



# TERRITORIAL AUTHORITIES' ALLOCATION OF THE WASTE DISPOSAL LEVY

RESEARCH REPORT

May 2025

---

THE TERRITORIAL AUTHORITIES'  
OFFICERS (TAO) FORUM OF THE  
WASTE MANAGEMENT INSTITUTE  
OF NEW ZEALAND

# ABOUT WASTEMINZ

WasteMINZ is the largest representative body of Aotearoa New Zealand's waste, resource recovery and contaminated land sectors. We are the authoritative voice on waste, resource recovery and contaminated land management in New Zealand, with 430 member organisations from small and large waste operators, materials recovery facilities, community groups, researchers, food rescue groups, major supermarkets, tech companies, packaging producers, contaminated land specialists, territorial authorities, consultants, and many others looking to make a difference to the environment.

---

# ABOUT THE TAO FORUM

The Territorial Authorities' Officers (TAO) Forum is a Sector Group of WasteMINZ. The TAO Forum was established to create consistency and efficiency of service amongst territorial authorities through sharing knowledge and best practice.

---

# ACKNOWLEDGEMENTS

This report was produced by Morrison Low with funding from the WasteMINZ's Territorial Authorities' Officers Forum (TAO Forum) Collaborative Fund.

---

Thank you to all the councils who supplied data for the waste disposal levy survey and thank you to the following councils who contributed case studies for this report: Christchurch City Council, Queenstown Lakes District Council, Auckland Council, Buller District Council and Hastings District Council.

---

Thank you to the project steering group from the Territorial Authorities' Officers Forum Sector Group Steering Committee.

# CONTACT DETAILS

WasteMINZ  
Unit 2, 5 Orbit Drive, Rosedale, Auckland 0632  
PO Box 305426, Triton Plaza, Auckland 0757  
Phone (09) 476 7162

Available for download at: [www.wasteminz.org.nz](http://www.wasteminz.org.nz)

# CONTENTS

Executive summary	1
Introduction	3
Background	3
The waste disposal levy	4
Role of territorial authorities	4
Territorial authority levy allocation	5
The private sector and community sector play an important role too	6
Expansion of the levy over time	6
Monitoring effectiveness of the levy	8
Territorial authorities' levy spend	9
TAO Forum survey results	9
Case studies	11
Levy fund allocation varies to meet local needs	17
Consequences of reduced levy allocation	17
Future improvements	20
Impacts not yet measurable	20
Duplicated efforts and inefficiencies	20
Monitoring effectiveness through rapid change	21
Summary	22
Methodology	23
References and notes	25

# EXECUTIVE SUMMARY

The waste disposal levy (the levy) is a fundamental component of New Zealand's waste management and minimisation framework. It was established to create a price incentive to reduce waste and raise revenue to fund the services and infrastructure that are needed to divert waste away from landfill. 50 percent of the waste levy is allocated to the territorial authorities in recognition of the importance of their role in delivering the required waste minimisation outcomes.

In 2024 the Government announced that a broad review of the Waste Minimisation Act (WMA) 2008 was underway. Signals were made suggesting de-hypothecating the levy or changing the level of revenue allocation to territorial authorities. Territorial authorities are concerned that the vital role they play in delivering waste minimisation outcomes is being undervalued as a result of these signals.

Consequently, WasteMINZ's Territorial Authorities' Officers (TAO) Forum commissioned a survey of its members on the value they obtain through their current levy allocation and the impacts that a reduction in levy allocation would have on their future plans for waste minimisation and resource recovery. Survey responses were received from 29 of the 67 territorial authorities in New Zealand (43%), representing 71% of the levy allocation. Key themes from the survey are outlined below.

## **Levy funds support a broad range of waste minimisation activities.**

- 90% of survey respondents use their levy funds for resource recovery services such as kerbside recycling and organics collections.
- 90% of respondents fund education and communication initiatives to promote broader waste minimisation and complementary services.
- Levy funds enable territorial authorities to tailor their waste minimisation activities to their local community needs. For example, a small rural authority like Buller District Council uses some of their levy funds to enable remote rural communities access to recycling, while Queenstown Lakes District Council uses some of its levy funds for local community grants.

## **Services would be reduced if levy allocations reduced.**

- 76% of survey respondents indicated services would be reduced if their levy allocation were reduced.
- While ratepayers may be willing to fund some of the shortfall for core services from rates, such as kerbside recycling, supporting education and communication may be reduced, ultimately impacting the effectiveness of core services.

## **Increased levy funds increase waste minimisation efforts.**

- Progressive increases in the levy have seen territorial authorities include more ambitious resource recovery actions in their Waste Management and Minimisation Plans (WMMPs).
- 72% of survey respondents indicated that they had actions in their WMMPs that are dependent on levy funds increasing.

- Case studies from Auckland Council, Christchurch City Council and Hastings District Council highlight new or expanded diversion they are proposing to use their levy funds for.

#### **Collaboration and innovation deliver waste minimisation success.**

- Territorial authorities have always worked 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.

#### **Uncertainty in levy allocation impacts infrastructure investment.**

- The potential reduction or removal of levy funding fuels uncertainty for territorial authorities, compromising their future infrastructure investment plans. Territorial authorities need predictability to maintain and expand waste minimisation activities.
- Continued uncertainty continues to put pressure on the pipeline of waste infrastructure investment.
- 24% of survey respondents stated their infrastructure development would be delayed or no longer go ahead if their levy allocation reduced.

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

- The levy has been through a period of rapid expansion, rapidly increasing the levy funds allocated to territorial authorities. Territorial authorities receive seven times more levy funds today 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. Also, while the benefits from some investments can be measured directly through reduced waste to landfill, others require broader, indirect benefits to be measured.
- 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 TAO Forum welcomes the opportunity to work with the Government through good faith consultation to continue to deliver efficient and effective waste minimisation, supported by the waste disposal levy.

# INTRODUCTION

This research report, commissioned by WasteMINZ's Territorial Authorities' Officers (TAO) Forum, outlines the value territorial authorities across New Zealand obtain through their current allocation of levy revenue and the risks and implications associated with an allocation reduction to both day-to-day initiatives and long-term investment in waste minimisation activities. This report draws upon the findings from a survey of TAO members conducted in February 2025, along with more in-depth interviews with five territorial authorities presented as case studies in this report.

By presenting the results of this research, the TAO Forum aims to foster deeper understanding of levy fund impacts and benefits, highlight the potential consequences of a reduction in levy allocation, and advocate for informed and collaborative decision-making in the ongoing evolution of New Zealand's waste management policy framework.

*Territorial authorities welcome consultation and collaboration with the Government on changes to levy settings.*

## BACKGROUND

The previous year has seen substantial changes in the Government's direction on waste. Starting in May 2024, the Government introduced increases to the levy, a continuation of the sharp rise in the levy since 2021. It also announced that a broader review of the Waste Minimisation Act 2008 was underway. Following this, signals were made suggesting de-hypothecating the levy or changing the level of revenue allocation to territorial authorities. Recently, Government scrapped four policy initiatives that directly impact territorial authorities, and they released the Government's Waste and Resource Efficiency Strategy (replacing the 2023 Waste Strategy).

