

Domestic waste management charges for NSW councils for 2026-27

30 September 2025

In 2010, the (then) Minister for Local Government delegated to IPART the function of determining the maximum percentage by which councils can vary domestic waste management (DWM) charges. Since then, IPART has decided each year it would not limit the variation of these charges.

1 IPART's decision

IPART decides each year whether to set a maximum percentage by which NSW local councils can increase their DWM charges ('waste peg'). We have decided there should be no limits on the amount by which councils can vary their DWM charges for the 2026-27 financial year.

Decision



1. That no limit is to apply to the percentage by which councils may vary their domestic waste management charges for the 2026-27 financial year.

In making this decision, we analysed the most recent data available on councils' DWM charges and considered the Office of Local Government's (OLG's) regulatory role and its commitment to its proposed approach to regulating DWM charges.

In 2022, OLG recommended a new approach to regulating DWM charges whereby it would provide further guidance to councils and undertake targeted investigation of councils that may be imposing unjustifiably high DWM charges on their communities. We continue to support OLG to develop and implement its approach.

We also note that council waste services are undergoing a transition towards meeting the state government mandate to provide Food and Garden Organics (FOGO) services by 2030. Applying a cap on DWM charges at this time could impede the statewide adoption of FOGO by local governments.

2 Domestic Waste Management

2.1 Charges must not exceed the reasonable cost of providing services

Under section 504(3) of the *Local Government Act 1993*, councils must set DWM charges such that the income obtained from charges for DWM services does not exceed the reasonable cost to the council of providing those services. This obligation applies regardless of IPART's decision.

2.2 Councils provide a number of different waste services

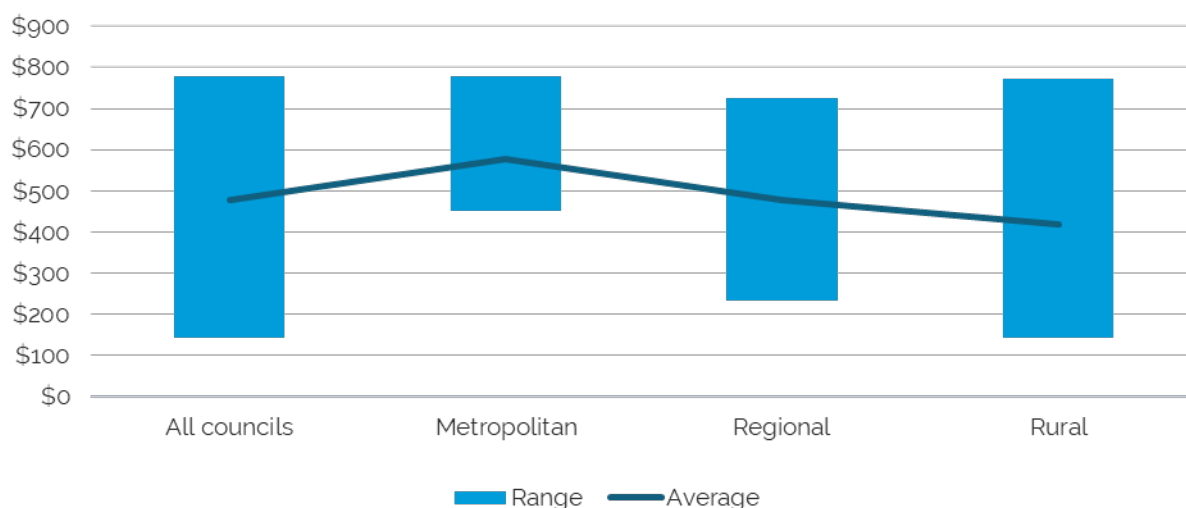
DWM is a key responsibility for councils, with social, public health, environmental and economic significance. Councils provide a range of DWM services to their residents, such as kerbside collection for landfill, recycling, FOGO, drop-off facilities and periodic clean-up services.

The latest OLG data indicates all councils provided general waste services (residual waste), though not to all residents. However, there are a number of councils that do not provide a recycling kerbside collection service. Many of these councils provide drop-off services which allow residents to drop off materials for recycling and disposal.

2.3 Average DWM charges vary across councils

Figure 2.1 shows the significant variability in average DWM charges among councils for the 2023-24 year. This analysis is based on the latest OLG data available.

Figure 2.1 Average DWM charges among council groups for 2023-24



Source: OLG timeseries data 2023-24 Accessed 9 July 2025, IPART calculations

The variation in charges within metropolitan councils is much smaller than for regional or rural councils. This variation in charges is due to a number of factors, including:

- Some councils provide their own in-house services rather than contracting out waste services; this is more common for rural and regional councils.
- Many metropolitan councils use the same providers and same infrastructure for collection and processing waste. Since there are only a small number of commercial waste management and processing facilities in the Greater Sydney area, this results in more uniform council waste management charges.
- All metropolitan councils pay the same state Metropolitan Area Waste Levy of \$163.20/tonne of landfill waste (2023-24). Some rural and regional councils are within area boundaries for paying a Regional Waste Levy of \$94/tonne while some are not required to pay a levy, leading to greater variance.
- Regional and rural councils display a greater variability in characteristics such as population density, council size, population size and the availability of waste processing and pick up services than metropolitan councils.
- Some parts of rural Local Government Areas (LGAs) only provide regular red-bin collection, with the responsibility of bringing recycling to local facilities left to residents. This results in a proportionately lower DWM charge.

2.4 Food organics and garden organics

The NSW government has mandated councils across NSW to implement FOGO collection services to all NSW households receiving a red bin service by July 1, 2030. The government also announced it will support council implementation of FOGO with funding at a flat rate of \$25 per apartment, and \$50 per house in 2025.

We recognise the need to support councils and communities in meeting the NSW Government's [Waste and Sustainable Materials Strategy 2041](#) targets and consider that setting a cap on increases in waste charges at this time may impede the transition.

The rollout of FOGO collection services may impact DWM charges paid by ratepayers in the following ways:

- Rollout of FOGO programs requires council investment in new collection and processing services as well as funding of awareness campaigns.
- Once implemented, FOGO programs can recoup some of their costs by reducing the volume of waste sent to landfill and the amount paid in NSW Waste Levies.

The reasons behind the adoption of FOGO include:

- Greater Sydney is set to hit landfill capacity by 2030 unless the amount of waste generated is reduced. [The Draft NSW Waste and Circular Infrastructure Plan](#) has stated that seeking alternative landfills in other LGAs or interstate would likely result in a 20% increase to DWM charges for residents of Greater Sydney.
- In 2024, the EPA published findings showing that food waste still accounts for 42% of household red bin contents in NSW. However, with the adoption of FOGO an average of 85% of food and garden organic waste per household is diverted from landfill to FOGO.
- The EPA notes that each tonne of organic waste diverted from landfill avoids about 1.5 tonnes of CO² or equivalent emissions.

As of July 2025, the EPA notes around 78 of the 128 councils in NSW have adopted or are planning to adopt FOGO services for their communities. A map of the councils which have adopted it can be seen in Figure 2.2.

Figure 2.2 NSW Councils FOGO implementation progress July 2025

