



Australian Government
Department of Finance



Report of the Review of Australian Government Travel Policies

24 December 2024

Contents

1. Executive Summary	4
1.1 Summary of recommendations	5
2. Context	7
2.1 Background	7
2.2 Scope of Review	8
3. WoAG Travel Arrangements	9
3.1 Current arrangements	9
3.2 Domestic and International Air Travel Services Arrangement	10
3.3 Value for money	11
3.4 Compliance	13
4. Themes from consultation	14
4.1 Governance and policy	14
4.2 Online booking tool	15
4.3 Upgrades	16
4.4 Frequent flyer considerations	17
4.5 Sustainability	18
5. Analysis of air travel data	19
5.1 Trends	19
5.2 Domestic flights	19
5.3 International	23
6. Policies	25
6.1 Domestic RMG 404	25
6.2 International RMG 405	26
6.3 Lowest Practical Fare (LPF) booking codes	27
6.4 Unused credits	32
7. Annexures	33
7.1 Terms of reference	33
7.2 Consultation process	34
7.3 Data	35

Glossary

Acronym	Meaning
BITRE	The Bureau of Infrastructure and Transport Research Economics, a part of the Department of Infrastructure, Transport, Regional Development, Communications and the Arts
CTM	Corporate Travel Management, the Government's current Travel Management Company
LPF	Lowest Practical Fare, the current method for categorising air travel spending
Online Booking Tool (OBT)	The online travel booking system for Government travel bookings, including air travel
RMG	Resource Management Guide, official guidance for Commonwealth entities
TMC	Travel Management Company
WoAG	Whole of Australian Government

1. Executive Summary

This Review has been conducted in accordance with the Aviation White Paper's Initiative 17 to review Government travel purchasing policies to consider whether changed policy settings could better support competition.

The Report is informed by feedback from key airlines and travel providers, and Australian Government entities that use the travel arrangements. Data has been drawn from the current the Australian Government travel provider (CTM) and the Bureau of Infrastructure and Transport Research Economics (BITRE).

While overall, the travel policies are generally fit for purpose, consideration of the feedback and analysis of the data has identified a number of improvements that could be made to the travel policies with respect to both value for money and efficiency.

The Review finds that the Whole of Australian Government (WoAG) Travel Arrangements, including the airline component, delivers significant savings for Government travel. For air travel alone, benchmarking suggests the Commonwealth has saved \$260 million in the 2 years from January 2022 to December 2023 when compared to public rates. The recommendations of the Review are anticipated to generate further savings through a reduction of business class use on flights under 3 hours, encouraging simple international bookings to be made online, and applying changes to the air travel booking system that aim to positively increase compliance with the Government Travel Policy (the Policy).

The Review recommends that the Government Travel Policy (the Policy) be revised by amalgamating the two existing travel policies that cover domestic and international air travel (RMG 404 [Domestic Travel Policy – Lowest Practical Fare] and RMG 405 [Official International Travel – Use of the best fare of the day]). The Review also recommends the Policy be updated to reflect modern travel patterns, better match traveller requirements, provide greater guidance and clarity, and will introduce revised Best Value Fare Codes to address feedback on the efficacy of the current Lowest Practical Fare Booking Codes. Finance also commits to routinely review the Policy and associated guidance materials every 2 years to ensure it remains fit-for-purpose.

Claims regarding airline preferencing, which could have an impact on aviation competition, have been considered against aviation travel data. The Review finds that the policy is fit-for-purpose and that Government travel bookings are broadly in line with general public travel bookings in terms of splits between airlines. However, there may be instances where individual travellers are not adhering to the travel policy. To address this, in addition to improving the Policy settings, it is recommended that Finance publish data on airline usage to enable entities to compare their performance with that of other entities. In addition, it is recommended that Finance publish, aggregate information on travel by an entity's Key Management Personal. These transparency recommendations are intended to provide greater accountability to the public on Commonwealth travel spend. Additionally, the Policy will include further guidance on gifts and benefits in relation to air travel.

1.1 Summary of recommendations

Recommendation 1: Finance publish the WoAG Travel Arrangements usage and expenditure on the Finance website from 1 July 2025 at the entity level. This should include:

- a. information on sectors flown, split by airline, for both domestic and international travel, updated 12 months (as a subset, Finance will separately publish aggregated information for key management personnel of non-corporate Commonwealth entities);
- b. overall expenditure, broken down by air travel, accommodation and rental car, through the WoAG Travel Arrangements (updated every 6 months);
- c. (optional) a statement from each entity providing background and context to its published information; and
- d. an analysis of the overall airline market, highlighting trends (updated annually).

In preparation of the release, Finance work with entities leading up to 1 July 2025 to advise reporting is being made public.

Recommendation 2: The new travel policy explicitly deal with flight upgrades, including providing advice that:

- a. upgrades should not be accepted unless required for operational reasons (for example, failure to accept the upgrade may impact on business needs – that is, being bumped from a flight);
- b. when accepted, upgrades should be declared consistent with the APSC guidance on gifts and benefits; and
- c. officials must not accept any upgrade to First Class.

Recommendation 3: In relation to the Airline Panel, Finance:

- a. work with Tier 2 airlines to identify what efficiencies can be introduced, with a view of removing the delineation between the tiers on the Airline Panel;
- b. return to market in early 2026 for a full re-tender of the Airline Panel, minimising the need for any further extensions.
- c. consult the market ahead of the re-tender to canvass the benefits and costs associated with potential changes to the current commercial posture of the Airline Panel, including the possible changes to the approach in relation to status credits, along with considering any changes in booking behaviour that has occurred as a result of the recommendations within this Review.

Recommendation 4: To ensure the travel policy is fit for purpose and streamlined, RMG 404 (Domestic Travel Policy – Lowest Practical Fare) and RMG 405 (Official International Travel – Use of the best fare of the day), should be combined to create the Government Travel Policy, with the following changes taking effect from 1 March 2025:

- a. economy class must be set as the standard class of travel for all travellers, including SES officers, on flights less than 3 hours in duration on domestic and international flights (excluding connecting flights on international tickets)¹.

¹ This would exclude situations where there are overriding considerations, for example, where a higher class than economy is outlined in an Enterprise Agreement or Remuneration Tribunal requirement.

- b. encourage simple international flight bookings to be made online via the Online Booking Tool and clarify that quotes for international flights must be compared across airlines;
- c. include enhanced guidance on:
 - i. gifts and benefits (for example, upgrades should not be accepted unless under exceptional circumstances, and must be declared as part of an entities Gifts and Benefits policy); and
 - ii. travelling sustainably;
- d. require travellers to record their Australian Government Staff Number, or an equivalent identifier, when booking travel to strengthen reporting;
- e. encouraging entities to book travel as early as possible; and
- f. the policy to be reviewed every 2 years to confirm it is fit for purpose.

Recommendation 5: To enhance the user experience and compliance capabilities for Government travel, the Best Value Fare Booking Codes be updated to include a justification for selecting the booking code for delegate consideration.

Recommendation 6: In response from submissions from Commonwealth entities, Finance work with the contracted Travel Management Company (TMC) Corporate Travel Management, to:

- a. ensure travel agents taking international travel bookings offer a broader range of flight options;
- b. strongly encourage the use of existing flight credits prior to new expenditure by identifying and implementing systematic solutions to ensure flight credits are effectively utilised;
- c. engage with entities to seek feedback on areas for improvement within the current arrangements; and
- d. progress changes to the Online Booking Tool to improve functionality as outlined in the Review.

Recommendation 7: Remove the requirement for Accountable Authorities to seek portfolio Minister approval for international travel over a certain threshold, with Accountable Authorities to keep Ministers informed of travel expenditure as part of the normal arrangements between Accountable Authorities and Ministers.

2. Context

2.1 Background

On 26 August 2024, the Australian Government released the [Aviation White Paper](#) (the White Paper).

The White Paper sets out the Australian Government's long-term vision for aviation and the policy initiatives the Australian Government will adopt to guide the next generation of growth and innovation in the sector to 2050.

The White Paper contains 56 new initiatives to be implemented by the Australian Government in partnership with industry, states and territories, and the community. The initiatives complement the government's broader economic priorities of building the skills and capabilities of Australia's workforce, fostering a more dynamic, productive and resilient economy, broadening economic opportunity and addressing disadvantage, and embracing the opportunities of net zero transformation and digitisation.

2.1.1 A competitive and efficient aviation sector

The Australian Government's vision is for a more competitive domestic airline sector, to drive lower fares and better services for consumers. To support a competitive and efficient aviation sector, the Australian Government committed to reform Sydney Airport slot management arrangements to improve efficiency; revise principles for the aeronautical pricing negotiation process between airlines and airports; the Productivity Commission to commence an inquiry into the economic regulation of airports to consider whether there is evidence that airports are misusing market power and whether the current framework allows large airlines to unduly delay beneficial airport expansion; the Australian Consumer and Competition Commission (ACCC) to monitor the pricing of domestic air passenger transport services until the end of 2026; consult on implementing an enhanced version of the ACCC's monitoring of pricing and service quality at Australia's major airports; consult on amendments to the Air Navigation Regulation 2016 to enable the collection and publication of more detailed data to support increased transparency and scrutiny of airline performance; and review government travel purchasing policies to consider whether changed policy settings could better support competition.