In a letter from the Minister for the Environment responding to Phil Mauger and other Mayors' letters, requesting a more thorough and open legislative review process, the Minister stated that:

*"I intend to reform the Waste Minimisation Act 2008 and Litter Act 1979 to ensure New Zealand has fit-for-purpose, modern waste legislation that gives us more options and flexibility to reduce and manage waste effectively and efficiently. Ministry for the Environment officials are reviewing these Acts and advising me on policy proposals. At this stage I have no intention to "de-hypothecate" the waste levy. I have directed officials to undertake public consultation in the first quarter of 2025 on the policy proposals. I encourage you to engage in that process."*<sup>i</sup>

While this response from the Minister indicates the Government intends to consult on proposed changes to the Waste Minimisation Act and not de-hypothecate the levy, this leaves room for changes to the legislation that could significantly impact territorial authorities.

## The waste disposal levy

The waste disposal levy (the levy) is a fundamental component of New Zealand's waste management policy framework. It was established with the aim of minimising waste and promoting recycling and resource recovery.

The levy was first introduced through the Waste Minimisation Act (WMA) in 2008. The levy is an economic tool to promote waste reduction and diversion, protect the environment and provide environmental, social, economic, and cultural benefits through waste minimisation activities. The levy is intended to raise revenue to fund:

- the *promotion* of waste minimisation
- the *achievement* of waste minimisation<sup>ii</sup>

Commentary at the time the WMA was being developed stated that:

*"... a levy on waste ... is intended to both send an economic signal to deter wasteful behaviour and also to provide funding for the implementation of the measures [to minimise waste]"<sup>iii</sup>.*

## Role of territorial authorities

Territorial authorities are a key stakeholder within the waste minimisation system. The collection of waste and recyclable materials is a core service for most territorial authorities. Those that do not have kerbside collection services (around 10% of territorial authorities) still provide their communities with collection systems, either through networks of drop-off points or via licensing of private waste operators.

Most territorial authorities own transfer stations, resource recovery centres or resource recovery parks. Some own and operate the processing facilities required to enable collected materials to be sorted and then reprocessed into new products. Some also own landfills, giving them end-to-end visibility of local waste flows.

Other waste services provided by territorial authorities include the management of litter and illegal dumping, waste minimisation education and communication programmes, and the management of closed landfills.

Territorial authorities' role in the waste system did not come about as a result of the WMA in 2008, rather they have always had responsibility for ensuring appropriate waste disposal systems are available to their communities in order to protect public health. The WMA expanded this responsibility to include all aspects of waste management and minimisation in their community, giving regard to the waste hierarchy (see Figure 1).

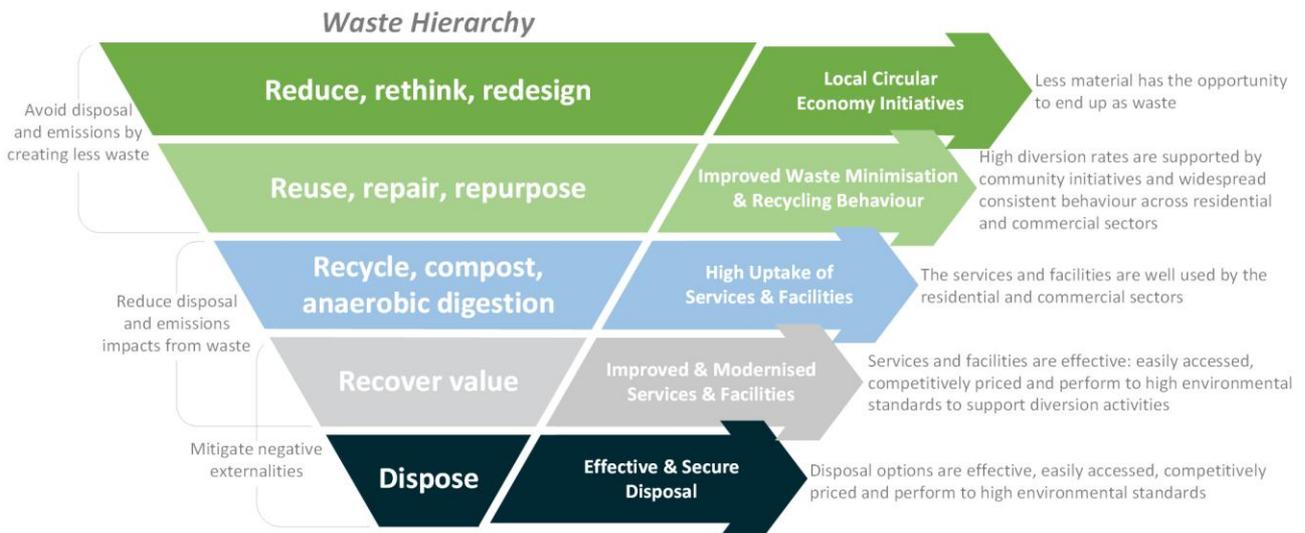


Figure 1 The Waste Hierarchy

## Territorial authority levy allocation

The key role territorial authorities play is recognised through the allocation of 50 percent of the waste levy funds to them, with funding allocated in proportion to district population. Commentary at the time the WMA as enacted in 2008 included:

*“Councils are already required to promote waste management and minimisation in discharging their responsibility for public health, and we consider them the most appropriate institutions to ensure that waste minimisation services are provided.”<sup>iv</sup>*

This levy funding allocation is not without obligation. Territorial authorities are required to develop Waste Management and Minimisation Plans (WMMPs) to demonstrate how they will promote and achieve waste minimisation in their district, including how they intend to spend their levy funds. These plans are required to be reviewed and consulted on every six years.

Territorial authorities have rigorous financial management practices to control expenditure, including the allocation of levy funds. In addition to their WMMPs, territorial authority expenditure on waste management and minimisation services is controlled through long term financial planning cycles. This is primarily driven by 10-year Long Term Plans that are revised and consulted on with communities every three years. Figure 2 shows the long-term financial and strategic planning framework within which territorial authorities make decisions about their levy expenditure.

