GOVERNMENT OF WESTERN AUSTRALIA

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WasteSorted
A Waste Authority Program

Better practice FOGO contracting guide

Acknowledgments

The Waste Authority acknowledges the contribution of the Waste and Recycling Industry Association of Western Australia and the Western Australian Local Government Association to the development of this guide. The Waste Authority would also like to acknowledge the FOGO Reference Group for its input into the guide.

The guide describes better practices for local governments and industry to use when contracting (or reviewing contracts) for food and garden organics (FOGO) collection and processing services. The information for the better practices has been largely drawn from a report by MRA Consulting Group (2022) that was commissioned by the Department of Water and Environmental Regulation.

Better practice guidance on waste services is available on the Waste Authority website and elsewhere. The Waste Authority will continue to develop better practice guidance as part of its ongoing commitments to support the Waste Avoidance and Resource Recovery Strategy 2030. Users should refer to relevant materials, including better practice guidance, when using this guide.

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Executive summary

This guide describes better practices for local governments and industry to use when contracting or reviewing contracts for food and garden organics (FOGO) collection and processing services. The document should be read in conjunction with other Waste Authority Better practice guides.

Better practices include:

- ☑ Planning and procurement begins at least 2.5 years ahead of planned implementation.
- ☑ The FOGO contamination rate is set below 2 per cent by weight. The national average is 2.2 per cent, however best practice has achieved below 1 per cent contamination.
- ☑ The contract provides a sliding scale of gate fees for increased contamination rates.
- ☑ The minimum expected recycling rates must exceed 94 per cent.
- ☑ Guaranteed ongoing education expenditure is more than $9 per household, per annum (CPI adjusted).
- ☑ The use of the WasteSorted Toolkit resources and consistent messaging is specified in the contract.
- ☑ A fully funded enforcement program is implemented, to ensure low contamination levels.
- ☑ An adequate supply of certified compostable caddy liners for residents.
- ☑ The contracted parties agree to AS 4454 quality specifications (at a minimum) for the FOGO-derived products.
- ☑ A buy-back clause for FOGO-derived material is included in the contract.

Better practice FOGO contracting guide

This guide describes better practices for local governments and industry to use when contracting (or reviewing contracts) for food and garden organics (FOGO) collection and processing services.

The guide is a collaboration between the Waste Authority, the Department of Water and Environmental Regulation (DWER), the Western Australian Local Government Association (WALGA) and the Waste and Recycling Industry Association of Western Australia (WRIWA).

It is designed to inform the planning, tendering and contracting stages, and describes better practices covering contamination management, behaviour change for households and considerations for end products.

The information for the better practices has been largely drawn from a report by MRA Consulting Group, commissioned by DWER. The report is based on research and consultation feedback from the recycling industry and local governments in Western Australia (WA). Other information is based on consultation, contemporary research, and experiences in other states. This guide is not intended to be a comprehensive list of all considerations for FOGO service contracting.

1. Other resources

This guide should be read in conjunction with:

- Better practice FOGO services: A step by step guide
- Better practice FOGO collection guidelines
- Better Bins Plus: Go FOGO funding

The Better practice guides (links above) contain important information on step-by-step planning for a new FOGO service, such as conducting initial waste audits, bin configurations, building a business case, pilots, funding, procurement and communications.

The WA Government's Better Bins Plus: Go FOGO program provides funding to local governments that deliver kerbside services consistent with the Better practice FOGO collection guidelines.

As part of the WALGA Preferred Supplier Program, a standard contract is provided. This contract has been agreed to by the service providers. Local governments may choose to use this or go to tender and contract directly with private providers.

2. Planning

Better practice: Planning and procurement begins at least 2.5 years ahead of planned implementation.

To ensure the best possible outcome, planning for a new FOGO service should begin at least 2.5 years in advance. Generally, the following steps are needed:

For locations with existing FOGO processing, at least 12–18 months are needed from appointing a contractor to implementation. This allows for activities such as the supply of Mobile Garbage Bins (MGBs), purchasing and commissioning collection vehicles, processing capacity licence amendments and approvals, and the purchase and delivery of necessary processing equipment. An expected timeframe for service commencement must be included in the tender documents and agreed to in the contract.

Local governments should consider longer contract terms of 7-10 years. Longer contracts provide certainty for both the collector and the processor. This supports investment into improved infrastructure, which creates better quality products and increases material recycling rates.

