

Review of the Effectiveness of the Waste Disposal Levy

2026

Te Arotakenga o te Tōtika o te Utu Whakawātea Para

2026



**Ministry for Cities, Environment,
Regions & Transport**

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Te Kāwanatanga o Aotearoa

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Message from the Minister for the Environment

I am pleased to introduce this review of the waste disposal levy, which is a key tool for reducing waste and supporting waste minimisation.

There were positive trends for waste minimisation and resource recovery in the review period, including a 6.7 percent decrease in the net quantity of waste sent to municipal (class 1) landfills.

Improvements have continued in the quality and availability of data on materials that are being reused, recycled or recovered; over time, this will build a better picture of waste and resource recovery flows and identifying opportunities for further improvements.

The review provides a timely opportunity to assess the impact of changes since 2021 to expand the levy's coverage to include construction and demolition and controlled and managed landfills.

The review also gives an overview of the effect of levy increases, and – since July 2024 – of levy revenue being made available to support a wider range of environmental priorities including contaminated site remediation, emergency waste initiatives and broader environmental initiatives.

The amount of levy revenue provided to territorial authorities has increased substantially from \$60 million in the previous reporting period to \$222 million in this review period.

This has enabled greater local investment in waste minimisation services, education, infrastructure, waste minimisation staff and other initiatives, accompanied by improving reporting and oversight.

This review draws on independent analysis, stakeholder feedback, and advice from the Waste Advisory Board. It outlines stakeholders' views on improving the levy's effectiveness.

I look forward to further improvements that can be achieved with implementation of the review's recommendations.

I would like to acknowledge everyone who has contributed to the review. This work highlights the levy's value in driving better environmental outcomes and supporting a more resource-efficient, lower-waste New Zealand.



Hon Nicola Grigg
Minister for the Environment



Executive summary and recommendations

Effectiveness of the waste disposal levy is reviewed every three years

The waste disposal levy (the levy) is established under the Waste Minimisation Act 2008 (WMA). This review was carried out to meet the WMA obligation for the Minister for the Environment (the Minister) to review the levy's effectiveness every three years.

The levy is a tool to reduce waste being disposed of and to encourage waste minimisation. It also raises revenue to support waste minimisation and, since July 2024, a wider range of environmental priorities.

This review covers the period of the 2022/23 financial year to the 2024/25 financial year (ie, 1 July 2022 to 30 June 2025). As part of the review, the Minister must consider whether, since the last review:

- the amount of waste disposed of has decreased
- the amount of waste reused, recycled or recovered has increased.

The Minister may also consider any other relevant matters.

To support the review, the Ministry for Cities, Environment, Regions and Transport¹ (the Ministry) has commissioned independent research and analysis, including seeking stakeholder views and feedback. The Minister has also obtained and considered the advice of the Waste Advisory Board, as required under the WMA.

Substantial changes to the coverage and rate of the levy since 2021

A levy has been in place at municipal landfills (class 1 landfills – that is, those that accept waste from households) since 2009. In 2021, a range of changes were made to the levy, including expanding levy coverage, increasing the levy rate and introducing associated reporting requirements. In 2024, further changes to levy rates were made (with ongoing annual increases in levy rates until 1 July 2027), along with changes to what the central government portion of the levy can be spent on.

Although levy rates have continued to increase across the review period, the initial expansion of the levy to additional landfill types (construction and demolition sites, and controlled and managed fill sites) has concluded. This review provides a timely opportunity to assess the impact of the changes to date and identify possible improvements.

¹ The Ministry for the Environment was previously a stand-alone agency but, since 1 July 2026, forms part of the Ministry for Cities, Environment, Regions and Transport. In this report, context will indicate whether 'the Ministry' refers to the Ministry for the Environment (pre-1 July 2026) or the Ministry for Cities, Environment, Regions and Transport (post-1 July 2026).

The quantity of waste disposed of in municipal landfills has decreased

Available data show a 6.7 percent decrease in net quantities of waste disposed of in class 1 landfills since the last review period. Trends cannot yet be described for other landfill classes, because reporting only commenced in 2022 for class 2 construction and demolition landfills, and in 2023 for class 3 and 4 controlled and managed landfills.

Over a longer time series, the annual quantity of waste received at class 1 landfills began to gradually increase from around 2.5 million tonnes in 2012 to 3.5 million tonnes in 2016. The quantity oscillated around 3.5 million tonnes per year between 2016 and 2023. A decrease then occurred in 2024 and 2025.

The Ministry commissioned analysis of whether factors affecting disposal trends could be identified. The analysis looked at variables including population and gross domestic product. It also considered trends in construction and demolition activity but concluded a suitable indicator was not available. Statistical analysis indicates a possible correlation between levy rates and disposal to landfill (ie, that disposal to class 1 landfills may decrease as levy rates increase).

Estimating the quantities of waste reused, recycled or recovered remains challenging, but there are some positive indications

We lack comprehensive data to examine whether the amount of material reused, recycled or recovered has increased since the last review. Available data suggest fairly stable exports of plastics for recycling, alongside increases in exports of paper and cardboard (due to a reduction in onshore processing capacity).

Aotearoa New Zealand's onshore processing capacity still faces gaps and challenges, including low population densities, long distances to sorting and processing facilities, and wider challenges in international markets. These difficulties mean most complex materials such as batteries and electronic waste (or e-waste) are exported for recycling at present.

In recent years, current or planned onshore capacity has increased for some recycled commodities (such as metals) and decreased for others (such as paper and cardboard). Although gaps remain, investment into resource recovery infrastructure has been ongoing – including investment of revenue from the levy through the Waste Minimisation Fund (WMF).

Highlights from the review period

- Mandatory product stewardship for tyres was introduced in 2023. In its first year of operation, the stewardship scheme collected 36,801 tonnes of tyres.
- Sector-led reductions in food waste – including through Kai Commitment, whose 15 signatories (including many large food businesses) reported an 85 percent reduction in food waste sent to landfill in 2025.
- Continued investment has also been made into resource recovery infrastructure for construction and demolition waste, including through the WMF.

Stakeholders consider the levy valuable for generating funding for waste minimisation, with room for improvement

Stakeholder engagement was carried out with sectors including local government, waste operators, resource recovery, recycling, and construction and demolition.

Stakeholders broadly supported the levy and its role in generating funding at the local and national level for investment into waste minimisation initiatives, infrastructure and programmes. However, stakeholders raised concerns about its design and implementation. Common themes included:

- a perceived lack of clarity about the long-term strategy for the levy
- a need for improved data and monitoring
- potential unintended consequences of the current differential levy rates between landfill classes.

Stakeholders had mixed views on whether the current levy rates are set at an appropriate level – some considering the current rates too low to drive behaviour change, with others noting the impact of increased disposal costs on small businesses and rural and low-income communities.

Work continues on ensuring central and local government administer the levy efficiently and invest it effectively

Since 2022, the Ministry has published an annual performance monitoring report, which outlines how compliance functions under the WMA are being implemented. Since 2023, the Ministry has also made a range of waste data available online, through regularly updated waste dashboards covering waste facilities, disposal, emissions and investment data.

In 2024, the Ministry commissioned an independent assessment of its processes for making levy investment decisions and back-office functions funded by the levy (KPMG, 2024). This work concluded that, overall, the Ministry shows a commendable standard of value for money across waste investments and waste operations (those responsible for collecting the levy and associated compliance, monitoring and enforcement).

The Ministry has also commissioned and published research into:

- the effectiveness of its levy investment, including a rapid cost–benefit analysis of the most significant and measurable costs and benefits related to investment of the levy (Sapere, 2024)
- further assessment of a wider range of impacts and benefits (MartinJenkins, 2025)
- examining how well the WMF and Contaminated Sites and Vulnerable Landfills Fund are delivering on their core purposes (Oakden et al, 2025).

Local government has also commissioned and published research into the benefits achieved through territorial authorities' spending of the revenue they receive from the levy (Morrison Low, 2025).

Possible future work includes levy rate setting, minimising levy avoidance, and ensuring national consistency

Drawing on the feedback received from stakeholders, operational evidence and analysis of international approaches, we have identified several matters for further attention.

Impact of differential levy rates

We heard concerns that waste that should be disposed of in class 1 landfills may instead be increasingly disposed of in other landfill classes – in part because of the higher levy rate for class 1 landfill sites (as well as other costs that class 1 sites face, including participation in the New Zealand Emissions Trading Scheme). This is not necessarily a negative outcome, because it could help to preserve space in class 1 landfills. However, it is not desirable for waste that should be disposed of in class 1 landfills to be directed to other landfill classes, which may not have appropriate environmental protections for that waste (such as suitable lining and gas capture systems). Options to address this could be to make the levy rate the same for class 1 and 2 landfills, or to have the same levy rate for all landfill classes. Consideration could also be given to making certain materials (such as inert materials) subject to the same levy, regardless of which site they are disposed at. Factors to consider would be the possible shift of waste to unregulated or unleveled disposal options, such as cleanfills or illegal dumping.

Overall levy rates

Views differ on whether levy rates should be higher in New Zealand. Many other countries do have higher levy rates, and higher rates may be necessary to help target materials with recovery potential that are still being disposed of in landfills. Higher levy rates could also raise additional revenue for investment in waste minimisation and other environmental priorities. Continued investment into waste minimisation infrastructure and services would help ensure businesses and communities can make choices that limit their exposure to higher levy rates. Higher levies would need to be supported by a robust compliance, monitoring and enforcement framework.

Considering appropriate coverage for the levy

Certain types of disposal activities are not currently subject to a levy, either because the facilities involved are not currently defined as disposal facilities (in the case of industrial monofills and cleanfills), or because the activities are excluded by definitions in the WMA or regulations (in the case of waste-to-energy activities). Further consideration should be given to the impact of these exclusions, and whether changes to regulations or legislation are needed.

Need for clarity of rules

Councils across the country have different rules for what materials can be accepted in different landfill classes. In addition, a council may consent a site to accept certain materials, but acceptance of those materials would place the landfill in a different landfill class for the purposes of paying the levy. This can lead to confusion about regulatory obligations and may contribute to sites not paying the correct levy (whether intentionally or unintentionally).

National clarity and consistency could be improved as part of the Government's transformation of the planning system (with the passage of the Planning Act 2026 and Natural Environment Act 2026, which replace the Resource Management Act 1991). Requirements under the WMA also need to be clearer, including definitions for sites such as industrial monofills, and rules for diverted materials and reuse.

Strategic approach and performance monitoring

As identified in the previous levy review (Ministry for the Environment, 2024c), ongoing efforts are necessary to ensure that levy revenue is managed efficiently and effectively, and achieves its intended outcomes. Existing mechanisms include publishing objectives, eligibility and assessment criteria for the WMF (agreed by the Minister), as well as published investment signals which provide further detail on investment priorities and outcomes sought. Ensuring investment achieves strategic outcomes has been a focus for this review period, and further work is proposed on identifying and reporting on investment outcomes. The wider range of spending priorities the levy can support will also require clear strategic direction.

Appropriate supporting systems and complementary policies

Analysis of international approaches to waste levies indicates they are most effective when coupled with supporting policies and systems to help address waste generation – not just waste disposal – and to help ensure producers take into account the full life-cycle of products when placing them on the market.

Recommendations

- Undertake a review of regulatory settings for the waste disposal levy (the levy) (including rates and the impact of the differential levy between sites, coverage of sites and waste materials, and supporting requirements such as record-keeping and reporting provisions and clarity of regulatory requirements).
- Continue with proposed amendments to the Waste Minimisation Act 2008 (WMA), including to:
 - improve compliance, monitoring and enforcement provisions
 - enable a levy to be placed on waste-to-energy activities
 - ensure regulatory requirements are clear and consistent.
- Continue to support the sector's efforts to standardise guidance on disposal to landfill and its work towards greater national consistency.
- Develop a work programme for ongoing improvements in quality and availability of waste data, including considering recommendations for generating and reporting on a reliable time series of resource recovery and disposal in Aotearoa New Zealand.
- Enable the compliance, monitoring and enforcement function to support overall waste levy effectiveness (including through improvements to compliance, monitoring and enforcement provisions in the WMA, and adequate resourcing for audits and monitoring).
- Continue work to reduce emissions from waste, including consideration of New Zealand Emissions Trading Scheme requirements, and of requirements for landfill gas capture and where disposal of organic materials such as timber may occur (noting that these requirements may also affect the effectiveness of the levy).

