



**LOCAL
GOVERNMENT
PROCUREMENT**

FY25

Annual Report





CONTENT

Highlights	1
About LGP	2
Purpose	2
Vision	2
Value Proposition for Customers	2
Value Proposition for Approved Contractors	2
Our Customers	2
Message from the Chair	3
Message from the CEO	4
Board of Directors	5
Our Executive Team	9
Our People	10
Strategic Workforce Planning	12
High Performance Culture	13
Employee Wellbeing	14
Engagement & Collaboration	15
Leadership Development	16
Strategic Programs	17
Insights from Our Stakeholder Sentiment Study	18
Elevating Excellence: LGP's Strategic Pursuit of ISO Quality Management Standards	19
Strengthening our Cyber Security Posture	20
Our Sustainability Journey	21
Measuring our Value	22
Corporate Social Responsibility Programs	24
LGP's Procurement Capability Scheme	25
First Nations Procurement Scheme: Launched in June 2025	26
Contracts and Tenders	27
Contract Highlights	28
Contracts Team Restructure	29
LG Training Academy	31
Strategic Procurement Solutions	32
Navigating Complexity and Bridging stakeholders: SPS's Role in Lismore's Landslip Recovery	33
Sustainable Choice	34
Circular Economy	34
Modern Slavery	35
Events Program	36
2024 Procurement Awards	37
Employee Tenure Awards	37
Moving Forward	38



HIGHLIGHTS

\$1.04 billion contract spend, exceeded \$100 million contract spend across three contracts

Saved the sector **\$84 million** in negotiated price savings, contract and tender avoidance

\$1.67 million in rebates paid to councils, ROCs, and JOs

Delivered specialised training to more than **380 people**

2,358 RFXs online with an estimated value of **\$892million**

Provided \$153,000 procurement-related funding across nine projects

Delivered our third stakeholder sentiment study

Conducted our first cyber simulation exercise with the Board

Developed our draft **Innovate Reconciliation Action Plan**

Appointed a **First Nations Advisor**

Refreshed six major contracts

Implemented a new Contract Lifecycle Management System

Introduced Circular Economy Filter Tags to LGP contract panels

Over **1,300** approved contractors assessed for modern slavery risk

Delivered Lunch and Learn event to more than **450 people**





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 department



MESSAGE FROM THE CHAIR

Performance

Local Government Procurement (LGP) has achieved another strong year, delivering significant value to councils, Regional Organisations of Councils (ROCs), and Joint Organisations (JOs) across New South Wales. In FY25, total expenditure through LGP contracts reached \$1.04 billion, with Roads contract accounting for \$267 million or 25 per cent of spend, Construction and Operations contributing \$223 million. LGP reported a gross surplus of \$4.006 million before allocation of rebates, underscoring the organisation's financial strength. From this, LGP was able to provide over \$2 million in revenue to LGNSW in support of sector-wide initiatives and return \$1.67 million in rebates and grant funding to councils, ROCs, and JOs, ensuring direct and tangible benefits flowed back to the local government sector. These results highlight LGP's continued role in driving efficiencies, achieving savings, and reinvesting in the sector to deliver long-term value for NSW councils and their communities.

External Board performance review

During FY25 Dr Ann-Maree Moodie from Governance Australia & Asia was engaged to conduct an external board performance review and an anthropological study of LGP's organisational culture. Dr Moodie employed a comprehensive approach that combined both qualitative and quantitative methodologies.

The review process included the use of surveys, one-to-one interviews with Board Members and the LGP Executive team, as well as silent observation at Board and Executive Meetings. This thorough examination provided valuable insights into our board's performance and the underlying cultural dynamics within our organisation.

The findings from Dr Moodie's study will guide us in making informed decisions to enhance our governance practices and foster a positive organisational culture. We are committed to continuous improvement and believe that these efforts will contribute significantly to our long-term success.

Governance Initiatives

The three-year Strategic Plan provides a clear roadmap for the long-term direction of LGP. The plan reflects the organisation's commitment to ensuring that LGP remains a trusted partner to councils, delivering sustainable value, operational efficiency, and innovative procurement solutions that align directly with our mission.

The Board is confident that the strategic priorities outlined provide a solid foundation for LGP's future. By aligning our objectives with the needs of councils, ROCs, and JOs, we are well positioned to respond to emerging challenges, adapt to changing market conditions, and continue to play a vital role in strengthening the sector.

Thank you for your continued support and engagement.

John Truman
Chair



MESSAGE FROM THE CEO

The 2025 financial year proved to be a very important step forward in LGP's maturing as a leader in procurement aggregation. Not only did we build on the volume of spend we manage and protect for councils we launch a raft of new initiatives.

As you will read in this Annual Report we have ticked over the incredible milestone of \$1b in annual spend under our whole-of-local government contracts. Significantly LGP can be proud of delivering three contracts managing over \$100 million in annual council spent. This is a first in the Australian Local Government sector.

In terms of our focus on building an always-evolving business to create new value for councils and communities, I feel we are at a point where the organisation can sustain broadening our offerings. In 2025 this broadening delivered unique and Australian local government firsts with our new First Nations Procurement Scheme for councils. We launched a new customisable Disaster Response Solution, created a new Elected Member Procurement Excellence Training Program.

When we couple these brand-new activities with what we already lead in terms of modern slavery supply chain risk detection and prevention, enabling the circular economy and our ongoing work to support local buying, LGP can be considered progressive and significant thought leader in procurement practice.

Some of the important strategies we maintained and built upon in 2025 include our pursuit of ISO 9001 accreditation which we hope to achieve by the end of FY26. Our Procurement Capability Grant Program is in its fourth Release distributing another \$150,000 in funding to councils for procurement projects. We kept building sector capability with LGP Training supporting 385 students achieve new qualifications through the LG Training Academy (code 45450). We announced changes to the LGP Rebate Scheme and from FY26 onwards we will be distributing 100% of all rebate funds directly to 128 NSW councils to help them invest and achieve better practice in procurement. Our events programme successfully shared knowledge experience and created network opportunities for 750 council employees.

