Local Government Procurement

FY26 Annual Report



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Highlights

- $1.06 billion contract spend
- Rebates paid to councils the FY26 rebate scheme, $1.42 million
- 2610 RFXs online with an estimated value of $953m
- Saved the sector $84 million in negotiated price savings, contract and tender avoidance

- Refreshed 4 major contracts
- 81 projects delivered by Strategic Procurement Solutions generating $580,000 in revenue
- Webinar participation: Over 1000 delegates attending from 124 councils across NSW
- Delivered specialised training to more than 380 people
- Provided $300,000 procurement-related funding across 11 projects
- Over 1,300 approved contractors assessed for modern slavery risk

About LGP



Purpose

We create and drive value for local communities.

Vision

We are an innovative leader, expert and champion delivering high-value procurement solutions, education, and consulting services. We achieve this aspiration through engaged, empowered and accountable staff who enjoy being part of our talented team.

Value Proposition for Customers

Your Partner in Procurement Excellence

- **Streamlined Procurement:** Tailored, cost-effective solutions - no tendering required.
- **Boost Capability:** Access grants, tools, training, events, and data insights.
- **Sustainable by Design:** Leading ethical, inclusive, and climate-conscious procurement.
- **Dedicated Support:** Expert guidance from our team at every step.

Value Proposition for Approved Contractors

LGP Contractors – Connecting with Local Government and Communities

- **Business Growth:** Accelerate your business, join a high-performing trusted network, unlock opportunities, and secure long-term success.
- **Streamlined Connections:** Connect with NSW local councils and buyers through streamlined contracts, delivering quality goods and services across diverse categories.
- **Efficient Procurement:** Experience a simplified, compliant, and seamless procurement process that saves time and money – while boosting your market reach and credibility.

Our Customers

Our customers include all NSW councils, regional organisations of councils (ROCs), joint organisations (JOs), non-NSW councils, not-for-profit organisations, universities, state government agencies and departments.



Message from the Chairman

Reflecting on the past year, LGP made significant progress in advancing its strategic priorities as it entered the final year of the current strategic plan. The Board maintained a strong focus on sound governance, organisational performance and LGP's long-term sustainability, growth and value to stakeholders by achieving record levels of customer engagement across our core services.

Governance

Strong governance remains fundamental to the Board's stewardship of LGP. During the year, we strengthened our risk management and internal controls, including Business Improvement internal audits covering Fraud and Corruption, Work Health, Safety and Wellbeing, and Data Governance.

The Board endorsed LGP's first Reconciliation Action Plan and maintained its oversight of LGP's Registered Training Organisation.

In our last meeting of 2025 we farewelled Robert Lagaida following more than seven years of service as a Director. On behalf of the Board, I thank Robert for his valued contribution and commitment to LGP. In April we welcomed Jan McClelland AM and Mathew Baldwin to the Board and look forward to the experience and perspectives they will bring.

'record levels of customer engagement across our core services'

Strategic Direction and Oversight

A major focus of LGP's future strategic direction was the development of a Five-Year Transformational Growth Strategy. Led by the Board and Executive Team, this new strategy aims to position LGP for significant business expansion and sustainable growth to amplify our value to the local government sector.

The Board endorsed the 2026–2029 Strategic Plan while continuing to oversee delivery of the 2023–2026 Strategic Plan. The Chair and Chief Executive Officer maintained regular reporting to the LGNSW Board and Risk Committee.

LGP is proud to have invested more than $13.7 million under our annual Rebate Scheme and Procurement Capability Grant Program. The Board approved a new rebate distribution model which has 100% of all available funds, and from FY26 funds we can confirm $1.13 million will be distributed to 128 NSW councils. Importantly, from the FY26 result the Board has approved another $285,000 to be made available under Release 6 of the Procurement Capability Grant Fund.

John Truman

Chairman of the Board



Message from the CEO

FY26 marked an important transition for LGP. We completed the final year of our 2023–2026 Strategic Plan while preparing the organisation for its next phase of growth. Most importantly, we remained focused on our purpose: creating and driving value for local communities.

The collective strength of the sector was again clearly demonstrated this year. Expenditure through LGP contracts reached $1.06 billion, exceeding $1 billion for the third consecutive year. Councils completed 2,610 online requests for quotation, representing an estimated value of $953 million. Through negotiated pricing, tender avoidance and contract efficiencies, LGP helped deliver an estimated $84 million in savings for NSW local government.

These outcomes are more than financial measures. They represent resources that councils can redirect towards the services and assets their communities rely on, including roads, parks, libraries, community centres, pools and essential local infrastructure. They also reflect resource time returned to council teams, reduced duplication and access to procurement processes designed for the needs of local government.

We continued to invest back into the sector. Under the FY26 rebate scheme, $1.13 million will be distributed across 128 NSW councils, while a further $285,000 has been approved for Release 6 of the Procurement Capability Grant Fund. We launched the new Innovation Development Fund in partnership with Telstra, incredibly we managed two rounds of co-funding for 9 digital transformation projects with the awarded councils.

Building procurement capability remained central to our work. The LG Training Academy supported approximately 380 participants, including the first cohorts to complete Certificate IV and Diploma qualifications through our Registered Training Organisation. More than 1,000 delegates from 124 councils participated in our webinar program. Our Strategic Procurement Solutions team provided practical support across complex tender programs, probity, procurement frameworks and contract management, circular economy and modern slavery prevention thought leadership.

FY26 also saw continued progress in responsible procurement. We implemented our first Reconciliation Action Plan, expanded engagement through our unique First Nations Procurement Scheme, and introduced our new Disaster Response supply chain solution for councils and their communities. These initiatives reflect our belief that procurement can deliver economic, social and environmental value.

We strengthened the commercial foundations that support councils and suppliers. Four panel contracts were refreshed, customer contract templates were updated, and a portfolio-led operating model was introduced. We continued to develop contract lifecycle management capability to drive new efficiencies, greater consistency, visibility and discipline in the management of our contract portfolio.

Internally, we remained focused on maintaining a capable, accountable and adaptable organisation. Employee engagement remained strong at 80 per cent. We embedded our Objectives and Key Results framework, invested in leadership development and advanced preparations for ISO 9001 certification. These initiatives are improving how we prioritise work, measure performance and deliver a consistent experience for councils and suppliers.

I thank the LGP Board, Executive and our LGP employees for their professionalism, energy and commitment throughout the year. I also thank our councils, approved contractors and sector partners for their trust, participation and constructive engagement. Their contribution enables LGP to combine the purchasing power, knowledge and ambition of local government and convert it into tangible benefits for communities across NSW.

In FY27, LGP is well positioned to broaden its impact, strengthen procurement capability across NSW local government, and translate collective purchasing power into lasting positive community impact.

Luke Kenny

Chief Executive Officer

Board of Directors



John Truman – Chairperson

John was appointed to the Board as Chair in 2018 with this appointment renewed in 2021 and 2024.

John's professional qualifications include a Bachelor of Engineering, Bachelor of Laws (Hons) and a Masters Degree in Business Administration.

John has extensive experience working in the local government sector, including 25 years as the Director of Civil Services at Ballina Shire Council.

John is admitted by the NSW Supreme Court as a solicitor.