- Finalise and publish an outcomes framework for identifying and reporting on outcomes achieved through investment of the levy.
- Over the medium term, contribute to implementation of the transformation of the planning system (with the passage of the Planning Act 2026 and Natural Environment Act 2026, which replace the Resource Management Act 1991), so that rules governing disposal to land can be made more nationally consistent.

Background

A waste disposal levy has been in place since 2009

The waste disposal levy (the levy) was established under [Part 3](#) of the Waste Minimisation Act 2008 (WMA). It is a tool to reduce waste being disposed of, and to encourage alternative approaches to producing, using and managing products and materials at their end of life.

A levy has been in place at municipal landfills (class 1 landfills – ie, those that accept waste from households) since 2009. More recently, levies have also been established for other landfill types.

Half the levy money goes to territorial authorities (ie, city, unitary and district councils) to spend on promoting or achieving the waste minimisation activities set out in their waste management and minimisation plans.

Prior to 1 July 2024, central government invested the remaining levy money (minus administration costs) into projects to promote or achieve waste minimisation. These projects are generally funded through the Waste Minimisation Fund (WMF).

Since 1 July 2024, some levy revenue has been spent on an additional range of wider purposes, including:

- activities that reduce environmental harm or increase environmental benefits
- local authorities' management of emergency waste and repair, or replacement of waste management and minimisation infrastructure damaged by an emergency
- the Ministry for the Environment² (the Ministry) in its undertaking of its functions, duties and powers in relation to waste management and minimisation and hazardous substances
- projects that provide for the remediation of contaminated sites.³

Levy effectiveness is reviewed every three years

The Minister for the Environment (the Minister) is required to assess the effectiveness of the levy every three years. This review covers the period of the 2022/23 financial year to the 2024/25 financial year (ie, 1 July 2022 to 30 June 2025). In reviewing the levy, the Minister must consider whether:

- the amount of waste disposed of has decreased since the last review

² The Ministry for the Environment was previously a stand-alone agency but, since 1 July 2026, forms part of the Ministry for Cities, Environment, Regions and Transport. In this report, context will indicate whether 'the Ministry' refers to the Ministry for the Environment (pre-1 July 2026) or the Ministry for Cities, Environment, Regions and Transport (post-1 July 2026).

³ As laid out in [section 3](#) of the Waste Minimisation Act 2008 (as amended by the Waste Minimisation (Waste Disposal Levy) Amendment Act 2024).

- the amount of waste reused, recycled or recovered has increased since the last review.

The Minister may also consider any other relevant matters.

Information sources include the Online Waste Levy System (OWLS), which includes tonnage reporting and other information from landfills and other sites, published reports, and internal information (such as investment information).

In undertaking the review, the Ministry has commissioned independent research and analysis, as well as seeking stakeholder views and feedback.

The Minister has also obtained and considered the advice of the Waste Advisory Board, as required under the WMA.

Gross, diverted and net tonnages

Regulations under the WMA define these terms as follows:

- **Gross tonnage** is the total tonnage of waste or diverted material that enters the disposal facility.
- **Diverted tonnage** is the tonnage of waste or diverted material that is reused or recycled at the disposal facility, or is removed from the facility, not later than six months after entering the facility (or any later time that the Secretary for the Environment has agreed to in writing). It can include material that is:
 - reused or recycled
 - recovered or treated on the land and removed from the land for deposit elsewhere
 - removed from the land for any other reason.
- **Net tonnage** is the difference between gross and diverted tonnage. It represents net waste disposal (but note that in some cases, diverted tonnage may remain on site – for example, if it is reused as part of site operations).

Reuse, recycling and recovery

The WMA defines these terms as follows:

Reuse means the further use of waste or diverted material in its existing form for the original purpose of the materials or products that constitute the waste or diverted material, or for a similar purpose.

Recycling means the reprocessing of waste or diverted material to produce new materials.

Recovery means extraction of materials or energy from waste or diverted material for further use or processing, and includes making waste or diverted material into compost.

Substantial changes to the levy coverage and rates since 2021

In 2021, a range of changes to the levy were made, drawing on the results of previous reviews of the levy. These changes include expanding the coverage and increasing the rates of the levy, as well as introducing associated reporting requirements. Further changes to levy rates were made in 2024 (with annual increases in levy rates until 1 July 2027). Changes to levy rates and coverage over time are summarised in table 1. In 2024, changes were also made to what the central government portion of the levy can be spent on, some of which are described above.

Levy rates have continued to increase across the review period, but the initial expansion of the levy to additional landfill types (construction and demolition sites, and controlled and managed fill sites) has been completed. This review provides a timely opportunity to assess the impact of the changes to date, and to identify possible improvements.

Table 1: Waste disposal levy rates and coverage (review period highlighted with shading)

Disposal facility class	Levy rate, \$ per tonne							
	1 July 2009– 30 June 2021	1 July 2021– 30 June 2022	1 July 2022– 30 June 2023	1 July 2023– 30 June 2024	1 July 2024– 30 June 2025	1 July 2025– 30 June 2026	1 July 2026– 30 June 2027	1 July 2027+
Class 1								
Municipal	\$10	\$20	\$30	\$50	\$60	\$65	\$70	\$75
Class 2								
Construction and demolition	-	-	\$20	\$20	\$30	\$35	\$40	\$45
Class 3 & 4								
Controlled and managed	-	-	-	\$10	\$10	\$15	\$15	\$20

Trends in waste quantities

The quantity of waste disposed of in class 1 landfills has decreased since the last review

Waste quantities for municipal landfills (class 1 landfills, which accept waste from households) are outlined below. [table 2](#) shows the total amounts and [table 3](#) shows the per-capita amounts.

Table 2: Total gross, diverted and net tonnages of waste at class 1 landfills for the 2019/20 to 2021/22 and 2022/23 to 2024/25 review periods⁴

	2019/20–2021/22	2022/23–2024/25	Difference	% change between periods
Total gross tonnage	11,348,252	10,794,467	-553,785	-4.9%
Total diverted tonnage	930,357	1,077,435	+147,078	+15.8%
Total net tonnage	10,417,895	9,717,032	-700,863	-6.7%

Table 3: Net kilograms of waste per capita disposed of at class 1 landfills for the 2019/20 to 2021/22 and 2022/23 to 2024/25 review periods

	2019/20–2021/22	2022/23–2024/25	% change
Per capita waste disposal 2019/20–2021/22	2019/20 – 667.6 2020/21 – 703.3 2021/22 – 687.3	686.1 kg/capita	-9.5%
Per capita waste disposal 2022/23–2024/25	2022/23 – 714.3 2023/24 – 615.1 2024/25 – 533.4	620.9 kg/capita	

This review period can also consider disposal to class 2, 3 and 4 landfills, although the data cannot be compared with the previous review period (because reporting only commenced in 2022 for class 2 construction and demolition landfills, and in 2023 for class 3 and 4 controlled and managed landfills).

⁴ See the definitions in the [Gross, diverted and net tonnages](#) box above.

Table 4: Net waste tonnages to class 1, 2, 3 and 4 landfills (2019/20 to 2024/25)

Landfill class net tonnage	2019/20	2020/21	2021/22*	2022/23*	2023/24	2024/25	Average (2019/20 to 2021/22)	Average (2022/23 to 2024/25)	% change
Class 1	3,351,037	3,572,476	3,494,383	3,658,467	3,228,636	2,829,929	3,472,632	3,239,010	-6.7%
Class 2	N/A	N/A	137,078	308,760	376,804	609,626	N/A	431,730	N/A
Class 3 and 4	N/A	N/A	N/A	2,361,527	2,471,265	1,786,233	N/A	2,206,341	N/A

* Note that the first year of reporting for class 2 facilities (2021/22) and class 3 and 4 facilities (2022/23) is a half year rather than a full year, because of the date reporting commenced.

Statistical analysis indicates correlation between levy rate and disposal quantities for class 1 landfills

The analysis above shows that waste tonnages have decreased over recent years, and waste disposal levy (levy) rates have increased. This observation alone does not indicate that the levy has caused the reduction in waste tonnages. Eunomia (2026) assessed the relationship between waste disposal and possible factors that could influence it, including population and gross domestic product (GDP).

Eunomia’s work suggests a correlation between the waste quantities at class 1 landfills and the country’s GDP. It is commonly recognised worldwide that solid waste generation is closely linked to a country’s economic performance (Eunomia, 2026). However, from around 2020 to 2021, the quantity of waste at class 1 landfills in Aotearoa New Zealand appears to become decoupled from the rising gross domestic product (GDP).

The same pattern does not appear to be seen at class 2, 3 and 4 landfills, possibly because of the much shorter time series since reporting began. Some of the waste may have shifted from class 1 to class 2 landfills, which have seen increases during this period. However, this would not account for the entire decrease seen in class 1, and it is not possible to draw a firm conclusion from the data available.⁵ Tonnages at class 3 and 4 landfills also declined between 2023 and 2025, while GDP increased.

Looking at the longer time series for class 1 landfills, the annual quantity of waste received at class 1 landfills began to gradually increase from around 2.5 million tonnes per year in 2012 to 3.5 million tonnes in 2016 (see [figure 1](#)). The quantity oscillates around 3.5 million tonnes per year between 2016 and 2023. A small decrease is apparent in 2020, which may be attributable to reduced economic activity during the early stages of the COVID-19 pandemic.

A decrease then occurred in the 2024 and 2025 calendar years, which coincided with the class 1 levy increasing to \$50 per tonne in July 2023, \$60 per tonne in July 2024, and \$65 per tonne in July 2025. It is notable, however, that the earlier changes to the levy – incremental increases from \$10 per tonne to \$30 per tonne between 2021 and 2023 – had no apparent or coincidental impact on the quantities of class 1 landfill waste in the available data.

Data are even more limited for class 3 and 4 landfills, having only first been recorded in 2023. This first year of data corresponds to the introduction of the class 3 and 4 levy at \$10 per tonne. This was increased in 2025 to \$15 per tonne. Across these years, the quantities seem to follow a similar pattern to class 1 landfills, showing a year-on-year decrease amounting to an 18 percent reduction between 2023 and 2025.

[Table 5](#) presents a summary of factors that possibly affect waste disposal levels.

⁵ Between 2023 and 2025, class 1 tonnage decreased from 3,510,255 tonnes to 2,746,600 tonnes – a decrease of 763,654 tonnes (22 percent). Over the same period, class 2 tonnage increased from 300,564 tonnes to 642,660 tonnes – an increase of 342,095 tonnes (114 per cent). This suggests that, at most, less than half (45 percent) of the tonnage no longer present at class 1 landfills could be being diverted to class 2 landfills.