The Australian Government committed to undertake a Review of Australian Government Travel Policies (the Review) as part of Initiative 17 of the White Paper "*Review government travel purchasing policies to consider whether changed policy settings could better support competition. Finance will conduct the review in 2024*".

The Review is further detailed on page 80 of the White Paper:

The Australian Government is a major airline customer, with government employees required to travel across Australia and internationally to conduct government business.

Australian Government employees are subject to domestic and international travel policies, which require selection of the cheapest and most practical fare that meets their business needs (Lowest Practical Fare). Some Aviation White Paper submissions suggested that Australian Government travel policies may not include adequate protections to prevent

government employees from preferencing certain airlines when booking travel. This could have negative implications for airline competition.

Finance will conduct a review in 2024 to consider whether current travel policies remain fit for purpose.

2.2 Scope of Review

The Review's primary focus was the consideration of the White Paper's assessment of public submissions that raised concerns of potential airline preferencing and potential negative implications for airline competition. The Review also considered other aspects of the Government's travel policies that may present opportunities to improve the efficacy of policies on behaviour and outcomes.

The Review was limited to Commonwealth entities, both those mandated to use the WoAG travel policies and those that opt-in to use WoAG Travel Arrangements. For the purposes of the Review, Finance focused on the policies related to air travel:

- RMG 404 Domestic Travel Policy – Lowest Practical Fare: this guide sets out requirements for achieving value for money when selecting, booking and approving official domestic travel.
- RMG 405 Official International Travel – Use of best fare of the day: this guide sets out requirements for achieving value for money when selecting, booking and approving official international travel.

Travel by parliamentarians and their staff is out of scope for this Review.

The Terms of Reference and details regarding the consultation process is outlined in Annexure 8.2 and 8.3.

3. WoAG Travel Arrangements

In 2010, the WoAG Travel Arrangements (the Arrangements) were the first to be implemented as part of the coordinated procurement framework established to deliver efficiencies and savings from goods and services in common use across the Australian Government.

3.1 Current arrangements

The Arrangements involve approximately 150 participating entities (including Government departments and entities) and over 20 suppliers servicing 4 components:

Table 1 Summary of WoAG Travel Arrangement Suppliers

Component	Services	Suppliers	Current Expiry
Book	Travel Management Services and Accommodation Program	Corporate Travel Management	30/06/2027*
Fly	Domestic & International Air Travel Services	Panel of 18 airlines	30/06/2026*
Drive	Domestic Vehicle Rental Services	Hertz	30/06/2026
Pay	Travel & Related Card Services	National Australia Bank (NAB)	31/12/2025*

*Further extension options remain available after the current deed period.

The Arrangements are coordinated procurements established and managed by Finance to deliver efficiencies and savings for the Australian Government. The strategic objectives of coordinated procurements are:

- reduce the cost of supply of travel services to entities;
- continue to meet the business needs of entities;
- contribute to a competitive and viable industry;
- establish fair, equitable and transparent processes; and
- optimise government savings through price reductions, improved efficiencies and promoting behavioural change.

In accordance with the Commonwealth Procurement Rules (CPRs), it is mandatory for non-corporate Commonwealth entities (NCEs) subject to the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) to participate in and use the WoAG Travel Arrangements. Corporate Commonwealth entities (CCEs), Commonwealth companies (CCs) and other entity types may join the WoAG Travel Arrangements with the agreement of Finance. The ACT Government also accesses the WoAG Travel Arrangements.

Travel by parliamentarians and their staff is governed by the Parliamentary Business Resources Framework (including the *Members of Parliament Staff Act 1984* and Staff travel and relief staff arrangements Determination 2023/10), administered by the Independent Parliamentary Expenses Authority. It is therefore not subject to WoAG travel policies or the PGPA Act, and therefore is out of scope for this review.

3.2 Domestic and International Air Travel Services Arrangement

The Domestic and International Air Travel Services Arrangement (Airline Panel) was established in 2010 and consisted of a Panel of 4 domestic and 13 international airlines. This Airline Panel was refreshed in 2016 increasing the panel to 3 domestic and 17 international airlines across 2 tiers. Tier 1 airlines are based on the level of discount provided as well as the airline's flight network and its alignment to the Australian Government's most-travelled routes. These airlines are provided with greater access to WoAG travel, entities, and travel bookers. All domestic panellists have achieved Tier 1 status. Out of the 17 international panellists, 8 have been awarded Tier 1 status. Tier 2 airlines continue to offer the Australian Government discounted fares, but their network coverage is smaller.

The Airline Panel is non-exclusive, allowing entities participating in the Arrangements to book air travel with non-panel airlines. This approach supports the Domestic and International Travel Policies (RMG 404 and 405 respectively), with entities being able to select the fare that best meets its business requirements. Finance recommends entities consider Panel airlines as they often provide the best value for money due to their reduced prices and favourable conditions.

The Airline Panel deed includes provisions for revised route deals or discounts. This gives Finance the flexibility to request new destinations and improvements to existing route deals to meet developments in travel behaviour. The deed also requires panellists to assist entities in meeting special travel requirements including escorting officers, excess baggage, animal transport, firearms and other unique requirements.

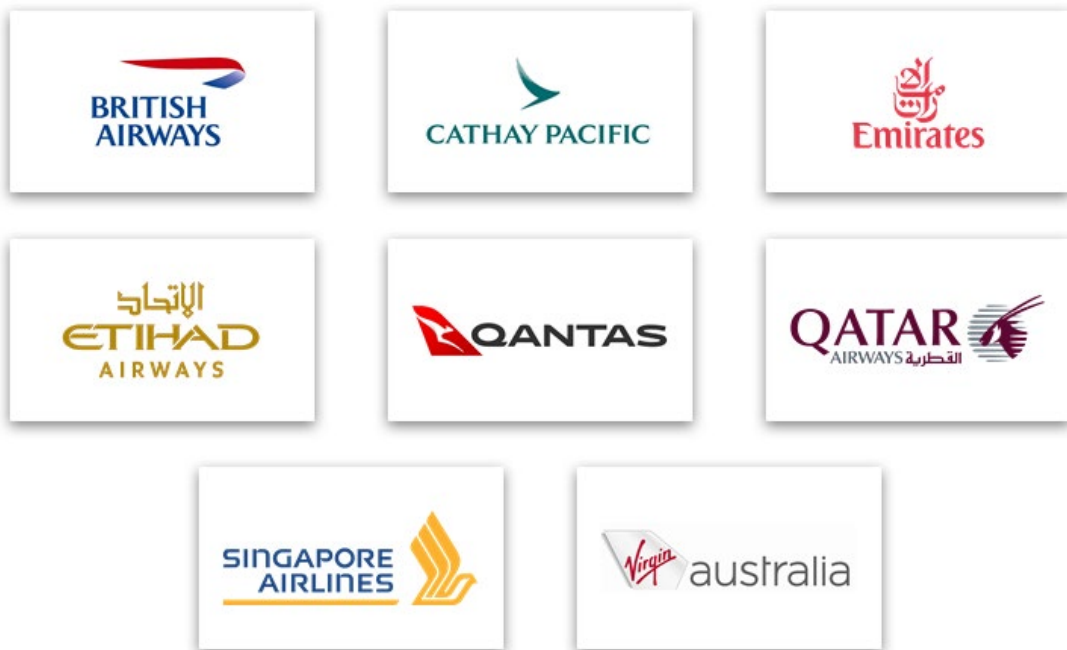
The Finance holds deeds with a total of 18 airlines, 3 domestic and 17 international airlines.

3.2.1 Domestic Tier 1 Panellists



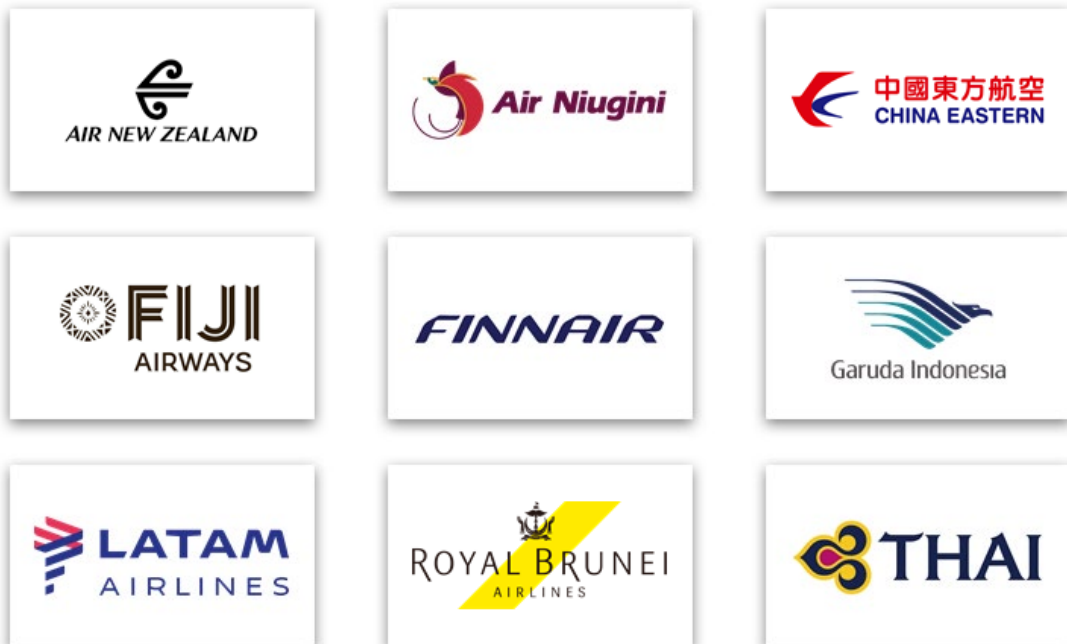
Jetstar participates in the Airline Panel under Qantas' deed with the Australian Government.