In 2025 John resigned from Ballina Shire Council to commence legal practice working for Keystone Lawyers. John's legal practice specialises in building and construction law, local government law, and commercial law.

He is a former National President and NSW President of the Institute of Public Works Engineering Australasia.



Coretta Bessi – Director

Coretta was appointed to the Board in 2023. She has over 30 years' experience as a procurement professional having previously been Chief Procurement Officer at Westpac Group, nbn, BlueScope and Ausgrid in addition to consulting for local, state and federal government.

She is currently a Board Director of St John Ambulance Australia (NSW), Chair of the ACT Government Procurement Board, and an Independent Procurement Oversight Committee Member for the Victorian Infrastructure Delivery Authority. Coretta's professional qualifications include a Bachelor of Commerce, Master of Business Administration and Graduate of the Australian Institute of Company Directors.

Coretta is passionate about procurement as a profession and the ability to drive social and environmental impacts for our communities. Coretta is the Co-Founder and Chair of Bravo – a Women in Procurement & Supply Chain empowerment program with The Faculty and previously lectured at the University of Wollongong and Sydney Business School in Procurement Management and Advanced Negotiations for its Masters Program for over a decade.

Board of Directors



Penny Holloway – Director

Penny has served on the LGP Board since 2018. She has 30+ years' experience at senior executive level in state and local government in Victoria and NSW, including CEO of Lord Howe Island Board, General Manager at North Sydney Council and CEO at Latrobe City Council.

She is currently Chair of Local Planning Panels at Woollahra and Hornsby Councils, a State Member on the Sydney South Planning Panel, a Member of Northern Sydney Local Health District Audit and Risk Committee, Chair of the Connected Libraries Board in Victoria and Chair of Moira Shire's CEO Employment and Remuneration Committee in Victoria.

Penny's professional qualifications include a Bachelor of Arts (Hons), Bachelor of Social Work, Master of Urban Planning, Graduate Diploma in Public Policy and Australian Institute of Company Directors Diploma.



Peter Dennis – Director

Peter has served on the LGP Board since 2018. He is an engineer with over 35 years water industry and local government experience. He is currently Market Director Beca Hunter H2O.

His previous roles include CEO at Seqwater, CEO at Armidale Regional Council and General Manager System Strategy at Hunter Water Corporation.

Peter is currently the Immediate Past President of the Australian Water Association and Deputy Chair of Icon Water. His Board experience includes ICON Water, Australian Water Association, Mackay Regional Council Water Board, Beca Australia and Newcastle Institute of Energy and Resources.

Peter has extensive experience in local government and utility procurement including procurement strategies for major water infrastructure projects.

Board of Directors



Jan McClelland AM – Director

Jan was appointed to the Board in April 2026. She has extensive experience as a Chief Executive, Chair and Company Director across government, private and not for profit sectors.

She is currently Chair of the Gateway Network Governance Body (GNGB), Chair of the Life Insurance Code of Practice Committee, and a member of the NSW Judicial Commission. Jan also chairs several audit and risk committees across government and non government organisations.

Jan is a former Director General of the NSW Department of Education and Training, Managing Director of the NSW TAFE Commission and Deputy Chancellor of the University of New England. Her previous leadership and governance roles span education, transport, waste, agriculture, medical technologies, legal and professional services, and insurance.

Her professional qualifications include a Bachelor of Arts (Honours), Bachelor of Legal Studies and an Honorary Doctorate of Letters. She is a Fellow of the Australian Institute of Company Directors, a Fellow of the Institute of Leaders and Managers, and a Fellow of the Australian Council of Educational Leaders. Jan was awarded a Member of the Order of Australia (AM) in 2015 for significant service to education, business, social welfare and community organisations, and to public administration.



Mathew Baldwin – Director

Mathew was appointed to the Board in April 2026. Mathew is a Partner at Thomsons and has more than 20 years' experience advising Commonwealth, state and local government clients on contracting, procurement and major projects. His areas of expertise include procurement governance, probity, commercial and technology contracting, privacy and cybersecurity.

Mathew holds a Bachelor of Economics and a Bachelor of Laws (Honours) from the Australian National University and is admitted as a lawyer in Australia and England and Wales. He previously served on the ACT Government's Procurement Board, overseeing high-value procurements and contributing to procurement policy and reform. His broader governance experience includes board and company-secretary roles in the not-for-profit sector.

Board of Directors



Robert Lagaida PSM – Director

Robert served on the LGP Board from 2018 through to December 2025. He has 25+ years' experience in the NSW public health system managing delivery of health services, undertaking procurement and management of assets, goods, and services for NSW public hospitals.

He was Director of Clinical Operations and Director of Finance and Commercial Services in a number of NSW Health entities, and also held senior policy positions in the NSW Ministry of Health. Robert is currently a Board Director of Bureau of Health Information. He is also a NSW Government Trustee for the Responsible Gambling Fund. He acts as Independent Chair and Independent Member of Audit and Risk Management Committees for a number of NSW Government agencies, Local Government Councils in metropolitan and regional NSW, and Royal Australian College of General Practitioners.



David Reynolds – Associate Director

David was appointed to the Board in 2023. He has worked in local government since 2006, after starting his career in the private sector as a lawyer specialising in employment and industrial law. David is a qualified company director and currently the Chief Executive at LGNSW.

Before joining LGNSW, David held a number of senior and executive roles across councils in metropolitan Sydney. He has led strategic programs across land use planning, property, infrastructure and transport planning, recreation planning, asset management and special projects of a capital nature, as well as leading strategic corporate and customer services functions at large, dynamic and fast-growing councils.

David has broad and deep experience across the many functions of the local government sector.



Cr Phyllis Miller OAM – Associate Director

Phyllis has served on the LGP Board since July 2022. She is a tireless advocate of rural issues and was the first, and only, woman to be elected President of the NSW Shires Association in its 100-year history.

She is the former President of Local Government NSW, Mayor of Forbes, Board member of Central West Organisation of Councils, Chair of National Parks and Wildlife Advisory Council, and Board member of the Australian Local Government Association.

She has worked as a partner in a successful stock and station agency, in real estate, an auctioneer business, and dry land and irrigation farming enterprises for 30 years. She has succeeded with these, and many other achievements, while raising five children. She is always up for a challenge, gives her time freely to others, and loves having fun with her family and friends.

Our Executive Team

The LGP executive team is one that continues to deliver stability, leadership, strategic thinking and change to serve our sector, customers, staff and stakeholders. These five executives bring a range of broad skills and experiences to their roles at LGP; this includes backgrounds in supply chain and procurement, corporate strategy, governance and risk management, people and performance management. Most significantly the LGP executive team drives, preserves and grows the culture of our organisation to support all our staff allowing them to perform their roles to the best of their ability, and making LGP what we believe to be a great place to work.

The executive team operates as the strategic leadership group guiding Local Government Procurement in delivering value, service excellence and innovation to councils. Through regular planning and review, the team sets organisational priorities, drives continuous improvement, and fosters a culture of collaboration and accountability. By combining expertise in procurement, training, consulting, and stakeholder engagement, the team ensures LGP adapts to emerging opportunities and challenges while delivering long-term value for the sector.



