

PROTECTED CABINET

PDR Number: MS26-000273
Date sent to MO: 15 April 2026



Australian Government
Department of Finance

MINISTERIAL SUBMISSION

Copies to:

Secretary

Ms Purvis-Smith
Mr Casson
Ms Atkinson
Mr Pfizner
Mr Bradley
Mr Sebar

Minister for Finance

Options to reduce non-wage procurement expenditure

Minister's action due by 28 April 2026 as requested by your office.

Recommendation:

That you:

s22

s47C

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/ /

Katy Gallagher

Key Issues:

s22

2. In discussions with you and your office, we understand that you have requested the following changes to the letter attached to MS26-000200:

PROTECTED CABINET

- s22
- (b) The default is that promotional merchandise is not to be purchased unless it is sold for profit. In limited circumstances, where promotional merchandise plays an important role in delivering government policy outcomes, it can be purchased with an entity's Accountable Authority (or, if delegated, no lower than an SES Band 3 officer) approval.
- s22

- (e) include the proposal to ban entities purchasing airport lounge membership for APS officials.
- s22

Promotional Merchandise

4. Under the revised proposal, the default is that promotional merchandise is not to be purchased unless it is sold for profit (for example, branded merchandise from the National Museum of Australia and similar cultural institutions).
5. In limited cases where promotional merchandise is critical to deliver the Government's policy objectives, the Accountable Authority (or, if delegated, no lower than an SES Band 3 officer) must approve all promotional merchandise purchases. To further support this, details of expenditure on promotional merchandise, where not purchased for on-sale, would be required to be reported in an entity's Annual Report. This would allow the Accountable Authority to balance the Government's expectations around reduced expenditure on promotional merchandise against delivering on the Government's agenda. Finance would develop guidance to support entities in their decision making and reporting.

Airline lounge membership

6. s47C
Finance has previously briefed you on this matter in MS26-000200.

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7. Under the proposal, non-corporate Commonwealth entities would be banned from purchasing airline lounge membership for their staff from 1 July 2026, with corporate Commonwealth entities who are part of the Australian Government Travel Arrangements strongly encouraged to comply with the policy.

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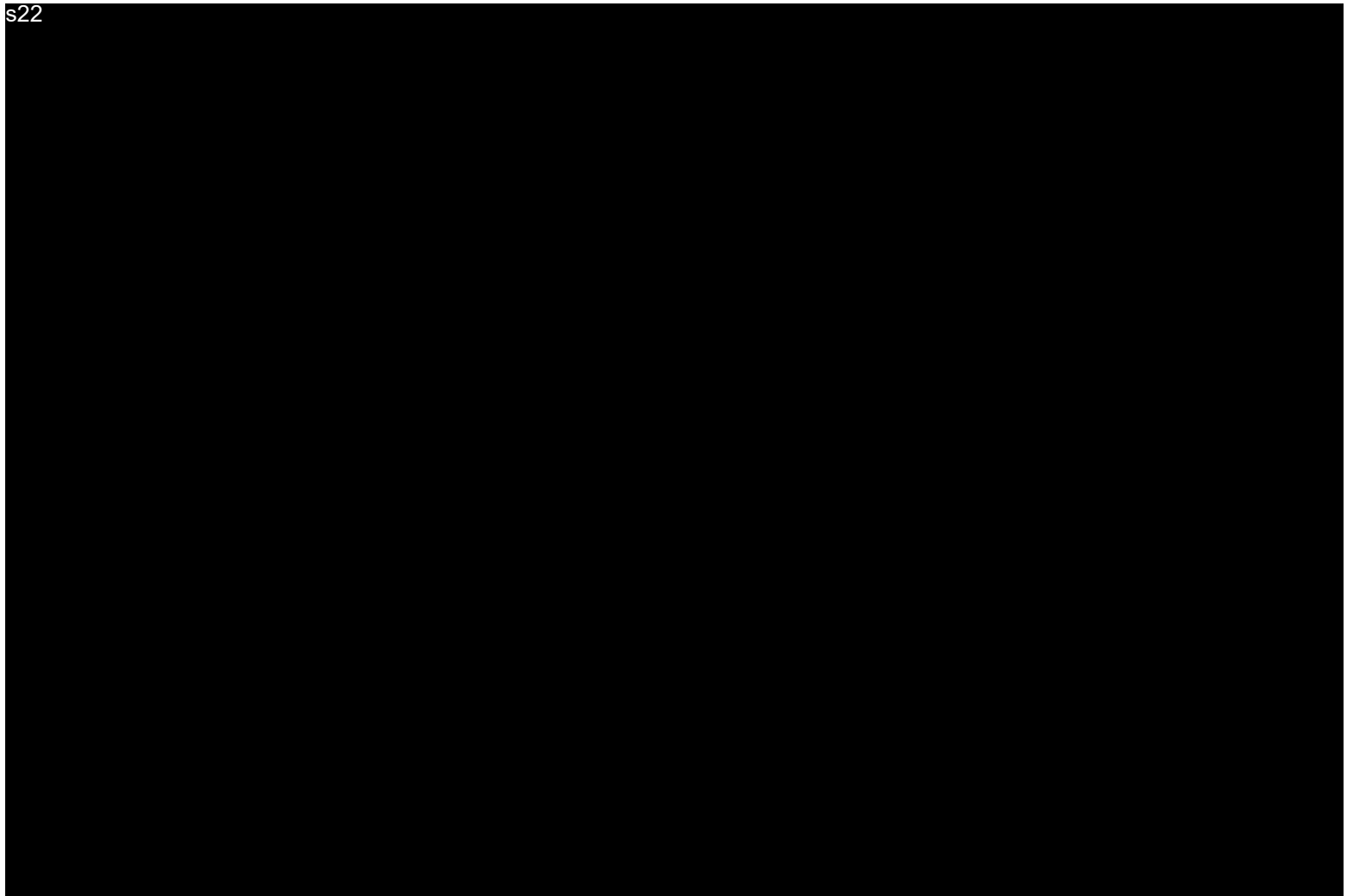
(b) Some entities' SES remuneration arrangements and enterprise agreements may include lounge memberships. Guidance to the policy would clarify that these arrangements should be phased out as quickly as possible (however this may mean implementation of the policy by some entities may be later than 1 July 2026, especially if it means renegotiating enterprise agreements).