3.2.2 International Tier 1 Panellists



Jetstar participates in the Airline Panel under Qantas' deed with the Australian Government.

3.2.3 International Tier 2 Panellists



3.3 Value for money

According to benchmarking performed by CWT Solutions, the current WoAG Travel Arrangements achieve an estimated \$260 million in savings from discounts and route fares. This equates to a Net Effective Savings Rate of 32.1% compared to the industry standard of about 20% for a similar sized organisation. This demonstrates the significant bargaining power

of Government, and the effective negotiation strategies employed by the Department of Finance.

3.3.1 Fare discounts and conditions

More than 150 entities participate in the Arrangements. Each entity has varying travel programs and business needs, with some requiring bespoke requirements. The panel airlines provide the Australian Government with discounts across a range of their fare-types and cabin classes. 4 discount types exist under the Airline Panel, which are detailed below:

- fixed fare or route deal: a static fare price agreed to for a particular fare class and or city-pair/route.
- point of sale: an agreed percentage discount off a published fare.
- inbound: an agreed percentage discount off a published fare for flights departing outside Australia and landing within Australia.
- point of origin: an agreed percentage discount off a published fare for flights departing and landing outside Australia.

In addition to these discounts, members of the Airline Panel provide value for money, route coverage and favourable terms and conditions. These are summarised below:

- discounts can range from 3% to 50% off public fares.
- favourable terms and conditions including no fees to change flights, fully refundable cancellations, additional baggage allowances and longer ticketing time limits.
- fare inclusions or value adds from airlines include:
 - additional carry-on baggage
 - hotels for stopovers
 - transfers or connections.

3.3.2 Other components of the Airline Panel

The Airline Panel deed provides other discounts and supplier requirements outside the provision of airfares.

Loyalty reward points and status credits

Government travellers can include their airline loyalty program membership information within their booking details.

Loyalty reward points, i.e. frequent flyer points, ceased to accrue for official travel on 1 July 2010 due to the clear personal benefits of accruing these points to a personal account. This restriction is enabled by the TMC and airlines, requiring both parties to perform the suppression process. Airlines are obligated to provide reporting for any points awarded inadvertently and reversed. Finance understands the Arrangement is one of the only corporate travel arrangements in Australia where this suppression of points takes place.

While status credits can still be accrued by Government travellers, consistent with the current policy, officials explicitly cannot use this as the basis for selecting flights.

Lounge memberships

Airlines can provide Government with discounted lounge memberships. Finance does not administer lounge memberships on behalf of airlines or participating entities. Individual entities can choose if they use the discounted memberships and who is eligible to access the memberships. Consistent with the current policy, officials explicitly cannot use the ability to access a lounge as the basis for selecting flights.

3.4 Compliance

The domestic and international travel policies that support the Arrangements include time-windows and reason codes to guide travellers on the best value for money decision. The time-window and reason codes are used by the TMC to report compliance with the policies and any missed savings at the entity level, and at the whole-of-government level.

3.4.1 Benchmarking

Finance regularly undertakes independent benchmarking assessments to validate the savings achieved and to support the regular evaluation of the objectives of the Arrangements.

Benchmarking can also highlight further savings opportunities and provide advice on booking behaviour to achieve further savings. The most recent Benchmarking Report completed in 2024, assessed booked data for airlines from January 2022 to December 2023 and showed savings for the period of \$260 million.

3.4.2 Audits

Over 800,000 transactions, equating to approximately \$500 million in travel spend, are processed through the Arrangement each year. Due to the travel volume, Finance regularly engages auditors to ensure the suppliers to Government are acting within the terms of the deed. This governance measure ensures that Government are being charged the agreed fares, and rates. Audits also ensure suppliers are meeting compliance requirements against the deeds, for example airlines, other suppliers and the TMC are charging the agreed fare.

4. Themes from consultation

A total of 20 submissions were received during the consultation process, 12 from Government and 8 from the travel industry.

4.1 Governance and policy

4.1.1 Value for money

Many of the submissions emphasised the important of achieving value for money across the travel arrangements, including reconsideration of the lowest practical fare definition, balancing cost with operational requirements, and leveraging government buying power to negotiate better fares.

4.1.2 Lowest Practical Fare (LPF) booking codes

The majority of entities suggested LPF codes need to be updated to reflect modern needs, for example accessibility, and be clearer on when they should be used and why. This is explored in detail in 6.3 *Lowest Practical Fare Booking Codes*.

4.1.3 Competition

Submissions focused on the need to ensure bias is not introduced towards airlines, to ensure a level playing field.

Lounge memberships and status credits were identified by entities and industry as factors that may lead to preferencing.

Some entities argued that the apparent preferencing reflected Qantas' dominance of routes they fly.

4.1.4 Compliance and transparency

Enhancing compliance with travel policies and increasing transparency are also common themes.

*The current protections in place are generally adequate; however, the extent of their effectiveness depends on the level of scrutiny and enforcement desired by the Whole of Australian Government (WoAG).
– a Government entity*

Suggestions include publishing centralised data on booking habits, improving internal governance, and providing clear guidelines and training.

Some submissions suggested a stronger role for Finance on publishing centralised data specific to airline booking habits.

Some entities suggest that published data could be misleading where it does not account for route availability and total travel costs.

[The airline] supports enhanced transparency measures, including the publication of public officials' booking habits which may provide improved information regarding the basis on which bookings are made, travel patterns and compliance with existing policies. – a domestic airline

4.1.5 Agency policies

The Review notes several entities suggested they have specific requirements which may inadvertently skew any reporting. Examples of this include needing additional baggage, flying specific routes more often, and travelling in remote and regional areas.

As part of the reporting requirements in Recommendation 1, Finance will work with entities on whether a statement, to be published on the Finance website, is required to explain any extenuating circumstances.

Recommendation 1: Finance publish the WoAG Travel Arrangements usage and expenditure on the Finance website from 1 July 2025 at the entity level. This should include:

- a. information on sectors flown, split by airline, for both domestic and international travel, updated 12 months (as a subset, Finance will separately publish aggregated information for key management personnel of non-corporate Commonwealth entities);
- b. overall expenditure, broken down by air travel, accommodation and rental car, through the WoAG Travel Arrangements (updated every 6 months);
- c. (optional) a statement from each entity providing background and context to its published information; and
- d. an analysis of the overall airline market, highlighting trends (updated annually).

In preparation of the release, Finance work with entities leading up to 1 July 2025 to advise reporting is being made public.

4.2 Online booking tool

The Review has seen claims about flights that are cheaper than what is displayed in the Online Booking Tool (OBT), or the perception that only panel airlines are available. Entities that identify cheaper prices or unavailable flights should record documentary evidence at the time and provide it to the TMC.

4.2.1 Flights from non-panel airlines are not available

The flight matrix connects to the global distribution system which is the global travel industry standard. This is same system underlying the entire travel industry, including the websites used to find flights that are perceived to be unavailable in the OBT.

The department considers Australian Government travel arrangements would benefit from documenting why the CTM travel booking system may not show flights or routes for panel airlines that can be found using a

commercial airfare aggregation website. This is the experience of our travel bookers. – a Government entity

If a booker has an operational requirement to book a flight that is not displayed in the OBT for any reason, the booker can call the TMC to book the flight with an agent.

4.2.2 Cheaper flights available elsewhere

The Review has received claims from within Government that cheaper flights are available outside of the OBT. There are flights that are intentionally removed from the OBT, for example:

- flights with too many stopovers based on the backend flight matrix display settings; and
- flights with stopovers that are too long based on the backend flight matrix display settings.

One example given to the Review was an international flight that was less expensive than the “lowest fare” displayed in the flight matrix. However, the total flight time was 22 hours with a 14-hour stopover in the middle of the night, as compared to the more expensive flight which took only 8 hours direct to the destination. Flights with lengthy stopovers are not displayed in the flight matrix because in the context of official travel the practicality and total cost of the less expensive fare will often exceed the additional cost of a more practical flight.

4.3 Upgrades

Under the current travel guidance, it is a matter for each entity, as part of its relevant travel accountable authority instructions, to deal with upgrades.