FY26 Executive Team: Margret Szanto, Director, Strategic Procurement Solutions; Michelle Despas, Director, People & Culture; Luke Kenny, Chief Executive Officer; Nik Auzins, Director, Procurement Contracts; Emma Murray, Director, Corporate Services

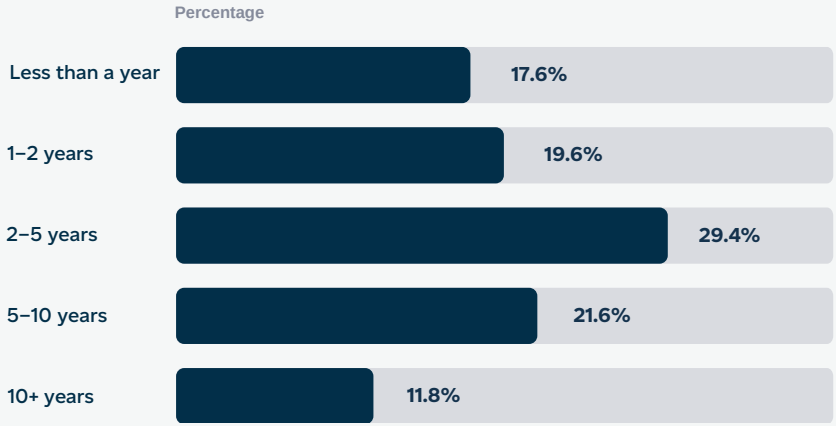
Our People



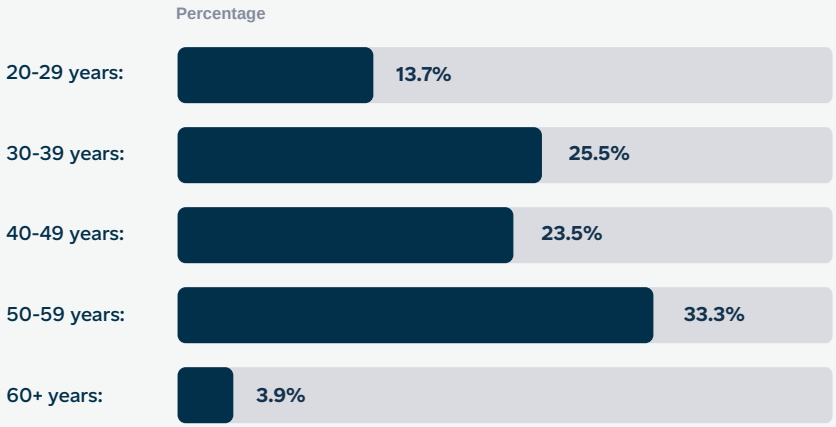
Our People

EMPLOYEE ENGAGEMENT FY26: 80%

STAFF TENURE



AGE DEMOGRAPHIC



GENDER





Our People

Strategic Workforce Planning

FY26 represented a pivotal year of consolidation and recalibration as we closed out the final year of our three-year workforce strategy and positioned LGP for its next phase of growth. While earlier years focused on design and build, this year centred on embedding core frameworks, validating assumptions, and ensuring our workforce approach is sustainable and fit-for-purpose.

A key priority was advancing the implementation of the Capability Framework, including progressing organisation-wide skills mapping and aligning development plans to future capability needs. This work will strengthen our ability to make informed workforce decisions and provide greater clarity around the skills required to support LGP's evolving operating model.

We also continued to evolve our workforce planning approach by incorporating insights from organisational growth planning, employee feedback, and emerging workforce trends. This included a deeper focus on generational diversity and future workforce dynamics, ensuring our strategies remain inclusive and responsive to change.

Our People

High Performance Culture

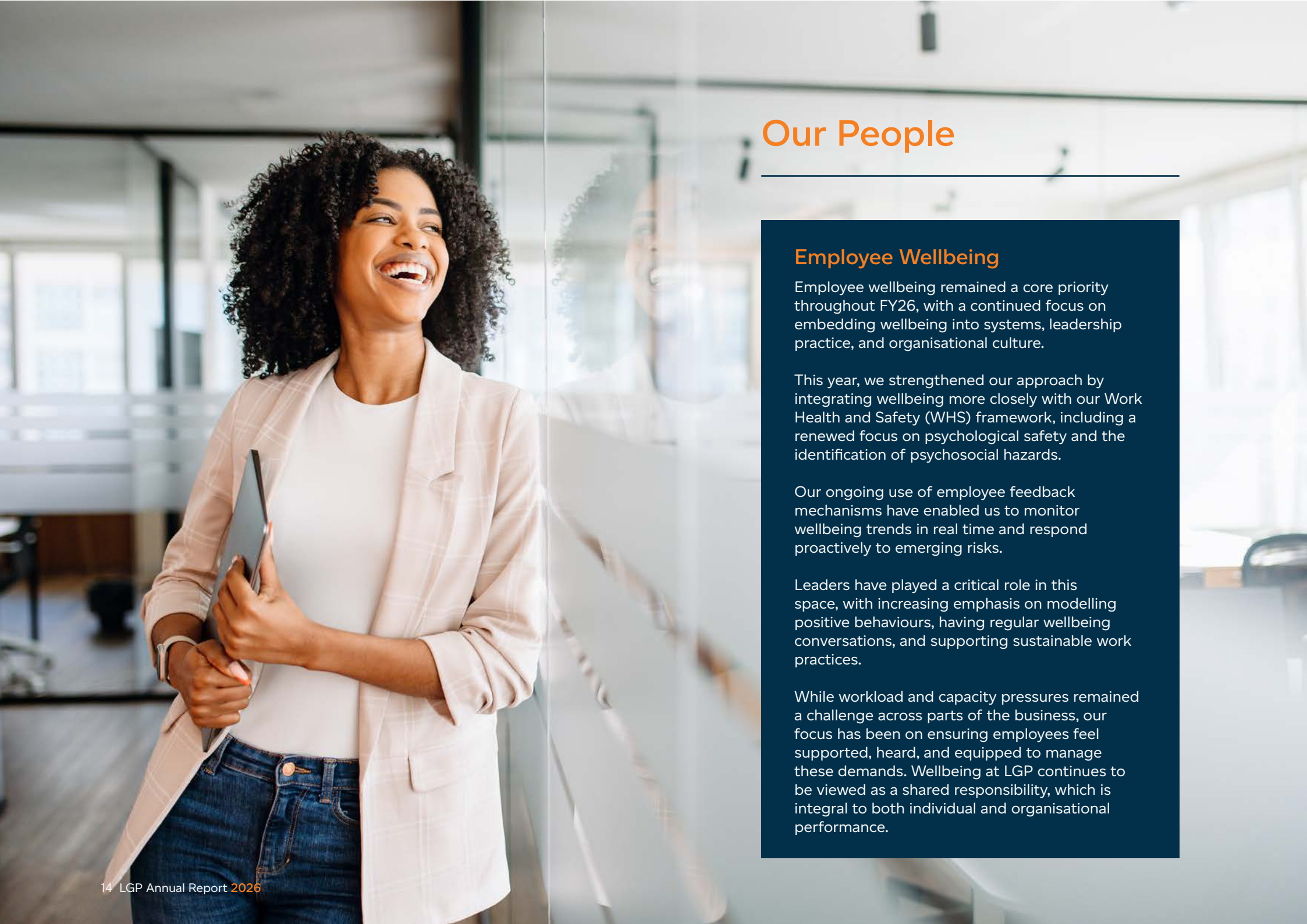
In FY26, our focus shifted from introducing new frameworks to embedding them into how we operate as a business. The Objectives and Key Results (OKR) framework has become a core mechanism for aligning organisational priorities, driving accountability, and strengthening performance conversations across teams.