How we govern the LGP business is almost a daily discussion amongst the Executive team, and at every Board Meeting. In this latest reporting period, we successfully completed our first external board performance review, we refreshed our audit partner and updated our corporate risk management plan,

we delivered two new internal audit projects on fraud & corruption prevention and payroll processing. We delivered the second year of our corporate strategic plan and continued to implement new strategies to lift stakeholder sentiment with our councils and our suppliers.

Each year we like to publicly acknowledge the major contributions from our loyal staff by celebrating tenure milestones in front of 250 people at our Annual Conference Awards Dinner. In 2025 we proudly recognised Ayesha Huq, Marija Nedanovski and Michelle Burgess for their 10 years of service, with Jerram Fairclough and Candice Chabert marking their 5 years of service.

Separately I had the pleasure of announcing the second ever winner of the LGP CEO Award to Haydar Makhzoum. His performance and effort needed to be applauded, throughout 2025 Haydar demonstrated a genuine attitude of wanting to improve our business and better serve our customers. He showed great courage to step out of his comfort zone to lead and deliver a series of new initiatives to help deliver positive change.

We have incredible people working at LGP, and with our employee engagement score remaining over 80% we think they like working with us too. Our people have always been and remain our most important and valuable asset.

On behalf of our business, I would like to thank the amazing leadership and guidance from the LGP Board. John Truman as our Chair continues to provide great support to me in my role and help set the tone at the strategic and governance level. I would like to equally share our thanks for the high-quality service from our entire board. Thank you, Penny Holloway, Coretta Bessi, Cr Phyllis Miller, Robert Lagaida, Peter Dennis and David Reynolds.

Finally, I want to acknowledge our appreciation for the 1,300+ suppliers working hard to help us grow and improve our whole-of-local government contracts. To all the 128 councils in NSW we thank them for their engagement, support, and trust in the LGP business.

Thank you

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. He is a former National President and NSW President of the Institute of Public Works Engineering Australasia. John has worked in NSW local government for more than 25 years and is currently the Director Civil Services at Ballina Council. John's professional qualifications include a Bachelor of Engineering, Bachelor of Laws (Hons) and Master in Business Administration. In 2021 John was admitted as a lawyer in the Supreme Court of New South Wales and has since commenced legal practice with Keystone Lawyers.



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 General Manager 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 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

ROBERT LAGAIDA

PSM

Director



Robert has served on the LGP Board since 2018. 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 and LiveBetter Pty Ltd. 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 was the Group Manager of Shire Strategy at The Hills Shire Council – a fast-growing council in north-western Sydney. In this role he led the council's strategic programs across land use planning, property, infrastructure and transport planning, recreation planning, asset management and special projects of a capital nature.

David also served Camden Council as its Customer and Corporate Director and he spent 8½ years at Blacktown Council, where he was responsible for workforce and corporate development at what was then the largest council in NSW. David has broad and deep experience across the many functions of the local government sector.

BOARD OF DIRECTORS



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 currently the 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 drive, preserve and grow 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.

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



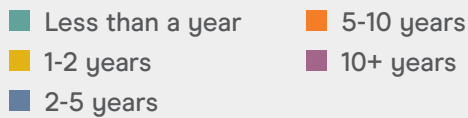
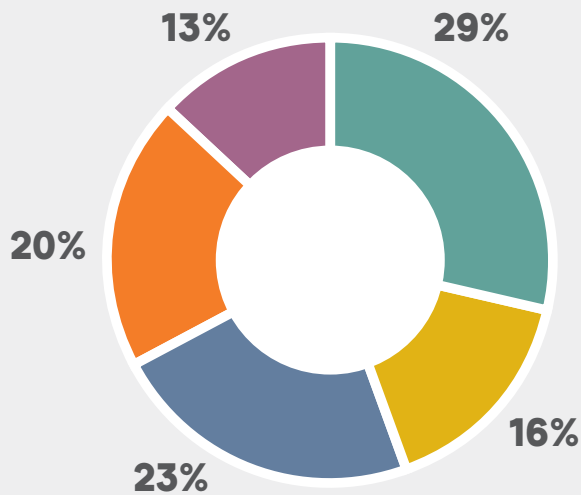
**OUR
PEOPLE**



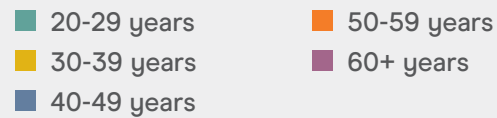
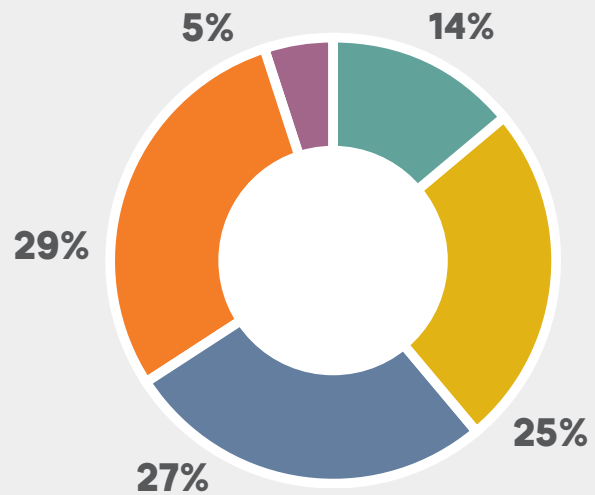


