

# Strategic Enabler – Strengthening Council Capability Across NSW.

Over the coming weeks Muscat Tanzer will be turning our attention from Western Australia to New South Wales and delivering an article Series we have called Procurement as a Strategic Enabler – Strengthening Council Capability Across NSW.

Procurement within NSW local government has historically focused on compliance — ensuring transparency, probity, and value for money. However, this narrow focus can unintentionally limit innovation, market engagement, and long-term planning.

The NSW Government and the Office of Local Government now encourage councils to take a more strategic approach, positioning procurement as an enabler of:

- · Efficient service delivery
- Economic development and regional resilience
- Sustainability and social outcomes
- Governance and community trust

Strategic procurement aligns decision-making with long-term planning under the IP&R Framework and turns procurement from an administrative function into a core capability for strategic delivery.

This Series focusses on strategic procurement as driver of capability, innovation and regional value, and how councils can move from compliance to leadership.

### Why Procurement Needs to Evolve

1. Compliance is the Baseline — Not the Strategy While adherence to policy and regulation is non-negotiable, compliance alone does not deliver better outcomes. Councils must move from procedural assurance to proactive planning and performance measurement.

## 2. Procurement as a Driver of Economic and Social Value

Procurement is one of the largest levers councils hold to support local business participation, Aboriginal engagement, environmental outcomes and regional collaboration.

3. Market Engagement and Capability Building
Strategic procurement involves earlier and more
open engagement with suppliers — within probity
boundaries — to shape markets, encourage
innovation, and attract better competition.

4. Governance, Risk and Transparency
Elevating procurement governance ensures
consistency in decision-making, reduces probity
exposure, and builds public trust in how ratepayer
funds are spent.

### What Strategic Procurement Looks Like

A strategically mature council will:

- Integrate procurement planning into its Resourcing Strategy and Delivery Program
- Develop a forward procurement pipeline to signal opportunities to the market

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- Use data and spend analysis to inform decisions and demonstrate performance
- Align evaluation criteria with community and sustainability outcomes
- Build internal capability and accountability frameworks for procurement staff and managers

## **Key Enablers**

### Policy and Framework Alignment

Update procurement policies and delegations to align with IP&R objectives and the Local Government Regulation 2021.

## • Market Engagement Protocols

Develop structured early engagement protocols to encourage supplier dialogue without compromising probity.

## • Capability and Training

Build staff confidence and professional development pathways to ensure consistency and accountability.

### • <u>Data and Technology</u>

Use procurement systems, dashboards and analytics to manage pipelines, contracts and supplier performance.

### Our upcoming article topics include:

## 1. From Compliance to Capability: Elevating Procurement as a Strategic Function

Most NSW councils still treat procurement as a procedural task. This article reframes it as a strategic lever for achieving corporate objectives and community outcomes, aligning with the Office of Local Government (OLG)'s focus on integrated planning and reporting, helping councils evolve governance and policy frameworks.

## <u>2. Local Economic Development Through Strategic Procurement</u>

How councils can structure procurement to strengthen regional supply chains, small and medium-sized enterprise (SME) participation, and local content, within NSW probity and competition laws. Ties procurement directly to community wellbeing and economic sustainability.

# 3. Procurement Planning Under the Integrated Planning and Reporting Framework: The Missing Link Explores how councils can integrate long-term procurement planning with delivery and operational plans, to link spending with measurable outcomes. Brings procurement into the core of the council's strategic planning cycle, not an afterthought.

## 4. Collaborative and Shared Procurement Models: Delivering Scale Without Losing Control

Reviews the legal, governance and efficiency benefits of regional procurement alliances and shared service models between councils. Highly topical for smaller councils under fiscal pressure and the OLG's encouragement of resource-sharing.

## <u>5. Early Market Engagement: Getting Ahead of the</u> Tender

How NSW councils can safely conduct pre-tender market sounding and information sessions to drive innovation and competition. Connects probity and innovation, two themes often seen as conflicting.

## <u>6. Outcome-Based Procurement: Paying for Results.</u> <a href="Not Activities">Not Activities</a>

How councils can link contract payments to measurable performance outcomes within the legislative framework. Supports councils pursuing performance-based funding and continuous improvement agendas.

## 7. Building Procurement Capability: From Policy to Practice

Focuses on training, templates and governance structures that enable staff to apply strategic procurement consistently. Addresses the gap between procurement frameworks and practical capability; a common council pain point.

## 8. The Role of Legal and Probity Advisors in Strategic Procurement

Outlines how external advisors add value through early engagement, governance, probity, and drafting fit-for-purpose contracts. Proactive partners in strategic implementation, not just compliance.

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## 9. Embedding Environmental, Social, and Governance (ESG) and Circular Economy Principles in Procurement

How councils can use procurement to achieve sustainability goals, manage climate risk, and stimulate the circular economy. Perfect alignment with NSW Government policy priorities and community expectations.

## 10. Procurement in Infrastructure Delivery: Managing Risk Across the Lifecycle

Discusses integrated procurement strategies for major works under the Local Government (General) Regulation 2021 and public works exemptions. Appeals to councils with large capital programs or regional infrastructure pipelines.

Keep an eye out for this soon to be released Series, and if you would like more information in the meantime in relation to any of these topics, please let us know.

### How We Can Help

At Muscat Tanzer we work with NSW councils to embed procurement as a strategic and compliant function.

#### Our services include:

- Procurement framework and policy reviews
- Governance and probity advice
- Early market engagement and pipeline planning
- Contract design and outcome-based models
- Council training and capability building

We help councils move from procurement as process to procurement as performance — strengthening governance and delivering measurable community benefit.



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