

PROCUREMENT REFORM PROGRAM

MAKING IT EASIER TO DO BUSINESS WITH GOVERNMENT

FROM 1 OCTOBER 2025 HOW GOVERNMENT
BUYS GOODS AND SERVICES IS CHANGING.

The Northern Territory Government procurement framework has been streamlined and modernised to make it easier to do business in the Territory.

The changes aim to reduce unnecessary red tape making government procurement more effective for all stakeholders and to drive productivity and economic growth.

An overview of key these changes for Territory businesses are explained within.

For more information contact

Department of Trade, Business and Asian Relations
Procurement NT

P: +61 8 8999 1410

E: procurement.nt@nt.gov.au

nt.gov.au/procurement

For business assistance contact

Territory Business Advisors

P: 1800 193 111

E: businessinfo@nt.gov.au

business.nt.gov.au



SIMPLIFYING LOCAL BUYING

Under the quotation process the tier 1 purchasing cap increases to \$50,000 from \$15,000



INCREASING LOCAL BUYING OPPORTUNITIES

Increased purchasing caps are reflected with tier 2 increasing to \$200,000 from \$100,000



STREAMLINING EVERYDAY PURCHASES

Direct purchasing from a local business for commonly used, low-risk and readily available items such as milk or standard training, reduces administrative burdens

Tier 1 and 2 cap increases

From 1 October 2025, the Northern Territory Government will implement changes to purchasing tiers 1 and 2 caps

- tier 1 up to \$50,000 (was \$15,000)
- tier 2 \$50,000 – \$200,000 (was \$15,000 – \$100,000)

Simplified Direct Purchasing

Direct purchasing has been simplified for commonly used, low-risk and readily available goods or services such as milk, cleaning supplies or standard training.

This removes unnecessary administrative burden enabling government to buy directly from Territory businesses without a formal quote process, and without the need for businesses to respond to assessment criteria or weightings.

Territory Procurement Champion

The Territory Procurement Champion is responsible for handling complaints and engaging with businesses and government to drive more local procurement.

Local Content and Aboriginal Participation

Greater flexibility for agencies to identify strategies that enable and promote Aboriginal participation and employment throughout the contract, such as:

- Engaging with Aboriginal businesses
- Employing local Aboriginal workers
- Subcontracting to Aboriginal suppliers.

Government procurement remains merit-based.

Future Tender Opportunities

Agencies must provide industry with early notice of upcoming tender opportunities (future tender opportunity).

When Future Tender Opportunities are not advertised, agencies must keep their tender 'at market' for at least:

- 6 weeks for a tier 4 procurement activity (\$500,000 to \$5 million)
- 8 weeks for a tier 5 procurement activity (\$5 million and above)

Exemptions

If no local business can provide the required goods or services, an exemption of up to 12 months to procure from outside the NT may be granted, following consultation with the Industry Capability Network NT.

WHAT IS DIRECT PURCHASING?

Direct purchasing is when the NT Government buys goods or services straight from a supplier without running a competitive quote.

This allows for a faster, simpler process, removing the administrative burden of a panel for commonly used, low-risk and readily available goods or services.

Tip: Make sure agencies know your capabilities so you're considered.

WHAT DOES "COMMONLY USED, LOW-RISK, READILY AVAILABLE" MEAN?

Goods or services that are:

- Low-risk – unlikely to cause major issues if something goes wrong.
- Readily available – easy to source quickly from the market.
- Commonly used – standard items or services government buys regularly.

Examples: milk, office chairs, cleaning supplies or standard training to name a few.

UNDERSTANDING PROCUREMENT TIERS

Tiers are value ranges that determine the process NT Government uses to buy. These are:

- tier 1 – up to \$50k – low value, direct local purchase or quotation preferred.
- tier 2 – \$50k–\$200k – medium value, select quote or direct purchase (in limited cases).
- tier 3 – \$200K–\$500K – higher-value procurement usually requiring a public tender.
- tier 4 – \$500k–\$5m – major procurement with restrictions on when select tenders are permitted.
- tier 5 – \$5m+ – very high-value or complex procurement with restrictions on when select tenders are permitted

Lower tiers mean less paperwork and faster processes, so more opportunities for quick engagement.



BE PROACTIVE AND BE SEEN

Government uses a range of sources to find businesses so make sure you are registered with Industry Capability Network NT, Contractor Accreditation Limited, and your relevant industry representative.

Visit our website to find out more about these sources and view opportunities to bid for NT Government work.