OUR PEOPLE

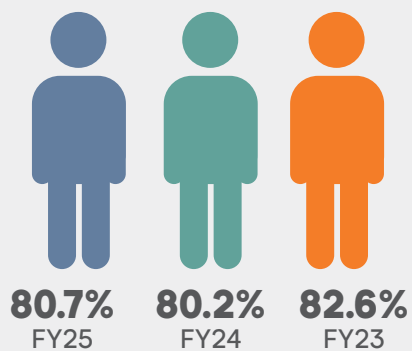
STAFF TENURE



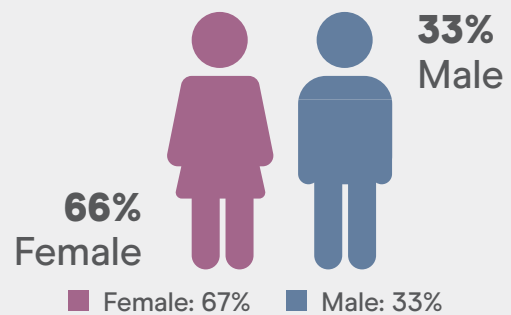
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EMPLOYEE ENGAGEMENT



GENDER



The Board is 57% male 43% female.
The Executive team are 40% male & 60% female.

At LGP, our people are at the heart of everything we do. FY25 was a year of momentum and meaningful progress as we deepened our commitment to creating a thriving, high-performing workforce aligned with our strategic goals. We continued to build on the strong foundations of previous years with a clear focus on implementation, adaptability, and growth. Guided by our 3-Year Workforce Plan, we further embedded the systems, structures, and behaviours that underpin a productive, engaged, and future-ready organisation.



STRATEGIC WORKFORCE PLANNING

The implementation of our 3-Year Workforce Plan has been instrumental in shaping a workforce that is agile, capable, and aligned with LGP's strategic direction. FY25 was a year of execution and realignment, as we continued to transition from planning to action. A key highlight was the **restructure of our Contracts team**, designed to strengthen operational agility and better meet the needs of a dynamic tendering and procurement environment. This shift has allowed us to better leverage internal capability, streamline processes, and respond more effectively to customer needs.

Beyond this, we **expanded our resource planning** approach to include key growth areas such as business development, data and analytics, marketing and communications, and people and culture. These shifts reflect the organisation's evolution and the need to support both core operations and strategic transformation.

A major milestone in FY25 was the **finalisation of the LGP Capability Framework**. This framework includes a robust Skills Matrix and a practical implementation roadmap that provides a clear view of the capabilities we have today, and those we need to develop for the future. The framework is already being used to inform workforce planning, recruitment, and development decisions – ensuring our people strategy remains integrated and future-focused.

Together, these actions demonstrate our commitment to shaping a workforce that is fit for purpose, future ready, and positioned to deliver on LGP's strategic ambitions.





HIGH PERFORMANCE CULTURE



Our high-performance culture continues to evolve, driven by a commitment to shared purpose, strategic alignment, and continuous improvement. FY25 saw the introduction of the **Objectives and Key Results (OKR) framework**. This structured approach to goal setting has been pivotal in clarifying expectations, aligning effort across teams, and fostering greater ownership of outcomes at all levels of the organisation.

The OKR framework has helped create a culture of transparency and focus, enabling leaders and teams to track progress, reflect on performance, and respond to emerging priorities with agility. This year, we also introduced **Habit Forming Workshops** designed to reinforce high-performance behaviours and embed quality practices across teams. These sessions have provided practical tools to help individuals and teams develop habits that lead to sustained improvement – and have already contributed to enhanced productivity and service delivery.

Our high-performance culture is not just about outcomes – it is about how we work together, support each other, and strive for excellence in a way that is values-aligned and sustainable.



EMPLOYEE WELLBEING

Wellbeing remains a central pillar of our people strategy and a critical enabler of sustainable performance. In FY25, we continued to invest in initiatives that support the wholistic needs of our workforce, ensuring that **wellbeing is embedded** not just in **programs**, but in our **culture** and **ways of working**.

Our wellbeing approach is grounded in the themes of proactivity and resilience, focusing on physical, emotional, financial, and social wellbeing. We recognise that when our people are well, they are more engaged, productive, and able to contribute meaningfully to our shared goals. This year, we delivered a range of initiatives and resources to support our teams, empowering individuals to take ownership of their wellbeing and access support when needed.

Wellbeing conversations have become more frequent and visible across the organisation, with leaders playing an increasingly active role in promoting positive work habits and modelling balance. We are committed to ensuring wellbeing is not seen as a 'nice to have' – but a critical element of how we operate and succeed together.





ENGAGEMENT & COLLABORATION



Employee engagement remains strong at LGP, with our overall engagement score holding steady at 80.7% in FY25. This reflects a consistent level of satisfaction and commitment across the workforce, and a sense of shared purpose that underpins our collective success. Key drivers of engagement continue to include work-life balance, the quality of onboarding experiences, recognition for contributions, and access to meaningful professional development.

Our **monthly Pulse Surveys** provide real-time insights into the employee experience, enabling leaders to listen actively and respond quickly to emerging needs. While our engagement strengths are clear, we remain focused on areas requiring attention – particularly workload management, resourcing challenges, and remuneration transparency. We are addressing these issues through improved planning, regular communication, and a commitment to continuous improvement.

Collaboration is another key feature of our workplace culture. As LGP continues to evolve, we are intentionally fostering **cross-functional connection**, knowledge sharing, and collaborative problem-solving. These behaviours are essential in a growing, agile organisation. FY25 saw increased emphasis on **team-based initiatives**, cross-departmental working groups, and shared learning experiences that strengthen our collective capability.

At LGP, we know that an engaged and collaborative workforce is essential to achieving our strategic goals. Our people don't just work together – they bring energy, creativity, and commitment to everything they do.



LEADERSHIP DEVELOPMENT

Developing capable, self-aware, and values-aligned leaders is critical to our long-term success. In FY25, our **Leadership Development Program** continued to grow in both scope and impact, with a clear focus on behavioural leadership and emotional intelligence. This focus encourages our leaders to reflect on their behaviours, mindsets, and influence – shaping leadership that is both results-driven and people-centred.