Figure 1: Waste quantities at class 1 and 2 landfills compared with GDP (Eunomia, 2026)

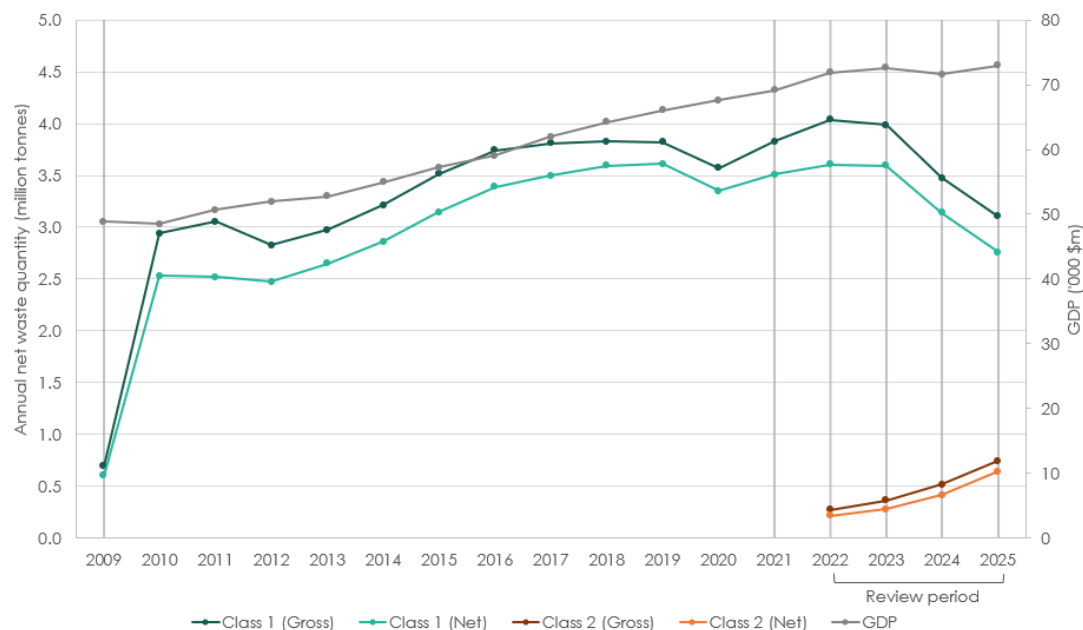


Table 5: Summary of statistical analysis of factors that may affect waste disposal (Eunomia, 2026)

Factor	Impact on class 1 tonnages
Class 1 waste levy	Analysis suggests that increases to the class 1 levy are associated with reductions in net tonnage disposed of at class 1 sites, after controlling for other economic factors. However, the statistical analysis does not indicate a very large shift in waste tonnages in response to the levy (the relationship suggests that a \$1 per tonne (about 2%) increase to the levy results in a reduction of 1,793 tonnes per year (0.05%)). This analysis cannot directly determine the impact of any future changes to levy rates, as it is focused on the past time series rather than future projections.
Class 2 waste levy	Analysis suggests the relationship between the levy for class 2 sites and the net tonnage disposed of at class 1 sites. The report identified the potential for increases to the class 2 levy to reduce incentives to divert waste from class 1 to class 2 landfills. However, this evidence is less certain (statistically weaker) and should be interpreted with caution.
GDP	Analysis suggests a positive relationship between GDP and waste generation. The relationship suggests that a \$1 million (0.001%) increase in GDP results in an increase of 6.93 tonnes/year (0.0002%). This relationship is consistent with expectations.
COVID-19	The analysis considered the impacts of COVID-19 in order to control for the sharp decrease in landfill tonnage in April 2020. This improved the accuracy of the analysis and helped to ensure the estimated effect of the levy was not distorted.

Construction and demolition activity generates substantial quantities of waste

Construction and demolition activity is another variable which commentators may associate with changes in waste disposal, especially given how much of New Zealand's waste is generated by construction and demolition. Eunomia's (2026) analysis did not identify suitable

indicators of construction and demolition activity that could be examined, so this relationship was not explored further.

Stats NZ (nd) publishes statistics on building activity, such as the number of new dwellings consented. However, a substantial portion of construction and demolition waste comes from horizontal infrastructure (ie, utilities and transport infrastructure) and soil waste, rather than vertical infrastructure (ie, commercial, industrial and residential buildings). Future analysis of indicators of construction and demolition activity could be useful in helping explain waste trends.

Construction and demolition activities were previously estimated to generate around 50 percent of total landfill waste. The Ministry for the Environment⁶ (the Ministry) commissioned and published a report to provide an updated baseline estimate and methodology for continuing to track the contribution of construction and demolition activities to waste disposal totals (Beca, 2025). This new report indicated that, contrary to previous estimates, construction and demolition activities may account for as much as 69 percent of waste disposed of at levied disposal facilities.

Beca (2025) noted that this is similar to the reported contribution of construction and demolition waste to total generation in the United Kingdom (62 percent). However, construction and demolition accounts for only 32 percent of waste that is landfilled in the United Kingdom, because a much higher rate of diversion is achieved. This suggests possible scope for much higher resource recovery of construction and demolition waste in New Zealand.

Key findings on an updated construction and demolition waste disposal baseline (Beca, 2025)

Key findings from the disposal baseline are outlined below.

- A gross tonnage of 28.98 million tonnes of waste was sent to class 1 to 5 facilities in 2023.
- The majority of this (19.96 million tonnes) was cleanfill waste to class 5 facilities. Because class 5 cleanfill is difficult to trace back to construction and demolition activities, this was excluded from the baseline calculations.
- An estimated 5.25 million tonnes of construction and demolition waste was disposed at levied facilities (class 1 to 4), which represents 69.4 percent of all waste disposed at levied facilities.
- Only 6 percent of construction and demolition waste was sent to class 2 (construction and demolition) landfills. The rest went to class 1 landfills (21 percent) and class 3 and 4 disposal facilities (73 percent).
- Of construction and demolition waste received at disposal facilities, 18.5 percent was reported as diverted (recycled or reused, although this includes an unknown portion used as daily or final cover on site).
- The split of activities generating construction and demolition waste disposed of at levied facilities (class 1 to 4) is as follows:
 - materials associated with **vertical infrastructure** (residential, commercial, industrial buildings) – 17 percent

⁶ The Ministry for the Environment was previously a stand-alone agency but, since 1 July 2026, forms part of the Ministry for Cities, Environment, Regions and Transport.

- materials associated with **horizontal infrastructure** (utilities and transport infrastructure) – 5 percent
- **soil waste** – 78 percent.
- Soil represents over half of all waste disposed to levied facilities (class 1 to 4). Of the total 27.39 million net tonnes of material disposed to class 1 to 5 facilities, 87 percent is soil or cleanfill (much of which is generated by construction and demolition activity).

Estimating the quantities of waste reused, recycled, or recovered remains challenging – but there are some positive indicators

Having a levy on disposal to landfill may help make resource recovery activities more financially viable. Respondents to the Eunomia (2026) survey identified positive outcomes from changes to the levy since 2021, specifically noting:

- funding of diversion and infrastructure programmes (47 percent of respondents)
- increased resource recovery and diversion rates (40 percent of respondents)
- generating revenue for waste minimisation (43 percent of respondents).

Case studies of investment of the levy into reducing construction and demolition waste (Oakden et al, 2025) identified that some stakeholders felt the increase in waste levy rates had helped to lift diversion tonnages, making waste separation a more viable alternative to landfills. Some research participants identified that, when affordable, customers were generally willing to choose recycling over landfill disposal. However, the current levy was not yet seen as a strong driver to encourage diversion for certain types of construction and demolition waste. Further, participants felt the levy needed to be high enough to encourage positive behaviour change but carefully calibrated to avoid adverse side effects.

Despite these observations, we lack comprehensive data to examine whether the amount of material reused, recycled or recovered has increased since the last review. For this reason, Eunomia (2026) provided a qualitative assessment of factors that may have affected resource recovery trends over the period, which are outlined below.

Trends in international policies and recycling markets

The previous levy review (Ministry for the Environment, 2024c) noted that restrictions on importing plastics and other recycling commodities to China had led to a shift in export destinations (largely to other southeast Asian countries including Vietnam, Indonesia, Thailand and Malaysia). These countries have now also implemented tighter controls on waste imports. These heightened quality controls are likely to be placing heavier pressure on New Zealand material recovery facility operators to control the waste materials they accept. However, available data suggest fairly stable exports of plastics for recycling, alongside increases in exports of paper and cardboard (due to a reduction in onshore processing capacity).

Eunomia (2026) considered that the wider trend of an increasing focus on the quality of recycling commodity exports is likely to continue. For example, the European Union adopted additional controls in 2023 that focus on restricting exports of waste plastics from its members. Negotiations are also continuing on a Global Plastics Treaty.

Domestic recycling infrastructure

New Zealand's onshore processing capacity still faces gaps and challenges, including low population densities, long distances to sorting and processing facilities, and wider challenges in international markets. These difficulties mean most complex materials such as batteries and electronic waste (or e-waste) are exported for recycling at present.

The current or planned onshore capacity has increased for some recycled commodities such as metals and decreased in others (such as paper and cardboard) in recent years. Although gaps remain, ongoing investments have been made into resource recovery infrastructure – including investment of revenue from the levy through the Waste Minimisation Fund (WMF).

Eunomia (2026) drew attention to new investment in construction and demolition infrastructure, in particular, over the review period.

Increasing standardisation of domestic recycling

The standardisation of kerbside collections was announced in September 2023 and has been in effect from February 2024. The policy standardises the materials that must be collected by kerbside recycling and food scraps collection services across the country (but it does not mandate that councils must have these services in place).

Eunomia (2026) considered that the standardisation could have varying impacts – for some councils, it may have led to a reduction in the range of materials collected at kerbside. However, it may also have led to a reduction in contamination levels, which could increase the overall quantity that is recycled. The quantity of recyclable waste collected at the kerbside is relatively low compared to commercial or industrial sources, so has a smaller impact overall.

Public attitudes and beliefs

One of the aims of kerbside standardisation was to reduce public confusion caused by inconsistency in recycling rules across the country, and therefore to increase public confidence in kerbside recycling. It was also intended to help ensure higher-quality recycling commodities (by reducing contamination with items with lower or no value for recycling). In turn, this was intended to maintain New Zealand's access to offshore recycling markets.

AK Research conducted research on public attitudes to recycling for the Ministry, with annual surveys over a three-year period (AK Research & Consulting, 2023, 2024, 2025). The 2025 survey indicated that, over the survey period, confidence in the recycling process has been gradually increasing and misconceptions declining.⁷

Overall, Eunomia (2026) concluded that increasing awareness of recycling and improving behaviours could lead to increased materials for recycling, and to reduction in non-recyclable waste. However, overall, quantities of recyclable materials stemming from public behaviour is relatively small compared to industrial and commercial sources.

⁷ However, despite an improving trend, fewer than half of respondents in the 2025 survey were confident their items were actually recycled, and around one-third found recycling rules confusing, felt they knew what happened to recycling after being collected, or believed most recycling ended up in landfill.

Waste reduction work programme

Eunomia (2026) identified a number of items from the waste reduction work programme (Ministry for the Environment, 2024d) and emissions reduction plan initiatives (Ministry for the Environment, 2022a; 2024b) that could affect resource recovery outcomes (in addition to the kerbside standardisation work outlined above). This includes:

- phasing out certain hard-to-recycle and single-use plastics⁸
- regulated product stewardship for tyres (see [figure 2](#))
- continued levy investment, targeting resource recovery infrastructure and systems in order to reduce waste emissions, as well as prioritising investment in construction and demolition separation and recovery infrastructure (see [Investment into infrastructure for construction and demolition waste](#))
- working with the Recycling Leadership Forum, which contributes advice and information to the Ministry,⁹ focusing on improving recyclability of key materials that are not included in kerbside recycling.

Investment into infrastructure for construction and demolition waste

Between 2023 and 2025, over \$11 million in funding from the WMF was committed to projects targeting construction and demolition waste. The projects covered a range of scales and initiatives, as outlined below.

- **James Henry Ltd** received funding to expand their salvage timber processing facility to double production, enabling salvaged native timber to be remanufactured into new flooring, panels and other timber products.
- **Tairāwhiti Environment Centre** assessed the feasibility of diverting construction and demolition waste from landfill in Tairāwhiti by exploring how enterprises in other regions successfully divert and reuse construction materials.
- **Central Environmental** is recovering construction and demolition waste through sorting of materials from across the Manawatū region. Target materials are metals, timber, reusable items (timber, tiles, components), plasterboard and glass. The facility also processes green waste using the same equipment.
- **Phoenix Contracting** purchased a slow-speed shredder to be used in the Cyclone Gabrielle recovery efforts for the efficient recovery of construction and demolition materials from cyclone-damaged properties, and by shredding woody debris and green waste for composting.
- **Hastings District Council** improved recovery of construction and demolition materials at their Henderson Road refuse transfer station to capture as many post-flood waste materials for beneficial recovery as possible.