Through regular check-ins, quarterly reviews, and improved visibility of team objectives, OKRs have supported a stronger connection between individual contributions and organisational outcomes. This has enhanced clarity, consistency, and focus across the business.

Complementing this, our Performance Management Framework was further strengthened to support a more structured, transparent, and continuous approach to feedback and development.

We also continued to build capability through targeted development initiatives, including practical workshops and leadership-led conversations focused on performance, feedback, and team effectiveness. These efforts have reinforced a culture where high performance is not only expected, but actively supported and enabled.





Our People

Employee Wellbeing

Employee wellbeing remained a core priority throughout FY26, with a continued focus on embedding wellbeing into systems, leadership practice, and organisational culture.

This year, we strengthened our approach by integrating wellbeing more closely with our Work Health and Safety (WHS) framework, including a renewed focus on psychological safety and the identification of psychosocial hazards.

Our ongoing use of employee feedback mechanisms have enabled us to monitor wellbeing trends in real time and respond proactively to emerging risks.

Leaders have played a critical role in this space, with increasing emphasis on modelling positive behaviours, having regular wellbeing conversations, and supporting sustainable work practices.

While workload and capacity pressures remained a challenge across parts of the business, our focus has been on ensuring employees feel supported, heard, and equipped to manage these demands. Wellbeing at LGP continues to be viewed as a shared responsibility, which is integral to both individual and organisational performance.

Our People

Engagement & Collaboration

Engagement and collaboration remained a key area of focus in FY26. Our regular feedback activities continue to provide valuable insight into the employee experience, allowing us to identify key strengths and areas for improvement.

Throughout the year, we maintained a strong focus on listening to employee feedback and translating this into targeted actions, particularly in areas such as workload management, communication, and role clarity.

Collaboration has also been a central theme, with increased emphasis on cross-functional working groups, shared initiatives, and leadership alignment. Programs such as our People Leader Insights created regular opportunities for connection, knowledge sharing, and consistent leadership practice across the organisation.



Our People

Leadership Development

Our leadership programs evolved in FY26 to support managers in navigating complexity, building capability within their teams, and strengthening alignment between the Executive and broader workforce. This included a focus on “leading through line managers,” helping to create clearer accountability and more consistent leadership practices across the organisation.

Throughout the year, leaders engaged in structured development activities covering key areas such as performance management, feedback, psychological safety, and team engagement. These sessions were closely aligned to organisational priorities and informed by employee feedback and survey insights.

The continued success of initiatives such as People Leader Insights highlights the value of creating space for reflection, peer learning, and shared problem-solving. These forums have strengthened leadership cohesion and supported a more consistent, values-aligned approach to leadership across LGP.



Strategic Programs



Building Council Capability

Throughout FY26, LGP's Business Development Team continued to strengthen council capability through its well-established webinar program, delivering valuable, practical sessions to council customers across NSW.

Designed to help buyers build confidence in using LGP contracts, the webinars provide in-depth guidance on contract scope, procurement processes, and engaging LGP approved contractors. The program equips attendees with practical knowledge they can apply immediately to streamline procurement activity and make informed purchasing decisions.

During FY26, the team delivered 10 webinars covering a broad range of topics, including contract information, VendorPanel training, mastering LGP Contracts, and understanding the spend reporting process.

The program's reach and impact continued to grow, with more than 1,000 delegates attending from 124 councils across NSW. Participation from a wide range of roles highlighted the broad relevance of the sessions and the value LGP contracts offer across council functions.

Feedback from attendees was overwhelmingly positive, reinforcing the program's role in supporting capability uplift and helping councils maximise the value of LGP's procurement solutions.

Together, these results demonstrate the continued success of the Business Development Team's webinar program as a practical and effective way to support councils across NSW.

Embedding Sustainability across LGP

During FY26, LGP's Sustainability Goal Teams continued to embed sustainability across the organisation through targeted initiatives, staff engagement and ongoing review of business practices. These activities supported alignment of LGP's operations with 11 United Nations Sustainable Development Goals and encouraged greater awareness of sustainable practices across the business.

Staff learning and awareness remained a key focus, with participation rates of 100% for compliance and probity training, 89% for circular economy training and 87% for modern slavery training.

LGP maintained its commitment to 100% renewable energy through an LGP approved contractor and continued to use 100% energy-efficient lighting across its office. Spend with small-scale suppliers increased from 92% to 96%, further supporting a diverse and sustainable supplier base.

The committee has also continued its contract coverage and Council Community Strategic Plan gap analysis, with findings shared across the business to support more informed and sustainable decision-making.



Measuring our Value

For two decades, LGP has supported NSW local government to achieve better procurement outcomes and greater value for their communities. Since 2006, more than $10 billion has been spent through LGP contracts, reflecting the strong and ongoing participation of councils across the state.

Beyond our contract portfolio, LGP supports councils with a broader range of procurement services, including free RFx software, specialist training and consulting expertise. We also continue to share the value generated through this collective purchasing power, with more than $15 million returned to the local government sector through LGP's rebate scheme since its inception.

Contract Spend

During the FY26 financial year LGP contract spend was $1.06 billion. Overall, 2,610 online RFXs were submitted through LGP panel contracts, with an estimated value of $953 million.

Savings

By leveraging LGP's procurement expertise and streamlined processes, NSW local government achieved an estimated $84 million in savings during FY26, representing approximately 307,950 resource hours.

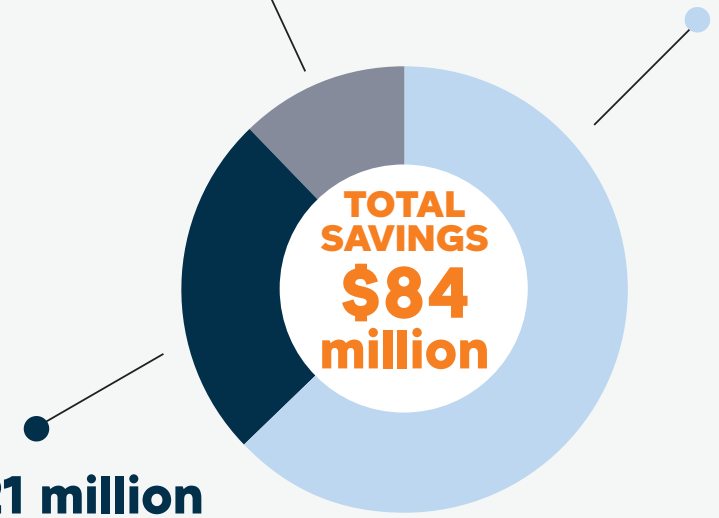
Rebates

Council use of LGP contracts, training and consulting services contributed to a gross surplus of **$3.55 million** in FY26, before the allocation of rebates.