Throughout the year, leaders participated in a series of **targeted development modules** covering essential capabilities such as delegation, coaching, courageous conversations, and giving and receiving feedback. These sessions provided practical strategies to help leaders manage complexity, navigate challenge, and support the growth of their teams.

Our **'People Leader Insights'** series is a valuable forum for connection and development. These informal sessions allow people leaders to share experiences, reflect on common challenges, and build consistent approaches to leadership across the organisation. They have become an important part of our leadership development ecosystem, strengthening both individual capability and collective cohesion.

As LGP continues to grow and change, we know that strong, adaptable, and inclusive leadership will be key to our success. Our investment in leadership development ensures that our leaders are equipped to lead with clarity, compassion, and courage – now and into the future.



STRATEGIC PROGRAMS





INSIGHTS FROM OUR STAKEHOLDER SENTIMENT STUDY

In FY25, LGP commissioned its third stakeholder engagement study, partnering with KPMG to better understand how our services are perceived and where we can deliver greater value. This research was designed to capture sentiment across our key stakeholder groups of councils and contractors and guide our strategic improvements.

We extend our sincere thanks to the 429 participants who contributed their perspectives through surveys and interviews. Their feedback has been instrumental in shaping our path forward.

The research revealed a clear divergence in stakeholder experiences:

- **Councils** rated LGP's service quality at **7.4/10**, with **80% feeling valued and understood**.
- **Contractors** rated us lower at **6.1/10**, with **69% feeling valued and understood**.

While councils continue to express strong satisfaction, contractors highlighted areas for improvement, particularly in communication, collaboration, and clarity of service benefits. Only 60% of respondents believe LGP is innovating its services, underscoring the need to enhance both the relevance and range of our offerings.

Opportunities for Growth

- **For Councils:** We are expanding our portfolio with more distinctive and tailored service offerings to meet the evolving needs of local government.
- **For Contractors:** We are strengthening collaboration and communication to improve service quality and foster more effective partnerships.

Action and Accountability

In response to these insights, LGP has launched several initiatives:

- **Customer journey mapping** has been completed to streamline stakeholder interactions.
- **A review of our service strategy** is underway to identify gaps and tailor our offerings more precisely.
- **A contractor value proposition** has been developed, supported by onboarding programs and improved supplier communications.

These actions reflect our commitment to continuous improvement and our belief that listening to our stakeholders is key to delivering meaningful value.





ELEVATING EXCELLENCE: LGP'S STRATEGIC PURSUIT OF ISO QUALITY MANAGEMENT STANDARDS

In 2024, LGP launched a strategic initiative to achieve ISO 9001:2015 **Global Quality** accreditation. This journey is focused on enhancing our service standards for councils, suppliers, and all stakeholders who benefit from our expertise in tendering, strategic procurement, and training.

The year was defined by the establishment of a vibrant, company-wide program dedicated to this accreditation. This collaborative effort has seen active participation from every function within LGP, reflecting our unified and profound commitment to quality. The program's success is a true testament to how LGP operationalises its values, ensuring that our supportive actions match our spirit of dedication to deliver the best possible outcomes for stakeholders.

Our systematic approach is staged across a series of structured phases, which include orientations, internal gap assessments, detailed gap reporting, action planning, and the delivery of commitments via a solid action plan. This rigorous strategy is designed to ensure we not only meet but exceed global service quality standards.

In the future, the **successful ISO 9001:2015 accreditation will have far-reaching outcomes for LGP and our partners**. It will enable us to meet the needs of our councils and suppliers with even greater efficiency and reliability, ultimately driving superior outcomes and sustainable growth for the entire LGP community. We are confident this program will further solidify our reputation and provide lasting benefits for our communities.





STRENGTHENING OUR CYBER SECURITY SAFEGUARDS



Over the past three years, LGP has strengthened its cyber security posture through targeted initiatives and strategic oversight. Following **IT Security Audits** in January 2022 and December 2023, we launched key projects aligned with 35 controls, including the Australian Signals Directorate's Essential Eight. These initiatives include multi-factor authentication, disaster recovery planning, application control, and attack surface monitoring.

This year, we conducted our **first cyber simulation exercise** with the Board, marking a significant step in strengthening our governance and preparedness. To support ongoing oversight, we have embedded quarterly reviews of a dedicated **Cyber Governance Dashboard**, ensuring visibility into key risk indicators and mitigation efforts. All staff now complete **monthly cyber awareness training**, reinforcing a culture of vigilance and accountability. We have also enhanced our data loss prevention policies and expanded our information classification framework to better safeguard sensitive data across the organisation.

These initiatives reflect our commitment to proactive cyber risk management and continuous improvement in protecting organisational assets.

Looking ahead, LGP will conduct its next external security audit in FY26 and continue embedding cyber resilience across systems, processes, and culture. As part of our long-term strategy, we are also exploring the potential benefits of ISO 27001 certification to further strengthen our information security governance.



OUR SUSTAINABILITY JOURNEY

LGP's Strategic Sustainability Pillar, led by the Director of Strategic Procurement Solutions, continued to drive progress across key sustainability areas in FY24/25. Building on last year's comprehensive review of our tendering processes against ISO 20400 Sustainable Procurement guidance, we strengthened the integration of sustainability into our templates and processes to improve alignment with the standard.

Following our FY23/24 review of sustainability goals and objectives across all 128 NSW councils, we identified **five key sector themes**:

- Waste Management and Circular Economy.
- Urban and Infrastructure Management.
- Climate and Energy.
- Natural Ecosystems and Biodiversity.
- Natural Hazards and Disaster Management.

We then mapped the **Waste Management and Circular Economy** theme against LGP's products and services, resulting in targeted enhancements to better support councils in achieving their sustainability objectives. These enhancements included the introduction of **Circular Economy Filter Tags** and expanded scope within the new Consulting Services contract.