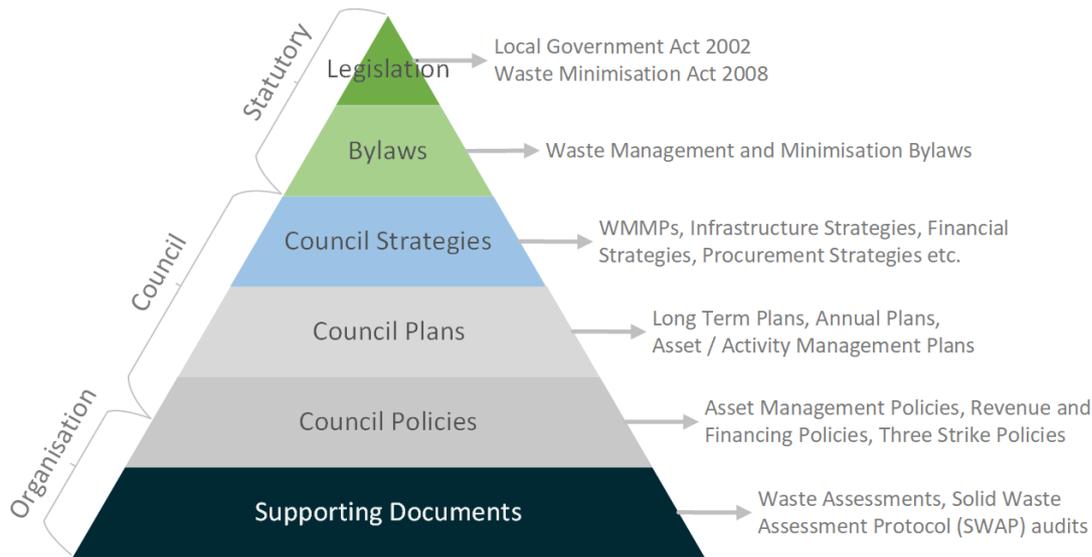


Figure 2 Long term financial and strategic planning frameworks used by territorial authorities

## The private sector and community sector play an important role too

Private waste, recycling and resource recovery companies and larger waste generators also have an important role to play in promoting and achieving waste minimisation, as does the community sector. Almost all territorial authorities contract the private sector and community sector to help deliver services on their behalf and use private waste and resource recovery facilities for the processing and disposal of materials collected. Local Government often relies on the efficiency of private sector and the impact of the community sector to deliver effective services on their behalf, meaning they have indirect access to the levy funds allocated to territorial authorities. The Government's Waste Minimisation Fund also provides an opportunity for them to put forward initiatives that sit outside the areas of Local Government's responsibility.

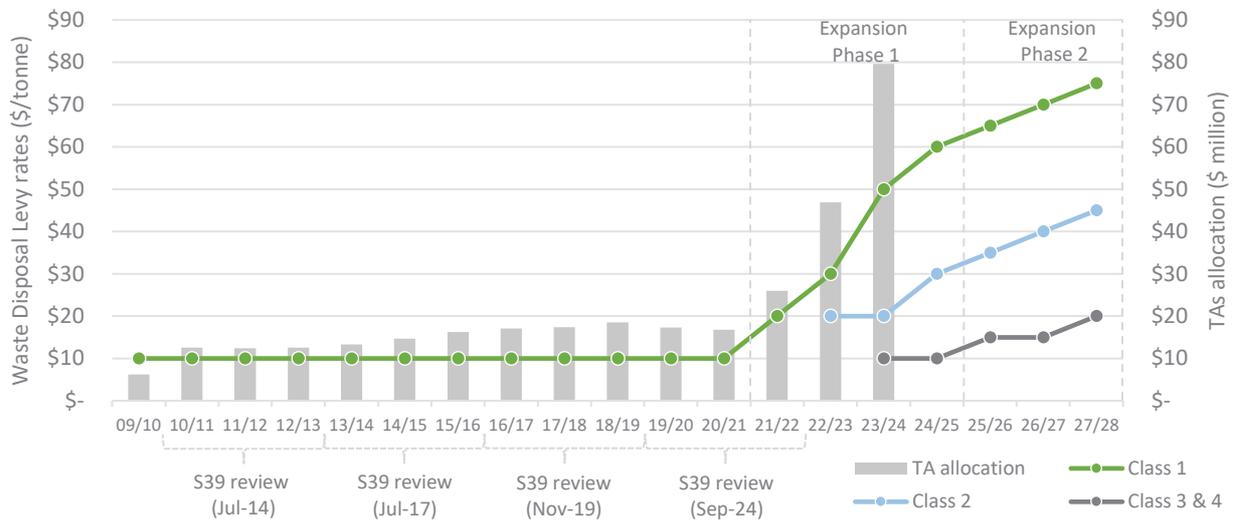
The private sector has in the past raised concerns that they are unable to access levy funds for their own proposals to reduce waste, with half the levy allocated to local government and half to central government. MfE commissioned research into whether there has been any crowding out through this levy allocation approach, but found no evidence that this was the case, rather that 'crowding in' effects where "*commercial opportunities created due to public investment*" were seen <sup>vii</sup>.

Territorial authorities welcome discussion with the Government on ways to improve private sector inclusion in levy expenditure decisions, whilst maintaining fair and transparent funding processes that protect commercially sensitive, confidential information.

## Expansion of the levy over time

The levy was initially set at \$10 per tonne and applied only to municipal (Class 1) landfills. The levy remained the same until 2021, when it was increased to \$20 per tonne and then progressively climbed to \$60 per tonne by 2024. Further increases are scheduled, with the levy set to rise to \$75 per tonne by 2027. During this time there has also been an expansion of the levy to include Class 2-4 landfills, at a lower rate than Class 1 landfills. These changes over time are shown in Figure 3 below.

Figure 3 also shows the territorial authority allocation of levy funds over time. When the levy was \$10 per tonne the territorial authority levy allocation rose from \$12 million in 2010/11 to \$18.5 million in 2018/19, dropping back to \$17 million in 2020/21, reflecting variation in waste disposal volumes during this period. Since then, levy allocation has risen sharply. The territorial authorities' levy allocation was \$80 million in 2023/24, with further increases to come.



**Figure 3 Waste Disposal Levy rates, TAs allocation and effectiveness reviews**

The proposal for levy expansion from 2021 to 2024 was accompanied by a regulatory impact statement linking increased levy rates, scope and revenue to proposed policy initiatives at the time. These were directed at incentives to change behaviour, creating market opportunities for competitive alternatives to waste disposal and significantly increasing revenue for investment in waste minimisation services and infrastructure. It was noted that with the levy rise, alongside any direct cost of waste to landfill, territorial authorities would have additional costs associated with undertaking more compliance, monitoring and enforcement, some of which could be funded through levy revenue.

It was noted in the regulatory impact statement that support to territorial authorities to optimise investment of levy funds should be supported by a robust strategic framework in the New Zealand Waste Strategy that would provide direction for WMMP development and performance standards for territorial authorities to meet. A new Waste Strategy was released by the Government in March 2023.

The second phase of levy expansion was announced in May 2024 through the Waste Minimisation (Waste Disposal Levy) Amendment Bill 2024. It was issued without regulatory impact analysis or consultation with territorial authorities. The absence of consultation did not allow opportunities for discussion and feedback about likely implications or unintended consequences of potentially diluting the application of levy funds.

Likewise, there was only very limited consultation on the Government's Waste and Resource Efficiency Strategy prior to its release in March 2025.

Without this analysis and consultation, the justification for levy allocation expenditure is difficult to demonstrate, leaving open the possibility of levy allocation settings being changed without clear evidence to support the proposed change.

## Monitoring effectiveness of the levy

The Waste Minimisation Act 2008 requires periodic effectiveness reviews of the levy, with four completed since the levy was established<sup>v</sup>. The timing of these reviews is shown in Figure 3 above. Each effectiveness review covers a three-year period. The latest review covers the period 2019/20 to 2021/22 and was published in September 2024. It includes the first year of the levy expansion (2021/22), when the Class 1 levy increased from \$10 to \$20 per tonne. This review notes a slight decrease in disposal to class 1 landfills but raises the impacts of slowed economic activity and the COVID-19 pandemic as potential influences.