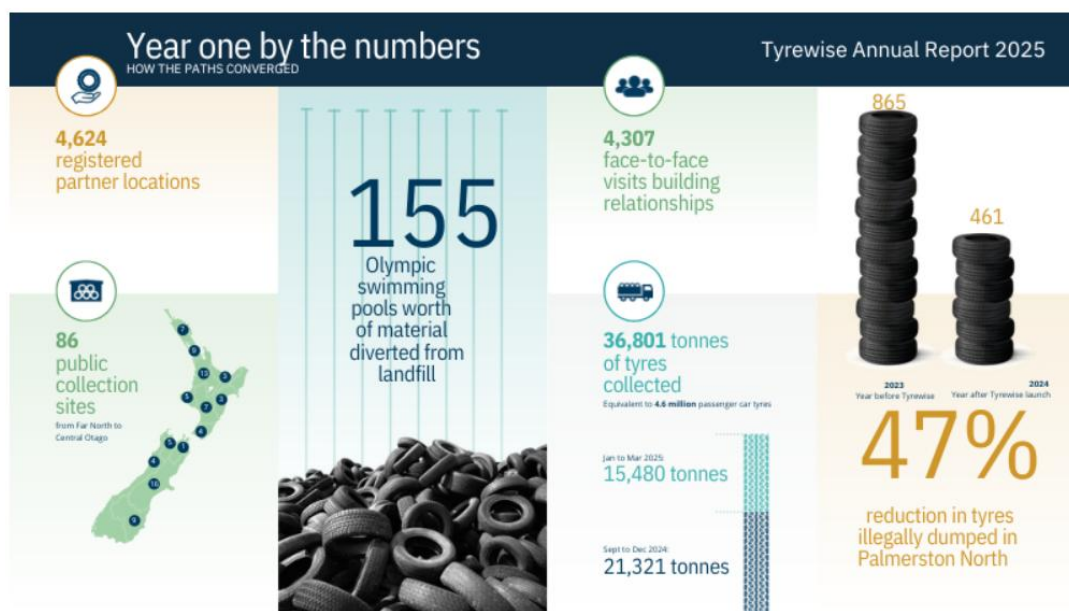
Eunomia (2026) noted that the net impact of these policies is hard to quantify, but phasing out hard-to-recycle single-use plastics could have led to a shift towards more recyclable packaging

⁸ Phase 1 (October 2022): ban on single-use plastic drink stirrers and cotton buds, polystyrene takeaway food and drink packaging, all expanded polystyrene food and drink packaging, and some polyvinyl chloride food trays and plastics. Phase 2 (July 2023): ban on single-use plastic tableware and plastic produce bags, restrictions on the use of plastic straws, and beginning of a transition from plastic to compostable produce labels.

⁹ The Recycling Leadership Forum, established in May 2024, comprises a range of representatives from the retail, packaging, food and grocery, recycling, and local government sectors.

types and a reduction in contamination of recycling streams, thus increasing the overall amount of recyclable material. Further, the launch of the Tyrewise product stewardship scheme has contributed to more tyres being destined for recycling.

Figure 2: Key statistics from regulated product stewardship scheme Tyrewise’s first year of operation (Tyrewise, 2025)



Case study: Kai Commitment supporting large food producers to reduce waste (Ministry for the Environment, 2026a, pp 15–16)

Kai Commitment, run by the New Zealand Food Waste Champions 12.3 Trust, is a voluntary agreement on food waste. The agreement supports large businesses to raise their awareness about food waste and measure their waste. It also encourages them to learn best practices to reduce food waste and emissions, and to connect with others across the food chain to tackle food waste.

The Ministry for the Environment has funded Kai Commitment since its inception, to support this national effort to reduce food waste. Funding for a further three years was announced in September 2026.

Aggregated results from Kai Commitment’s 2025 annual food waste reporting show the amount of food waste that Kai Commitment signatories sent to landfill has fallen by 85 percent from the baseline year, with more food being redistributed or going to anaerobic digestion.¹⁰ The results show that organisations are building food waste reduction into the

¹⁰ Current Kai Commitment signatories are: Foodstuffs NZ, Goodman Fielder, George Weston Foods Limited, Nestle, Silver Fern Farms, Wilcox, Woolworths, Mars, and Compass Group. Collectively, these members cover a range of positions in the supply chain, including primary production, processing, wholesale/retail, and consumer hospitality and institutions. New Zealand’s first food loss and waste baseline report (Skeaff et al, 2025) outlines that the majority of annual food loss and waste in New Zealand occurs at three stages of the food supply chain:

- primary production (0.46 million tonnes (37 percent))

way they work. More than half (57 percent) now track food waste using key performance indicators, and all include an overview of the organisation's food waste reduction practices in their staff training.

In April 2026, Kai Commitment published the results of its Business Food Waste Survey, the first national survey to look at business perceptions and practices around food waste in New Zealand. The results show how 67 medium to large businesses, predominantly from primary industries, institutional food service and hospitality, and manufacturing and processing sectors, are working to reduce food waste. The following are among the key survey findings across the respondents.

- 56 percent of respondents have achieved cost savings from reducing food waste.
- 38 percent reported decreased food waste in their business in the 12 months leading up to the survey.
- 77 percent collect data on the volume and weight of food waste they produce, and 61 percent collect data on end destinations they send food waste to. Those who track end destinations tend to send food waste to more than one place: 58 percent send food waste for animal feed, 48 percent donate it for human use, and 45 percent divert it to composting or anaerobic digestion. Among respondents, 32 percent still send at least some food waste to landfill, mainly due to mixed or contaminated waste and a lack of alternative ways of disposing of it.
- 47 percent have food waste action plans and 45 percent have set reduction targets. However, 58 percent say they need to do more work to reduce food waste, and 60 percent say they are likely to invest in food waste reduction over the next two years.

Recycling rates may be higher than previously estimated, but there is still substantial room for improvement

Past commentary has suggested that New Zealand has a lower recycling rate than many of its peers (for example, see Ministry for the Environment, 2022b). The Ministry commissioned research into New Zealand's recycling rate to further examine this question. The resulting report considered a range of metrics to ensure comparable data between countries, and concluded New Zealand's recycling performance and waste generation may be closer to the middle rather than the bottom of the pack compared to other OECD countries (Eunomia, 2025). However, New Zealand's recycling rate remains substantially lower than its closest neighbour, Australia, when looking at comparable metrics (40 percent versus 63 percent).

Eunomia (2025) made the following observations in its report.

- Although many countries report on common metrics including municipal waste, per-capita municipal waste, and recycling rates, inconsistent definitions make like-for-like comparisons difficult.
- The focus of reporting on municipal waste may risk overlooking non-municipal waste streams such as construction and demolition waste and industrial waste. These non-municipal waste streams may represent greater tonnages and could potentially also have greater potential for diversion or reduction.

-
- processing (0.33 million tonnes (27 percent))
 - households (0.37 million tonnes (30 percent)).

We do not have data on the portion contributed by Kai Commitment signatories.

- Most data that would be required for comprehensive recycling rate calculations for New Zealand are of low or medium quality. Except for some information available from export data (eg, metals) and voluntary product stewardship (eg, glass bottles), most data on recovered materials are only available from one-off studies, rather than as time series.

Eunomia's (2025) report identified key areas where data improvements are needed, to generate reliable time series of resource recovery and disposal in New Zealand. The report also made recommendations on additional data sources that could be considered in the future (such as periodic recycling industry surveys),¹¹ and on how the government could consistently report on its data.

Data improvements of this sort could help future levy reviews identify more clearly whether resource recovery activity has increased between review periods.

¹¹ The Ministry does not currently commission such surveys, but the Waste and Recycling Industry Association does publish annual snapshots on waste and resource recovery data from its members.

Perceptions of levy effectiveness

In undertaking this review, the Ministry for the Environment¹² (the Ministry) commissioned independent research and analysis (Eunomia, 2026), which included seeking stakeholder views and feedback through surveys, workshops and interviews.¹³ Stakeholders identified scope for improving the effectiveness of the waste disposal levy (the levy), and some of the key topics and concerns identified are outlined below.

Stakeholders perceived a lack of overall strategy for the levy and its investment

Some stakeholders felt that the purpose, objectives, functions and revenue allocation for the levy are unclear. They noted that this lack of clarity makes it difficult to assess levy effectiveness, justify rates, or maintain confidence in the system. In light of these views, stakeholders advocated for:

- developing a clear levy strategy with defined objectives, performance measures and reporting requirements
- ensuring a levy strategy encourages investment in resource recovery infrastructure and supports diversion of materials for which end-markets exist or can be developed
- designing a strategy for levy spending that encourages collaboration across the country as well as between private and public sectors.

Stakeholders want spending to be more strategic and transparent

Stakeholders considered that spending of the levy should be more strategic and transparent, to improve resource recovery options and better achieve the purpose of the Waste Minimisation Act 2008 (WMA). Alongside the proposed responses outlined above, stakeholders suggested:

- focusing spending on projects that support waste diversion pathways
- improving accountability and outcome reporting for levy-funded projects.

Data and monitoring gaps limit ability to assess effectiveness and inform planning

Stakeholders identified significant data gaps that limit the understanding of waste flows, levy effectiveness, and disposal behaviour, which in turn prevent informed planning for waste

¹² The Ministry for the Environment was previously a stand-alone agency but, since 1 July 2026, forms part of the Ministry for Cities, Environment, Regions and Transport.

¹³ In total, 101 survey responses were received across a range of stakeholder groups, including industry bodies, territorial authorities and regional councils, landfill operators, other waste facility operators, community groups, consultancies, regulators, and consumer/business interests. Further feedback was obtained through workshops with 27 attendees, and interviews with 7 individuals.

management for both private and public sectors. Improved data would also support territorial authorities to better meet obligations to minimise and manage waste under their individual waste management and minimisation plans, and under the WMA. Proposed solutions included:

- releasing regionally amalgamated tonnage data and tonnage by activity category and by facility type (including information on the geographic source of the waste)¹⁴
- improving compositional data across all facility classes
- strengthening monitoring and compliance systems.

Stakeholders called for a nationally consistent, standardised framework for landfill regulation

Stakeholders identified inconsistencies between landfill classification guidelines, technical guidelines for disposal to land, levy categories, and consenting requirements. The proposed response was to develop a nationally consistent, standardised framework to ensure alignment between:

- landfill classification guidelines
- technical guidelines for disposal to land
- levy categories
- consenting requirements.

Levy rates and coverage could drive waste minimisation more effectively

Many stakeholders felt that differential levy rates (ie, higher levy rates at some classes of landfills than others, as outlined in [table 1](#)) encourage disposal at lower-class landfills rather than genuine waste minimisation and reduced environmental harm.¹⁵ Proposed actions in response included:

- reviewing levy rate differentials between landfill classes
- harmonising levy rates across landfill classes, or aligning rates more closely
- considering applying the levy to waste streams (eg, setting different levy rates for ‘active’ versus ‘inert’ wastes).

¹⁴ The Ministry needs to meet obligations in relation to any data it shares publicly, such as protecting confidentiality where data is provided through mandatory reporting.

¹⁵ The Eunomia (2026) report looked at whether the observed drop in tonnage for class 1 landfills could be explained by a transfer of material away from class 1 sites to other landfill categories. Between 2023 and 2025, class 1 tonnage decreased by 763,654 tonnes (22 percent). Over the same period, class 2 tonnage increased by 342,095 tonnes. This suggests that, at most, less than half of the tonnage no longer present at class 1 landfills could be being diverted to class 2 sites. Class 3 and 4 tonnages also dropped over this period.

Stakeholders request further analysis for a levy on additional activity or facility types

At present, no levy applies to materials disposed of at cleanfills or industrial monofills, in farm dumps, or disposed of through waste-to-energy activities.¹⁶ Stakeholders considered that these activities also pose a potential risk to the environment and proposed responses including:

- considering including waste-to-energy facilities and monofills within a levy regime where appropriate
- ensuring levy coverage reflects environmental risks and waste minimisation objectives.