Under the FY26 rebate scheme, **$1.13 million** was returned to councils, continuing LGP's commitment to returning value to the NSW local government sector. In addition, the **LGP Capability Grant Fund has allocated $285,000 in grant funding**, supporting initiatives that build capability and deliver value across the local government sector.

$10 million
in contract savings
($5K per contract x number of contracts used)

$53 million
negotiated price savings
Achieved under LGP contracts (actual contract expenditure x 5%)



$21 million
in tender cost avoidance
($10K per tender x average number of contracts used x number of councils)

Case Study:

Transforming Procurement Governance

Developing an End-to-End Procurement Framework for Council

Overview
The Council identified an opportunity to modernise and streamline its procurement practices to enhance governance, consistency, transparency, and value for money.

To support this initiative, a comprehensive end-to-end procurement framework was developed, bringing together policies, procedures, and practical tools into a cohesive and user-friendly governance structure. The objective was to enable consistent, compliant, and efficient procurement practices across the organisation.

Opportunity
The project focused on building a more structured and integrated procurement governance framework that supports both compliance and practical application by staff.

Key opportunities included:

- Consolidating procurement requirements into a clear and accessible framework
- Providing practical, step-by-step guidance for procurement and tendering activities
- Strengthening consistency in documentation, processes, and approval pathways
- Enhancing governance and probity while maintaining usability and staff adoption
- Aligning procurement activities with broader organisational objectives, including value for money, sustainability, and local economic outcomes

Approach
A comprehensive procurement governance suite was developed, structured around the full procurement lifecycle to ensure clarity, consistency, and ease of use.

The framework introduced a clear separation between strategic, procedural, and operational guidance, supported by risk-based procurement pathways. It also integrated key principles such as sustainability, local economic development, and value for money, while ensuring alignment with legislative and governance requirements.

Value
The new procurement framework provided the Council with a clear, consistent, and practical foundation for delivering procurement activities.

Key outcomes included:

- Improved consistency and clarity across procurement processes
- Strengthened governance, compliance, and probity controls
- Increased staff confidence in planning and delivering procurement activities
- Reduced risk through clearer documentation and approval pathways
- Enhanced audit readiness and documentation quality
- Stronger alignment between procurement outcomes and organisational objectives

Importantly, the framework balanced governance requirements with practical usability, ensuring it supports both compliance and day-to-day application. This positions the Council to deliver procurement activities more effectively while continuing to build capability and achieve long-term value.

Corporate Social Responsibilty Programs



First Nations Procurement Scheme and Reconciliation Action Plan

During FY26, LGP continued to advance its commitment to reconciliation and economic participation through the First Nations Procurement Scheme (FNPS) and implementation of its Reconciliation Action Plan (RAP). Together, these initiatives supported greater opportunities for First Nations businesses and helped NSW councils strengthen inclusive and culturally informed procurement practices.

Expanding First Nations Procurement

The FNPS continued to connect councils with First Nations suppliers and improve access to local government procurement opportunities. LGP onboarded suppliers through its Expression of Interest process and supported participation through the UniMarket platform, providing ongoing guidance on reporting and compliance requirements.

The 0.5% management fee applied to FNPS transactions continued to be reinvested in First Nations community initiatives across NSW, extending the social and economic benefits generated through the Scheme. LGP also strengthened communication regarding the application of fees and the distinction between FNPS-supported and direct supplier engagements, improving transparency for participating suppliers.

Building Relationships and Regional Engagement

LGP delivered First Nations Procurement Forums in Tamworth, Coffs Harbour, Orange, Canberra and Sydney, bringing together councils, First Nations businesses and key stakeholders.

These forums provided opportunities to build relationships, strengthen understanding of culturally appropriate engagement and connect First Nations suppliers directly with council procurement teams. They also provided valuable insights into barriers to participation, particularly in regional areas, which will inform ongoing improvements to the FNPS.

Progressing Reconciliation Commitments

LGP's RAP continued to guide activity across the pillars of relationships, respect and opportunities. During the year, LGP strengthened engagement with First Nations stakeholders, promoted cultural awareness and supported increased participation by Aboriginal and Torres Strait Islander businesses in local government procurement.

The FNPS remained an important mechanism for delivering LGP's RAP commitments, supporting greater visibility of First Nations businesses in procurement processes and helping councils build their capability to engage effectively with First Nations suppliers.

Supporting Capability and Participation

LGP continued to support both councils and suppliers through clear supplier onboarding pathways, practical procurement guidance and ongoing communication. This approach has helped strengthen confidence, capability and participation across the First Nations supplier network and the broader local government sector.

Looking Ahead

LGP will continue to expand First Nations supplier participation, with a focus on priority procurement categories and regional opportunities. Improved data and reporting will support better measurement of outcomes and identification of participation barriers, while ongoing regional engagement will help strengthen relationships between councils and First Nations businesses.

These initiatives will continue to support LGP's commitment to embedding inclusive procurement practices and creating sustainable economic opportunities for First Nations businesses and communities across NSW.

The LGP Procurement Capability Grant Fund

The LGP Procurement Capability Grant Fund entered its fifth round of funding, with a strong focus on improving procurement capability across NSW local government.

In FY26, 64 applications were received from councils and regional organisations across NSW, collectively seeking more than $1 million in funding.

Following the assessment process, 11 projects were approved, with $300,000 in grant funding allocated to successful applicants. Funded projects span a broad range of procurement priorities, including governance, contract management, risk management, sustainable procurement, fraud and corruption prevention, and technology enablement.

The funded projects are expected to deliver a range of benefits across participating councils and regional organisations, including stronger procurement governance and compliance, improved contract and supplier management, greater organisational capability and procurement maturity, and improved management of procurement-related risks.

The program is also expected to support greater adoption of technology and digital processes, strengthen sustainable and responsible procurement practices, and contribute to improved value for money and service delivery for local communities.



Innovation Development Fund

Accelerating Digital Transformation

During FY26, Local Government Procurement (LGP), in partnership with Telstra, launched and delivered two rounds of the Innovation Development Fund (IDF), supporting NSW councils to accelerate innovative digital initiatives and translate new ideas into practical projects that deliver measurable value for councils and their communities.

The fund recognises that councils increasingly need to modernise systems, strengthen digital capability and respond to changing community expectations. However, limited budgets and competing priorities can prevent promising technology initiatives from progressing beyond concept stage. The IDF helps overcome this barrier by sharing project costs, supporting responsible experimentation and encouraging solutions that can be replicated across the local government sector.

The inaugural round opened in September 2025 and attracted more than 25 submissions. Funding was awarded to Liverpool Plains Shire Council, Bland Shire Council, Cabonne Council and Inverell Shire Council. Their projects explored artificial intelligence for online community services, new customer-contact technologies and a digital maintenance strategy.

Building on this response, Round 2 opened in March 2026. Brewarrina Shire Council, Glen Innes Severn Council, Leeton Shire Council, Mosman Council and Tweed Shire Council were successfully awarded funding.

The round-two projects address practical service and capability challenges. Targeted outcomes include secure cloud infrastructure and unified digital communications for resilient service delivery, modernisation by integrating council systems, digital channels and AI-supported service tools.