The review presented details of how territorial authorities had spent their levy funds, but did not provide an assessment of the benefits or effectiveness. WasteMINZ provided feedback to the Ministry for the Environment (MfE) highlighting the timeliness of the review itself and the timeliness of data, the need for additional information to inform decision making, and on wider engagement with the sector and the Waste Advisory Board when undertaking future reviews.

The effectiveness review did make several recommendations, of which two are highlighted. Firstly, it recommended continued efforts to ensure levy funds are strategically invested by both the Government and territorial authorities, and secondly, it recommended considering non-statutory annual effectiveness reviews to supplement the three-yearly formal reviews. As key stakeholders, territorial authorities welcome consultation on these two recommendations, and would support the annual review recommendation, particularly while the levy collected is going through a period of significant increase.

The European Union's Environment Agency<sup>vi</sup> currently has a similar approach, with annual 'early warning assessments' for certain waste targets to assess the effects of economic and policy instruments in a shorter timeframe. Their review covers a wide range of instruments, including landfill taxes and bans, incineration taxes, packaging taxes, pay-as-you-throw systems for polluter pays initiatives, source separated collection systems and deposit-return schemes.

Alongside the 2024 effectiveness review, MfE commissioned a report to assess realised benefits and the ratio of benefits to costs for the Government's levy allocation<sup>vii</sup>. The report found the actual benefits (\$400 million) exceed actual costs by \$107 million, with a Benefit-Cost Ratio of 1.37. The quantified benefits are from avoided landfill costs and associated emissions, while also recognising additional qualitative benefits which were not included in the calculation.

These unquantified benefits included knowledge gained from feasibility studies, increased awareness, social cohesion, community engagement, employment opportunities, value of recovered materials, reduced imports, and positive impacts on waste management behaviour and attitudes – suggesting the benefits and effectiveness of waste minimisation and diversion are greater than stated.

Effectiveness reviews have frequently highlighted the lack of good data. As a result, record-keeping and reporting regulations were introduced from July 2024 to support the gathering of evidence to support system improvements, including:

- Territorial authorities must report annually on levy funding and the waste minimisation services, facilities and activities they provide
- Transfer stations must also report on the activity that generated the waste they are handling.

It is anticipated that this broader reporting will be beneficial for future effectiveness reviews, whilst also noting the ongoing challenges defining non-quantifiable benefits.

# TERRITORIAL AUTHORITIES' LEVY SPEND

The evidence collected for this report shows that territorial authorities:

- understand the challenges in the solid waste and resource recovery sector
- through their strategic planning processes (waste audits, waste assessments and WMMPs) and financial planning processes (annual plans and long-term plans) they are experienced with setting ambitious goals and targets using local data
- spend the waste levy money to promote and achieve waste minimisation
- have embarked on more ambitious waste minimisation process using increased levy funding
- are beginning to see benefits from leveraging economies of scale through regional solutions.

The results of a recent survey of territorial authorities and documenting of five case studies on levy expenditure provide the evidence that supports this report.

## TAO Forum survey results

The TAO Forum conducted a survey of its members in February 2025 and received responses from 43% of the 67 territorial authorities, representing 71% of the levy allocation in the last financial year. 18 North Island and 11 South Island territorial authorities, 7 large metro/provincial, 7 medium-sized provincial, and 15 small rural districts are represented (see Table 1).

**Table 1 Summary of survey responses**

Size	Type	North Island	South Island
Large	Metro	4	2
	Provincial	1	-
Medium	Provincial	4	3
Small	Rural	9	6

The survey showed levy funds support a broad range of activities across all five reporting categories (see Figure 4), with 90% of respondents funding services and 90% funding education and communication activities. Services funded are predominantly kerbside collections for recycling and organics, and the consolidation and processing services that follow. These services present some of the largest diversion opportunities available for residential waste, particularly in urban areas.

Funding directed at education and communication was the second most likely activity band for levy funding. Examples of these activities include school programmes, community workshops, service-related communication for kerbside services, and targeted construction and demolition waste diversion. The impact of education and communication initiatives on the achievement of waste minimisation can be difficult to quantify, however the Waste

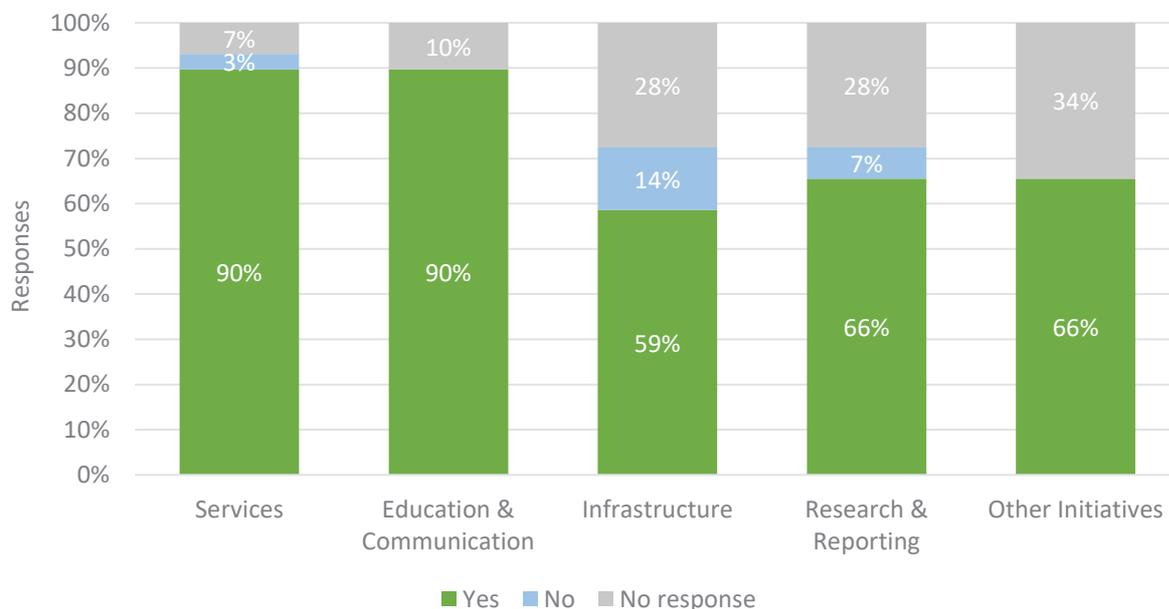
Minimisation Act 2008 also requires territorial authorities to promote waste minimisation, which these services do.

Data and evidence are crucial to realising the aims of the levy and waste minimisation generally. Two thirds of survey respondents use funds for research and reporting including:

- waste audits and feasibility assessments to inform future services and facilities.
- broader research to inform prudent decision-making.

Infrastructure investments are funded by 59% of respondents, covering transfer stations, resource recovery parks, resource recovery networks, drop-off recycling facilities, and weighbridges to enhance data capture and reporting, with a mix of direct and indirect diversion impacts.