In alignment with our 2023-26 Strategic Plan, LGP previously set 11 corporate targets linked to the **United Nations Sustainable Development Goals**, supported by detailed action plans. These targets span key areas including energy, circular economy, modern slavery, youth unemployment, respect for First Nations people, sustainable procurement, and sustainability reporting.

This year, we advanced several initiatives. Under our Sustainability Pillar and in line with SDG 13 ("Take urgent action to combat climate change and its impacts"), we changed our green electricity provider to an LGP Approved Contractor and continued sourcing **100% green power for our office**. Baseline energy data collection began, with ongoing monitoring to inform future energy reduction measures.

In modern slavery efforts, all our office suppliers were asked to complete a risk assessment questionnaire, with results indicating low risk. **Modern slavery awareness training** for LGP staff is planned for FY26. We also reviewed suppliers for event giveaways, identifying more sustainable suppliers and product options for future use.

Additionally, we continued to support local economies by sourcing **80% of our catering needs from small, independent suppliers**. These initiatives reflect our commitment to embedding sustainability into our operations and delivering on our corporate targets.

We continued the process of drafting our **Innovate Reconciliation Action Plan**. This year, we appointed a First Nations advisor, Debbie Morgan-Frail to the Reconciliation Action Plan Working Group to provide her advice and expertise to guide and support the development of LGP's first Reconciliation Action Plan. We have now completed the second draft, ready to submit to Reconciliation Australia.

MEASURING OUR VALUE





MEASURING OUR VALUE

Since LGP was established in 2006 NSW local government has spent \$9 billion through LGP contracts. LGP continues to provide value to councils through panel contracts, free RFX software, specialised training, consulting services and returning more than \$14 million to the local government sector through the rebate scheme.

Contract Spend

During the FY25 financial year LGP contract spend was **\$1.04 billion**. Overall, 2,358 online RFXs were submitted through LGP panel contracts – with an estimated value of \$892 million.

Savings

LGP's efficiency and expertise saved the NSW local government sector an estimated **\$84 million** or equivalent 317,850 resource hours for the financial year.

Rebates

LGP finished the FY25 financial year with a **gross surplus of \$4.006 million** (before allocation of rebates) thanks to the support given by councils across NSW in using our contracts, training and consulting services. As a result, the FY25 **rebate scheme paid \$1.67 million** to councils, ROCs, and JOs.

\$11 million in contract management costs

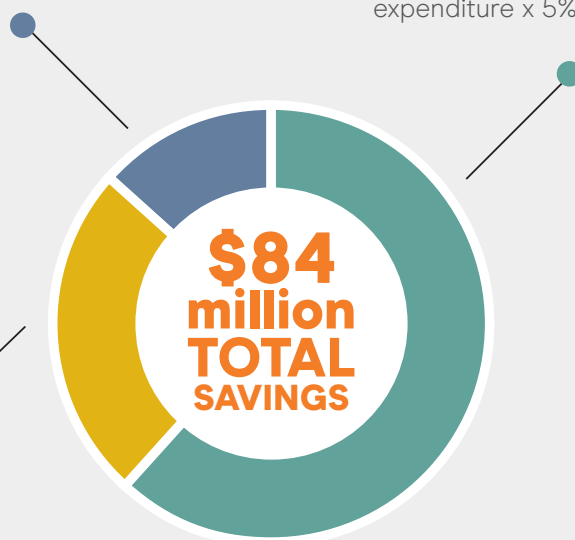
(\$5K per contract x number of contracts used)

\$21 million in tender cost avoidance

(\$10K per tender x average number of contracts used x number of councils)

\$52 million negotiated price savings

Achieved under LGP contracts (actual contract expenditure x 5%)



CORPORATE SOCIAL RESPONSIBILITY PROGRAMS





LGP'S PROCUREMENT CAPABILITY GRANT PROGRAM: INVESTING IN NSW LOCAL GOVERNMENT



Following the success of the previous three rounds, LGP's Procurement Capability Grant Program continues to empower councils across New South Wales to innovate and uplift procurement practices. In FY25, the program received **54 applications**, subscribing to over \$1 million in requested funding – further evidence of the growing appetite for procurement transformation.

We're proud to announce **9 new projects** have been awarded, totalling \$153,615 in funding. These initiatives reflect the evolving priorities of local government and include:

- AI-Powered Multi-Agent Procurement Automation and Evaluation System
- Procurement Service Review
- Contract Management Framework
- Building Capacity to Manage Modern Slavery Risks
- Local Procurement Forums
- Staff Training and Development

These projects are set to drive smarter, more ethical, and more efficient procurement outcomes. As we move forward, LGP remains committed to fostering collaboration, innovation, and excellence in local government procurement.



FIRST NATIONS PROCUREMENT SCHEME: AN AUSTRALIAN LOCAL GOVERNMENT FIRST

In June 2025 the First Nations Procurement Scheme was launched, marking a significant step forward in advancing inclusive procurement practices across local government. The first of its kind in Australia, this program is designed to **connect councils with First Nation enterprises**, fostering stronger relationships and driving meaningful economic outcomes for Aboriginal and Torres Strait Islander communities.

Importantly, the program also enables councils to deliver on their social procurement objectives, aligning purchasing decisions with broader sustainability and community outcomes. Through this initiative, LGP is supporting councils to **embed social impact into procurement processes** while actively contributing to reconciliation and economic empowerment.

Key benefits of the program include the expanded promotion of First Nation enterprises, offering increased visibility and access to council buyers across New South Wales. By opening pathways to larger markets, the program supports the growth and scalability of First Nation-owned businesses. This in turn stimulates job creation and new employment opportunities within communities, contributing to broader regional economic development.



CONTRACTS NEGOTIATED FOR THE SECTOR





CONTRACTS AND TENDERS

FY25 was a significant year for the Contracts Team, marked by a number of key accomplishments. Most notably, we completed a successful restructure, consolidating our **tenders and contracts functions under one cohesive team**. This shift was designed to improve agility and service delivery across the business.

