

Waste Levy



Strategic Objective

Promote a circular economy and enhance waste management practices, focusing on regional waste opportunities, maximising resource value, reducing landfill reliance, and fostering circular waste solutions that support decarbonisation, environmental and economic sustainability in the Hunter Region.

In 2024/25, the 11 Hunter and Central Coast councils paid \$116m in waste levy to the NSW Government, with only \$5.9m or 5% of what was collected returned to these local governments to implement waste management activities.

The waste levy is a payment collected by the NSW Government on every tonne of waste landfilled in many parts of the state. First implemented in NSW in 1971, it was intended to reduce waste sent to landfill while also funding the infrastructure, education and innovation needed to transition to a circular economy.

However, this revenue is currently shifted into the NSW Government's Consolidated Fund and only a small portion is reinvested into waste and circular economy infrastructure or programs.¹ This limits our councils' ability to invest in waste infrastructure, improve resource recovery rates, prepare for new policy reforms, and deliver the NSW Government's circular economy objectives.

For example, councils are required to deliver Food Organics and Garden Organics (FOGO) for households, meet resource recovery targets, tackle illegal dumping, reduce landfill emissions and meet stringent environmental compliance requirements, increasing costs and resourcing needs.

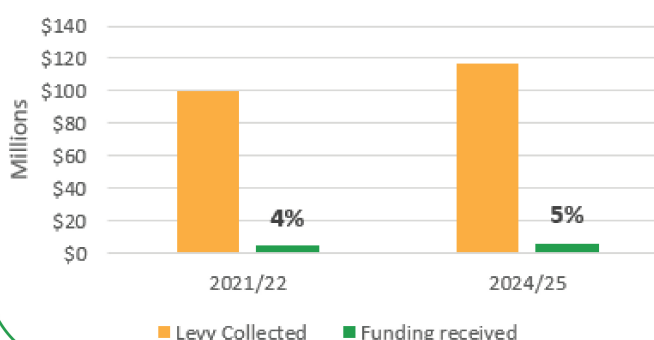
However, councils operate in a revenue constrained environment and NSW funding support has not kept up with expanding obligations.

In other states, similar waste levy arrangements have greater transparency and stronger legislation or policies that ensure a meaningful portion of the revenue collected is reinvested into waste, resource recovery, or other sustainability programs. For example:

- In South Australia, a minimum of 50% of the waste levy collected must be paid into the Green Industry Fund. This fund can only be used for climate change, waste, and environmental protection initiatives.²
- In Victoria, waste levy revenue is held in the Sustainability Fund and can only be used for sustainable resource use, waste management, and climate change initiatives.³
- In Queensland, the Government provides an annual payment to councils in the levy zone to offset the costs to households.⁴

The lack of similar legislative or policy protections over the waste levy in NSW has led to inadequate reinvestment.

Waste Levy Revenue (\$) returned to Hunter Councils



As NSW continues to grow and waste generation increases, greater reinvestment of the waste levy is needed to support the development of waste and resource recovery infrastructure, innovation, environmental protections, and community education.

Challenge

Advocacy Ask

Councils pay millions in the waste levy and currently receive only 4-5% back.

Return a greater percentage of the waste levy.

NSW Government policies are expanding the role of local government but funding is not keeping pace.

Sustainable, long-term funding to deliver NSW Government’s policies and objectives.

No legislative requirements to reinvest the waste levy funds.

Establish a statutory fund that ensures the waste levy is used for waste, environmental and sustainability programs.

Limited transparency about how levy revenue is used.

Greater transparency on allocation.

As at July 2026

¹ NSW Environment Protection Authority, Review of the NSW waste levy: Issues Paper, May 2024, pg. 2 <[24p-4519-nsw-waste-levy-review-issues-paper.pdf](#)>
² Green Industries SA Act 2004 (SA), s 17
³ Environment Protection Act 2017 (Vic), Part 14.4
⁴ Waste Reduction and Recycling Act 2011 (QLD), s 73DA; Waste Reduction and Recycling Regulation 2023, r 26.
⁵ NSW Environment Protection Authority, Annual Financial Statements for the year ended 30 June 2025, pg. 11 and 26 <[Tab 1 - NSW Environment Protection Authority 202425 Annual Report.pdf](#)>