Other initiatives, funded by two-thirds of respondents, include activities such as local grants, funding waste minimisation officers, and regional collaborative efforts. The Queenstown Lakes District Council case study highlights their local grants programme.



**Figure 4 Territorial authorities' current levy allocation**

Figure 5 shows the survey responses to three other questions:

- Whether territorial authorities had undertaken their own reviews of the effectiveness of levy spend.
  - Of those surveyed, 48% had undertaken a review of their levy utilisation. Of these, 82% had undertaken this review as part of the WMMP review.
- Whether they had WMMP actions dependent on increased levy funds.
  - 72% of respondents to the TAO survey noted their WMMP actions are dependent on the realisation of sustained and increased levy funding.
- Whether they were accumulating levy funds for future investment.
  - Reliance on levy funding for planned investment is shown in the 69% of respondents who indicated that they were accumulating reserves towards future services and projects. The Auckland Council case study and the Hastings District Council case

study both highlight the improved impacts that accumulated reserves have had on the scale of resource recovery infrastructure these councils have been able to invest in.

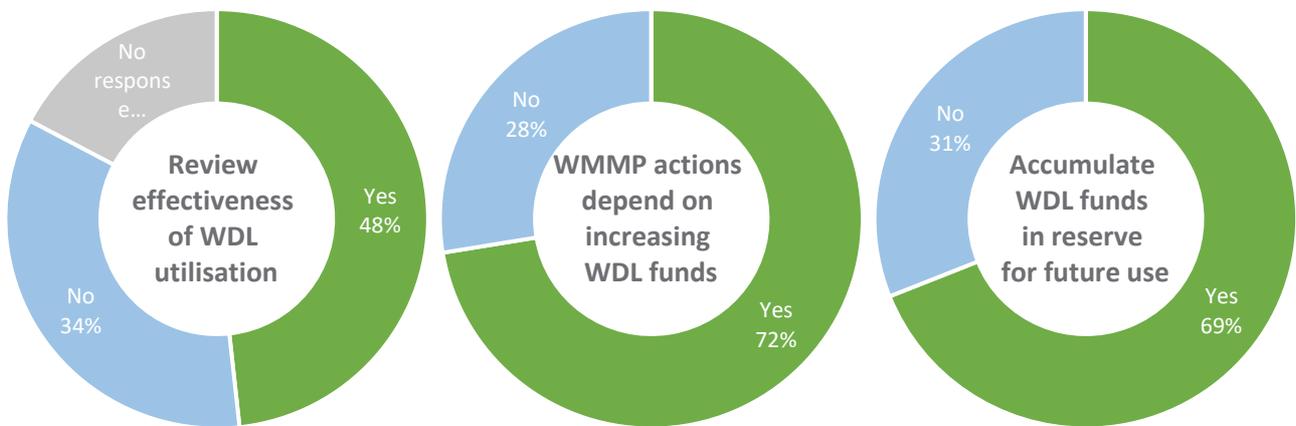


Figure 5 Other survey responses

## Case studies

To supplement the survey results, five territorial authorities have been interviewed and their case studies presented below. The case studies highlight the experiences of a broad range of territorial authorities:

- 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

## Case study: Christchurch City Council, funding core diversion services

Christchurch City Council allocates all of its levy funding to diversion services, \$2 million for recycling and \$4.2 million for organics diversion. The budget for these diversion services is \$29 million of the total activity budget of \$50.8 million. These diversion services are crucial for the city and levy funds play a vital role in supporting them. If the levy allocation changes, Council believes their community would want to retain these services which would impact rates, with a 33% increase (\$52.80) in the targeted rate that funds these services. These diversion services include educational outreach, bin auditing processes and waste minimisation advisors. Together, these activities support the overall effectiveness of the diversion services and would not be possible without levy funds.

Rank by population	2
% of TA allocation	8%
Value of TA allocation (2024/25)	\$6,255,019
Solid waste activity budget (2024/25)	\$50,874,000
% of activity budget	12%

Christchurch's levy allocation is set to increase to \$9.5 million in 2025/26. While this could be put towards mitigating further cost increases for recycling and organics collections, there is also an opportunity to use this funding to increase diversion in other service areas, such as resource recovery parks.

### How levy funds are managed

To support minimisation goals in their WMMP, levy funds are allocated to services that contribute to landfill diversion. Levy spend and progress towards those goals are regularly reviewed, often monthly, and formally each year for budgeting tracking.

The budgeting process is aligned with the WMMP and establishes a capital and asset management programme with levy funds allocated to both. Effective asset management practices are essential for their facilities, some 40+ years old requiring renewals and upgrades to support evolving diversion needs. Levy funds, together with contestable funding for upgrades, are expected to go into future plans.



*Kerbside recycling supports landfill diversion goals*

### Future plans

Christchurch's WMMP is scheduled for review, with updated ambitions and goals for the next six years. In preparation, levy funds are forecast and allocated to continue supporting diversion activities. After maintaining services and assets appropriately, The Council aims to continue developing their resource recovery parks and are currently determining how levy fund allocation can support this, together with gate fees, rates and the WMF are also potential funding sources.



*Christchurch's food and garden organics service has one of the lowest contamination rates in Australasia*

## Case study: Queenstown Lakes District Council, local grants to support local initiatives

The levy allocation to Queenstown Lakes represents less than 3% of the total expenditure across the activity, highlighting the significant investment required beyond what levy funds provide. The council's use of these funds supports a range of waste minimisation initiatives across its solid waste programme. Without this funding, around \$27 per household (equivalent to a 6.2% general rate) would need to be raised through rates or services reduced. A key investment area for the Council is a local community grant programme with half of the \$400,000 annual budget supported by levy funds and the remainder funded from rates.

Queenstown Lakes' support for these initiatives is a cornerstone of both their WMMP and support to their communities. An example of this is the funding provided to KiwiHarvest food rescue to enable them to expand their services. As a result, nearly 150 tonnes of food from local donors like supermarkets, cafes, and orchards is rescued and redistributed to thirteen local charities, benefiting over 800 people every week. KiwiHarvest now secures additional non-council funding that expands their reach beyond their humble beginnings. Local grants have also supported construction and demolition diversion projects, such as Naylor Love's 'Community Upcycling Station', and community projects such as the Lightfoot OneBike initiative, which rescues, repurposes, repairs, and donates bikes within the community.

Rank by population	30
% of TA allocation	0.8%
Value of TA allocation (2024/25)	\$663,682
Solid waste activity budget (2024/25)	\$27,217,278
% of activity budget	2.4%



*KiwiHarvest saved 144 tonnes of food from landfill across Queenstown and Wanaka last year*

### How levy funds are managed

Council allocates its levy funds to waste minimisation projects that align to actions in its Waste Minimisation and Management Plan (WMMP). Instead of focusing levy expenditure on one or two specific initiatives, Council's approach is to spread its levy funds and spread the impact of this investment. This approach allows Council to be flexible and adapt to the evolving needs of the community and the waste minimisation landscape.