¹⁶ Under the Waste Minimisation Act 2008, the definition of disposal and disposal facility excludes incineration of waste where energy recovery takes place. Consultation took place in 2025 on amendments to the Act, including to enable regulations to establish a levy on specified forms of waste-to-energy activity, but these amendments have not been enacted to date.

Administration and effectiveness of the levy

Every year since 2022,¹⁷ the Ministry for the Environment¹⁸ (the Ministry) has produced an annual performance monitoring report tracking how compliance functions under the Waste Minimisation Act 2008 (WMA) are being implemented (Ministry for the Environment, 2025b). The purpose of the report is to improve transparency and drive continuous improvement of processes and outcomes. It includes compliance statistics across waste operations work programmes, along with an assessment of the Ministry's performance as a regulator.

Compliance, monitoring and enforcement over the review period

Over the period of this review, the number of registered waste facilities increased from 348 in 2021/22 (the last year of the previous reporting period) to 577 in 2024/25 – a 66 percent increase (see [table 6](#)). The 2024/25 report also identified new record-keeping and reporting obligations that took effect from 1 July 2024, which included (Ministry for the Environment, 2025g):

- requirements for various facilities to report on the activity category (or source) that generated the waste
- requirements for territorial authorities to gather data and report on all waste managed through their services or facilities
- mandatory reporting for territorial authorities on their levy spending.

As the number of registered facilities has continued to increase, the Ministry continues to work with facility operators to ensure they understand their obligations under the WMA and its associated regulations. These include initial registration in the Online Waste Levy System (OWLS), and registering if they subsequently choose to change, expand or close their facilities.

Table 6: Number of facilities registered under the Waste Minimisation Act 2008 (Ministry for the Environment, 2025g)

Class	2020/21	2021/22	2022/23	2023/24	2024/25
Class 1 – municipal disposal facility	36	42	40	40	41
Class 2 – construction and demolition disposal facility		9	11	13	15
Class 3 & 4 – managed or controlled disposal facility		29	108	122	131
Class 5 – cleanfill facility		28	93	110	121
Industrial monofills		9	22	24	25

¹⁷ Covering the 2020/21 financial year.

¹⁸ The Ministry for the Environment was previously a stand-alone agency but, since 1 July 2026, forms part of the Ministry for Cities, Environment, Regions and Transport.

Class	2020/21	2021/22	2022/23	2023/24	2024/25
Transfer stations		231	240	251	244
TOTAL	36	348	514	560	577

As the levy and reporting obligations have expanded to additional sites, and additional reporting requirements have been established, the Ministry has invested in the OWLS platform to improve useability and accessibility, in response to feedback from users.

Since 1 July 2024, the Ministry has also administered levy waiver applications in relation to waste from remediation of a contaminated site. This is in addition to our role in relation to levy waivers in ‘exceptional circumstances’ – such waivers have been used to support appropriate disposal of waste generated by severe weather events.¹⁹

Improving the availability of waste data

The Ministry (2023b) released a series of interactive dashboards in December 2023, which include information about:

- waste facility locations
- combined waste totals by facility type
- waste sector emissions
- funding for waste reduction initiatives
- waste statistics.

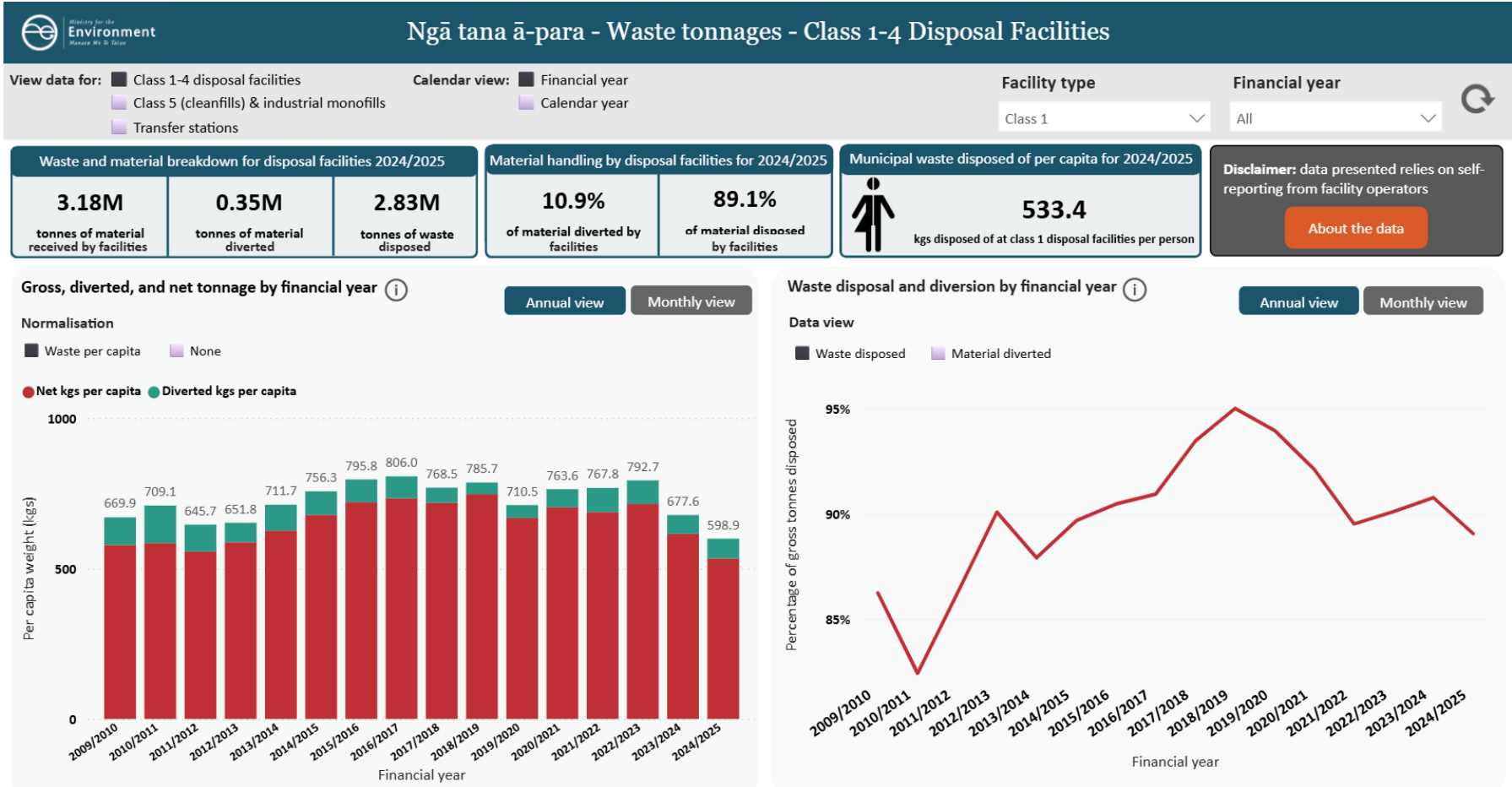
An example dashboard is shown in [figure 3](#).

The dashboards provide publicly available waste data, updated regularly (eg, monthly – depending on data type), showing trends in national waste disposal and diversion. Since the levy was expanded to additional sites in 2022 and 2023, the dashboards report on disposal facilities and other waste facilities, including transfer stations, cleanfills and industrial monofills. Facility types and locations are also available. The data can be viewed in the dashboards or downloaded for further analysis.

An activity category reporting dashboard was added in September 2026.

¹⁹ In the 2024/25 year, the Ministry received four waiver applications in relation to ‘exceptional circumstances’, of which two were approved and two were withdrawn. These waivers supported Cyclone Gabrielle recovery. Seven applications were received for waivers in relation to contaminated site remediation, of which two were approved, one declined, one returned and three were under assessment at the time of publication of this data (Ministry for the Environment, 2025g).

Figure 3: Waste facilities and disposal dashboard



Note: the financial year runs from July 1 to June 30. Class 2 landfills began reporting in January 2022, with the first financial year covering only January to June 2022. Class 3 and 4 disposal facilities began reporting in January 2023, with the first financial year report covering only January to June 2023.

Independent assessment indicates efficient levy administration

In 2024, the Ministry commissioned KPMG to assess the processes for making levy investment decisions and back-office functions funded by the levy, with a focus on value for money. Overall, KPMG concluded that the Ministry demonstrates a commendable standard of value for money across both waste operations (those responsible for collecting the levy and associated compliance, monitoring and enforcement) and waste investments (see [table 7](#)) (KPMG, 2024). Several opportunities for enhancements were also identified.

Table 7: Summary of independent assessment of the efficiency and effectiveness of the Ministry for the Environment’s levy and funds administration (KPMG, 2024)

Topic	KPMG conclusion
Overall value for money	The Ministry demonstrates a commendable standard of value for money across both waste operations and waste investments, with several opportunities for enhancement. Specifically, implementing streamlined practices and refining reporting structures could significantly elevate the Ministry’s overall efficiency and effectiveness. By introducing clear performance metrics and leveraging technological advancements, the Ministry could further optimise its operations and resource use. KPMG advised against decreasing the funding below the current (2024) levels, citing the robustness of the application and contract management processes. Additionally, the increase in compliance risk (with the expansion of the levy to additional classes) further underscored the importance of maintaining the funding levels.
Investment processes	Overall, the Ministry has robust and effective processes for investment decision-making, but there is inherent risk as waste investment funds shift focus to higher-scale, more complex projects with the potential for a wider scope of initiatives. Decision-making could be made more efficient through some process changes and automation of activities. KPMG noted the 2024 waste investment decision-making process was delivering high value for money through efficient and effective services within the expression of interest, application, and contracting phases.
Back-office processes and funding	Overall, the Ministry has robust and effective processes for levy collection, administration and compliance. KPMG considered the current (2024) level of funding sufficient to undertake these activities, but noted a degree of unmitigated risk around both revenue collection and perverse behaviours of disposal facility operators. Any reduction in funding would exacerbate this risk. Throughout the analysis, KPMG concluded the back-office functions are delivering efficient and effective value-for-money services on limited funding, but noted some risks and opportunities for improvement. As a result, KPMG recommended that the current (2024) levels of departmental funding should be considered closer to the minimum cost to deliver these services. A greater amount of funding would be required to deliver more effective and efficient value-for-money services. Investing in the recommendations would support the Ministry to be well placed to deliver improved services.

Levy revenue now invested into a wider range of priorities

As outlined in previous sections of this review report, levy revenue has been spent on a wider range of matters since 1 July 2024. This spending is outlined in [table 8](#).

Table 8: Vote Environment budget information relating to spending of the waste disposal levy during the review period (2022/23 to 2024/25)²⁰

Budget category	Financial year (\$000)			Notes
	2022/23	2023/24	2024/25	
				Figures used refer to 'actuals' from published annual reports
<i>Investment (waste)</i>				
Waste Minimisation Fund	10,768	6,170	15,190	
Contaminated Sites and Vulnerable Landfills Fund	N/A	N/A	926	Prior to 2024/25, the Contaminated Sites Remediation Fund was funded through alternative sources, so is not shown here.
Subtotal	10,768	6,170	16,116	
<i>Investment (wider environmental priorities)</i>				
Freshwater Improvement Fund			15,037	Managing New Zealand's freshwater bodies within environmental limits.
Kaipara Moana remediation			4,386	Remediating Kaipara Moana by halting degradation and working towards more productive, sustainable and high-value use of land within the Kaipara catchment.
Subtotal			19,423	
<i>Disbursements to territorial authorities</i>				
Waste disposal levy disbursements to territorial authorities	54,397	99,825	99,932	50% of levy revenue is disbursed to territorial authorities (it is disbursed quarterly, split between territorial authorities on a population basis).
Subtotal	54,397	99,825	99,932	
<i>Ministry work programme costs</i>				
Waste minimisation administration	11,118	13,388	12,555	Includes costs associated with collecting the levy; compliance, monitoring and enforcement; and investing the levy (including fund compliance).
Environment work programme	N/A	N/A	16,870	Costs associated with the Ministry's duties and functions under the WMA.