Refreshing six major contracts (**Gas** GA0324, **Electricity** E16, **Bitumen** LGP213-3, **Bulk Fuel** NPN117-2, **Road Traffic Signage** LGP114-3, and **Minor Major Works** LGP420) kept us busy.

Key achievements

- Developed and implemented a new **Standing Offer Deed**
- Introduced a new and effective **debt collection process**
- Successfully onboarded 8 new team members
- Rolled out our new **Contract Lifecycle Management System** (CLMS)
- Participated in a **Category Masterclass** to ensure business continuity and major improvements to our tender schedule and contract management duties.
- Launched a **Habit Formation Workshop** to strengthen internal team culture
- Played a major part in developing and launching the **First Nations Procurement Scheme**
- Rolled out **disaster management** approach for councils in partnership with Forge Solutions



CONTRACT HIGHLIGHTS

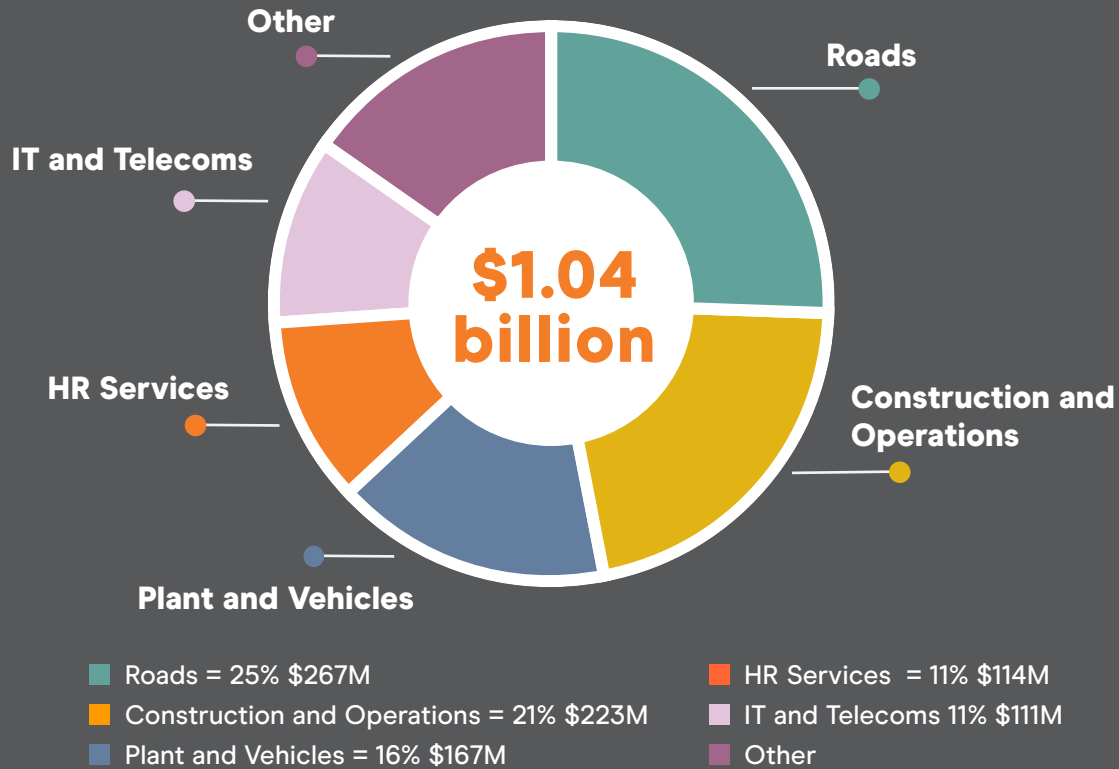
From a financial performance, the year was exceptionally strong. The total spend under **LGP contracts surpassed \$1 billion** for the second consecutive year. Three contracts – Bitumen, Emulsion and Asphalt Materials, Minor Major Works and HR Placements each recorded spend over \$100 million, reinforcing their significance and the value delivered through effective contract management.

The contracts with the biggest spend during the year included:

- \$236 million – Bitumen, Emulsions and Asphalt Materials and Services
- \$156 million – Minor and Major Capital Works
- \$113 million – HR Placements and Associated Services
- \$66 million – Professional Consulting Services
- \$64 million – Trucks, Buses, Specialised Trucks, Trucks' Bodies and Trailers



Total Category Spend



CONTRACTS TEAM RESTRUCTURE

Seven months into our restructure within the contracts team, we've seen clear benefits in terms of flexibility and responsiveness. The merge into a single team has allowed us to better allocate resources according to priority and project demand, ensuring a more balanced workload across the team as well as heightened agility and flexibility across different projects.

We continue to refine our internal processes, develop clear guidelines, and prioritise training to ensure the team is well-supported through this transition. While the structure is still evolving, we remain committed to maintaining high standards of service and contract performance.

SERVICES



During FY25, **LG Training Academy** (LGTA) (Code 45450) continued to deliver high-quality procurement and contract management training across local government, reaching approximately **385 participants** through its four core training service streams.

This included accredited qualifications, non-accredited courses, eLearning, and customised programs. LGTA also conducted **five dedicated events** during the year, engaging around **150 participants** and further strengthening its presence in the sector.

The first intake of two procurement qualifications, Certificate IV and Diploma were successfully rolled out under the **Registered Training Organisation** (RTO), marking a significant milestone in LGTA's accredited training offerings.

A new project was initiated in collaboration with the **NSW Environment Protection Authority** (EPA) to develop a customised training program, reinforcing LGTA's commitment to sector-specific capability development.

During the reporting period, **17 non-accredited courses** were delivered, with strong participation across the sector. There are currently three qualifications in progress, including Certificate IV in Procurement, Diploma of Procurement, and a Double Diploma in Leadership and Management and Business. In terms of eLearning, one organisational subscription was recorded, covering 60 users, alongside two individual subscriptions.