### Future plans

Queenstown Lakes is currently in the process of renewing its WMMP. With the current uncertainty in future levy allocation, Council intends to continue its current approach of spreading allocated levy funding across a range of initiatives but may consider more targeted investment if this uncertainty is resolved.



*OneBike repurposes aging bicycles for reuse*

## Case study: Auckland Council, accumulated funds for infrastructure investment

Auckland Council has over the last few years accumulated levy funds to support major infrastructure investment. The ability to accumulate funds has enabled Auckland to effectively plan and efficiently action infrastructure development. Having funds available ensures that these projects maintain momentum. An example of this is the development of the Auckland Council and Community Resource Recovery Network (ACCRRN). Currently, there are 13 Community Recycling

Rank by population	1
% of TA allocation	33%
Value of TA allocation (2024/25)	\$26,642,184
Solid waste activity budget (2024/25)	\$184,460,577
% of activity budget	14%

Centres (CRCs) in the network with the purpose of maximising diversion from landfill for environmental, social, cultural, and economic benefits. Initiated in 2014, \$28 million has been invested, this includes \$7.5 million from levy funds, \$8.5 million from other central government funding, and \$12 million from rates. Without the levy fundings, ACCRRN would not exist today, or at least its development would have been much slower. In 2022/23, \$15.7 million in levy funds were received and \$3.4 million was drawn from accumulated reserves and was used for developing the Onehunga Community Recycling Centre. Council was able to leverage this investment to attract additional project funding from the Government's Covid Response and Recovery Fund (for Shovel Ready Projects). For other Community Recycling Centres, Council's funding commitment has allowed the community partners managing these sites to be successful in receiving funding from other bodies such as the Packaging Forum.

These council-owned, community enterprise-run Community Recycling Centres (CRCs) create income and reinvest profits back into the community. One of the key learnings is that the direct benefits from infrastructure investment are sometimes only realised over longer periods. The investment in the ACCRRN started more than ten years ago, with significant impacts now accumulating. Council has been developing a range of measures to demonstrate the impact of the ACCRRN beyond waste diversion.

Auckland Council are currently conducting qualitative research to help understand the actual benefits of the ACCRRN. Beyond increased landfill diversion and reduced emissions, the value of recovered materials that circulate back into the economy can be difficult to measure, particularly the adjacent social benefits for the community, such as skills and employability. Initial research indicates that employment at the CRCs has provided a sense of purpose, with unique benefits such as individuals being able to meet their full potential and helping others. This shows how an infrastructure development project has delivered its intended diversion impact, while also delivering significant social impacts.



*Onehunga Community Recycling Centre is the first Māori and Pasifika-led CRC in Tāmaki Makaurā*

### How levy funds are managed

Auckland Council uses levy funds to develop a strategic programme of research and investment outlined in its 2018 and recently issued 2024 WMMP. The Council has a Resource Recovery Network Strategy and is currently revising its Waste Disposal Levy Fund Manual, both provide guidance to staff on applying for and allocating levy funds against a strategic investment framework, with key action areas for kerbside recovery, regional infrastructure, behaviour change, advocacy & collaboration, and innovation.

### Future plans

Council intends to develop more CRCs, aiming to increase the network from 13 to 21 sites and investing \$50 million by 2031. Without levy funds, these projects would take longer to be delivered or future plans for the ACCRRN would need to be scaled back.

## Case study: Buller District Council, levy funds supporting rural recycling

Buller is a small rural council with a correspondingly small budget for its solid waste and resource recovery activity and so are acutely reliant on levy funds. Council splits its investment of these funds three ways, between education and communication, research and reporting, and delivering services (one third each). Services delivered include rural recycling and recycling for difficult wastes including hazardous and electronic waste, refrigerants and polystyrene. Recent increases in levy funding have funded improved rural recycling services. As an example, the Maruia Recycling Facility that opened in 2023 (pictured below) provides increased levels and convenient services for rural residents. Without levy funding, rural services like these would be prohibitively expensive for small communities and would have to be scaled back or discontinued if levy funds were removed.

Rank by population	56
% of TA allocation	0.2%
Value of TA allocation (2024/25)	\$162,577
Solid waste activity budget (2024/25)	\$2,157,707
% of activity budget	7.5%

### How levy funds are managed

Buller manages their funds to support various waste minimisation projects each year as outlined in their WMMP. Historically, Council's relatively small amount, around \$30,000 per annum, was used to support small-scale existing initiatives. However, as the amount increases, Council is reviewing its processes to ensure optimal investment.

### Future plans

Buller are currently developing an updated WMMP. One of the key strategies proposed is more regional collaboration to increase landfill diversion. By working together, neighbouring councils will be able to invest in more significant resource recovery projects for the West Coast.



*The Maruia Recycling Facility provides an important service to our rural community in the Maruia River valley*

## Case study: Hastings District Council, supporting new diversion

Hastings District Council established a process for allocating its levy funds for new diversion services when the levy started, starting with rural recycling drop-off sites, which the community now considers a core service and is now rates funded. This shift has allowed the Council to use its levy funds for more ambitious purposes, tackling construction and demolition waste diversion.

Rank by population	10
% of TA allocation	1.7%
Value of TA allocation (2024/25)	\$1,382,133
Solid waste activity budget (2024/25)	\$34,000,000
% of activity budget	4.1%

A recent upgrade to the Council's Henderson Road transfer station was supported by accumulated levy funds and the Waste Minimisation Fund. This upgrade would not be possible without the use of levy funds. Going forward the waste levy is likely to be used to offset some costs for diversion of C&D materials, incentivising the use of the new service.

### How levy funds are managed

Hastings District Council ring-fences its levy funds for use on specific projects identified in the WMMP and is supported by an internal review and approvals process. This has been in place since 2009 when the levy began.

### Future plans

Hastings District Council is currently finalising its joint WMMP with Napier City Council, from which Hastings' next diversion focus will be identified. It is likely that the two councils will progress their aspirations for a regional resource recovery facility for Hawke's Bay.



*C&D diversion upgrades at the Henderson Road transfer station*



*A mural of the waste minimisation hierarchy at the Henderson Road transfer station*

## Levy fund allocation varies to meet local needs

Territorial authorities vary in geographic size, resources, waste demands, population etc. This results in the difference seen in the suite of services they provide to their communities and how they spend their levy revenue. This is often also a reflection of where they are on the waste minimisation journey, and where on the waste hierarchy they are targeting their actions. The diverse characteristics across territorial authorities, where they are versus where they want to be in terms of waste minimisation, means their proposed future actions and where they choose to commit their levy spend is diverse.

A comparison between the resource recovery network investment of Auckland Council and the smaller investment in rural recycling drop-off funded by Buller District Council highlights the diverse range of initiatives that become the focus of different territorial authorities.

The Hastings District Council case study highlighted their changing investment focus over time as they moved up the waste hierarchy – initially focusing on rural recycling depots and now moving to construction and demolition waste diversion, with rural recycling now funded through rates.