Piloting an AI agent supporting development application assessments and internal policy and safety AI agents. Collectively, the projects focus on stronger digital foundations, 24-hour service access, workforce productivity, responsible AI governance and approaches that other councils can adapt.

Across its first year, the IDF supported nine projects through two competitive rounds. The Innovation Development Fund has quickly established itself as a critical investment strategy providing a practical platform through which LGP, Telstra and NSW local government can accelerate digital transformation together.




Contracts
Negotiated
For The Sector

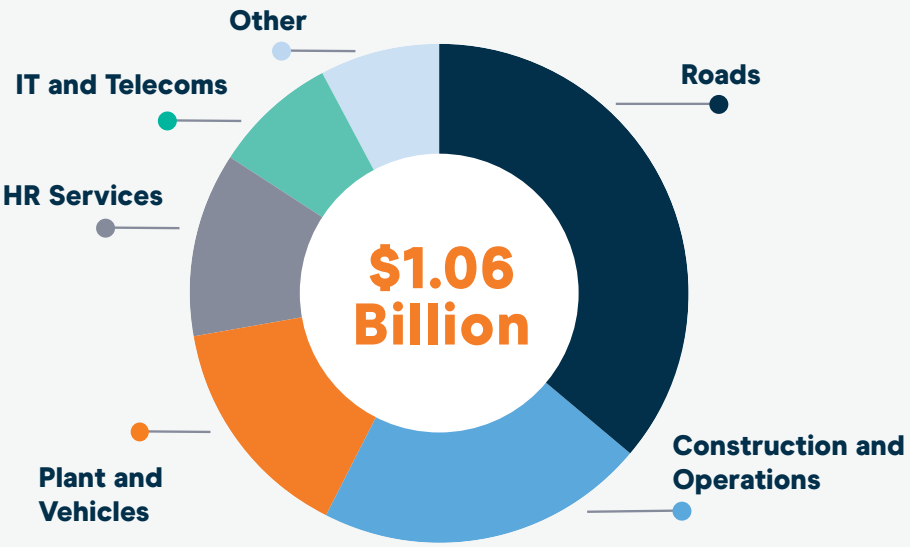
Contracts and Tenders

The total spend under **LGP contracts surpassed $1 billion** for the third consecutive year.

The contracts with the biggest spend during the year included:

- $268 million – Bitumen, Emulsions and Asphalt Materials and Services
- $157 million – Minor and Major Capital Works
- $109 million – HR Placements and Associated Services
- $87 million – ITC Product, Services and Consulting
- $60 million – Professional Consulting Services
- $56 million – Plant, Equipment and Machinery

Total Category Spend



Panel Contracts

FY26 was a year of continued transformation for the Contracts Team, as we further refined our operating model to support LGP's long-term strategic direction.

Building on the successful integration of contract and tender management functions in FY25, we commenced the transition to a portfolio-led structure designed to better align resources, specialist expertise and customer outcomes across our contract portfolio. Significant work was undertaken during the year to prepare for the introduction of five dedicated portfolios, supported by specialist Procurement Excellence and Legal functions.

The new model will strengthen category expertise, improve governance, enhance contractor engagement, and provide greater strategic focus throughout the contract lifecycle.

A major milestone in FY26 was the rollout of LGP's refreshed Standing Offer Deed (SOD), providing a modernised contractual framework that improves consistency, governance and supports effective risk management across LGP contracts.

Complementing this work, the team developed and introduced a suite of updated customer contract templates. These provide clearer, more contemporary contractual arrangements, better meet the needs of councils and contractors, and simplify engagement with LGP contracts.

The team also continued to strengthen LGP's commercial management capability through the development and implementation of the Commercial Management System (CMS). The CMS establishes a consistent framework for governance, risk management, contract performance, contractor management and continual improvement. It also supports LGP's broader quality objectives and preparation for ISO 9001 certification.

Together these initiatives position the Contracts Team to deliver greater value to councils, contractors and communities through stronger governance, improved customer experiences and a more strategic approach to commercial management.

Contracts and Tenders

Key Achievements

- Progressed the transition to a portfolio-led operating model, including preparations for five dedicated portfolios supported by Procurement Excellence and Legal functions.
- Implemented LGP's refreshed Standing Offer Deed across new contract arrangements.
- Developed and introduced a suite of updated customer contract templates.
- Supported organisational readiness for ISO 9001 certification.
- Enhanced contractor onboarding, contract governance and performance management practices.
- Further embedded digital contract management and reporting capabilities through the Contract Lifecycle Management System.
- Continued to support councils through a robust portfolio of compliant and value-driven procurement solutions.
- Refreshed four panel contracts during FY26: **Supply of Gas (GA0324 G16)** in July 2025, **Traffic Management Services** in September 2025, and **Plant Machinery and Equipment** and **Lease and Finance Services** in October 2025.

Looking Ahead

As we move into FY27, our focus will be on fully implementing the portfolio-led structure, embedding the Commercial Management System, achieving ISO 9001 certification, strengthening contractor and customer engagement, and continuing to mature LGP's commercial management capability. These initiatives will ensure LGP remains a trusted leader in procurement and commercial management for the local government sector.



Case Study:

Strengthening Procurement Acumen

Overview

LGP developed the **Councillor Procurement Excellence Program** to strengthen procurement capability among elected members across New South Wales. The tailored 90-minute onsite session supports informed decision-making across key areas including procurement fundamentals, probity, risk, governance and Environmental, Social and Governance (ESG) considerations.

The Canberra Region Joint Organisation (CRJO) was among the first to participate, with a centralised session held for member councils at the Queanbeyan-Palerang Regional Council office.

Facilitated by LGP CEO Luke Kenny, the session used practical scenarios to explore local buying, expenditure approval, procurement governance and value-for-money principles.

Value

CRJO Executive Officer Sharon Houlihan said:

"The training allowed for robust discussions around the laws and ethics of purchasing and for councillors to ask questions about real situations they face in their procurement-related decision-making."

Participants recognised that stronger procurement processes can support better outcomes and that the lowest price does not always represent the best value.

The Outcome

The program is helping elected members build the knowledge and confidence to make sound procurement decisions, while strengthening governance, probity and understanding of their role in effective procurement outcomes.



Services



LG Training Academy

During FY26, LG Training Academy (LGTA) continued to strengthen procurement and contract management capability across the local government sector, reaching approximately 380 participants through accredited qualifications, non-accredited courses, eLearning and customised training programs.

A key milestone for the year was the successful completion of the first intake of the Certificate IV and Diploma in Procurement and Contracting delivered under LGTA's Registered Training Organisation (RTO) (Code 45450). This marked a significant step forward in strengthening LGTA's accredited training capability and presence in the sector.

In collaboration with the NSW Environment Protection Authority (EPA), LGTA developed and delivered a new specialised training program, with approximately 70 waste management professionals participating across four sessions during the year. In addition, around 20 non-accredited courses were delivered, attracting strong engagement from councils and industry participants.

LGTA's eLearning program continued to support capability development across the sector, providing accessible and flexible learning opportunities for new starters and existing professionals seeking to build foundational knowledge relevant to their roles.

