



Australian Government

NAIF

Northern Australia Infrastructure Facility

Procurement Policy

JUNE 2024

Contents

1. Scope of this Policy	3
2. Policy Statement	3
3. Core Principles	3
3.1. Indigenous Participation and northern Australian engagement	3
3.2. Whole of Australian Government (WoAG)	3
3.3. Social and Sustainable	4
3.4. Commonwealth Procurement Rules	4
3.5. Resource Management Guides	4
3.6. Approaching the market	5
3.7. Records and Reporting	5
4. Exemptions	5
5. Relevant Legislative Requirements	6
6. Specific Procurement Activity	6
7. Reporting	6
8. Consequences of non-compliance	7
9. Roles and Responsibilities	7
10. Review and Approval	7

Document purpose

The Procurement Policy (Policy) outlines Northern Australia Infrastructure Facility’s (NAIF) approach to procuring and managing goods and services consistent with NAIF’s obligations under the PGPA Act and other requirements.

1. Scope of this Policy

This Policy applies to Board Members, employees, and contractors (for the purpose of this Policy, 'employees' includes each of these categories).

2. Policy Statement

As a corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013* (Cth) (PGPA Act), NAIF must promote the proper use and management of public resources for which NAIF is responsible.

NAIF's procurement policy has a procurement focus on the north.

NAIF, with its focus on economic growth in northern Australia will endeavour to procure goods and services originating from the area in which it operates in. NAIF may not be able to procure goods and services from the north, for example where a technical or niche skillset is required and is not available.

3. Core Principles

When conducting procurement utilising public resources, employees are required to exercise due care, skill and diligence and adhere to this policy and NAIF's Values, Code of Conduct, Conflicts of Interest, Gifts & Benefits, and Risk and Compliance Management Frameworks. that require employees to act with due care, skill and diligence, the following core principles underpin all procurement activities at NAIF:

3.1. Indigenous Participation and northern Australian engagement

Indigenous procurement within the Australian Government is a crucial aspect of fostering economic development and empowerment among Indigenous communities. Through various policies and initiatives, including the Indigenous Procurement Policy (IPP), the government aims to increase the participation of Indigenous businesses in government procurement processes. By prioritising Indigenous procurement, NAIF not only supports economic growth in northern Australia but also contributes to reconciliation efforts and strengthens the social fabric of Australia by empowering Indigenous entrepreneurs and communities.

3.2. Whole of Australian Government (WoAG)

NAIF employees are encouraged to utilise the WoAG coordinated procurement arrangements established for Commonwealth entities. These arrangements ensure more efficient processes to deliver better prices, service and quality for the Commonwealth. Coordinated procurement arrangements also offer increased transparency, standard terms and conditions and improved contract management that benefits both the government and suppliers.

3.3. Social and Sustainable

A social and sustainable procurement principle requires the consideration of ethical and environmental impacts related to purchasing decisions. It is important not only the cost and quality of goods and services but also their social and environmental implications throughout the supply chain. This includes an understanding of fair labour practices, diversity and inclusion, and human rights along side the importance of minimising negative environmental effects by selecting products and services that are eco-friendly, energy-efficient, and responsibly sourced. Together, these principles foster a more responsible approach to procurement, driving positive social and environmental outcomes while supporting long-term economic viability.

3.4. Commonwealth Procurement Rules

As a corporate Commonwealth Entity (CCE), NAIF is not required to follow the Commonwealth Procurement Rules (CPRs). However, NAIF employees should consider the key principles set out in CPRs when making procurement decisions. Core principles include:

- value for money;
- efficient, effective, economical, and ethical procurement; and
- effective competition.

When assessing value for money, NAIF employees and contractors must consider:

- the quality of the goods and services;
- fitness for purpose of the proposal;
- a potential supplier's relevant experience and performance history;
- flexibility of the proposal (including innovation and adaptability over the lifecycle of the procurement);
- environmental sustainability of the proposed goods and services; and
- whole of life costs.

When considering efficient, effective, economical, and ethical procurement, NAIF employees and contractors must consider:

- efficient being the achievement of maximum value for the resources used. For example, the procurement method should be appropriate to the size and complexity of the transaction;
- effective being the extent to which intended outcomes or results are achieved;
- economical refers to minimising costs;
- ethical behaviour related to those who identify and manage conflicts of interest and do not make improper use of a position, and maintain confidentiality of commercially sensitive information to avoid misuse of information; and
- effective competition by engaging all relevant suppliers and approaching suppliers in a consistent manner.

3.5. Resource Management Guides

While not all RMGs are applicable to NAIF, we align our processes to maintain good practice, standards and governance. The RMGs provide practical assistance to those involved with the planning, project selection, management and review of Commonwealth procurement. NAIF aligns its processes with RMGs issued that are directly relevant to procurement administration.

The Procurement Procedure provides employees with guidance on how to complete procurement at NAIF.

3.6. Approaching the market

Once a procurement activity is planned, the employee or contractor must follow the minimum quote/tender requirement schedule listed below:

AUD Procurement Value (excl. GST)	Quote / Tender Requirement (consider more, if required)
\$0 - \$30,000	1 written quote.
\$30,001 - \$150,000	3 written quotes.
\$150,001 - \$300,000	Tender process required.
\$300,001 or more	Tender process and must receive approval from the Board.