Territorial authorities are obligated to ensure public health through waste management<sup>viii</sup> which forms the base of their waste management and minimisation services. Territorial authorities do not need to provide waste collection and disposal services but rather need to ensure their communities have access to them. Most, but not necessarily all, territorial authorities have gone on from this foundation to assessing and implementing broader diversion services for their communities, for example kerbside recycling services, accessible drop-off options for rural areas and developing modern processing solutions. From there, most have moved onto education and communication programmes to improve the use and effectiveness of council services and promote waste minimisation.

The top of the hierarchy, where the focus is on rethinking waste and the redesign of products and services, is often beyond what territorial authorities can provide but opportunities to support and promote initiatives using local grants are provided by many. The case study from Queenstown Lakes District Council illustrates the types of initiatives they have been able to fund higher up the waste hierarchy and how council seed funding has often gone on to enable these initiatives to be self-funding (or supported by other funding partners) going forward.

## Consequences of reduced levy allocation

Respondents to the TAO Forum survey have said that a reduction or removal of the territorial authorities' allocation of levy revenue would have a range of impacts. These impacts would occur in the following ways:

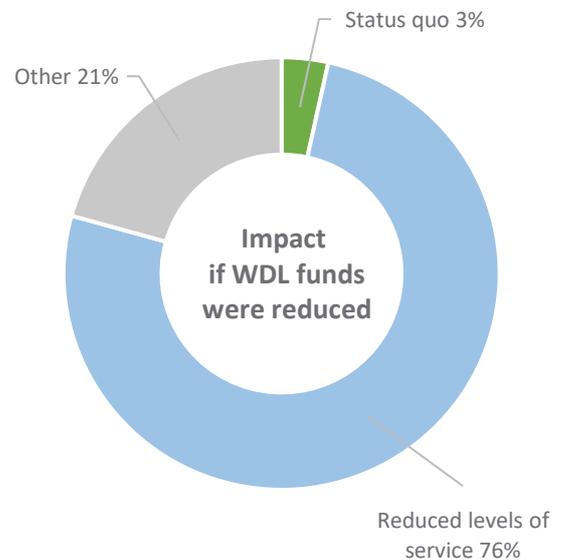
### Service level reduction

76% of respondents indicated that levels of service that are currently supported by levy funds would need to be reduced or transfer to rates. This was further highlighted by the Christchurch City Council case study.

Territorial authorities are often funding core diversion services with their levy funds, such as kerbside recycling collection, helping to keep rates affordable. 55% of survey respondents indicated that core services would be impacted if levy funding was reduced.

Other potential impacts from a reduction in waste levy were highlighted by 21% of survey respondents. The initiatives that respondents said would be impacted included:

- expanding services to cover more residents, especially rural areas
- future planning activities (e.g. investing in research to inform waste assessments)
- education to inform and maintain desired behaviour
- funding local community grants
- resourcing to support implementation of service changes
- community events such as recycling drop off days for difficult items
- subsidising rural recycling
- working more closely with businesses.



### Infrastructure development

24% of survey respondents indicated that infrastructure development or upgrade projects would be delayed or no longer possible if levy funding were reduced. Both Hastings District Council and Auckland Council highlighted this impact in their case study.

### Unable to commit to long-term changes

21% of survey respondents indicated they would not be able to commit to large-scale infrastructure projects, such as those requiring regional collaboration or those with larger investments that take several years to progress and deliver, if their levy funds were reduced. Two respondents indicated they would be unable to tender and contract for long term service provision without certainty of funding.

### Disproportionate impact on small territorial authorities and rural communities

Most small territorial authorities use their levy allocation to fund services and activities that would not likely receive other funding, such as rates. These often focus on services for rural areas, as seen in the Buller District Council case study. Even larger territorial authorities find the provision of rural services a challenge, with 28% of respondents highlighting current WMMP actions to increase levels of rural services, all of which would be impacted if waste levy funds were reduced.

### Other impacts

Without rate rises, one quarter of the respondents specifically noted there would be other impacts on:

- **Resources:** 28% of respondents face potential staff reductions if levy funds were reduced or removed
- **Regional initiatives:** 21% of respondents highlight the risk of planning and research capabilities reducing, impacting on strategic regional initiatives and investment
- **Education and communication programmes:** 55% of respondents have education and communication initiatives in their WMMPs that are funded through levy allocations. 45%

of respondents highlight risks to establishing and maintaining desired behaviours and working with business to reduce waste to landfill if levy funds are reduced.

### Uncertainty

Even without levy allocation reduction, the *potential* for a reduction introduces uncertainty for territorial authorities. The impact of this can be seen in:

- Territorial authorities that are hesitant to invest in services and infrastructure they otherwise would have, slowing momentum on the waste minimisation outcomes.
- Territorial authority investment in short-term initiatives or existing programmes instead of long-term strategic initiatives that need sustained funding over a long timeframe.

# FUTURE IMPROVEMENTS

Territorial authorities deliver significant benefits to their communities through their levy funds and have robust processes in place to ensure appropriate expenditure. Through the research that informed this report, territorial authorities outlined some of their challenges, as well as their current and future plans to refine their processes to ensure levy funding remains effective. Key areas for improvement that they highlighted are outlined below. They welcome the opportunity to work with the Government through good faith consultation to address these.

## Impacts not yet measurable

Levy effectiveness is often linked to diversion volumes, an important but relatively blunt measure, not the impacts of specific activities. Reporting against categories such as services or infrastructure usually have direct diversion volumes associated, which fits this approach to assessing effectiveness, but other initiatives may not have a direct diversion rate. Education and communication, and research and reporting, often cannot be linked directly to diversion volumes, but they are critical parts of the overall waste management and minimisation system. Other assessment approaches for effectiveness are needed for these.

Both Auckland Council and Queenstown Lakes District Council case studies highlighted their investment in the community sector to drive resource recovery. While both have outcomes they are measuring and reporting on as part of their investment, both have highlighted the need for further refinement of these metrics over time to demonstrate the true benefits.

In addition to measuring the right impacts of levy investment, the timing of benefit realisation also needs to be considered. The impacts of increased investment are not always realised immediately – some taking years to realise or even identify. The full impacts of the levy expansion have not yet been assessed in statutory effectiveness reviews. Effectiveness reviews have so far only taken in the first year of expansion, 2021/22. There would be benefit in maintaining the current levy allocation settings and monitoring the impact of the investment before considering further changes.

Hastings District Council's case study highlighted the recent upgrade to its Henderson Road transfer station to promote greater construction and demolition diversion. Opened in 2024, the benefits of this investment are now being realised. However, removal of levy funding now, would stifle the waste diversion this investment is delivering.

Christchurch City Council have indicated an intention to use some of their future levy funding for infrastructure upgrades in the city. The benefits of this investment, whilst being able to continue to fund core recycling services, are expected to rapidly compound diversion of waste from landfill.

## Duplicated efforts and inefficiencies

More than half of respondents (55%) indicated they were developing infrastructure to support diversion. These developments include upgrading transfer stations to resource recovery centres (by six respondents), establishing new rural drop-off points (3 respondents), new resource recovery parks (four respondents), and new composting facilities (two respondents). Six territorial authorities are assessing this infrastructure development through regional collaboration efforts, using the benefits from pooling levy funds. Hastings District Council and

Buller District Council both highlighted future initiatives within their regions for resource recovery infrastructure where the councils in their region are proposing to pool their levy funds for greater impact.