STRATEGIC PROCUREMENT SOLUTIONS



The team delivered a strong year, with a consistent focus on value delivery, operational excellence, and stakeholder engagement. Key achievements included:

- Completion of **83 engagements** across the sector
- Delivery of **29 projects** (including facilitations of RFTs and RFQs, Probitry services, Procurement reviews, Contract management framework and maturity reviews, Development of bespoke procurement documents) supporting councils' procurement outcomes
- Five webinars hosted, involving **87 councils**, with over 600 registrations
- Published **18 articles**
- Achievement of 95% compliance in project tracking, ensuring high standards of delivery and accountability

These results reflect SPS's continued commitment to supporting councils through practical, reliable, and high impact procurement services.

Product Expansion and Innovation

SPS made notable progress in product and service innovation. The team launched its first **contract management journey mapping** project with a large regional council and led round table sessions in five locations to promote best practice. Development began on **SPSBuy**, an upcoming online purchasing model designed to support efficient procurement.

Sector Engagement and Visibility

SPS maintained a strong presence across the local government sector through active participation in industry events, professional forums, and statewide engagement activities. The team facilitated contract management discussions to support peer learning, contributed to sector conferences through panel moderation and knowledge sharing, and consistently engaged with stakeholders across all levels to strengthen relationships and share practical insights.



NAVIGATING COMPLEXITY AND BRIDGING STAKEHOLDERS: SPS SUPPORTING LISMORE DISASTER RECOVERY

In late 2024, Strategic Procurement Solutions (SPS) was engaged by Lismore City Council to support the procurement process for the Landslip Restoration Package (LRP) – the largest and most complex initiative within the Council's flood recovery program. The goal was to identify and engage a qualified contractor to deliver slope remediation works across more than **60 damage** sites in the Lismore region, under NSW Disaster EPAR arrangements.

To ensure a rigorous and transparent selection, the procurement followed a two-phase Request for Proposal (RFP) process:

- Phase One: Eleven proponents submitted proposals detailing their capability, experience, and approach.
- Phase Two: The top three proponents were shortlisted for an intensive evaluation phase.

The entire procurement process was tightly scheduled for delivery within nine months and operated at a fast pace to meet strict funding deadlines. During the engagement, SPS managed the Vendor Panel platform and served as the primary Contact Officer. While not leading the RFP itself, SPS operated the machinery behind it – coordinating platform operations, communications, and logistics to keep the process on track. Acting as the central hub, SPS facilitated the flow of information, decisions, and dialogue.

The role demanded precision, speed, and diplomacy. SPS issued formal notices and addendums, coordinated responses to a high volume of technical and commercial queries, and supported over **20 workshops**, multiple knowledge transfer sessions, health checks, leadership meetings, interim presentations, and more than **15 supplier debriefs**. SPS contributed to compliance checks during Phase Two and managed a substantial volume of Requests for Proposals (RFPs) and Requests for Information (RFIs), ensuring timely, accurate responses and seamless coordination throughout the complex procurement process.

By working across diverse stakeholder groups – including Council staff, project managers, probity advisers, and technical experts – SPS ensured clear, timely communication and maintained transparency and compliance under tight funding deadlines.

SPS's contribution helped Lismore City Council deliver a complex procurement process with integrity and efficiency, laying the groundwork for vital infrastructure restoration across the Lismore region.



SUSTAINABLE CHOICE

Our Sustainable Choice Team delivered 'tailored sustainable procurement' **consulting services to 15 councils**. These included sustainable procurement implementation review, circular economy implementation, procurement document and process review for sustainability inclusions, sustainable procurement awareness training, ISO 20400 training, sustainable procurement progress assessment and recommendations, modern slavery risk assessment, modern slavery risk management plan development, modern slavery training and procurement document and process review for modern slavery inclusions.

17 councils participated in the **Sustainable Choice Annual Sustainable Procurement Survey** and had their progress against the elements of ISO 20400 assessed. Our Sustainable Choice Team presented to councils on sustainable procurement topics at **six Networking Meetings, four webinars and five industry events/conferences**.



CIRCULAR ECONOMY

We produced a discussion paper that builds on the foundations of our 2024 White Paper, offering practical strategies to help councils integrate Circular Economy principles into procurement. Based on insights from over 100 NSW council representatives, it highlights emerging challenges and presents **Four Key Actions** to help local governments overcome barriers and accelerate their sustainability efforts.

We introduced **Circular Economy Filter Tags** to LGP contract panels, helping councils easily identify over **300 suppliers aligned with sustainable practices**. Based on the 9R framework – Rethink, Refuse, Reduce, Reuse, Repair, Refurbish, Remanufacture, Repurpose, Recycle, and Recover – 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 developed two new Circular Economy products – a **Circular Economy Toolkit** and a tailored training program – to support councils in integrating circular principles into procurement. Designed specifically for local government needs, both resources will be released to the market in early FY25/26.



MODERN SLAVERY

This year marked the third 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.

87 councils are now using the toolkit to guide and assist them to ensure goods and services they procure are not the product of modern slavery.

LGP's fifth annual modern slavery risk assessment was completed across all 1,342 LGP approved contractors in November/December 2024. **93.3% of approved contractors were assessed as low risk** – an increase of 20% since we first commenced risk assessing approved contractors in 2020. All contractors are informed of their risk rating outcome with those rating as moderate risk provided with guidance and advice on how to lower their risks. Those rated as high risk are offered individualised hands-on support to assist them in reducing their risk.

A good news story

This year 2 contractors were assessed as High Risk. Both were contacted and offered free assistance to help them reduce their risk. One of these contractors took advantage of this offer and with LGP's support was able to implement new processes and reduce their risk level to Low.

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 – including a KPI requiring all Approved Contractors to respond to our annual modern slavery questionnaire.