APSC guidance provides the following advice:

What about airline upgrades or car hire upgrades?

In some cases, an upgrade may simply be awarded to the person ‘next in line’. In other cases, upgrades may be offered to an individual because of their public or government role.

The guidance applies to gifts and benefits received in the course of official duties. Agency heads should use their judgment as to whether an upgrade has been provided in the official duties context, and whether it meets the monetary threshold value of more than \$AUD100.00 (exclusive of GST).

Given all flight upgrades provided are highly likely to exceed a value of \$100 based on current market rates of upgrades on even the shortest routes, it would be expected that upgrades are declared.

Recommendation 2: The new travel guidance explicitly deal with flight upgrades, including providing advice that:

- a. upgrades should not be accepted unless required for operational reasons (for example, failure to accept the upgrade may impact on business needs – that is, being bumped from a flight);
- b. when accepted, upgrades should be declared consistent with the APSC guidance on gifts and benefits; and
- c. officials must not accept any upgrades to First Class.

4.4 Frequent flyer considerations

Consultation highlighted the possibility that frequent flyer loyalty programs may influence travel behaviour. The Review heard accounts of Government officials seeking to achieve or having achieved “lifetime status”.

*The ability to obtain status credits retains the bias in booking preferences
(i.e. flexible fares offer greater status credit accumulation)
– a Government entity*

4.4.1 Status credits

Several of the submissions made representations around status credits, with a common theme from some participants that status credits should be suppressed or removed from all Government travel.

Finance does not support making significant changes to the Airline Deed close to its expiration. However, as part of the consultation process ahead of the next re-tender of the airline Panel, the issue of status credits suppression will be canvassed with the market, along with any perceived improvements as a result of the recommendations within this Review.

The Review heard anecdotal report of frequent travellers waiting until bonus status credit offers were made by airlines to book their upcoming trips. Airlines need to ensure promotional offers like these are not applied to official travel under any circumstances.

In response to bonus status credit offers, Finance has proactively written to all domestic panellists during the review to remind them of their obligations under the Airline Deed to not offer bonus status credit offers to Government travellers.

4.4.2 Invite-only lounges

The Australian public, parliamentarians and submissions to the Review have raised the possibility that access to exclusive lounges provided by Qantas and Virgin may unduly influence Government travel patterns.

Finance will publish the WoAG Travel Arrangements usage and expenditure on the Finance website for key management personnel from 1 July 2025 at the entity level. This will include information on sectors flown, split by airline, for both domestic and international travel, updated

every 6 months (as a subset, Finance will separately publish aggregated information for key management personnel of non-corporate Commonwealth entities).

4.5 Sustainability

A number of submissions raised the lack of detail in the current policy to address Net Zero policy objectives of government. Respondents suggested that Finance should include further information in the policy on consideration of sustainability – for example use of direct flights (reduce stopovers), and increased information on sustainable flights (newer aircraft, Sustainable Aviation Fuel – SAF). This supports the Australian Government's commitment to a Net Zero Australian Public Service (APS) by 2030.

With Net Zero in Government Operations currently underway and Net Zero by 2030, additional advice could be provided in taking direct flights or less carbon emitting alternatives forms of travel to reduce the overall carbon footprints. In previous NetZero in Government Operations papers, it has been identified that direct flights produce a smaller carbon footprint than multiple stops as the take-off and touch-down are the most carbon emitting components of air travel. In addition, an assessment of emissions and/or carbon offsets should be included in the assessment of value for money and the lowest practical fare. – a Government entity

The Government released the Net Zero in Government Operations (NZGO) Strategy in November 2023, which outlines travel considerations to reduce flight emissions. Finance collects data on carbon emissions from flights. As they are considered scope 3 emissions, flights do not contribute to the APS Net Zero by 2030 target. The NZGO Strategy notes that decisions on scope 3 emissions will be made in the future as further data becomes available.

5. Analysis of air travel data

The Review has assessed Government travel data in the 2023-24 financial year.

The data used is from the TMC as part of its contractual obligations.

5.1 Trends

Government air travel was significantly impacted by COVID-19 restrictions. Since restrictions have been lifted, Government air travel has slowly returned to trend.

Domestic travel volumes and spend are still reduced which is likely explainable through the widespread adoption of video conferencing technology.

International travel has returned to pre-COVID volumes which likely represents that many international trips are to events and meetings where video conferencing is not preferred, or postings of personnel overseas. A notable change, however, is an increase in the cost of international travel in recent years. The volume has not changed, which means each trip is costing the Government more to undertake.

In Australia the domestic airlines industry revenue has grown at a compounded annual growth rate of 1.5% over the past five years, to reach an estimated \$17.4bn in 2024 (Source: IBIS World). The Australian Government domestic expenditure in FY2023-24 was \$340 million.

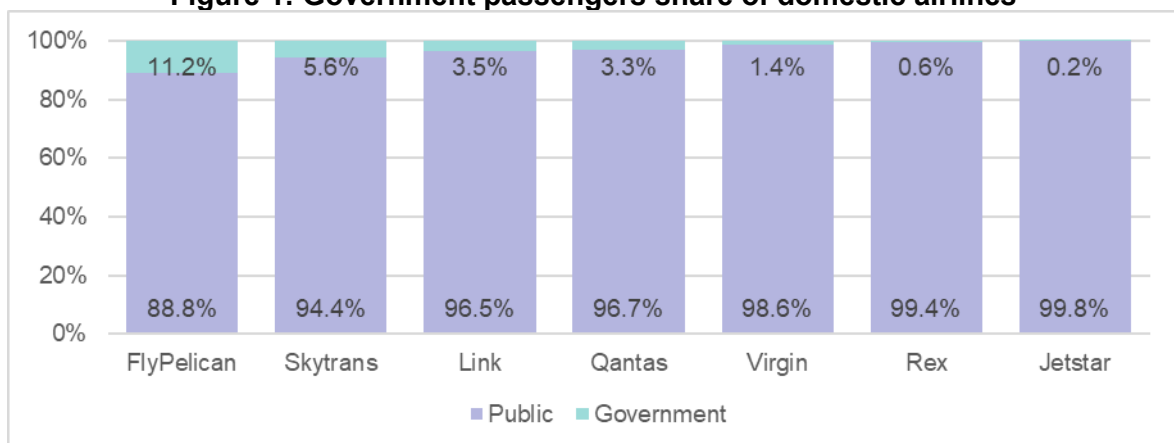
5.2 Domestic flights

5.2.1 Government share of passengers

Although the Government is one of the largest users of domestic air travel, the Government accounts for less than 2% of domestic passengers in the 2023-24 year.

Given this overall picture, the impact of Government travel on the air travel market is limited. However, due to the Government's unique role in delivering services across Australia, there is a far higher share of Government use of smaller regional airlines as shown below.

Figure 1: Government passengers share of domestic airlines

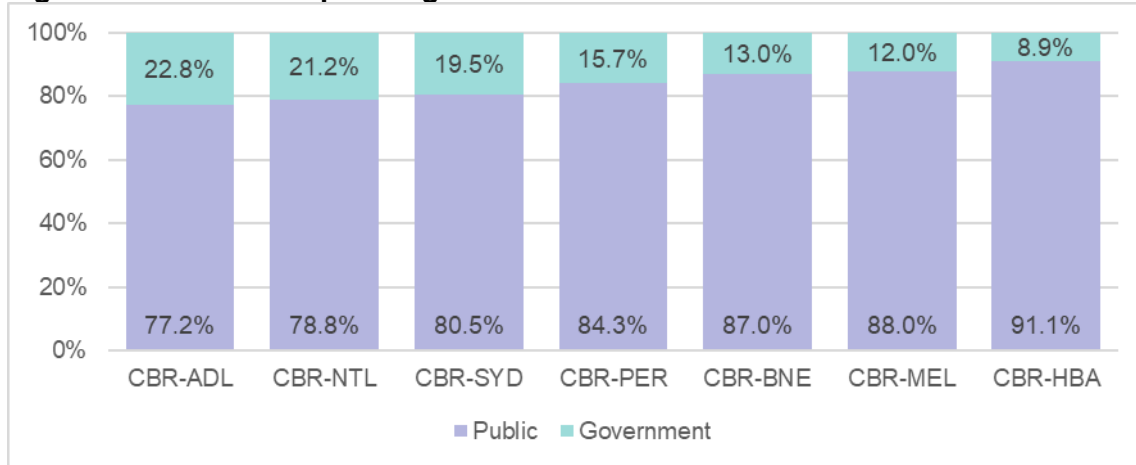


Notes: 2023-24 Government count of total flights on each airline as a percentage share of the total passengers reported by each airline. Government flights only include those recorded by the Online Booking Tool (excludes charter flights and flights booked outside the Online Booking Tool). Airlines with less than 1,000 Government

recorded flights are not shown on this graph. Source: TMC data on Government travel and airline self-reported data provided to BITRE (not publicly available).

The table below demonstrates the Government's passenger share of domestic airlines on Canberra routes.