Key Outcomes

- Expanded sector capability – Approximately 380 participants accessed procurement and contract management training across LGTA's four training streams.
- Strengthened accredited training – The first Certificate IV and Diploma cohorts successfully completed their qualifications through LGTA's RTO.
- Broader and more accessible development opportunities – New specialised training, non-accredited courses and eLearning expanded access to practical, role-relevant professional development across the sector.



Strategic Procurement Solutions



Delivering Strategic Value Across the Sector

In FY26, Strategic Procurement Solutions (SPS) continued to mature as a trusted advisory and delivery partner to councils, with a strengthened focus on strategic outcomes, governance excellence, and sector capability uplift. Building on the strong foundation established in FY25, SPS expanded its role beyond transactional support to provide deeper, more integrated procurement solutions aligned to council priorities and risk environments.

Strategic Procurement Solutions maintained a high level of engagement across the sector, supporting councils through increasingly complex procurement challenges, including regulatory compliance, probity assurance, sustainability integration, and contract lifecycle optimisation.

Service Delivery and Impact

SPS delivered 55 engagements across metropolitan, regional and rural councils, supporting complex procurement and contract management activities with a focus on quality, consistency and defensible outcomes.

Services spanned tender facilitation, probity advisory, procurement and contract management frameworks, maturity assessments, roadmaps, and audit-ready procurement documentation.

Strategic Procurement Solutions

Innovation and Capability Uplift

A key focus in FY26 was strengthening sector capability through practical tools, education, and structured advisory services. SPS advanced several initiatives designed to embed better procurement practices across councils, including:

- Expansion of procurement maturity and capability assessment services to support structured uplift pathways.
- Continued development of guided buying and simplified procurement approaches to reduce administrative burden.
- Uplift in contract management practices through targeted advisory and training interventions.
- Integration of sustainability, social procurement, and modern slavery considerations into procurement frameworks.

In parallel, SPS progressed the development of digital and scalable solutions aimed at improving procurement efficiency and consistency across the sector. These initiatives are designed to support councils in navigating increasing complexity while maintaining compliance and achieving value-for-money outcomes.

Supporting Complex and High-Risk Procurement

FY26 saw continued demand for SPS support in complex and high-risk procurement environments, particularly where councils required independent oversight, structured governance, and timely delivery under constrained conditions.

SPS played a critical role in:

- Managing procurement processes subject to heightened scrutiny and stakeholder interest.
- Supporting councils through funding-driven timeframes and compliance obligations.
- Coordinating multi-stakeholder environments, including technical advisors, probity practitioners, and executive decision-makers.

These engagements demonstrated SPS's ability to operate effectively in high-pressure environments while maintaining transparency, integrity, and procurement best practice.

Looking Ahead

As councils continue to navigate increasing complexity, including regulatory requirements, sustainability obligations and workforce capability challenges, LGP's Strategic Procurement Solutions team is well positioned to provide practical advice, capability development and specialist procurement support across the sector.

In FY27, our focus will be on continuing to develop our advisory and capability services that help councils strengthen procurement governance, contract management, probity and procurement maturity. We will continue to develop practical tools, frameworks and training programs that build organisational capability and support better procurement outcomes.

Our ESG and Sustainable Procurement services will continue to assist councils to embed sustainability, circular economy principles and modern slavery risk management into procurement practices. We will also enhance the resources, guidance and insights available to councils to help them meet evolving legislative and community expectations.

Through trusted advice, sector leadership and a commitment to continuous improvement, Strategic Procurement Solutions will continue to support councils to build procurement capability to deliver greater value for their communities.

Strategic Procurement Solutions

Sustainable Choice

Our Sustainable Choice team delivered tailored sustainable procurement consulting services to 23 councils. This support included circular economy training, reviews of procurement documents and processes to strengthen sustainability outcomes, awareness training, progress assessments against leading practice, and practical recommendations. The team also supported councils to identify and manage modern slavery risks, including undertaking risk assessments, developing risk management plans, and delivering targeted training.

Circular Economy

Following on from the introduction of Circular Economy Filter Tags to LGP contract panels in FY25, we refreshed filter tags to ensure the information is up to date. When purchasing under LGP contracts, councils are able to easily identify over 480 suppliers aligned with sustainable practices, including over 220 suppliers that provide products containing recycled content. The tags highlight suppliers using recyclable materials, reducing resource use, and offering repair or leasing options. This initiative supports council sustainability goals and promotes Circular Economy adoption across the supply chain.

We released our new Circular Economy in Procurement training that has been specifically designed

Circular Economy in Procurement Training

“Comprehensive coverage of how to apply circular economy principles to all aspects of procurement process.”

“While I do procurement and closely working with waste and sustainability, I am not a decision maker. This has given some thoughts and ideas of how we might move further in this space and supporting decision makers.”

Strategic Procurement Solutions

Modern Slavery

This year marked the fourth reporting period for NSW councils under modern slavery legislation. In addition to maintaining and growing the number of resources available to councils in the LGP Modern Slavery Toolkit, our other services to councils included modern slavery risk assessments, modern slavery training, development of Modern Slavery Risk Management Plans, procurement document reviews and updates for modern slavery inclusions and free guidance and advice where needed. The most sort after service was modern slavery training.

Ninety-two councils are now using the toolkit to guide and assist them to take steps to ensure goods and services they procure are not the product of modern slavery. We have trained representatives from 15 councils in modern slavery awareness and preventive measures.

LGP's sixth annual modern slavery risk assessment was completed across all 1,316 LGP approved contractors in November/December 2025. 94% of approved contractors were assessed as low risk; this is an increase of 21% since we first commenced risk assessing approved contractors in 2020.

Refreshed supplier modern slavery risk ratings are available in VendorPanel when accessing LGP contracts, enabling councils who purchase through the contracts to better meet legislative requirements.

Modern slavery is addressed within the Standing Offer Deed and Customer Contract templates used for all LGP approved contractors.

Modern Slavery Training

"Making the information clear and concise and thoughtfully presented."

"Practical examples and scenarios."

"It was very informative and I got a lot out of it."

Case Study:

Building a Digital Framework for Circular Supplier Verification

Overview:
LGP, in partnership with OneAdvanced, launched the 2026 Circular Economy (CE) Solutions Survey to support NSW councils in identifying suppliers with verified circular economy capabilities.

The survey enables suppliers to demonstrate their circular capabilities and once validated, receive filter tags in VendorPanel, allowing councils to easily identify and engage suitable suppliers.

Opportunity:
Councils are increasingly required to embed sustainability and circular economy principles into procurement. However, a major challenge has been identifying suppliers with credible, evidence-based capabilities.

Approach:
LGP implemented a structured and technology-enabled approach:

- **Survey Design:** Captured supplier capabilities across key circular categories.
- **System Integration:** Supplier and contract data were embedded into CLMS, with unique survey links ensuring responses were contract specific.
- **Supplier Experience:** The platform allowed suppliers to save progress, upload documents, and manage submissions easily.
- **Real-Time Monitoring:** A live dashboard tracked participation and enabled tar-geted follow-ups.
- **Validation and Tagging:** Responses were assessed against evidence, and verified suppliers are awarded circular economy filter tags in VendorPanel.

Value:
The 2026 survey delivered significant operational, strategic benefits.

