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This guide contains material that has been prepared to assist Commonwealth entities and companies to apply the principles and requirements of the Public Governance, Performance and Accountability Act 2013 and associated rules, and any applicable policies. In this guide the: mandatory principles or requirements are set out as things entities and officials ‘must’ do; and actions, or practices, that entities and officials are expected to take into account to give effect to those and principles and/or requirements are set out as things entities and officials ‘should consider’ doing.
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**Audience**

This Guide applies to: all Non-Corporate Commonwealth Entities. Corporate Commonwealth Entities are encouraged to comply with this Guide.

**Key points**

This Guide:

- Sets out requirements for achieving value for money when booking and approving official international travel.
- Takes effect from 27 February 2015.

**Resources**


Frequently Asked Questions that support this Guide are available at:

For any queries regarding this Guide, please contact the Travel Contract Management Section at TCMS@finance.gov.au

**Policy**

1. When undertaking official international travel, officials should select the International Best Fare (IBF), which is the lowest fare available on the day the travel is booked on a regular scheduled service (that is, not a charter flight) that suits the practical business needs of the traveller and maximises overall value for money for the total cost of the trip.

**Guidance**

**Key Considerations**

2. **Value for Money:** Value for money is the overarching consideration when booking flights for international travel. Value for money requires the use of Commonwealth resources in an efficient, effective, economical and ethical manner that is not inconsistent with policies of the Commonwealth, and is enhanced through competition.

   Accordingly, when booking travel, officials must make decisions based on an impartial consideration of the fares available and not on a personal preference for a particular airline or aircraft type; access to airline lounges or accumulating airline reward and loyalty points (including status credits).

3. **Necessity of Travel:** International travel should only be undertaken where other communication tools, such as teleconferencing and videoconferencing, are an ineffective option. In approving travel, the delegate (the official approving international air travel) should be satisfied that there is a demonstrated business need for travel.
4. **Safety:** Under no circumstances should this Guide be read as requiring officials to use airlines with a poor industry reputation for safety. Information on aviation safety and security is available from the Department of Foreign Affairs and Trade (DFAT) at their website: [www.smartraveller.gov.au](http://www.smartraveller.gov.au).

5. **Approval of the need to travel:** Officials should refer to their entity Accountable Authority Instructions for the approval requirements that apply to international travel.

6. **Class of travel:** In booking flights for inbound and outbound international travel and travel within an international country, officials should select a business class or equivalent class or lower class airfare. Officials should not accept offers of complimentary upgrades to first class from airlines.

### Applying the International Best Fare

7. To maximise value for money for the cost of international air travel, officials should consider:
   - for outbound flights, the cost of flights that would depart within a 24 hour window before the latest possible departure flight (that is, the latest flight that will enable the traveller to meet their overseas commitments);
   - for inbound flights, the cost of flights that leave within a 24 hour window after the earliest practical return flight;
   - any additional accommodation, meals, ground transport, incidental and baggage costs associated with the 24 hour window and include these in the calculation of the IBF. Officials may also take the employee cost of lost wages associated with lost work time into account where appropriate.

8. The 24 hour window is not intended to restrict or limit the use of fares outside this timeframe that may maximise value for money.

9. Where entities allow for rest periods, these should be incorporated within the 24 hour window to the extent possible.

10. Unless a limited number of airlines (i.e. one or two) service a particular route, officials should obtain three quotes from at least two different airlines for the same or equivalent fare class.

11. The 24 hour window applies to the international legs and not the domestic legs of the trip. Accordingly, once the appropriate international flights have been booked on the basis of the IBF, then having regard to connectivity, the most appropriate domestic leg should be added to the trip. The domestic leg may also be subject to the entity’s policy on fare class and fare type for domestic travel.

12. To assist entities in reporting against use of the IBF internally, the Travel Management Company (TMC) contracted under the Whole of Australian Government (WOAG) Travel Arrangements (the Arrangements) apply the 24 hour window to the booked flight time to monitor whether the international best fare has been selected. This reporting is available to entities through their TMC.

13. **TMC transaction fees:** TMC transaction fees and WOAG administration fees are not to be included in the estimated cost of travel submitted for approval or the IBF calculation.
Booking considerations

14. **Airlines**: Highly competitive airfares have been negotiated with a range of international airlines under the Arrangements that commenced on 1 July 2010. Officials are, however, not restricted to using the panel airlines in maximising value for money.