²⁰ Source: Ministry for the Environment (2025a), Ministry for the Environment (2024a), Ministry for the Environment (2023a). Note the disbursement figures presented in figure 4 differ from the actual expenses recognised in the Ministry's annual reports due to differences in the accounting treatment of accruals.

Budget category	Financial year (\$000)			Notes
				Prior to 2024/25 these costs were met from other sources so are not shown in this table.
Subtotal	11,118	13,388	29,425	
TOTAL	76,283	119,383	164,896	

The Ministry publishes information about investment of the levy, including through an interactive map, which provides information on waste minimisation, emergency waste and contaminated land remediation projects (Ministry for the Environment, 2025d). The Ministry also publishes a snapshot of the outcomes achieved by the funding, including the forecasted diversion of organic waste and associated forecasted emissions reductions (Ministry for the Environment, 2026b). Organic waste is a current investment focus, in line with commitments in the Government's emissions reduction plan (Ministry for the Environment, 2024b).

Table 9 outlines the types of project that levy funds have been invested in over the review period. Compared to previous years, funding has concentrated on a smaller range of categories, particularly infrastructure and services. No funding was allocated to education and awareness, community, or data collection and analysis projects in the period.

Table 9: Summary of funding use from Waste Minimisation Fund and Contaminated Sites and Vulnerable Landfills Fund (2023 to 2025)²¹

Project type	Waste Minimisation Fund		Contaminated Sites and Vulnerable Landfills Fund*	
	Count	Value	Count	Value
Infrastructure	15	\$21,731,965		
Services	16	\$18,280,110		
Feasibility or investigative	14	\$2,197,303		
Innovation	1	\$826,516		
Services projects / infrastructure	1	\$300,000		
Site remediation	0	\$0	3	\$12,495,666
Total	47	\$43,335,894	3	\$12,495,666

* Fund only open for the 2024/25 financial year (after the changes made to levy investment categories).

Reporting on the previous review period noted a trend of targeting investments towards larger-scale projects (Ministry for the Environment, 2024c). This trend has continued, and the spread of investments by funding amount is shown in table 10.

²¹ Source: Ministry for the Environment (2025d). Funding data are recorded by calendar year rather than financial year, but there is a lag between funding being approved and investment occurring. For the purposes of this review, data from the calendar years 2023 to 2025 are included. In addition, during this period, funding was approved for two emergency waste projects (totalling \$2,129,000) but this money was paid out in 2025/26.

**Table 10: Spread of investments by funding amount (Waste Minimisation Fund, 2023 to 2025)
(Ministry for the Environment, 2025d)**

Funding quantum	2020–2022		2023–2025	
	Number of projects funded	Total funding in this category	Number of projects funded	Total funding in this category
Less than \$100,000	14	\$877,904	10	\$714,439
\$100,000 to \$249,999	15	\$2,496,174	6	\$1,107,140
\$250,000 to \$499,999	11	\$3,883,545	9	\$3,151,020
\$500,000 to \$999,999	12	\$8,891,414	14	\$10,326,854
\$1 million +	6	\$11,716,083	13	\$42,661,107
TOTAL	58	\$27,865,120	52	\$57,960,560

Investment of the levy generates a range of benefits

The Ministry has commissioned research on the effectiveness of its investment of the levy and the outcomes achieved through investment, including:

- a rapid cost-benefit analysis, which focused on the most significant and measurable costs and benefits related to investment of the levy (Sapere, 2024)
- research that built on Sapere’s analysis, to quantify a wider range of impacts and benefits of levy investment (MartinJenkins, 2025)
- case studies examining how well the Waste Minimisation Fund (WMF) and Contaminated Sites and Vulnerable Landfill Fund (CSVLF) are delivering on their core purposes, including in relation to construction and demolition, and organic wastes (a current focus of investment) (Oakden et al, 2025).

Sapere indicated a positive cost-benefit ratio from levy investment, noting how investment processes generate value for money

The central estimate for the Sapere (2024) cost-benefit analysis is that society is better off by around \$107.2 million due to investments made via the levy from 2021 to 2024. This represents a benefit-cost ratio of 1.37. The main quantified benefits were diversion of waste from landfill and avoided emissions. Due to a lack of data, a range of additional benefits (including value of recovered materials and a range of social outcomes) were not quantified at the time.²²

²² Additional impacts identified but not quantified include employment opportunities, reduced imports, knowledge gained from feasibility studies, improved management behaviour and attitudes, increased public awareness, social cohesion and community engagement, and ‘warm glow’ effects.

The Sapere report (2024) identified mechanisms that are used to ensure the WMF delivers value for money, including:

- internal and independent assessment processes
- fund applicants providing a forecast of benefits arising from their projects
- a focus on the cost per tonne of waste diverted (and associated emissions avoided)
- successful applicants providing actual results against previous targets
- that applications requesting more than \$1 million in funding are required to provide a business case and are subject to ministerial approval.

Investment criteria include that funding must support projects where:

- private capital is not available at the level required to enable the project to proceed
- the project is high risk / high benefit
- there is high public benefit which might not otherwise be realised.

The Sapere report (2024) considered whether investment of the levy is crowding out private capital investment – that is, where the government invests in the provision of goods or services that might otherwise be provided by private sector businesses. This is a concern sometimes raised by stakeholders, including in the stakeholder engagement by Eunomia (2026) to support this review.

Sapere’s discussion with industry stakeholders did not identify crowding-out due to levy funding as a widespread issue to date, but some stakeholders were concerned this could become an issue as levy revenue grows. The Sapere report (2024) also identified instances of crowding-in (ie, the creation of commercial opportunities for the private sector via public investment) – including in relation to investment by territorial authorities.

MartinJenkins quantified a wider range of benefits and a benefit-cost ratio of 3.11

MartinJenkins’ (2025) return-on-investment results supplement Sapere’s initial assessment with further quantified benefits. This led to an increase from Sapere’s calculated benefit-cost ratio (from two key impacts: avoided landfill costs and avoided emissions), to 3.11 in the MartinJenkins assessment (from 14 quantified impacts across 4 outcome areas). These results were broadly consistent with expectations of environmental or social investments – that is, a significant positive return can be observed, albeit over a relatively lengthy payback period.

Case studies show the value of individual WMF investments

The Ministry commissioned Pragmatica to produce case studies examining the impact of selected projects in construction and demolition, organics, and contaminated sites or vulnerable landfills, and identifying the qualitative benefits these projects deliver for New Zealanders (Oakden et al, 2025). The study highlights economic, environmental, social and cultural benefits across the three focus areas from a qualitative perspective.

Fourteen projects were selected, representing a combined investment of \$27.3 million – \$12.96 million from the Ministry and \$14.34 million from WMF recipients. Each case study

examines how the projects operate and how funding enabled them to deliver key outcomes. Key outcomes include reducing landfill waste, lowering emissions and remediating contaminated sites or vulnerable landfills.

The case studies also help capture the shifts across the waste hierarchy – from removing residual waste to reduce harm, to recovering waste, to recycling and reusing waste, to ultimately reducing the amount of waste and avoiding unnecessary resource use.

Five key success factors for WMF investment (Oakden et al, 2025)

Seed funding unlocks change. Government investment gives businesses and councils the confidence to trial projects that might otherwise never happen, and it attracts additional private investment.

Progress comes from many complementary actions. There is no single solution. Large industrial plants, community-scale hubs, research partnerships and contaminated land clean-ups all play important roles.

Relationships drive results. Strong relationships and trust between councils, iwi, businesses and the Ministry make tough jobs like consenting and land access faster and more cost effective.

Kaitiakitanga in action. The funds enable stewardship that adds lasting value to communities, with recipients repeatedly stating their goal was to leave places better than they found them.

Waste levy works best when paired with education. The levy can be a powerful tool for encouraging positive behaviour and better waste management practices, especially when paired with education. Education around waste minimisation, emissions reduction and land remediation helps maximise the levy's impact.

CSVLF case study – removing contaminated sawdust exposed by coastal erosion to restore a popular beach (Oakden et al, 2025)

Tāhunanui Beach is a popular recreational area for locals and tourists. Local iwi in Nelson consider it a taonga. The location of concern was the back beach car park, which was reclaimed in the 1960s using waste sawdust from local sawmills. The sawdust under the car park was contaminated with timber-treating chemicals, including arsenic (which exceeded the safe limit for recreational land use), boron, chromium and copper, all of which exceeded ecological guidelines aimed at protecting land and marine life.

A site investigation report estimated that one-third of the buried sawdust had entered the sea, due to coastal erosion and Blind Channel migrating. The site was at risk of substantial further erosion with each high tide or storm event. Nelson City Council had carried out temporary measures to prevent the spread of contaminated material. This involved shifting sand from elsewhere on the beach and piling it up between the car park and the sea every six to eight weeks. The council needed a longer-term solution to manage this costly, disruptive and ongoing risk.

Between June 2023 and April 2024, a full site investigation confirmed the extent of the contamination. A remedial action plan was developed and approved. Funding of \$3.44 million from the CSVLF towards the total clean-up costs was approved. The remediation took place in the last quarter of 2024, with the beach area reopening before Christmas.

There were several challenges to remediation. The project needed careful planning and implementation to prevent exposure of contaminated material at high tides and storm events, which could have caused cross-contamination of material during excavation works. Further, the remediation team had to capture and move a local population of northern skinks before any work could begin.

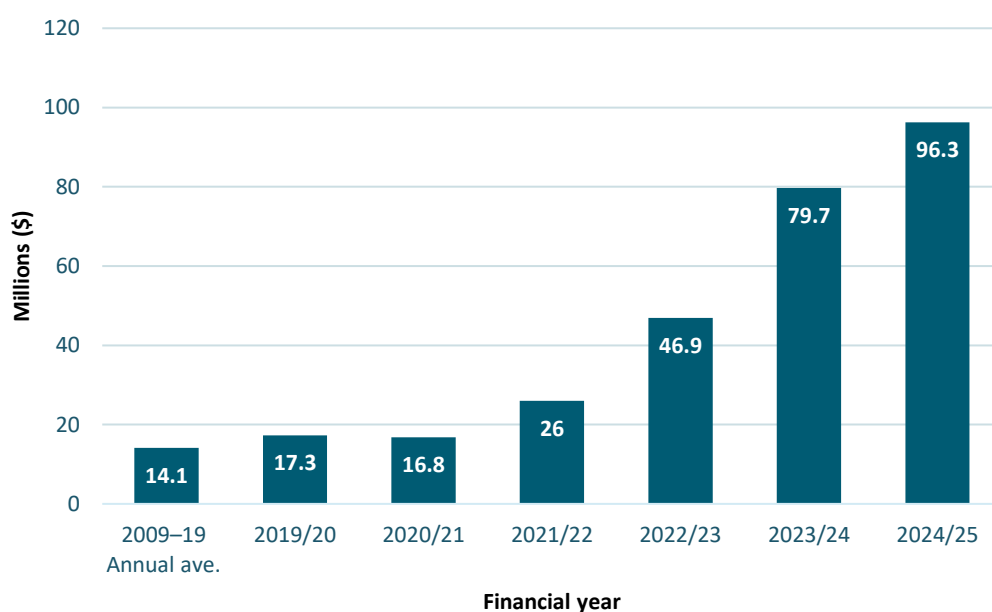
The remediation method involved excavating and removing 10,750 tonnes of contaminated material to a local landfill. This comprised 59 percent contaminated sawdust, 33 percent underlying contaminated sand, and 8 percent other organic material that could not be separated. The remediation team shifted 5,775 cubic metres of sand from another part of the beach to backfill the site, restoring it to its natural state. New plantings support restoring the low dunes over time, ensuring the site's ongoing ecological value.

Local government also invests the levy in waste minimisation initiatives

Half the money collected through the levy is paid to territorial authorities each year (on a quarterly basis). The amount of levy each territorial authority receives is determined by the number of people in each district.²³

Since the last review period, the amount of levy revenue provided to territorial authorities has increased substantially – from a combined \$60.1 million in the previous period to a combined \$222.9 million in this review period (see [figure 4](#)). This has enabled greater local investment in waste minimisation services, education, infrastructure, waste minimisation staff and other initiatives, while also increasing the importance of reporting, financial accountability and compliance oversight.