The implementation of a FOGO service may also impact other local government waste contracts. For example, contracts may need to reflect decreased general waste collection and or the reduction in volume of general waste to landfill or energy recovery facilities.

More information on planning and procurement is found in the Better practice FOGO services: A step by step guide.

Locations without existing processing

During the planning phase it's essential to understand the current and potential markets available to service your FOGO that's collected. What infrastructure is available and where is it located?

In locations without existing organics processing capacity, it can take a long time to establish a FOGO service. This is because additional steps are required, such as site development, new licence applications and approvals, and market development.

If the processing market is underdeveloped, local governments could run an Expressions of Interest round. This step can help to gain a better understanding of local processing opportunities and constraints, and can help inform timelines and next steps.

3. Managing contamination

Minimising contamination is critical, with all contracting parties responsible to ensure success. Minimising contamination increases consumer confidence in the quality of the FOGO-derived product, drives markets and supports increased recycling.

3.1 Contamination and procurement

Local governments, collectors and processors all play a vital role in contamination mitigation, and need to demonstrate their capabilities through the tender process.

Local government

Local government has a key role in reducing contamination. This can include:

- Behaviour change initiatives such as bin tagging.
- Consistent communication with its community.
- Bin or compositional auditing to track contamination rates.
- Enforcement actions where required.
- Contractual arrangements which clearly assign roles and responsibilities for contamination management.

Local governments should also outline their contamination mitigation strategies and anticipated education funding in the tender documents. This helps the waste industry to submit informed tender applications. See section 4.

Collection

The collection tender should include a requirement to demonstrate competency in identifying, managing and reporting on bins with high levels of contamination. It is recommended that local governments seek providers who use technologies such as cameras, GPS, data systems and AI, to help identify and act on highly contaminated FOGO bins. These technologies can produce notifications and alerts for local governments to enable action. This is useful for contamination management and can inform targeted community engagement.

It is recommended that trucks collecting FOGO are not also used to collect other waste types. This avoids cross contamination, for example glass from the recycling stream or chemicals from general waste.

Processing

The processing tender should include a request for technologies and systems that maximise material recycling and ensure a high-quality end-product. Local governments should request specific information on de-contamination practices and equipment. At a minimum, processors need to be able to demonstrate consistent manufacture of high-quality products which meet (or exceed) the Australian Standards for Composts, Soil Conditioners and Mulches (AS 4454).

At the time of writing, AS 4454 is under review. Some stakeholders have reported that AS 4454 is not stringent enough to meet the requirements of some markets. For example, Ritchie (2025) criticised AS 4454 for not meeting the needs of agricultural markets. Some processors develop their own specifications to meet the contamination and nutrient requirements of their local end markets. Information on this could be sought through the tender, such as by requesting that the processor identify which standard they will meet and the markets for their products.

Other factors to consider include the processor's material recycling rate (see section 3.4), data collection and reporting abilities, and opportunities for collaboration on community engagement and education.

3.2 Contamination rates and audits

Better practice: The FOGO contamination rate is set below 2 per cent by weight. The national average is 2.2 per cent, however best practice has achieved below 1 per cent contamination.

Local governments and processors must agree to an average FOGO contamination rate. The rate to set is less than two per cent contamination of FOGO by weight.

A FOGO audit should be conducted at least annually through an agreed process.

One method of auditing is using a representative sample of FOGO bins collected, which are taken to an audit facility (or location) where the audit can be completed. This compositional audit is undertaken pre-processing and gives the best measure of contamination.

These audits can also provide useful data on food waste generation per household, potential food waste recycling rates in FOGO bins, bin contamination (by weight and by item type) and comparisons between different areas within a local government area.

Audits can assist local governments to target messaging to key groups or target problematic items. They also assist with tracking progress over time, which can be communicated to residents.

Other types of inspections which can be useful include visual inspection and documentation of each load. These methods provide a general indication of contamination levels on a more regular basis and help identify the different types of contamination.

3.3 Variable gate fees

Better practice: The contract provides a sliding scale of gates fees for increased contamination rates.

Receivers of FOGO material are usually paid a gate fee that is outlined in the contract. A variable or sliding scale of increased fees for increased contamination levels is to be included in the contract. This enables the processor to recoup some costs associated with decontamination and landfilling, and incentivises local governments to put in place approaches to reduce contamination. Agreement should be reached between the parties on how to manage loads that are heavily contaminated i.e. how is this determined and who pays?