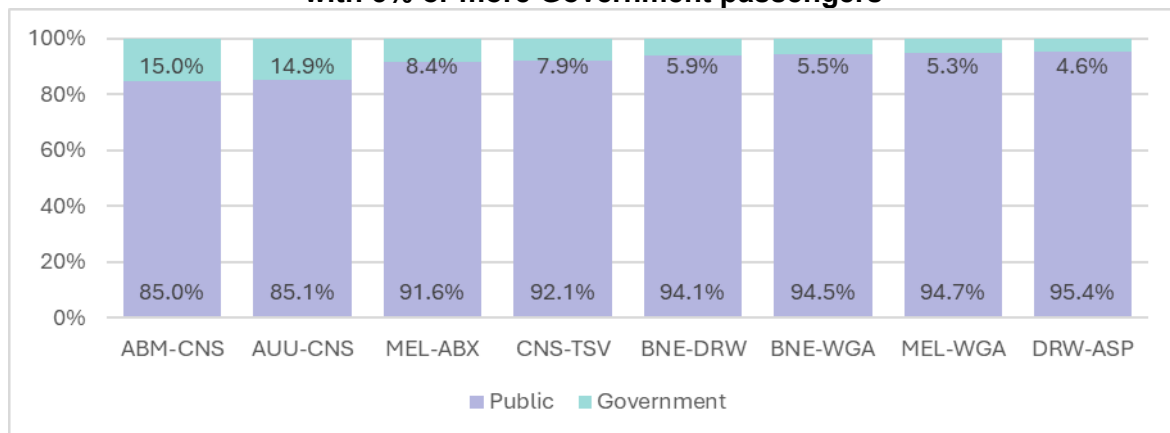
Figure 2: Government passengers share of domestic airlines on Canberra routes



Notes: 2023-24 Government count of total flights on each airline as a percentage share of the total passengers reported by each airline. Government flights only include those recorded by the Online Booking Tool (excludes charter flights and flights booked outside the Online Booking Tool). Airlines with less than 1,000 Government recorded flights are not shown on this graph. Source: TMC data on Government travel and airline self-reported data provided to BITRE (not publicly available).

Government travellers also make up a large share of some other routes to deliver services across Australia.

Figure 3: Government passengers share of domestic airlines on non-Canberra routes with 5% or more Government passengers



Notes: 2023-24 Government count of total flights on each airline as a percentage share of the total passengers reported by each airline. Government flights only include those recorded by the Online Booking Tool (excludes charter flights and flights booked outside the Online Booking Tool). Airlines with less than 1,000 Government recorded flights are not shown on this graph. Source: TMC data on Government travel and airline self-reported data provided to BITRE (not publicly available).

5.2.2 Route-adjusted Government airline use

A central claim made about Government air travel is that it is unrepresentative of public air travel. This claim often involves analysis which attempts to approximate how much

Government should use an airline according to public pricing and assuming the lowest fare must be selected.

5.2.3 Canberra routes

Government travel represents a high proportion of total passenger numbers coming and going from Canberra, which can be explained through the presence of both parliament and many Government entities situated in and around the Canberra region. In 2023-24, officials flew on more sectors via Qantas compared to other airlines. This data demonstrates a degree of airline ticket selection for Qantas flights. A comparison with BITRE data shows there are more options available from Qantas compared with other airlines.

Comparing tickets purchased from the Government, with all flights available to the public shows that booking behaviour is consistent with public flights for example, the Government flew 85.6% with Qantas on Canberra to Adelaide sector which is consistent with the public flights available at 84.9%, similarly Canberra to Brisbane sector is consistent with publicly available flights.

Figure 4.1: Top 5 Canberra routes (Government tickets purchased)

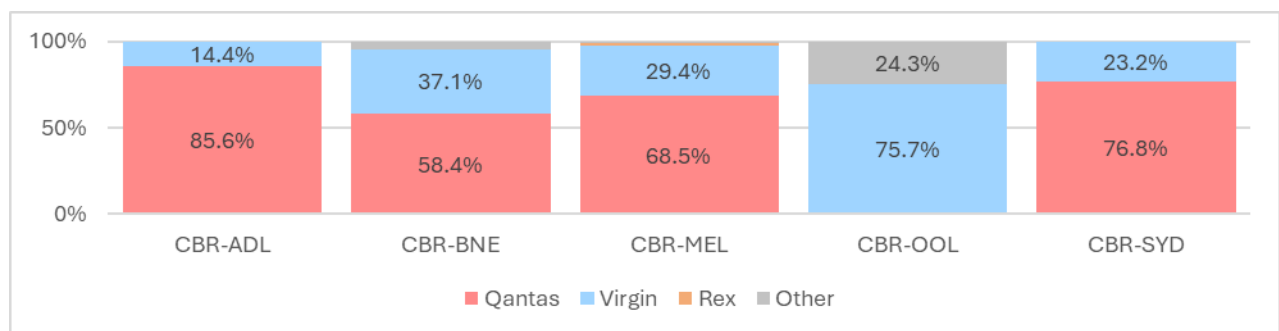
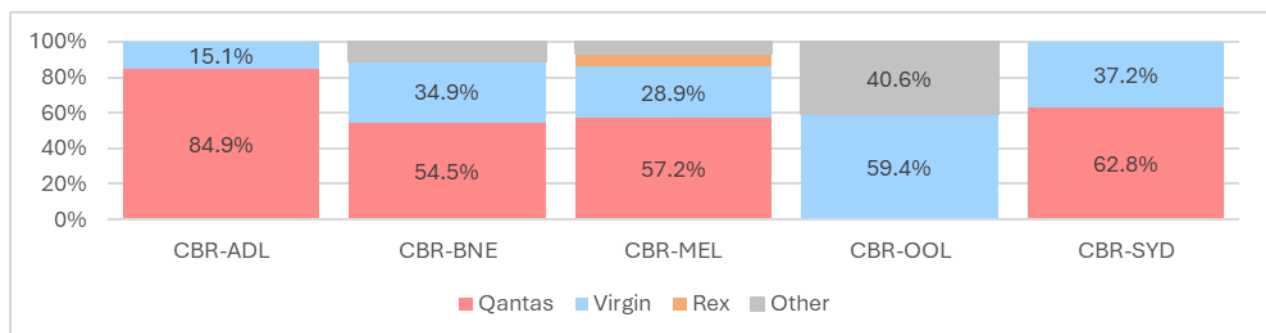


Figure 4.2: Top 5 Canberra routes (All publicly available flights)



For some sectors, such as Canberra to Melbourne and Canberra to Sydney a higher market share of tickets can be directly driven from these routes being most commonly used for international connections.

5.2.4 Golden Triangle

The routes between Brisbane, Melbourne and Sydney are high volume routes for both the public and the Government and often referred to as the “Golden Triangle”. Below displays the comparison between tickets purchased by the government and flights that are available to the public.

Figure 5.1: Golden triangle (Government tickets purchased)

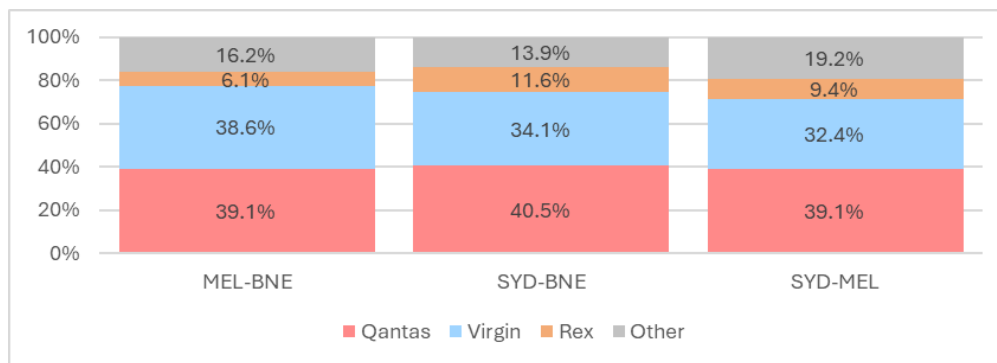
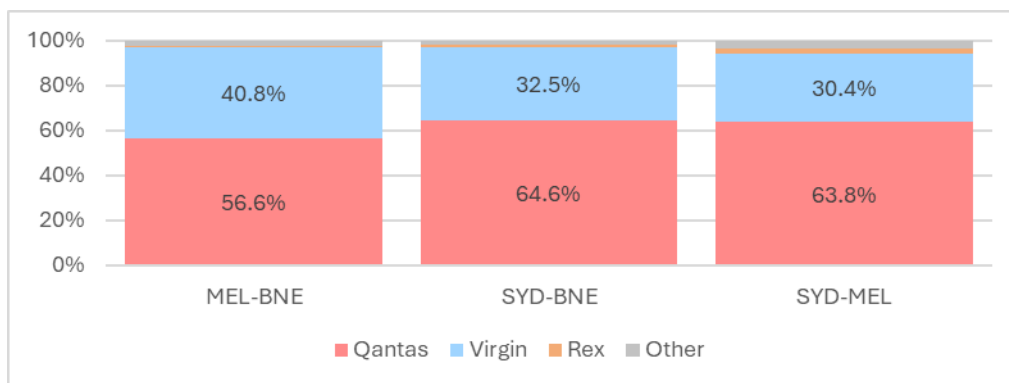


Figure 5.2: Golden triangle (All publicly available flights)



In 2023-24, usage of these sectors by officials is less than routes to and from Canberra. For these sectors, the market share of tickets booked by officials with Qantas is less than the market share of the flights available.