Figure 4: Waste levy money paid to territorial authorities in current (2022/23 to 2024/25) and previous review periods (Ministry for the Environment, 2025g)



²³ In 2025, changes to how the levy is allocated to territorial authorities were proposed, as part of proposed amendments to the Waste Minimisation Act 2008. These amendments have not yet been enacted, so the levy continues to be allocated to territorial authorities based solely on population.

Waste management and minimisation plans prepared by each territorial authority set out how the levy will be used. Territorial authorities must spend the levy to promote or achieve waste minimisation and in accordance with their waste management and minimisation plans.

Territorial authorities report to the Ministry annually on their levy revenue spending. This reporting was previously voluntary, but from 1 July 2024, territorial authorities have been subject to mandatory record-keeping and reporting requirements. The first report (covering the 2024/25 financial year) was due by 30 September 2025.

Territorial authorities invest levy funds in a wide variety of projects and activities. Common investments include services such as kerbside recycling, and education and communication (see [table 11](#)). This is broadly consistent with the range of reported spending areas in previous review periods.

Territorial authorities currently have a combined carry-forward balance of approximately \$100 million. Audit findings and annual reporting of territorial authorities indicate that this funding is being accumulated for future infrastructure projects, resource recovery facilities, food scraps processing, behaviour change programmes and other longer-term waste minimisation initiatives.

Overall, audits and reporting by territorial authorities indicate that levy funding is both driving new waste minimisation activity and increasingly helping councils sustain activities they provide such as kerbside services, operational costs (eg, waste minimisation staff) and education programmes. Investing in waste minimisation staff builds internal council capacity to deliver waste minimisation activity, manage reporting obligations and support long-term waste minimisation initiatives.

Table 11: Reported spending areas for territorial authorities' share of levy funds

Spending area	Proportion of total spend Amount (%)		
	2022/23	2023/24	2024/25
Services	\$17,611,214 (48%)	\$23,526,859 (48%)	\$27,081,351 (48%)
Education and communication	\$8,410,387 (23%)	\$10,456,285 (21%)	\$12,385,346 (22%)
Infrastructure	\$4,494,502 (12%)	\$10,194,448 (21%)	\$8,710,236 (16%)
Research and reporting	\$3,616,869 (10%)	\$1,658,222 (3%)	\$2,223,860 (4%)
Other initiatives	\$2,853,590 (8%)	\$3,265,976 (7%)	\$5,725,891 (10%)
TOTAL	\$36,986,561	\$49,101,790	\$56,126,684

Note: Not all levy revenue received by councils is spent in any given financial year; levy revenue may be accrued to spend on larger projects. There may be some rounding errors in totals.

The previous levy effectiveness review (Ministry for the Environment, 2024c) identified planned improvements to administration of the levy, including introduction of mandatory reporting requirements for territorial authorities, and strengthening of the compliance framework. Ministry waste operations staff report that increased engagement, guidance and support has:

- strengthened relationships with councils
- improved transparency
- improved visibility of how levy funding is being used nationally
- provided a stronger foundation for audits, compliance monitoring and policy development.

Sector group WasteMINZ's Territorial Authorities' Officers Forum commissioned a survey of its members on the value they obtain through their current levy allocation (Morrison Low, 2025). The report was produced in part in response to a recommendation from the last levy review – that continued efforts are made to ensure levy funds are strategically invested by central government and territorial authorities.

Territorial authorities' use of the waste disposal levy (Morrison Low, 2025)

Levy funds support a broad range of waste minimisation activities

- Ninety percent of survey respondents used their levy funds for resource recovery services such as kerbside recycling and organics collections.
- Ninety percent of respondents funded education and communication initiatives to promote waste minimisation and complementary services.
- Levy funds were seen to enable territorial authorities to tailor their waste minimisation activities to their local community needs – from a small rural authority like Buller District Council using some of its levy funds to enable remote rural communities to access recycling, to Queenstown Lakes District Council using some of its levy funds for local community grants.
- Progressive increases in the levy have seen territorial authorities include more ambitious resource recovery actions in their waste management and minimisation plans.

Collaboration and innovation deliver waste minimisation successes

- Territorial authorities work alongside private waste companies and the community sector to deliver waste minimisation initiatives, through contracts for services and local grant programmes.
- Territorial authorities are increasingly working regionally to enable more efficient and effective investment.

Timely effectiveness reviews, supported by evidence, are crucial for monitoring progress

- Expansion of the levy to additional sites, and progressive increases in levy rates, have rapidly increased the levy funds allocated to territorial authorities. Territorial authorities received seven times more levy funds in 2025 than they did in 2020.
- It takes time for territorial authorities to adjust their action plans to take advantage of enhanced funding, and for the benefits of their investment to be realised.
- While some investment benefits can be measured directly through reduced waste to landfill, others require measurement of broader, indirect benefits.
- Territorial authorities support working with central government to further develop measures to report on the impacts of their levy investment – both direct waste minimisation and indirect broader benefits.

The circumstances, priorities and challenges look quite different for different territorial authorities

- The report provided case studies on how five different councils were using their levy funds:
 - Christchurch City Council: funding core diversion services
 - Queenstown Lakes District Council: local grants to support local initiatives
 - Auckland Council: accumulated funds for infrastructure investment
 - Buller District Council: levy funds supporting rural recycling

- Hastings District Council: supporting new diversion.
- Across their case studies, the value of the territorial authorities' allocation of levy funds ranged from \$162,577 (for Buller District Council) to \$26,642,184 (for Auckland Council).
- The percentage of the solid waste activity budget contributed by the waste levy ranged from 2.4 percent (for Queenstown Lakes District Council) to 14 percent (for Auckland Council).
- In some cases, initial investment of levy revenue helped develop a new service (such as rural recycling drop-off sites for Hastings District Council, which the community now considers a core service and which is now rates funded).

The Ministry monitors the compliance of territorial authorities with their WMA obligations

Audits of territorial authorities include:

- a compliance assessment of levy expenditure practices against the obligations in the WMA and compliance with the standards in the Ministry's written guidance, including financial records and reconciliations
- a review of key documentation, such as the territorial authorities' waste assessment and waste management and minimisation plan and any applicable bylaws and/or solid waste policy
- assessment of annual reporting obligations, levy spend reporting and compliance with kerbside standardisation requirements.

Audit results form the basis for risk-based planning for future audit years and can provide assurance that territorial authorities are using levy funding appropriately. Audits can also identify emerging risks and trends across the sector and inform future guidance, compliance priorities and policy development.

The WMA specifies the circumstances in which the Ministry can retain levy money payable to a territorial authority.

- [Section 33](#) provides that the Ministry **must** retain levy payments if a territorial authority has not adopted its waste management and minimisation plan, or has not reviewed it within the prescribed timeframe.
- [Section 37](#) provides that the Ministry **may** withhold levy payments when a territorial authority has not met a standard requirement or a performance standard.

All territorial authorities received their full levy payments in this review period (2022/23 to 2024/25).

Additional details on how the Ministry monitors territorial authorities' compliance with their obligations under the WMA can be found in annual performance monitoring reports (Ministry for the Environment, 2025g; 2025b).

Opportunities to improve levy effectiveness

Impact of differential levy rates

Stakeholder engagement by Eunomia (2026) revealed concerns that waste that should be disposed of in class 1 landfills may instead be being disposed of in other landfill classes – in part because of the higher levy rate for class 1 sites (as well as other costs that class 1 sites face, including participation in the New Zealand Emissions Trading Scheme). In particular, this concern was raised by territorial authorities, waste operators, and construction and demolition stakeholders.

In some cases, waste operators and others were concerned about practices such as shredding, blending or mixing waste (making it harder to identify the materials present within the waste stream), with blended wastes being disposed of inappropriately at landfill classes not suitable for that waste type.

Waste operators also observed that new landfill facilities were being co-located with class 1 facilities in multi-facility sites. Eunomia (2026) looked at co-location of sites and identified that:

- four class 2 landfills have been opened at the same site as a class 1 landfill since 2024
- two class 5 cleanfills have been opened at class 1 sites since 2022
- one class 3 and 4 landfill was opened at a class 1 site in 2022

Four sites account for 97 percent of the waste handled through these multi-facility sites. The proportion of waste handled through the 'secondary' facility on site (in all of these cases, a class 2 facility) ranges between 5 percent and 25 percent. This change in practice is likely to reduce levy liability for sites. It can also be difficult for waste operations staff to monitor such sites to ensure that materials are being disposed of in line with waste acceptance requirements for that site type.

Waste being shifted from class 1 landfills to other sites is not necessarily a negative outcome, because it could help to preserve landfill space in class 1 sites. However, it is not desirable for waste that should be disposed of in class 1 landfills to instead be directed to other landfill classes, which may not have appropriate environmental protections for that waste (such as suitable lining and gas capture systems). Such redirection can also make it harder for the Ministry for Cities, Environment, Regions and Transport²⁴ (the Ministry) to undertake its monitoring function and ensure the correct levy is being paid.

Lower levy rates for inert materials are common overseas but can present compliance challenges

Options to address the impact of the differential levy could be to make the levy rate the same for class 1 and 2 landfills, or to have the same levy rate for all landfill classes. Consideration

²⁴ The Ministry for the Environment was previously a stand-alone agency but, since 1 July 2026, forms part of the Ministry for Cities, Environment, Regions and Transport.

could also be given to making certain materials (such as inert materials) subject to the same levy regardless of which site they are disposed at.

Eunomia (2026) looked at approaches to waste levies in other countries and identified that a common structure is to have one rate for 'active' waste²⁵ and another for construction and demolition or inert waste.

This is the approach currently taken by the United Kingdom (UK) for its landfill tax. In 2025, the UK Government consulted on a range of proposals including transitioning to a single rate of landfill tax by 2030, which was intended to:

- simplify the landfill tax
- ensure the tax rate reflected the Government's ambition to transition to a circular economy for all resources
- increase economic incentives to sort, recycle and reuse all types of material.

A single rate was also considered, to remove the incentive to misdescribe waste; the consultation suggested that in the UK around 18 percent of waste (about 34 million tonnes a year) may be handled illegally (HM Treasury and HM Revenue & Customs, 2025a).

However, responses to the UK Government's consultation indicated that the proposals would have a substantial impact on a range of sectors, including housebuilding, infrastructure and energy-intensive industries (such as steelmaking and chemicals) which were considered critical to supply chains for the Government's industrial strategy (HM Treasury and HM Revenue & Customs, 2025b). Concerns were also raised that further illegal dumping would occur. Instead of introducing a single flat rate, the UK Government decided to raise the lower rate for inert materials, to prevent the gap between the two rates further widening over time.

Overall levy rates

Views are divided on whether levy rates should be higher. For municipal landfills (class 1 landfills – that is, those that accept waste from households), research showed a roughly even split of survey respondents between those who thought the rate was too low (32 percent), about right (32 percent) or too high (26 percent) (Eunomia, 2026).

When asked about class 2, 3 and 4 landfills, across all classes, most respondents indicated they found the rates too low (47 percent, 43 percent, 40 percent, respectively). In all cases, this was followed by responses indicating the rates are 'about right' (29 percent, 25 percent, 28 percent respectively). The lowest proportion of respondents believe the rates to be 'too high' (10 percent, 11 percent, 12 percent respectively) (Eunomia, 2026).

Common feedback included that levy rates should be determined by material type rather than landfill class, and that rates should be set in line with Australian rates, which are generally higher than New Zealand rates (Eunomia, 2026).²⁶

²⁵ 'Active' waste may be defined differently in different countries, but it is typically waste that may generate environmental impacts such as generation of leachate and discharges to air.

²⁶ Waste levies in Australia are set at the state/territory level. Eunomia (2026) summarises Australian levy rates, which range from no levy (in Northern Territory) to AU\$70.56 (NZ\$82.25) in Tasmania to AU\$180.20 (NZ\$217.72) for standard waste in metropolitan areas in New South Wales.