Processors and local governments must agree to an audit process which determines if the average contamination rate has been surpassed, triggering the increased costs. It is recommended that audits are conducted at least annually. However, more frequent audits are advisable, as they allow for timely responses to variations in feedstock quality.

3.4 Minimum material recycling rates

Better practice: The minimum expected recycling rates must exceed 94 per cent.

Local governments and processors should aim to recycle (recover) as much FOGO derived material as possible. The minimum expected recycling rates should exceed 94 per cent. Good recycling rates primarily depend on eliminating contamination at the source. Contaminated loads can result in a reduced recycling rate due to the organic matter lost during decontamination (e.g. screening). Oversized organic items like tree stumps are also sometimes removed and treated as residual waste, affecting the overall recycling rate. Ensuring the processor has a mechanism for handling oversize material will increase the material recycling rate.

Where feasible, the residual material not suitable for composting, should be diverted from landfill to energy recovery facilities.

Tenders for FOGO processors should request information on their current FOGO recycling rates. Mechanisms to maintain this rate and achieve an agreed minimum rate should be included in the contract.

4. Behaviour change

Within the current system, the most effective way to eliminate contamination is by preventing the wrong materials from being placed in the bin, in the first place. When implementing FOGO, and throughout the contracting period, local governments need to ensure that behaviour change is occurring. For a new FOGO service, a detailed plan is essential (see FOGO step by step guide). As a general principle, the more effort and annual spend on education, the lower the contamination rates. According to an MRA Consulting Group article on FOGO in July 2022, it is estimated that every one dollar increase in education spend per household, per year, can reduce contamination by one per cent and increase the capture rate by five per cent.

4.1 Education expenditure

Better practice: Guaranteed ongoing education expenditure is more than $9 per household, per annum (CPI adjusted).

Expectations on the activities, roles, responsibilities and annual budget for household education should be specified in the tender documentation. This information should be provided by the local government even if education will be carried out in-house. This provides clarity to the waste industry when responding to the tender.

As behaviour change takes time, education budgets must cover pre-implementation, implementation and importantly, ongoing education. Building education budget into the cost of collection (either via the contract or local government expenditure) can help to ensure funds are available each year, specifically for FOGO education.

The WA Government's Better Bins Plus: Go FOGO program provides grant funding for better practice FOGO services of $15 or $25 per household.

The September 2022 report by MRA Consulting Group suggests that the ongoing education spend should be at least $9 to $11* per household, per year to mitigate against contamination. However, this amount may differ depending on the number of households within a local government area. For example, smaller local governments in regional areas may need to take a different approach. The figure includes staff, education resourcing and any contractual contribution from waste service providers. Better practice would guarantee ongoing education expenditure at over $9 per household, per annum (CPI adjusted).

* The MRA Consulting report contained 2021 education spend figures. When adjusted for inflation, these figures equate to approximately $9 to $11 in 2025-26.

4.2 Education resources

Better practice: The use of the WasteSorted toolkit resources and consistent messaging is specified in the contract.

The WasteSorted toolkit is a free online resource provided by the Western Australian Government that helps local governments and regional councils to educate their residents on proper waste sorting for the three-bin FOGO system. The free resources range from social media videos and images to posters and waste truck banners. Flyers are also available in multiple languages to support FOGO education for diverse language groups.

The statewide GREAT Sorts campaign also provides resources to support waste education and the messages of Gifting, Recycling, Earth-cycling, Avoiding and Taking (GREAT).

4.3 Accepted materials list

The WasteSorted toolkit contains an Agreed List of accepted FOGO bin materials. The short list should be communicated to residents (food and garden organics and compostable caddy liners). It focuses on materials that maximise recycling rates and minimise contamination.

Other than Australian Standard certified compostable caddy liners, other compostable items, including certified compostable fibre-based or bioplastic items are not suitable for FOGO. Both compostable and non-compostable items currently on the market look very similar, making it difficult for FOGO processors to distinguish them correctly.

The Australian Government is working on mandatory obligations for packaging design and how compostable packaging can be processed through the FOGO system. Similarly, the State Government is introducing bans that remove conventional plastic and compostable bioplastic from use in Western Australia. Until this work has been progressed further, only Australian Standard certified compostable caddy liners are permitted in FOGO.

4.4 Enforcement

Better practice: A fully funded enforcement program is implemented, to ensure low contamination levels.

Most people use FOGO services well; however, it only takes a few highly contaminated bins to contaminate a whole load. Enforcement is a key part of ensuring low levels of contamination. There are various approaches including education, infringements and service removal.

