



Waste and recycling – waste incineration and waste-to-energy	
Party:	Australian Greens
<p>Summary of proposal:</p> <p>The proposal would introduce a levy equal to \$20 per tonne of municipal waste sent to operational incinerators.</p> <p>In addition, the proposal would ban construction of new waste incineration facilities and prohibiting the Clean Energy Finance Corporation (CEFC) from funding waste to energy projects.</p> <p>The proposal would be ongoing and start on 1 July 2026.</p>	

Costing overview

The proposal would be expected to increase the fiscal and underlying cash balances by around \$3.6 million over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects an increase in administered revenue.

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate PDI tables) over the period to 2035-36 is provided at Attachment A.

Table 1: Waste and recycling – waste incineration and waste-to-energy – Financial implications (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-	1.2	1.2	1.2	3.6
Underlying cash balance	-	1.2	1.2	1.2	3.6

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

- Indicates nil.

The impacts of this proposal are highly sensitive to potential differences between Australian Government and international data on municipal solid waste (MSW). No domestic statistics on the volume of MSW incinerated in Australia could be sourced. Data from the Organisation for Economic Co-operation and Development's (OECD) municipal waste database was therefore used as the basis for this costing. This data is collected by the OECD from member countries through their Annual Quality Assurance (AQA) questionnaire. Though this data is gathered methodically and is subject to regular quality assurance checks, there are likely to be variations in the reported volume of MSW incinerated if domestic stats were made available.

The Parliamentary Budget Office (PBO) has not assessed whether any head of legislative power in the Constitution could support such a proposal, nor estimated any legal costs required to set up the levy.

Key assumptions

The PBO has made the following assumptions in costing this proposal:

- The amount of municipal solid waste (MSW) incinerated will remain the same even after introducing a levy.
 - The amount of MSW that is disposed of via incineration is already minimal.
 - The amount of MSW that is incinerated has plateaued in recent years.
- Most waste incinerated is hazardous (e.g. medical waste and biochemicals) thus has no alternative method of disposal.
- The payment of the levy would be made monthly to DCCEEW.
- Banning new construction of incinerators and the CEFC from funding waste incineration projects would have no financial impact. The funding which CEFC might have used to fund incineration projects/subsidies would be allocated to other projects.

Methodology

Annual incinerated MSW volume was sourced from the OECD's *Municipal Waste* dataset, which is provided via the *questionnaire on the state of the environment*. This dataset covered the period of 2015 to 2023.

The most recent year (2022-23) was used as the reference year for the volume of MSW incinerated, which was then projected to 2035-36 with the assumption that the amount of incinerated MSW would not change. The proposed levy rate was then applied.

Reporting and payment of the levy would be integrated into existing DCCEEW processes.

Financial implications were rounded consistent with the PBO's rounding rules.¹

Data sources

Department of Climate Change, Energy, the Environment and Water (DCCEEW), 2025, [National waste and resource recovery report 2024](#), Australian Government

Department of Climate Change, Energy, the Environment and Water (DCCEEW), 2025, [National Waste Database](#), Australian Government

Organisation for Economic Co-operation and Development (OECD), 2025, [Waste – Municipal waste: generation and treatment](#)

Organisation for Economic Co-operation and Development (OECD), 2025, *Municipal waste: Database documentation*

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025*, Commonwealth of Australia.

¹ <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

Attachment A – Waste and recycling – waste incineration and waste-to-energy – Financial implications

Table A1: Waste and recycling – waste incineration and waste-to-energy – Fiscal and underlying cash balances (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Revenue													
Administered tax													
<i>Levy on incineration</i>	-	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	3.6	12.0
Total – tax revenue	-	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	3.6	12.0
Total (excluding PDI)	-	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	3.6	12.0

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

Table A2: Waste and recycling – waste incineration and waste-to-energy – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Fiscal balance	-	..	0.1	0.1	0.2	0.3	0.3	0.4	0.5	0.5	0.6	0.2	3.0
Underlying cash balance	-	..	0.1	0.1	0.2	0.2	0.3	0.4	0.4	0.5	0.6	0.2	2.8

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary².

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

.. Not zero but rounded to zero.

² [Online budget glossary – Parliamentary Budget Office \(pbo.gov.au\)](https://pbo.gov.au/)