5.2.5 Analysis of flights and ticket selection

Availability of alternative flights

A common suggestion from entities is that travellers use an airline with a large number of flights on the route to ensure they can change if business circumstances change.

On time performance / reliability

Another potential factor is the reliability of each airline, where passengers with poor experiences have stated their preference for an airline was on the basis of reliability alone.

Reliability must also be weighed against the availability of other flights, e.g. on high-frequency routes reliability should be less of an operational consideration where the passenger can take a prior or subsequent flight with little impact on government.

Finance will, through enhanced guidance, encourage travellers to consider objective data sources in relation to reliability concerns, such as BITRE's On-Time Performance reports, which are issued monthly at https://www.bitre.gov.au/statistics/aviation/otp_month

5.2.6 Business class

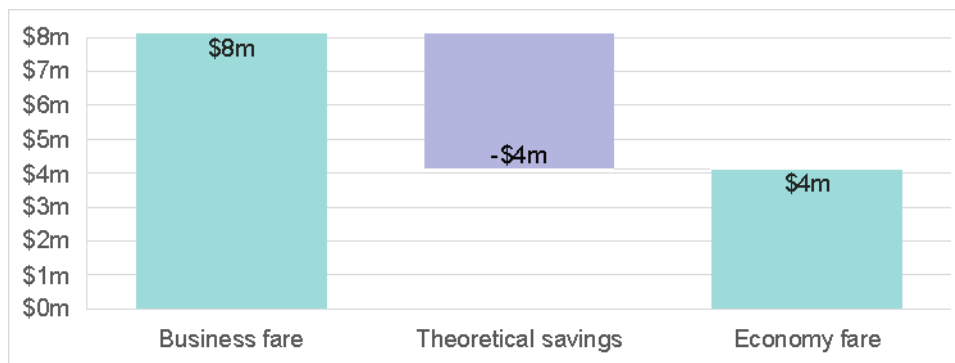
Although business class makes up just 4% of domestic bookings, it accounts for 8% of the domestic spend. For international bookings, business class accounts for 25% of bookings but 45% of the spend.

*Business Class entitlement for domestic travel linked to length of flight.
Economy class travel encouraged for short haul international flights, i.e. to
New Zealand. – a Government entity*

While there can be operational requirements to use business class on longer flights where Government officials are expected to rest on the flight and arrive and commence work immediately, there are few operational requirements for shorter flights, especially those under 3 hours.

Flights between Canberra, Sydney, Melbourne, Brisbane and Adelaide, in both economy and business, account for around 60% of total Government bookings and 17% of the total Government air travel spend.

Figure 6: Theoretical savings using economy class between CBR/SYD/MEL/BNE/ADL

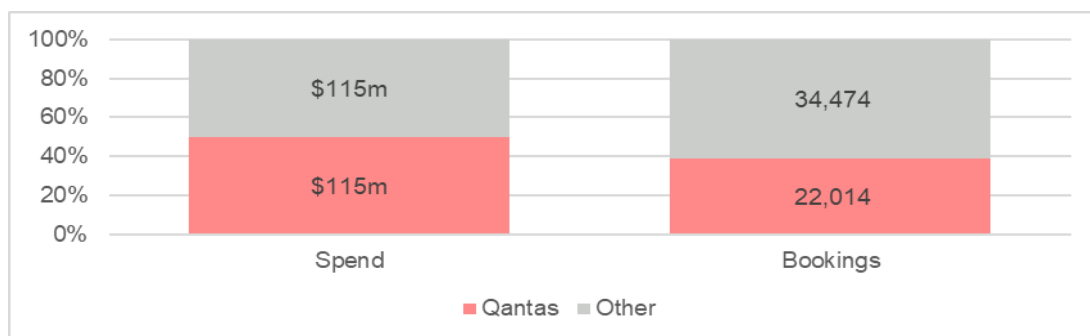


Notes: 2023-24 Government spend on business class bookings between CBR/SYD/MEL/BNE/ADL. Dollar values include GST, other taxes, and fees. Source: TMC data on Government travel.

5.3 International

International air travel by Government accounts for only 10% of trips, but accounts for 40% of the spend. Although much of the focus on air travel concerns domestic travel, the relatively high value of each international trip warrants oversight within Government.

Figure 7: International split by airlines



A key difference in international travel is the coverage of panel airlines. While the majority of domestic flights available within Australia are on panel airlines, international flights have a lower level of coverage.

One explanation for the variance is that due to panel agreements delivering route deals and general discounts it is more likely that a panel airline will be the lowest fare.

[One airline] asserts that a review of existing panellists and an updated request for proposal (RFP) is overdue. The last tender by the government to airlines for government procured travel was over eight years ago. Much has changed in the industry including a reshaping of airline networks and scope of service due to the COVID-19 pandemic and subsequent rebound. – an international airline

The Airline Panel currently has no North American based airlines offering route deals for flights east bound from Australia. Including additional airlines on the Airline Panel will increase competition.

When considering whether to extend the Airline Panel in 2022, clear advice was provided from most panellists around the lingering impacts of the COVID-19 pandemic. With these impacts finally dissipating, an approach to market in early 2026 will allow a new Airline Panel to commence from 1 July 2026.

The Review also heard that administrative requirements of Tier 2 remain onerous on both the WoAG Travel Team and airlines with only a marginal difference to Tier 1.

Recommendation 3: In relation to the Airline Panel, Finance:

- a. work with Tier 2 airlines to identify what efficiencies can be introduced, with a view of removing the delineation between the tiers on the Airline Panel;
- b. return to market in early 2026 for a full re-tender of the Airline Panel, minimising the need for any further extensions.
- c. consult the market ahead of the re-tender to canvass the benefits and costs associated with potential changes to the current commercial posture of the Airline Panel, including the possible changes to the approach in relation to status credits, along with considering any changes in booking behaviour that has occurred as a result of the recommendations within this Review.

6. Policies

Finance manages two Resource Management Guides (RMG) related to travel. These policies are applicable to participating entities including all Non-Corporate Commonwealth Entities (NCEs) and other participating Corporate Commonwealth Entities (CCEs), Commonwealth Companies (CCs) and Authorised Organisations.

- RMG 404 Domestic Travel Policy – Lowest Practical Fare: this guide sets out requirements for achieving value for money when selecting, booking and approving official domestic travel.
- RMG 405 Official International Travel – Use of best fare of the day: this guide sets out requirements for achieving value for money when selecting, booking and approving official international travel.

6.1 Domestic RMG 404

When undertaking official domestic air travel, officials must select the Lowest Practical Fare (LPF), which is the lowest fare available at the time the travel is booked on a regular service (not a charter flight), that suits the practical business needs of the traveller.

Fare class: All air travel must be the lowest practical fare in economy class unless there is an operational requirement or entitlement to travel Business Class. If the relevant delegate approves Business Class travel where there is no entitlement, the reasons for travel in that class must be documented in each instance.

Fare type: Where there is a high degree of certainty for required arrival or departure times, officials must assess all fares and consider restricted fare types. Where there is a possibility that a scheduled meeting will not proceed, or there is uncertainty around the time that a scheduled meeting may conclude, officials must consider whether the additional cost of flexible fares outweighs the cost of possible changes or cancellation fees.

Officials must manage compliance with the policy in accordance with their entity's internal processes. When booking travel officials must currently identify the reason a fare is selected using seven Booking Reason Codes. The TMC contracted under the WoAG Travel Arrangements collect this 'reason code' per booking for official air travel.

To assist entity officials in internal reporting against the LPF and International Best Fare policy, the TMC uses a 1 hour and 12 hour 'time window' (respectively) to monitor whether the lowest fare has been selected, and assess potential missed savings. Entities have access to missed savings and reason code data through the TMC and its reporting tool. The TMC can support participating entities with up to date, detailed and accurate reporting of all travel that is booked through the TMC.

Submissions noted that travel policies could be improved by requiring officials to book travel further in advance of the trip. The Review assessed Government data and found most fares are booked 20 days in advance, and due to the negotiated fares through the Airline Panel, the average fare paid does not change markedly until just three days prior to the travel date.

Finance considers that travellers should book as early as possible and at least three days before travel where possible to achieve the best fares.

6.2 International RMG 405

When undertaking official international travel, officials must select the International Best Fare (IBF), which is the lowest fare available on the day the travel is booked on a regular scheduled service (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.

The current policy states that unless a limited number of airlines (that is, one or two) service a particular route, officials are to obtain three quotes for airfares from at least two different airlines for the same or equivalent fare class. One of the three quotes must be the lowest fare displayed, regardless of the practicality of the flight, in the OBT or available to the TMC agent.