Options include:

- The WasteSorted bin tagging program administered by WALGA with funding from the WA Waste Authority. This program involves a visual inspection of each bin, with tags placed on the handle of the bin to provide feedback to the resident on the bin contents.
- Issuing infringements for contamination, as allowed for in the relevant Health or Waste Local Law.
- The three-strike program which involves bin inspections (or surveillance from collection vehicles) with residents receiving warnings and education if contamination is present, and finally a notice that their bin will be removed.

Local governments must have a plan about how to deal with households that continuously have high levels of FOGO-bin contamination. During the planning phase, local governments should consider the best way to identify problem households (e.g. truck AI cameras, truck drivers) and seek executive and council support for decisive measures where education has not had the desired effect. This should include actions such as alternative service provisions for special circumstances (e.g. medical, large families), bin removal and/or fines. Face-to-face engagement with these residents is crucial to success but it must be planned for to ensure staff capacity. Early planning also enables clear messaging to residents about what happens if a FOGO bin is consistently highly contaminated.

5. Kitchen caddy liners

Better practice: An adequate supply of certified compostable caddy liners for residents.

Kitchen caddies and caddy liners have been shown to increase ongoing household participation and food diversion in FOGO services. Local governments should provide access to certified compostable caddy liners (accredited to AS 4736) to households. This helps to prevent households from using non-compostable liners that contaminate the end-product.

Produce bags for loose fruit and vegetables sold in WA retailers are now required to be certified compostable to at least AS 4736 standards. These can be used as caddy liners. Residents wanting to reuse their produce bags as caddy liners should look for the seedling or home compostable logo issued by the Australasian Bioplastic Association (ABA) on the bag.

When procuring caddy liners, ensure they fit in the chosen caddy, take note of their shelf-life and consider effective distribution methods to households. Distribution often occurs initially within the provided caddy itself and then through methods like collection from local government offices and libraries. Local governments and processors should agree to the proposed caddy liner to assist with correct identification during processing.

6. End markets and product specifications

Better practice: The contracted parties agree to AS4454 quality specifications (at a minimum) for the FOGO-derived products.

The purpose of FOGO collection is to recover high-quality organic materials which, once processed, can be used for a range of beneficial uses such as urban amenity (e.g. parks, gardens, sporting fields), landscaping and agriculture.

Determining and agreeing to product specifications for the FOGO-derived products can be beneficial to both parties. It helps local governments to feel confident that the end-products can be used in wide range of applications. The processor also needs to agree that the expected level of quality is achievable and that they can report on it appropriately.

At a minimum, products must meet the Australian Standard for Composts, Soil Conditioners and Mulches (AS 4454). The Standard provides information on product specifications according to product maturity and particle size. However, some markets have further quality specifications (i.e. contamination rates and nutrient values) based on the specific industry and use. It is important to understand the local markets for the FOGO-derived product and the required specifications. Case studies on uses for FOGO-derived compost are available on the Waste Authority 'FOGO resources' webpage.

Processors are responsible for ensuring that products are fit-for-purpose and do not cause pollution or harm to the receiving environment. Processors must refer to the Guidelines for better practice organics recycling and comply with their licence conditions.

6.1 Buy-back clause

Better practice: A buy-back clause for FOGO-derived material is included in the contract.

Local governments should include a buy-back clause within the contract. This is an agreement with the processor to purchase an amount of the FOGO-derived product, at agreed product specifications (e.g. for community promotional purposes, sporting fields, parks and gardens).

A buy-back clause provides certainty about the end-use of the material. It also reduces the market risk for the processor by guaranteeing the product's sale and can assist local government to get a competitive price on pre-specified material.

Some local governments have purchased high-quality FOGO-derived compost as a promotional tool for residents. The City of Fremantle, Resource Recovery Group and GO Organics produced an AS certified compost, in specially designed 'FOGO Compost' packaging to give away to residents at local events and to sell through their recycling centre. The promotion resulted in a high number of enquiries about options to bulk purchase the product. This type of initiative engages the community and demonstrates the local circular economy.

Successful FOGO implementation requires the active participation of state government, local government and the recycling industry. These better practices have been determined to be effective ways to support FOGO in Western Australia. However, this guide is not intended to be a comprehensive list of all considerations during the contracting process for FOGO services.

More information can be found at:

www.wasteauthority.wa.gov.au
www.walga.asn.au
www.wriwa.com