	\$30	\$50	\$60	\$65	\$70	\$75
Construction and demolition fill (class 2)	Accepts solid waste from construction and demolition activities (incl rubble, plasterboard, timber)		\$20	\$20	\$30	\$35	\$40	\$45
Managed or controlled fill (class 3, 4)	Soils and inert materials (including contaminated but non-hazardous)			\$10	\$10	\$15	\$15	\$20

* Note: Increases up to and including 1 July 2024 were legislated for by the previous Government.

Q&A: Waste Levy changes

How is the waste levy split between central and local government?

Currently: A 50/50 split between central and local government. Local government (city and district councils) can spend their portion on promoting or achieving the waste minimisation activities set out in their waste management and minimisation plans. The remaining levy money (minus administration costs) is put into the Waste Minimisation Fund which is focused on reducing waste and increasing recycling.

Proposed changes: The 50/50 split continues. Local government will continue to fund waste minimisation in line with their waste management and minimisation plans. Some of the central government portion will still go into the Waste Minimisation Fund but it will also be used to support a broader scope of environmental initiatives (e.g. freshwater improvement).

How much is the Government forecast to collect from the waste levy over the four-year period (2024/25 to 2027/28)?

Currently: \$1.025 billion (of which \$512 million allocated to central government and \$512 million allocated to local government).

Proposed changes: \$1.195 billion (of which \$598 million allocated to central government and \$598 million allocated to local government).

How much does it cost people*?

Currently*: Around \$20 per year per household**, around \$115 when building a new house***, and around \$515 when demolishing an existing house****.

Proposed changes: The proposed changes would equate to an estimated increase in levy costs of around \$5 per annum per household by 1 July 2027. Levy costs for waste disposal of a new-build house could increase by around \$45 per house, while levy costs for disposal of materials from a typical house demolition could increase by around \$205.

How can the Waste Minimisation Fund be used?

Currently: The levy is invested in a range of waste reduction activities, including recycling infrastructure, waste and recycling-related innovation and R&D projects, and waste minimisation community initiatives. The levy is also invested in initiatives that focus on a range of different waste streams including construction and demolition waste, plastic waste, and organic and food waste.

Proposed changes: The Waste Minimisation Fund will continue to support its existing list of initiatives (above). In addition, revenue from the levy can be used to support:

- Projects and initiatives that support a wider range of environmental outcomes (i.e. beyond waste reduction, such as freshwater improvement)
- Costs associated with disposal of waste generated by an emergency (e.g. a cyclone or earthquake)
- Cleaning up contaminated sites
- Remediating landfills that are vulnerable to severe weather events.

**These calculations are based on the increased 1 July 2024 waste levy of \$60 per tonne – this increase was locked in under the previous Government. Note that the waste levy is only one component of gate fees at landfills. All estimated costs are GST exclusive.*

***Based on a household that puts out one average sized bag of waste per week (around 6.5 kg), equivalent to around 338kg per year.*

**** Based on an average of 4.5 tonnes of waste, with assumptions about which landfill type the waste is disposed at.*

***** Based on an average of 20 tonnes of waste, with assumptions about which landfill type the waste is disposed at.*