6.2.1 Combining the RMGs

Consistent feedback from consultation was to combine the RMGs. There is a significant degree of overlap between the two RMG's that creates confusion for travellers in implementation. A single overarching Government Travel Policy also aligns with the approach taken within entities, which usually takes the form a single travel policy.

In combining the RMGs, the Lowest Practical Fare and "best fare of the day" will be combined into the new Best Value Fare. This name reflects that travellers should use the best fare that delivers value for money. This accommodates multiple suggestions from entities in submissions to ensure total trip value for money is considered, as opposed to the lowest fare alone, and that the best fare in consideration of operational requirements may not necessarily be the lowest fare.

There appears to be some confusion about the term "Lowest Practical Fare" (LPF), particularly regarding whether it includes flexible fares.

The Review received significant feedback that the term 'practical' was too confusing and absent from official guidance on procurement, whereas the term "value for money" is a key factor in the Commonwealth Procurement Rules and already has extensive guidance on what it means in practice.

Recommendation 4: To ensure the travel policy is fit for purpose and streamlined, RMG 404 (Domestic Travel Policy – Lowest Practical Fare) and RMG 405 (Official International Travel – Use of the best fare of the day), should be combined to create the Government Travel Policy with the following changes taking effect from 1 March 2025:

- a. economy class must be set as the standard class of travel for all travellers, including SES officers, on flights less than 3 hours in duration on domestic and international flights (excluding connecting flights on international tickets)²;
- b. encourage simple international flight bookings to be made online via the Online Booking Tool and clarify that quotes for international flights must be compared across airlines;

² This would exclude situations where there are overriding considerations, for example, where a higher class than economy is outlined in an Enterprise Agreement or Remuneration Tribunal requirement.

- c. include enhanced guidance on:
 - i. gifts and benefits (for example, upgrades should not be accepted unless under exceptional circumstances, and must be declared as part of an entities Gifts and Benefits policy); and
 - ii. travelling sustainably;
- d. require travellers to record their Australian Government Staff Number, or an equivalent identifier, when booking travel to strengthen reporting;
- e. encouraging entities to book travel as early as possible; and
- f. the policy to be reviewed every 2 years to confirm it is fit for purpose.

6.3 Lowest Practical Fare (LPF) booking codes

Though LPF codes are used extensively, it is notable that the total spend accounting for operational requirements compared to always purchasing the lowest fare without consideration for operational requirements amounts to just 7% of the spend.

Figure 8: Estimated cost of operational requirements



Notes: 2023-24 Government spend on air travel comparing the lowest fare with the booked fare. Dollar values include GST, other taxes, and fees. Source: TMC data on Government travel.

6.3.1 Best Value Fare codes

LPF booking codes will be replaced with Best Value Fare codes.

New codes, when not booking the lowest fare, have been designed to address feedback received throughout the consultation process. Many entities raised the frequency that the 'require flexibility' code is currently used. To address this, the code has been replaced with codes for operational requirements related to air travel to more accurately capture why the code is being used.

1. Cheapest fare

- This is the lowest priced fare available shown to the traveller in the OBT that take into consideration the traveller's requirements including the time, baggage requirements, maximum number of stops, and flexibility of the fare.

2. Operational requirement to accompany other travellers

- The cheapest fare did not allow the traveller to meet an operational requirement to accompany other travellers.
- When considering if there is an operational requirement to accompany other travellers where the lowest fare would be on another flight, travellers should consider the benefits to the Commonwealth for accompanying other travellers while in the air, noting travellers are likely to be able to travel together to the airport when using the lowest fare flight in the same time window as the traveller they are accompanying, particularly for domestic travel with narrow time windows.

3. Operational requirement to connect to other flights

- The cheapest fare did not allow for connections to other flights which have an operational requirement.
- Where a domestic flight is the lowest fare but would put at risk a connection to an international flight, e.g. the passenger would need to re-check bags and arrange transfers between terminals, this may give rise to an operational requirement to book a flight that is not the lowest fare.

4. Operational requirement for a shorter travel time

- An operational requirement for a shorter travel time is more likely to exist where flights involve multiple connections and stopovers that would result in significantly longer travel times and incur additional costs for salaries and allowances, e.g. a lowest fare with two stopovers and a total travel time of 14 hours may not suit operational requirements, and instead the traveller selects a fare with one stopover and a total travel time of 7 hours.
- An operational requirement for a shorter travel time is less likely to exist for shorter, less complicated flights. For example, flying by jet from Canberra can be marginally faster than flying by turboprop, but this difference of a few minutes is unlikely to impact most travellers.

They do not account for the traveller's time cost. It would be VFM to select a slightly more expensive airfare if it reduces traveller time in transit. – a Government entity

5. Medical requirement

- The traveller has a medical requirement that cannot be met by the lowest fare.

6. Accessibility requirement

- The traveller has an accessibility requirement or reasonable adjustment that cannot be met by the lowest fare.

7. Personal responsibility

- The lowest fare when undertaking international travel would create an unacceptable impact on personal responsibilities, for example family and cultural responsibilities.
- For domestic travel where travellers are able to select flights within narrow windows of time to suit their travel requirements, it is less likely that personal responsibilities are unable to be met when selecting the lowest fare.

Recommendation 5: To enhance the user experience and compliance capabilities for Government travel the Best Value Fare Booking codes be updated to include a justification for selecting the booking code for delegate consideration.

Another common piece of feedback related to accessibility requirements, which have been added as its own code to ensure travellers with accessibility requirements and/or reasonable adjustments are empowered to select travel options that meet their requirements.

6.3.2 Justification

Alongside the new codes, the LPF code selection will be accompanied by an LPF code justification text box to capture the traveller's justification for selecting a non-lowest fare. This system may take time to implement and in the meantime travellers should provide this to delegates for approval along with their request for the travel.

Greater visibility of when lowest practical fare not booked (e.g. repeat offenders) would help entities to address this. Ability to see what the cheapest option was to facilitate discussions with travellers.
– a Government agency

It is expected this behavioural nudge will assist travellers to consider the value for money of a fare. The justifications will also enable qualitative assessments of why travellers are not selecting the lowest fares to enable future adjustments to the OBT. Furthermore, it will enable entities to undertake compliance activities to ensure travellers are complying with the PGPA Act.

6.3.3 Approval

Many entities indicated there was no standard method, automatic or manual, for travel approvers to be provided the LPF booking code. While it is possible for travellers to provide this manually, it did not appear that this is a common practice.

Delegates do not have an easy way of viewing options available at the time of booking, due to the separation of the systems.
– a Government entity

The updated Government Travel Policy will require that when travellers do not select the cheapest fare, the travel approver must be advised of the Best Value Fare code and provide and justification for not selecting the lowest fare. This should be done automatically through the relevant system, or manually by the traveller where the system does not support that functionality.

Another factor that is evident to the Review is the frequency at which the traveller is not the booker. There are 2 key scenarios where this occurs:

- Travel teams: some entities use travel teams to manage travel arrangements within entities. This has significant advantages because the travel team is experienced with all aspects of travel including policies and compliance matters and can build relationships with the WoAG Travel Team and the TMC; and

- **Executive Assistants:** a significant share of air travel is undertaken by Senior Executives whose travel is often booked by their own staff. It has been raised with the Review that Senior Executives may have preferences or specific flights they wish to fly on and request their Executive Assistants to book them on their behalf. The approval for this travel is then usually approved by the Senior Executive's manager.

Another often raised concern in consultation is the requirement to advise portfolio Ministers of routine international travel. The WoAG Travel Advice in 2015 stated *Entities are expected to agree their approval requirements for international travel with the relevant Cabinet Minister and reflect these approval requirements in their Accountable Authority Instructions. At a minimum, proposals for significant delegation travel should be submitted to the relevant Cabinet Minister for consideration.* The Review found the timing required for this approval process can cause delays in booking flights, which may result in an increase to the fares.

While approval for international travel should be appropriately authorised, the Review considers entities should set delegations for approvals to ensure travel arrangements are made efficiently and with an appropriate level of authority. Entities can then advise its portfolio Ministers in the course of the normal relationship where appropriate.

Recommendation 7: Remove the requirement for Accountable Authorities to seek portfolio Minister approval for international travel over a certain threshold, with Accountable Authorities to keep Ministers informed of travel expenditure as part of the normal arrangements between Accountable Authorities and Ministers.

6.3.4 Lowest fare identification

The Review has received requests to adjust the lowest fare identification window. Currently, the lowest fare policy is:

Table 2: Existing lowest fare identification windows

Flights	Lowest fare identification window
Domestic and New Zealand	-1 hour to +1 hour
Global	-24 hours

It should be noted that the booking tool has a -2 and +2 window, where a fare is not available in this window, the lowest fare will be the nearest fare to this window. It has been advised in consultation with entities that the narrow 1.5-hour window has been used to select preferred flights and airlines on lower frequency routes.