(c) Due to the nature of lounge memberships, some public servants are likely to retain access to existing lounge memberships beyond the period where the ban is introduced. The policy will clarify that once existing memberships have expired, they must not be renewed.

8. The proposed policy does not impact lounge access that is provided at no cost to Government (for example, Chairman's Lounge or lounge membership provided as part of a traveller's status level).

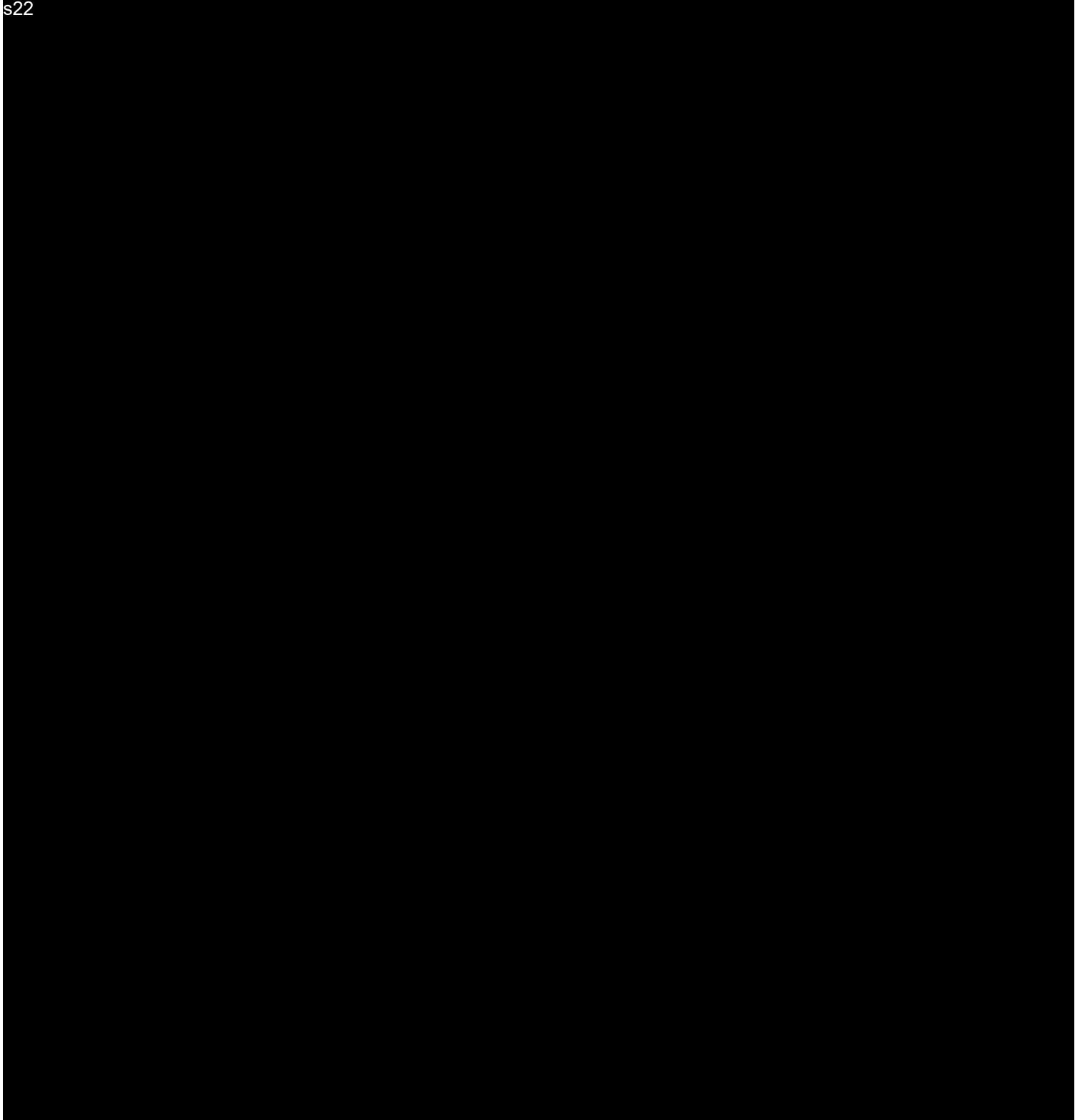
9. The proposed policy does not apply to staff employed under the *Members of Parliament (Staff) Act 1984*.

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PROTECTED CABINET

s22



Attachment:

Attachment A – s22

Attachment B – s22

Approved for electronic transmission

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