Testimonial – from Bespoke Modern Slavery Training project

'The case studies and tasks were a highlight of the day; they solidified the material we had just learnt and made a lot of the information stick for attendees in what is a tricky subject that many do not fully understand.'



EVENTS PROGRAM

Throughout FY25, LGP delivered a strong calendar of events and engagement activities that supported sector capability and connection. The **Annual Conference** themed **Create Ripples Ride the Wave** attracted more than 130 delegates, providing a valuable opportunity for knowledge-sharing and networking across local government.

A series of **network meetings** engaged over 280 attendees, from flood-affected Lismore in the north to Batemans Bay in the south, and to the west Dubbo. Five **LGTA Capability Forums** reached 150 participants, reinforcing our commitment to professional development in procurement. **Business Development** engagement activities reached 939 attendees across various formats, including **VendorPanel** training sessions, **Lunch and Learns**, and **webinars**. In addition, five **Strategic Procurement Solutions (SPS) webinars** were delivered to 359 attendees, offering targeted learning on key procurement topics. These events collectively reflect our ongoing efforts to connect, inform, and support our stakeholders across NSW councils and the broader procurement community.

Business Development Webinar Program

During 2024, the LGP Business Development Team ran a series of webinars designed to upskill our buyers in how to use LGP contracts and VendorPanel. Our objective was to reach a wide range of council staff to give opportunities to all buyers across councils to learn more about the LGP contracts that are available for them to use and how to use them.

Throughout the year we ran two sessions specifically on how to use VendorPanel, as well as sessions covering:

Fleet

- including our new Fleet Management and Electric Vehicle Charging Stations contracts as well as older contracts such as Plant, Equipment & Machinery, Bulk Fuel & Fuel Cards, Tyres, and Trucks

Finance

- including Debt Recovery Services and Internal Audit & Management Services.

Human Resources

- Professional Consulting and Minor & Major Civil Works.

Delivered by members of the Business Development Team, these webinars covered the scope of the contracts, how to engage suppliers under the panel, and how to run requests for quote through VendorPanel. By attending the webinars, LGP customers were able to develop their knowledge and build confidence in engaging suppliers through LGP contracts, enabling them to ensure they remain compliant whilst running an efficient procurement process.

Through our webinars, we were able to **reach over 750 staff from councils** across the state. Staff from diverse areas of councils such as procurement, engineering, waste, sustainability, fleet, and libraries attended, and all levels were represented including Coordinators, Managers, Officers, Directors, and General Managers. Feedback from attendees was that these sessions were extremely valuable in helping them better understand how to obtain the most benefit from using LGP contracts.

Testimonials:

- “Great presentation”
- “Excellent presentation”
- “Paul, it was a joy to see and hear you speak. Your genuine excitement is easy to see.”
- “I appreciate the presentation”
- “A good series of seminars keeping us up to speed”
- “These training sessions are brilliant in making LGP more accessible”

2024 PROCUREMENT AWARDS

We are pleased to congratulate the winners of this year's LGP Procurement Awards, recognising excellence and achievement in local government procurement.

Outstanding Procurement Professional of the Year: Lana Axford from Penrith Council. Acknowledging her leadership and impact in the field.



Anna-Marie Bird from Muswellbrook was awarded **New Procurement Professional of the Year** for her outstanding contribution early in her career.



State Asphalt Services was recognised as **LGP Approved Contractor of the Year** for its continued excellence in service delivery and support to councils.



The Procurement Team at Inner West Council received the **Procurement Project of the Year** award for its collaborative and high-performing initiative.



Employee Tenure Awards

At the 2024 Annual Procurement Conference our executive team acknowledged and celebrated the following staff for their dedicated service.

Reaching the 5-year milestone, congratulations to Jerram Fairclough and Candice Galvez for their valuable contributions over the past half-decade.

We also extend our sincere appreciation to Ayesha Huq, Marija Nedanovski, and Michelle Burgess, who each mark an impressive 10 years of service.

Your commitment, professionalism, and continued support are greatly valued and have played an important role in LGP's success.

**Congratulations to all
our winners for their
dedication, innovation,
and commitment
to best practice in
procurement.**



MOVING FORWARD

1. Achieve ISO 9001 Accreditation

Secure Quality Management certification to reinforce operational excellence and continuous improvement.

2. Strengthen Governance and Leadership Renew Board composition, release our Reconciliation Action Plan

implement inclusive leadership pathways, and announce the 2026–2029 Strategic Plan to guide long-term direction.

3. Deepen Stakeholder Engagement

Advance stakeholder sentiment initiatives and expand engagement efforts to better understand and respond to stakeholder needs.

4. Elevate Brand and Digital Presence

Refresh LGP's brand identity, rebuild the website, and grow digital reach through targeted content and improved user experience.

5. Modernise Learning and Safety Capability

Introduce self-paced learning options and launch the Certificate IV in Workplace Health and Safety to support workforce development.

6. Enable Data-Driven Decision Making

Deploy a scalable data warehouse to improve analytics, accessibility, and evidence-based strategy.

7. Roll Out a Customised Capability Framework

Apply the framework across all roles to drive professional development, align performance, and deliver stakeholder value.

8. Advance Safety Governance

Design and implement a comprehensive WHS management system to clarify responsibilities and ensure consistent risk management.

9. Drive Strategic Growth and Innovation

Pursue \$1.2 billion in council spend, expand product offerings nationally, and explore new procurement channels for councils.

10. Expand Funding and Co-Investment Programs

Double investment in the Procurement Capability Grant Program and launch the Innovation Development Fund with Telstra to support digital transformation.

11. Accelerate AI Integration

Continue the rollout of artificial intelligence and measure its impact on efficiency, productivity, and service innovation.

12. Support Corporate Social Responsibility Programs

Drive for greater economic equality for First Nations businesses, while delivering a Reconciliation Action Plan in January 2026





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



**LOCAL
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