The lowest fare identification windows will be updated to the following:

Table 3: Updated lowest fare identification windows

Flights	Lowest fare identification
High frequency routes	-1 hour
Between capital cities	-1 hour
Other domestic	-3 hours
International 0-6 hours	-3 hours
International 6-12 hours	-12 hours
International 12+ hours	-24 hours

The window will now tighten on high frequency routes (refer to *Annex Table 4*) and capital city routes to better match travellers' search parameters. This helps ensure travellers are presented with flights that more closely suit their requirements in the first instance. Other domestic flights are widened to 3 hours beforehand, to account for the lower frequency routes that will be in this category which requires some flexibility in the traveller's schedule.

The most significant benefit of these changes applies to international travel, where shorter international flights will be able to better suit operational requirements by shortening the window.

Submissions also requested the cheapest fare that is recorded more closely reflects the decisions made. The cheapest fare is currently recorded by:

- the fare in the lowest fare identification window of tickets with a similar level of flexibility; and
- where a flight is selected outside of this window that is lower, the lowest fare is updated to the selected fare value.

The new cheapest fare recorded will no longer update to the selected fare value. This ensures the traveller making a decision to take a cheaper flight outside of their preferred time is recorded with the cost saving.

6.3.5 Training and guidance

Many entities requested additional training and guidance from the WoAG Travel Team and the TMC. The importance of this is even greater where changes to policies are occurring.

Finance should play a supportive and oversight role in ensuring compliance with travel policies.

Guidance and Best Practices: Finance can provide clear guidelines and best practices to help entities develop and maintain robust travel policies. This includes offering templates, checklists, and examples of effective policies.

Training and Resources: Offering training programs and resources to ensure that all entities understand the requirements and best practices for travel policy compliance. This could include workshops, webinars, and online resources.

Centralised Reporting: Implementing a centralised system where entities can submit their travel policies. This allows Finance to monitor compliance across the government and provide timely feedback and support.

Support and Consultation: Providing ongoing support and consultation to entities, helping them address any challenges or questions related to travel policy compliance. This ensures that entities have access to expert advice and can make informed decisions. – a Government entity

6.4 Unused credits

The system currently matches up fare credits from cancelled flights which ensures value for money is achieved where those credits can offset future flight purchases.

We believe there is an opportunity to standardise airline ticket credit management policies across all Government entities. Currently each entity has in place rules for who, and when travellers can use credits within an entity. At times this results in tickets credits expiring and Government monies being absorbed by the airlines. – a travel provider

Concerns have been raised that at times, the existing system does not realise the full use of fare credits.

Where tickets-in-credit have been taken up, or flights cancelled or amended resulting in a ticket in credit being created, the process to ensure accurate recording of the cost of travel for individuals requires manual review by our travel team and our CTM account manager to confirm the cost of each individual flight. – a Government entity

Recommendation 6: In response from submission from entities, Finance work with the contracted Travel Management Company (TMC), Corporate Travel Management, to:

- a. ensure travel agents taking international travel bookings offer a broader range of flight options;
- b. strongly encourage the use of existing flight credits prior to new expenditure by identifying and implementing systematic solutions to ensure flight credits are effectively utilised;
- c. engage with entities to seek feedback on areas for improvement within the current arrangements; and
- d. progress changes to the Online Booking Tool to improve functionality as outlined in the Review.

7. Annexures

7.1 Terms of reference

1. The Australian Government has committed to establish a Review of Australian Government Travel Policies (the Review) to be undertaken by the Finance. The Review was committed to by the Government in the Aviation White Paper released on 26 August 2024.
2. The Government is a major customer of travel services in Australia, including air travel, accommodation and car rental.
3. The Government's travel policies are supported by systems, procedures and guidance in relation to official travel, including air travel, ground transport and accommodation.
4. The Review's primary focus is the consideration of the Aviation White Paper's assessment of public submissions that raised concerns of potential airline preferencing and potential negative implications for airline competition.
5. The Review may also consider other aspects of the Government's travel policies that may present opportunities to improve the efficacy of policies on behaviour and outcomes.
6. The Review will not consider existing travel contracts including whether they are achieving value for money. Any recommended contractual changes will be given consideration through future procurement processes.
7. The Review will consider whether travel policies meet the current and future needs of the Government, the sector and other relevant stakeholders.
8. The Review will consider all Commonwealth entities, both those mandated to use the whole of Australian Government travel policies and those that opt-in to use Whole of Australian Government Travel Arrangements. Travel by parliamentarians and their staff is governed by the Parliamentary Business Resources Framework (including the Members of Parliament Staff Act 1984 and Staff travel and relief staff arrangements Determination 2023/10), administered by the Independent Parliamentary Expenses Authority. They are not therefore subject to whole of government travel policies or the Public Governance, Performance and Accountability Act 2013.
9. The Review is expected to be complete by the end of 2024, to be provided to Government.
10. In order to determine whether Government travel policies remain fit for purpose, the Review will have regard to the following:
 - a. whether Government travel patterns are representative of the general market;
 - b. whether existing policies and practices achieve value for money;
 - c. whether it is appropriate for Government travel policies to support competition and if so whether there is scope to improve how this is done;
 - d. the adequacy of protections to prevent Australian Public Service officials from preferencing certain airlines when booking travel;

- e. travel policies at the whole-of-government and entity levels and how these are interpreted and operationalised within entities;
- f. officials' consideration of availability, frequency, reliability and cost of cancellation and changes to flight bookings; and
- g. any related matters.

7.2 Consultation process

7.2.1 Discussion paper

A discussion paper was prepared by Finance for the consultation between 12 November and 6 December 2024. It outlined a number of key areas of focus, including:

Value for money

1. How could Government travel policies or their implementation be changed to improve value for money in air travel?
2. Are the current booking codes for domestic and international travel still appropriate? What changes would you propose?

Competition

3. Do you believe there are adequate protections to prevent Australian Public Service officials from preferencing certain airlines when booking travel? If not, what changes would you propose?

Compliance

4. Do you have comments on entity-level policies and how these are interpreted and operationalised within entities?
5. Is there merit in providing greater transparency by publishing data on a centralised website on airline booking habits by entity?
6. Notwithstanding the devolved accountability model inherent in the PGPA Act, what role should Finance play in compliance with these policies?

Further questions

7. Are there any other elements of Government travel you wish to provide comments on?

7.2.2 Engagement

Government decided to undertake a targeted consultation process limited to the current participants of the WOAG Travel Arrangements and all entities. However, Finance did not set aside any submissions that was received outside of this group. In-depth interviews were conducted with a representative group of entities to explore consultation themes and potential solutions:

- Department of Defence

- Services Australia
- Department of Foreign Affairs and Trade
- Commonwealth Scientific and Industrial Research Organisation
- Independent Parliamentary Expenses Authority.

Finance senior executives also had one-on-one meetings with key domestic airline representatives (Virgin Australia, QANTAS and Regional Express) to discuss aspects of the Review.

7.3 Data

7.3.1 Methodology

- Government air travel data is based on data provided to Government by the TMC as part of the deed. This data is derived from standard International Air Transport Association data that connects the travel industry globally.
- BITRE data used in the Review includes both public data, including for international comparisons, and non-public data in the case of domestic air travel data. Data for domestic air travel is based on self-reported figures from airlines.
- Per the Terms of reference (*section 2.2*) this data does not include parliamentarians or their staff. This data includes all other entities using the WoAG Travel Arrangements.
- Figures throughout include GST. Typically, these figures are reported excluding GST, however this does not allow straight forward comparisons with the lowest fare and public fare that are recorded at the time of booking, both of which include GST.
- Data throughout this report may not precisely match due to the necessity of pro-rating fares on multi-leg bookings. While this is the best method available, and is the industry standard, it can lead to differences in spends when assessing data on a route-basis against a bookings-basis. To give an indication of this effect, the sum of the leg spend for domestic fares is around 10% higher than the booking spend for domestic fares. An example of how this occurs is where an international fare, which are relatively expensive per kilometre, may include connections within Australia before and after the international segment, which, when pro-rated, can inflate the cost applied to the domestic legs.

7.3.2 High frequency routes

Table 4: June 2024 Aircraft trips from BITRE monthly domestic airline activity reporting

City pair	Trips	City pair	Trips
Melbourne - Sydney	4 619	Gold Coast - Melbourne	990
Brisbane - Sydney	2 633	Brisbane - Cairns	929
Brisbane - Melbourne	2 064	Canberra - Melbourne	778
Adelaide - Melbourne	1 383	Hobart - Melbourne	761
Gold Coast - Sydney	1 292	Perth - Sydney	758
Canberra - Sydney	1 216	Brisbane - Townsville	720
Adelaide - Sydney	1 158	Adelaide - Brisbane	675
Melbourne - Perth	1 028	Brisbane - Rockhampton	668

Table 5: List of Airports and IATA Codes

Airport Name	IATA Code
Sydney Airport	SYD
Melbourne Airport	MEL
Brisbane Airport	BNE
Perth Airport	PER
Adelaide Airport	ADL
Canberra Airport	CBR
Gold Coast Airport	OOL
Hobart International Airport	HBA
Cairns International Airport	CNS
Darwin International Airport	DRW
Alice Springs Airport	ASP
Mackay Airport	MKY
Newcastle Airport	NTL
Townsville Airport	TSV
Bamaga FNQ	ADM
Albury	ALB
Wagga Wagga	WGA