Higher levies also need to be supported by a robust compliance, monitoring and enforcement framework. Higher levy rates risk driving materials away from landfill disposal without impacting waste generation (ie, waste may be diverted in ways that lead to poorer environmental outcomes, such as increased illegal dumping). Eunomia's (2026) survey respondents noted their observations of such disposals, including:

- disposal of waste to an inappropriate landfill class (36 percent)
- illegal dumping of waste (39 percent)
- misreporting of waste (12 percent).

Other survey responses noted by Eunomia (2026) identified:

- disproportionate effects of the levy on low-income families (31 percent of those who had observed disproportionate effects of the levy overall)
- illegal dumping (24 percent of those who had observed disproportionate effects of the levy and provided further details)
- rural communities either experiencing increased traffic from waste movements (10 percent)
- higher costs of having to transport waste further (10 percent).

Many other countries have higher levy rates than New Zealand, and higher rates may be necessary, to target materials with recovery potential that are currently still being disposed of in landfills. Higher levy rates could also raise additional revenue for investment in waste minimisation and other environmental priorities. Continued investment into waste minimisation infrastructure and services would support businesses and communities to make choices that limit their exposure to higher levy rates.

In some other countries where higher levy rates are in place, resource recovery rates have not necessarily increased at the same time that waste disposal has decreased. Instead, the main impact may have been to divert waste from landfill disposal to disposal through waste-to-energy operations and, in some cases, to increase waste exports. For example, Siedschlag et al (2021) identified that, since the introduction of incineration with energy recovery for municipal solid waste in Ireland, energy recovery had grown as the main alternative treatment to landfill, but the recycling rate for municipal waste had not changed much.

Considering appropriate coverage for a waste disposal levy

Participants in workshops with waste operators and territorial authorities considered that levy coverage should be extended to cover waste-to-energy facilities (including pyrolysis, incineration, kilns and anaerobic digestion) (Eunomia, 2026). The participants expressed concern that such facilities may otherwise become lower-cost alternatives for materials that could be diverted to more beneficial recovery pathways.

Some stakeholders believed that all facility classes should be subject to the levy. Waste operators and territorial authorities who participated in workshops, and some interviewees, questioned why lower classes of facilities (including monofills and farm dumps) were exempt from the levy, given perceived associated threats to environmental and public health.

Survey respondents were more evenly divided on the question of levy coverage – with 49 percent considering that additional waste streams or facilities should be covered by a levy, and 51 percent stating they should not.

Of those who provided further detail, 47 percent suggested waste-to-energy / incineration activities should be made subject to a levy. Less than 10 percent of these respondents mentioned other methods, including anaerobic digestion, all types of disposal, industrial monofills and farm dumps. A small proportion (6 percent) commented that certain materials – such as byproducts from recycling processes that are disposed of in landfills – should not be subject to a levy.

The Ministry consulted on legislative amendment proposals in 2025, including amending Waste Minimisation Act 2008 (WMA) provisions that currently exclude waste-to-energy facilities from being subject to a disposal levy (Ministry for the Environment, 2025c). These proposals have not yet been put in place. The Ministry agrees with survey respondents that there is a risk waste could divert into waste-to-energy rather than resource recovery outcomes, particularly if the levy rate increases in the future. The proposed legislative amendments would support overall effectiveness of the levy regime.

Rules need to be clear and consistent

Councils across the country have different rules for which materials can be accepted in different landfill classes. In addition, a council may consent a site to accept certain materials, but acceptance of those materials would place the landfill in a different landfill class for the purposes of levy payment. This can lead to confusion about regulatory obligations and may contribute to sites not paying the correct levy (whether intentionally or unintentionally).

Most stakeholders found that current definitions and classifications lead to misinterpretation

In research by Eunomia (2026), representatives from the construction and demolition sector and territorial authorities reported inconsistent interpretation of acceptance criteria for facility classes. These respondents also noted the need for clear definitions for inert and construction and demolition material.

Interview attendees from the waste operator, sustainability consultancy and business sectors noted that consenting and waste acceptance criteria differ across the country – they observed that this difference makes the criteria hard to follow and potentially incentivises perverse outcomes. These attendees also identified a perceived disconnect between landfill classification guidelines, technical guidelines for disposal to land,²⁷ levy categories and consenting requirements (Eunomia, 2026).

The Ministry is also aware that the sector's interpretation of regulations relating to 'diverted materials' is inconsistent. The levy applies to waste disposed of at specified disposal facilities. However, [section 26\(3\)](#) of the WMA provides that certain material is not levy liable if it is reused, recycled, recovered, treated or removed within the required timeframe. The WMA definition of waste in [section 5](#) also provides that diverted material can become levy-liable waste if it is later disposed of or discarded.

²⁷ See WasteMINZ (2023).

Examples of materials that have been used (and rightly or wrongly classified as ‘reused’) as daily cover at class 1 facilities (ie, material spread across a landfill’s exposed face each day) include: contaminated soil, shredder floc, green waste, shredded timber, crushed concrete/rubble and asphalt/road millings.²⁸

Disposal facilities across all landfill classes have reported using the following materials for various ‘operational purposes’ or ‘engineering works’ on site (eg, bunding, roading, landfill lining, stabilisation and drainage): ceramics, contaminated soil, shredded tyres, bricks, roofing tiles, crushed concrete and crushed glass.²⁹

In practice, this means that materials reported as ‘diverted’ may nonetheless remain on the landfill site (making ‘disposal’ statistics potentially misleading, because diverted materials are not included). Available data do not enable us to identify what portion of material recorded as ‘diverted’ has remained on site.

Eunomia (2026) looked at trends in reported diverted tonnages and observed that the proportion of waste reported as ‘diverted’ has remained fairly constant over time for class 1 sites, but the proportion has substantially increased for class 3 and 4 sites (where up to 40 percent or more may be reported as diverted). High variability was also observed within sites in each landfill class (ie, some sites report a substantially higher proportion of diverted material than other sites). Another issue raised was that the definition of ‘industrial monofill’ under WMA regulations may not be clear enough.

Many stakeholders emphasised the importance of sufficient compliance controls

Waste and resource recovery operators stressed the need to build confidence in the system. Sustainability consultants added that compliance requires bolstering, to better understand what is happening on the ground at disposal sites (Eunomia, 2026).

Stakeholders identified limitations in the ability to monitor sites to identify what waste is being disposed of (including difficulty in determining compliance with resource consent conditions, and with levy obligations). Some stakeholders considered that a lack of data on waste composition, particularly at class 2 sites, posed a risk to responsible waste management (Eunomia, 2026).

The level of resourcing for compliance, monitoring and enforcement has not been increased in proportion to the increase in associated responsibilities (ie, additional sites to monitor as well as additional record-keeping and reporting obligations). KPMG (2024) identified that improved service delivery would require a greater amount of funding to deliver more effective and efficient value-for-money services.

²⁸ Source: analysis by Ministry staff of unpublished operational audits of landfill operations, site observations and other intelligence.

²⁹ Source: as above.

Proposed future planning system may be an opportunity to improve national consistency

National clarity and consistency of waste disposal regulation could be improved as part of the Government's transformation of the planning system (with the passage of the Planning Act 2026 and Natural Environment Act 2026, which replace the Resource Management Act 1991).

There is also scope to amend waste regulations to clarify definitions for sites (including industrial monofills) and rules around diverted materials and reuse of materials on site. Some potential changes would require changes to the WMA – for example, if changes in the definition of disposal or diverted material are required, or if provisions in relation to waste-to-energy activities are changed.

Strategic approach and performance monitoring

As identified in the previous levy review (Ministry for the Environment, 2024c), ongoing efforts are necessary to ensure levy revenue is managed efficiently and effectively and achieves its intended outcomes.

Eunomia (2026) identified that many stakeholders consider that the purpose of the levy has become less clear over time (including with the changes made to levy investment priorities in 2024). Some stakeholders consider it difficult to evaluate the levy's effectiveness when its purpose and objectives are not clear.

Existing mechanisms for identifying investment priorities for the levy include publishing objectives, eligibility and assessment criteria for the Waste Minimisation Fund (agreed by the Minister for the Environment) (New Zealand Gazette, 2024), as well as published investment signals that provide further detail on investment priorities and outcomes sought (Ministry for the Environment, 2025e). An independent Waste Investment Panel is also in place to provide strategic assessment for large applications and make funding recommendations to the Ministry (Ministry for the Environment, 2025f). Typically, the panel considers applications requesting funding of \$1 million or more, but it may be asked to consider complex or higher-risk applications below that threshold.

As outlined above, this review period has had a focus on ensuring investment achieves strategic outcomes, and further work is proposed on identifying and reporting those outcomes. The wider range of spending priorities that the levy can support will also require clear strategic direction.

The Ministry is developing an Outcomes Framework. This framework will primarily focus on consistent reporting of the benefits and outcomes of levy-funded investments.

In practice, this means the framework will help us track what these investments are achieving, rather than just reporting on activity or outputs. It is intended to provide a clearer evidence base to identify which areas are delivering the strongest results, and where we should be prioritising resources. Over time, this should allow us to make more informed decisions about where levy funding is best directed, to achieve the greatest impact for the sector.

Future levy rate changes would need careful consideration

Proposals to change levy rates will need to carefully consider what supporting measures are required to minimise possible unintended outcomes. Any future review of levy rates between and across landfill classes will need to have regard to the overall regulatory framework and the combined effect of related policies.

Factors to consider would be the possible shift of waste to unregulated or unlevied disposal options such as cleanfills or illegal dumping, and the combined impact of levy policy and related proposals such as measures to reduce waste emissions.

Eunomia (2026) identified that, in many international examples, a waste levy sits within a broader package of related policies, such as commitments to the waste hierarchy and implementation of product stewardship schemes, and the 'polluter pays' principle. This reflects a common theme expressed by stakeholders that the levy should encourage waste minimisation as part of a wider packaging of regulatory tools, and that the levy would be most effective with viable alternatives to disposal in place.

New Zealand also has complementary policies in place. The government waste and resource efficiency work programme sets out current government work areas and priorities (Ministry for the Environment, 2024d). An updated work programme will need to be agreed with the incoming Minister after the general election in November 2026.

As noted above, work on amending waste legislation is underway but not yet finalised. These changes will be critical to overall levy effectiveness, and they include:

- proposed improvements to compliance, monitoring and enforcement tools
- the ability to place a levy on waste-to-energy activity (by regulation)
- other improvements to ensure clarity and consistency.

Similarly, any changes to levy rates and approach should be supported by adequate compliance, monitoring and enforcement.

Recommendations

- Undertake a review of regulatory settings for the waste disposal levy (the levy) (including rates and the impact of the differential levy between sites, coverage of sites and waste materials, and supporting requirements such as record-keeping and reporting provisions and clarity of regulatory requirements).
- Continue with proposed amendments to the Waste Minimisation Act 2008 (WMA), including to:
 - improve compliance, monitoring and enforcement provisions
 - enable a levy to be placed on waste-to-energy activities
 - ensure regulatory requirements are clear and consistent.
- Continue to support the sector's efforts to standardise guidance on disposal to landfill and its work towards greater national consistency.
- Develop a work programme for ongoing improvements in quality and availability of waste data, including considering recommendations for generating and reporting on a reliable time series of resource recovery and disposal in Aotearoa New Zealand.
- Enable the compliance, monitoring and enforcement function to support overall levy effectiveness (including through improvements to compliance, monitoring and enforcement provisions in the WMA, and adequate resourcing for audits and monitoring).
- Continue work to reduce emissions from waste, including consideration of New Zealand Emissions Trading Scheme requirements, and of requirements for landfill gas capture and where disposal of organic materials such as timber may occur (noting that these requirements may also affect the effectiveness of the levy).
- Finalise and publish an outcomes framework for identifying and reporting on outcomes achieved through investment of the levy.
- Over the medium term, contribute to implementation of the transformation of the planning system (with the passage of the Planning Act 2026 and Natural Environment Act 2026, which will replace the Resource Management Act 1991), so that rules governing disposal to land can be made more nationally consistent.

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