15. **Airfares**: Strategies that can be considered to maximise value for money in booking airfares include booking as far in advance as possible, being flexible with times, using less flexible tickets, and looking at different routes to the final destination. Officials should advise their TMC of key business needs, for example direct routing or excess baggage requirements.

16. **Lounge memberships**: Airline lounge membership is not to be considered in applying the IBF.

17. **Accommodation**: Officials should book, where possible, any accommodation associated with international travel through their TMC using the Diners Club payment facility, (the virtual account and/or the in-hand Diners card or MasterCard). The most cost effective accommodation should be selected i.e. a room rather than a suite.

18. **Unused credits**: Where travel is not taken and unused credits exist, officials should always select the IBF for any subsequent bookings and then apply any unused credits to reduce the fare price.

19. **Reward and loyalty points (including status credits)**: The implementation of the Arrangements on 1 July 2010 ceased the accrual of reward and loyalty points (such as frequent flyer points). However, status credits may still be accrued. Where officials have retained previously accrued reward and loyalty points, these should be used to reduce the cost of future flights required for official travel. It is Government policy that such points, where awarded for official travel, are not to be used for private purposes or to upgrade the class of official air travel.

International travel considerations


21. **Register the trip**: Prior to leaving Australia, officials should register the details of their official international travel with DFAT at [www.smartraveller.gov.au](http://www.smartraveller.gov.au)

Booking Codes

22. When booking official international air travel, officials must identify the reason a fare is selected using the IBF Booking Codes at Table 1 – The IBF Booking Codes, and the purpose of travel using the Purpose of Travel Codes at Table 2 - Purpose of Travel Codes, below.
Monitoring compliance

23. Entities are responsible for managing compliance with this policy in accordance with the entities' internal processes.

24. Please see Attachment A for examples of using the IBF.

Queries

25. For queries regarding this Guide, please contact the Travel Contract Management Section at TCMS@finance.gov.au.

Table 1 – The IBF Booking Codes

<table>
<thead>
<tr>
<th>No</th>
<th>Booking Code</th>
<th>Map to IBF Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Lowest fare</td>
<td>This is the cheapest available fare taking into account the 24 Hour booking window (refer to paragraph 7).</td>
</tr>
</tbody>
</table>
| 2  | Timing, routing, connection or baggage charges | Where the fare selected is not the lowest fare because it:  
- is the most direct route;  
- ensures connections for further flights are met; or  
- takes into account excess baggage fees.                                                                                                                                                                                                                                                                 |
| 3  | Approval / Entitlement to travel at higher fare class | All air travel should be at the international best fare in the appropriate class (having regard to internal travel policy) unless there is a business case or entitlement to travel outside these guidelines.  
In these circumstances, officials are still required to obtain the international best fare within the entitlement.                                                                                                                                                                                                                             |
| 4  | Health issues                             | Health issues for officials requiring certain facilities. A medical certificate should support use of this code.                                                                                                                                                                                                                                         |
| 5  | Personal responsibilities                 | Impact on personal responsibilities such as family.                                                                                                                                                                                                                                                                                                  |
| 6  | Require flexibility to change booking     | Where flexibility is required for air travel, travel bookers should consider selecting a semi-flexible fare type instead of a fully flexible fare.                                                                                                                                                                                                   |
| 7  | Outside of IBF policy                     | Preference for particular aircraft or airlines, availability of access to airline lounges, accumulation of airline benefits such as reward or loyalty points (including status credits).                                                                                                                                                                                   |
Table 2 – Purpose of Travel Codes