Territorial authorities recognise the benefits that equity of service and regional consistency can provide. Using levy funds at a district level may miss opportunities for economies of scale, while realising both the opportunities and challenges that regional collaboration presents. Without scale or processes that facilitate coordination, there can be duplicated efforts and inefficiencies across regions. While territorial authorities recognise the benefits of regional collaboration and there are many regional initiatives underway, they also recognise that further incentives to drive efficient regional collaboration would be beneficial. Previous work by MfE to develop regional action and investment plans could help facilitate this.

### Monitoring effectiveness through rapid change

Earlier in this report (refer to the section on Monitoring the effectiveness of the levy), the need for more frequent effectiveness reviews was discussed. Territorial authorities recognise that as the levy is going through a rapid expansion phase, there would be benefit in more frequent reviews to demonstrate how both the Government and territorial authorities are responding to the opportunities this increased funding presents and the impacts that are being delivered.

# SUMMARY

Rapid expansion of the levy since 2021 has brought Government focus onto the level of expenditure and its effectiveness, with this extending to consideration of de-hypothecation of the levy. However, territorial authorities, who receive half of the levy revenue raised, promote and achieve significant waste minimisation that would be compromised if this funding were removed.

With the diversity of communities that territorial authorities represent, coupled with the different areas of the waste hierarchy they focus on, territorial authorities' levy expenditure spans a very broad range of investments from services to education, to infrastructure development to research and reporting. The impacts are equally broad and can be both direct reduction in waste to landfill and indirect social, economic, environmental and cultural benefits.

Territorial authorities scrutinise their expenditure and nearly half of the survey respondents (48%) indicated they had completed specific levy expenditure reviews.

All but one of the territorial authorities surveyed by the TAO forum (97%) indicated that waste minimisation programmes and initiatives would be reduced if their levy allocation were reduced:

- Existing levels of service would need to be reduced, or rates funding increased to enable services to continue, or both. Consequently:
  - Environmental, social and economic benefits from waste minimisation would not be realised
  - There would be less pathways for diversion as the levy increases
  - These impacts would disproportionately impact small, rural communities
- 72% highlighted actions in their WMMP that would not be able to be achieved without levy funds
- A further 21% highlighted infrastructure investment that would not proceed without levy funding.

Significant Government changes since May 2024 and investigations into de-hypothecation, have created uncertainty for territorial authorities. Even though territorial authorities have higher levy revenue now than in 2020, they are reluctant to enter long-term funding commitments for services or infrastructure while this uncertainty exists. One-third of survey respondents raised this concern in their response.

Data, evidence, and stakeholder consultation are needed to mitigate risks and realise benefits of recent levy increases. Premature changes will have significant consequences. Evidence collected for this report also suggests that strategic investment and initiatives are already being stifled by uncertainty.

Consultation with the sector before any changes are made to the levy allocation would support more effective decision making when developing policy. Territorial authorities have an in depth knowledge of the challenges facing the sector and including them in the process will provide input on how to address these.

# METHODOLOGY

This report presents the results of a survey conducted among TAO members in February to understand the processes behind their use of WDL funds. Of the 67 territorial authorities in New Zealand, 29 provided a response to the survey, 43%.

It features five case studies from territorial authorities across the country that illustrate the practical application of WDL funds. The candidates for the five case studies were selected so as to represent the experiences of a broad range of territorial authorities. The case studies cover territorial authorities from both the North and South Island, and small rural through to large metropolitan growth areas.

While not all these views will be representative of all territorial authorities, we believe they provide a representative cross-section of their experience.

The report also includes commentary on the impacts of the investment of the WDL by territorial authorities, their ambitions and the challenges that come with investment.

The following survey was issued by the WasteMINZ TAO Forum in February 2025.

## Waste Disposal Levy Survey

Please complete the following details below

First Name\*

Last Name\*

Email\*

Territorial Authority name\*

### Section One: Current Picture

**Question 1** - What does your TA currently allocate your waste disposal levy to?

Please provide details of waste disposal levy funding allocated to in-house staffing, out-sourced contracts, and other expenditure under these categories (from your TAWLES reports, please also provide your TAWLES report):

- (a) Services
- (b) Education and Communication
- (c) Infrastructure
- (d) Research and Reporting
- (e) Other Initiatives

**Question 2** - Have you reviewed the effectiveness of your council's levy spend in the last two years and, if yes, are you able to provide more details?

**Question 3** - Do you have any examples/case studies of current projects or services supported by the WDL you would be able to share to be published as part of this project?

Yes

No

### Section Two: Future Picture

**Question 4** - Do you have any projects or actions in your WMMP which are dependent on increased WDL funding for them to proceed?

Yes  
No

If Yes, please provide details of proposed WDL funding allocated to in-house staffing, out-sourced contracts, and other expenditure under these categories:

- (a) Services
- (b) Education and communication
- (c) Infrastructure
- (d) Research and reporting
- (e) Other initiatives – please specify

**Question 5** - Do you have levy funds held in reserve for future projects?

Yes  
No

**Question 6** - What would be the impact of reduction or removal of the waste disposal levy for your TA?

- Status quo - still able to deliver at current level
- Reduction in services
- Other (please specify below)

Please provide further information on the above about the impact of reducing or removing the waste disposal levy for your TA.

Is your organisation happy to be contacted by our consultant for further information if required?

- Yes - please contact me
- Yes - I will add contact details for the appropriate person in my organisation below
- No

# REFERENCES AND NOTES

---

<sup>i</sup> Simmonds, P. (2024). Letter from the Minister for the Environment to Phil Mauer (Mayor of Christchurch) on 19 December, ref.: PS-COR0908/CORM-3367

<sup>ii</sup> Waste Minimisation Act 2008, Section 3(2)(a)(i)

<sup>iii</sup> Waste Minimisation (Solids) Bill 43-1 2006, Explanatory note – General policy statement

<sup>iv</sup> Waste Minimisation (Solids) Bill 43-2 2008, Commentary – Part 4: Territorial authorities

<sup>v</sup>Waste Minimisation Act 2008, Section 39

<sup>vi</sup> European Environment Agency (2024). Early warning assessment related to the 2025 targets for municipal waste and packaging waste, from, <https://www.eea.europa.eu/early-warning-assessment>

European Environment Agency (2024). Economic instruments and separate collection systems — key strategies to increase recycling, from: <https://www.eea.europa.eu/economic-instruments-and-separate-collection>

European Environment Information and Observation Network (2022). Methodology for the Early warning assessment related to certain waste targets, from: <https://www.eionet.europa.eu/methodology-for-the-early-warning-assessment>

<sup>vii</sup> Sapere (2024). Waste levy review: An assessment of outcomes and recent performance of waste levy investments. Obtained by Official Information Act Decision: OIAD-1402, received 28 February 2025

<sup>viii</sup> The Health Act 1956, the Local Government Act 2002 and the Waste Minimisation Act 2008