Note: all quotes, approvals, and documented inability to source quotes must be retained on file for audit purposes.

3.7. Records and Reporting

A fundamental element of accountability and transparency in procurement is ensuring appropriate documentation of the process from concept to completion, in a way that reflects the scale, scope and risk of the procurement. This ensures that actions and decisions for the resulting outcomes of a procurement can facilitate scrutiny of the activity. NAIF requires all plans, quotes, approvals, correspondence, assessments, and documented inability to source quotes must be retained on file for audit purposes in alignment with the Records and Information Management Policy.

4. Exemptions

In certain circumstances, such as specialised service requirements that do not meet the standard quote/tender threshold, exemptions from the three-quotation rule may be granted according to the Sub-Delegation Manual. Such exemptions must be substantiated within the procurement submission. In exceptional cases, like those involving urgency or confidentiality, adhering to standard policy principles may not be feasible in order to achieve a business objective. Procurements that deviate from the policy must be thoroughly documented with supporting reasons and require dual approval from an Executive and the CEO, and, when necessary, the Board.

5. Relevant Legislative Requirements

Along with the PGPA Act, there are additional legislative requirements that employees and contractors must be aware of during procurement activities.

Legislative Instrument	Details
Privacy Act	Privacy requirements apply during procurement activities. Refer to the Privacy Policy for further information.
Murray Motion	The Senate Order, also known as the Murray Motion, requires each Minister to table a letter in the Senate for each reporting period, outlining compliance with the Senate Order for each entity in their portfolio. To support compliance with the Senate Order, NAIF publishes an internet listing twice a year that identifies contracts entered into during the preceding calendar or financial year, valued at or above \$100,000 (GST inclusive), along with details relating to each of those contracts.
Australian Government Building and Construction Work Health and Safety Accreditation Scheme	NAIF must comply with its obligations under the scheme in relation to 'building work' that is funded directly or indirectly by NAIF including ensuring contracts for relevant building are with accredited builders. This is applicable to building work: <ul style="list-style-type: none"> • directly funded by NAIF with a value of \$4 million or more; • indirectly funded by NAIF where the value of NAIF's contribution to the project is at least \$6 million and represents at least 50% of the total construction project costs; and • indirectly funded by NAIF where the value of NAIF's contribution to the project is at least \$10 million.

6. Specific Procurement Activity

Capital expenditures are included in yearly budget preparations and approved annually. In accordance with the Sub-Delegations Manual, capital expenditures must be authorised prior to incurring any liability. This might include:

- office equipment, furniture and fittings; or
- computer, IT, Software, systems or communications equipment or supplies.

7. Reporting

Employees are required to use the Risk and Compliance system to report any incidents or near misses. This includes but is not limited to situations where there are deviations from sub-delegation approvals, potential avoidance of threshold protocols, exceeding cumulative spend with a supplier, probity concerns, or instances of non-compliance with the policy. Employees are encouraged to refer to the Risk and Compliance incident guideline documentation on NAIF Connect or contact the Risk and Compliance team for any queries or concerns related to reporting procedures.

The Director, Corporate Planning has a register of all procurement with Indigenous enterprises for departmental reporting on IPP.

8. Consequences of non-compliance

Deliberate breaches of this Policy may have serious consequences in accordance with the Code of Conduct, which could result in termination of employment or other engagement at NAIF.

9. Roles and Responsibilities

Role	Responsibility
NAIF Board	<ul style="list-style-type: none"> Approving policy and any proposed changes after a review and recommendation by the Policy Sponsor. Tasking management with policy implementation, exception reporting and for developing procedures to support the policy. Notify the CEO of any direct expenditure by the Board
Chief Executive Officer	<ul style="list-style-type: none"> Approving immaterial policy and any proposed changes after a review and recommendation by the Policy Sponsor. Complying with the requirements of this Policy.
Chief Operating Officer	<ul style="list-style-type: none"> Implementing this policy at NAIF. Reviewing the Policy each calendar year.
Director, Risk and Compliance	<ul style="list-style-type: none"> Assist with the risk assessment process during a procurement activity (if required) Providing advice, guidance and risk analysis to support procurement, change initiatives and project implementation. Providing training to NAIF employees and contractors on this policy.
Director, Corporate Planning	<ul style="list-style-type: none"> Maintain an up-to-date register of all procurement with Indigenous enterprises.
Senior Associate, Management Accountant	<ul style="list-style-type: none"> Ensure all employees are aware of this policy and understand their requirements. Oversight of NAIF procurement activities to ensure alignment with this policy.
Employees and Contractors	<ul style="list-style-type: none"> Complying with the requirements of this policy.

10. Review and Approval

The NAIF Board approves the Policy every two years.

The Policy is reviewed annually (or more frequently if required) by the Policy Sponsor to ensure it remains aligned with governing legislation. If any material amendments occur to the Policy out of the NAIF Board review cycle, it is provided to the NAIF Board for approval.

Document Review and Approval

Policy Sponsor	Policy Approver	Approval Date	Next Board Review
Chief Operating Officer	NAIF Board	June 2024	June 2026

Related Documentation

Procurement Framework
Procurement Procedure
Procurement FAQ
Privacy Policy
Privacy Impact Threshold Assessment
Corporate Information Security Policy
IT Risk Assessment
Sub-delegations Manual
Risk in Change Framework
Risk Management Framework
Compliance Management Framework



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