<table>
<thead>
<tr>
<th>Code</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Domestic Travel - <em>for TMC use and online bookings only</em></td>
</tr>
<tr>
<td>B</td>
<td>National security operations and investigations</td>
</tr>
<tr>
<td>C</td>
<td>Immigration and border protection activities</td>
</tr>
<tr>
<td>D</td>
<td>Emergency and humanitarian responses</td>
</tr>
<tr>
<td>E</td>
<td>Defence, peace keeping and law enforcement deployments and operations</td>
</tr>
<tr>
<td>F</td>
<td>Posting, missions and deployments</td>
</tr>
<tr>
<td>G</td>
<td>Trade negotiations</td>
</tr>
<tr>
<td>H</td>
<td>Accompanying ministerial or parliamentary travel</td>
</tr>
<tr>
<td>I</td>
<td>Conference, convention, summit or meeting</td>
</tr>
<tr>
<td>J</td>
<td>Training or educational activity</td>
</tr>
<tr>
<td>K</td>
<td>Industrial, scientific or regulatory inspection, examination or assessment activity</td>
</tr>
</tbody>
</table>
Choosing the International Best Fare:

Below are three examples of how to choose the International Best Fare (IBF).

It is mandatory that an IBF Booking Code (refer to paragraph 22) be provided at the time of booking official international air travel.

Please note: Booking Codes 1 to 6 are for fares compliant with the IBF. Booking Code 7 is for fares outside the IBF.

**Example 1 - Lowest fare**

An official is travelling from City A in Australia to City B overseas. Three quotes have been obtained from the TMC with different airlines for the same or equivalent fare class and fare type and similar total travel time.

Airline A is selected because the fare is the lowest fare. The official therefore uses Booking Code 1.

<table>
<thead>
<tr>
<th>Quote</th>
<th>Airline</th>
<th>City Pairing</th>
<th>Total Travel Time</th>
<th>Price</th>
<th>Fare Selected</th>
<th>Booking Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>1)</td>
<td>Airline A</td>
<td>City A – City B</td>
<td>20 hours</td>
<td>$8,000</td>
<td>✓</td>
<td>1</td>
</tr>
<tr>
<td>2)</td>
<td>Airline B</td>
<td>City A – City B</td>
<td>19 hours</td>
<td>$9,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3)</td>
<td>Airline C</td>
<td>City A – City B</td>
<td>21 hours</td>
<td>$9,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Example 2 - Timing**

An official is travelling from City C in Australia to City F overseas. Three quotes have been obtained from the TMC with different airlines for the same or equivalent fare class and fare type and similar total travel time.

Airline B is selected because the fare is the most direct route to City F and the lowest fare that meets the practical business needs of the official. The official therefore uses Booking Code 2.

**Note:** In this example, potential missed savings of $500 would be reported by the TMC to reflect the difference between the lowest fare available and the fare selected.

<table>
<thead>
<tr>
<th>Quote</th>
<th>Airline</th>
<th>City Pairing</th>
<th>Total Travel Time</th>
<th>Price</th>
<th>Fare Selected</th>
<th>Booking Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>1)</td>
<td>Airline A</td>
<td>City C – City D - City F</td>
<td>30 hours</td>
<td>$9,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2)</td>
<td>Airline B</td>
<td>City C – City F</td>
<td>25 hours</td>
<td>$10,000</td>
<td>✓</td>
<td>2</td>
</tr>
<tr>
<td>3)</td>
<td>Airline C</td>
<td>City C – City E - City F</td>
<td>29 hours</td>
<td>$11,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Example 3 – Fare Outside the IBF

An official is travelling from City K in Australia to City L overseas. Three quotes have been obtained from the TMC with different airlines for the same or equivalent fare class and fare type and similar total travel time.

Airline C is selected because the official has a preference for Airline C regardless of whether the fare meets the official’s practical business needs. The fare selected is not compliant with the IBF. The official therefore uses Booking Code 7.

<table>
<thead>
<tr>
<th>Quote</th>
<th>Airline</th>
<th>City Pairing</th>
<th>Total Travel Time</th>
<th>Price</th>
<th>Fare Selected</th>
<th>Booking Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>1)</td>
<td>Airline A</td>
<td>City K – City L</td>
<td>25 hours</td>
<td>$9,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2)</td>
<td>Airline B</td>
<td>City K – City L</td>
<td>24 hours</td>
<td>$10,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3)</td>
<td>Airline C</td>
<td>City K – City L</td>
<td>27 hours</td>
<td>$11,000</td>
<td>✔️</td>
<td>7</td>
</tr>
</tbody>
</table>

Note: In this example, potential missed savings of $1,500 would be reported by the TMC to reflect the difference between the lowest fare available and the fare selected.