Increased Supplier Participation
The survey achieved a significant uplift in engagement, with participation rates more than doubling compared to previous iterations. Over 600 suppliers responded, reflecting growing interest in circular economy practices.

Growth in Circular Capabilities
A total of 480 suppliers are eligible for at least one circular economy filter tag, highlighting a clear increase in suppliers offering circular products and services within their contracts.

Improved Buyer Enablement
Councils can now quickly identify verified suppliers using filter tags aligned to specific contract panels, supporting faster and more informed procurement decisions.

Better Understanding of Suppliers
LGP now has a much clearer, evidence-based view of supplier capabilities at a contract level.

Operational Efficiency - The move to CLMS has transformed a manual process into a streamlined, automated workflow, with real-time reporting and a centralised “single source of truth” for supplier data.

Case Study:

Delivering a Successful RFT Process

Overview

The Cooks River Alliance (CRA) engaged LGP, through its Strategic Procurement Solutions (SPS) team, to support the procurement of two specialist studies to inform the development of the Cooks River Masterplan. The studies—focused on biodiversity and cultural values—were critical to strengthening the environmental, cultural, and community outcomes of the project.

Opportunity

The project presented an opportunity to deliver two concurrent procurement processes within a compressed timeframe, while maintaining strong governance and consistency.

Approach

SPS provided end-to-end procurement support, adopting a streamlined and coordinated approach to manage both RFQs concurrently.

Key activities included:

- Preparation of tailored RFQ documentation for biodiversity and cultural values studies, ensuring clarity of requirements while maintaining consistency in structure and evaluation methodology.
- Coordination of supplier engagement and invitation processes, providing clear instructions and timelines to consulting firms.
- Utilisation of Canterbury-Bankstown Council's APET e-procurement platform to manage RFQ release, supplier communications, submissions, and evaluation activities within a secure and transparent environment.
- Design and facilitation of a synchronised evaluation process, enabling stakeholders to assess submissions efficiently and consistently across both studies.

Outcomes

The project delivered a well-managed and efficient procurement outcome, supporting CRA in progressing its Masterplan development with confidence.

By combining procurement expertise, digital tools, and a coordinated delivery approach, SPS enabled CRA to focus on strategic project outcomes while maintaining strong procurement governance. The engagement demonstrates how complex, time-sensitive procurements can be effectively managed to deliver high-quality outcomes aligned with organisational objectives.

Events Program

LGP's events program continued to bring councils, industry experts and procurement professionals together to share knowledge, strengthen networks and build capability across the NSW local government sector.

The **2025 Annual Conference** attracted council professionals from across NSW for a program focused on identifying emerging challenges which will shape the future of local government. The conference was one of LGP's most successful in recent years, with 37% of surveyed delegates rating it the best LGP conference they had attended. This strong response reflected the program's focus on practical, relevant topics grounded in the challenges facing councils.

LGP's **Network Meetings** engaged more than 400 attendees, providing valuable opportunities for councils to exchange knowledge, discuss regional priorities and strengthen professional connections. During the year, meetings were held in locations including Canberra, Tamworth, Coffs Harbour, Sydney and Orange, extending opportunities for face-to-face engagement with councils and procurement professionals across metropolitan and regional areas. Attendance was particularly strong during the second half of the financial year, including record participation in Tamworth.

Together, LGP's events and engagement activities strengthened connections across the sector, supported knowledge sharing and provided councils with practical opportunities to build procurement capability.

Events at a Glance

- **Annual Conference** – statewide industry conference bringing together councils, procurement professionals and industry experts. More than 110 delegates.
- **Network Meetings** – more than 400 attendees, with meetings held in locations including Canberra, Tamworth, Sydney, Coffs Harbour and Orange.
- **Webinars** – 1,000 attendees across VendorPanel training, Lunch and Learns, webinars and other activities.





2025 Procurement Awards

Celebrating Excellence Across the Industry

Each year, the LGP Annual Conference provides an important opportunity to recognise the outstanding efforts and achievements of professionals across the local government procurement sector.

At the LGP Annual Conference in October 2025, we celebrated individuals, organisations and projects that demonstrated excellence, innovation and a commitment to setting high standards for the industry. The 2025 awards recognised a range of new faces alongside outstanding organisations and initiatives, all of whom earned the recognition of their peers through their contribution and achievements.

LGP warmly congratulates all of our 2025 award recipients on their success.

Highly Commended
New Procurement Professional of the Year
Anku Chapagain – Blacktown City Council

Procurement Project of the Year
City of Newcastle – Throsby Creek Connected Pathways: Islington Footbridge Renewal

Procurement Project of the Year
Clarence Valley Council – Clarence Regional Aquatic Centre

Award Winners



Outstanding Procurement Professional of the Year Raj Khanal – Burwood Council



Procurement Project of the Year Lismore City Council – Flood Restoration Portfolio Procurement Framework



Approved Contractor of the Year 2025 Origin Energy



New Procurement Professional of the Year 2025, Natalie Josephson – Inner West Council

Staff Tenure Awards

Recognising Long-Serving LGP Staff

The experience, knowledge and commitment of our people continue to be an important part of LGP's success. We are proud to recognise team members whose long service reflects an enduring commitment to the organisation and the local government sector.

In 2025, we congratulated **Victoria Yang, Contracts & Legal Officer, on 5 years of service with LGP, and Suska Timney, Head of Information Technology, on 15 years of service.**

Over their many years with LGP, Victoria and Suska have each made a valued contribution through their expertise, dedication and organisational knowledge. Their long tenure is a testament to their commitment to LGP and the important role experienced staff play in supporting our customers, colleagues and the broader sector.

We thank Victoria and Suska for their continued contribution and congratulate them on reaching this significant milestone.



Victoria Yang - 5 years



Suska Timney - 15 years

Case Study:

Delivering a Defensible Waste Services Negotiation Outcome

Overview

Queanbeyan-Palerang Regional Council engaged Strategic Procurement Solutions (SPS) to support negotiations for its bulky waste kerbside clean-up services after an open tender process resulted in only one non-conforming submission. With an essential community service at stake, Council required a solution that balanced operational continuity, value for money, and strong governance.

The Approach

SPS was appointed as Lead Negotiator to guide Council through a structured and defensible negotiation process with the supplier, supported by an independent Probity Advisor. A clear negotiation framework was established through a Negotiation Plan and Protocol, ensuring the process remained transparent, controlled and aligned with legislative and probity requirements.

The negotiation focused on resolving key operational and commercial issues, including collection crew structures, disposal pathways, rural service delivery, pricing clarity, mattress handling, and scrap metal arrangements. Through this process, Council and the supplier were able to clarify assumptions, simplify service arrangements, and agree on a more practical and transparent delivery model.

Outcome

The outcome provided Council with a sound basis to progress contract finalisation and maintain continuity of a critical waste service for the community. It also demonstrated the value of specialist procurement support in helping councils navigate complex market responses while preserving accountability, fairness and audit defensibility.

This engagement highlights SPS's ability to lead complex negotiations that deliver practical outcomes while upholding strong procurement governance.

LGP is a wholly owned company of LGNSW that supports councils to tender more effectively and maximise the prices of public money through bulk purchasing arrangements.

Local Government Procurement

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