

ESTIMATES BRIEF – Hot Issue**TRAVEL POLICY****Supplementary Budget Estimates – October 2025****Review into Australian Government Travel Policies****Subject/Issue**

The Department of Finance (Finance) released the Review of Australian Government Travel Policies (the Review) on its website on 1 August 2025.

Finance released an accompanying 'What We're Doing' document, outlining how each of the Review's seven recommendations will be addressed, along with proposed timeframes (see Attachment A).

Key facts and figures*Travel Review*

- The Review found that overall, the travel policies are generally fit for purpose and deliver significant savings for Government. However, it made several recommendations for improvements, including with respect to value for money and efficiency.
- As part of recommendation 1, Finance will increase transparency of the Australian Governments travel by publishing a suite of reports, including entity level data from mid-2026. This information will highlight entities total expenditure and overall market share percentage for each airline, for both international and domestic air travel.
- Finance is leading consultation and development of a new Travel Policy, anticipated for implementation in early 2026. The revised policy will not mandate economy class travel, as the Government has determined that current policy settings remain appropriate. However, flight upgrades for public servants must comply with the following conditions:
 - Upgrades must not be accepted unless required for operational reasons (e.g. involuntary removal from a flight).
 - Upgrades to first class are not permitted under any circumstances.
 - All upgrades must be declared in accordance with the Australian Public Service Commission (APSC) guidance on gifts and benefits.
- The Government did not accept Recommendation 7, which relates to Ministerial approval of international travel of a certain dollar threshold. The Government believes accountability and oversight of travel must be maintained at the ministerial level for all entities. Maintaining this level of oversight will ensure travel policies are consistently applied, and any deviations from the policy are promptly addressed.

TRAVEL POLICY

Current policy and arrangements

- Finance is responsible for domestic and international air travel policies for APS officers.
 - Finance **is not responsible** for travel policies that apply to members of parliament and their staff, or officials under the oversight of the Remuneration Tribunal
 - Independent Parliamentary Expenses Authority (IPEA) is responsible for administration of members of parliament and their staff travel.

Industry Consultation Paper

- On 1 August 2025, Finance released the Paper via AusTender providing information and seeking feedback from interested parties within the travel industry regarding the proposed re-tender process for Air Travel Services for the Australian Government.
- The Paper included several discussion topics including fare offerings, airline benefits (including treatment of status credits) and technology and systems.
- Finance is reviewing the feedback received to inform the proposed airline re-tender.

Key points

- The Review was announced on 26 August 2024 via initiative 17 of the Aviation White Paper.
 - Initiative 17 - Review government travel purchasing policies to consider whether changed policy settings could better support competition. The Department of Finance will conduct the review in 2024. (p14).
- In October 2023, the APSC updated its guidance regarding gifts and benefits to require the reporting of invite-only airline lounges, such as Qantas' Chairmans Lounge and Virgin Australia's Beyond Lounge.
- Finance is responsible for the Australian Government travel policies through two Resource Management Guides (RMG):
 - RMG 404: Official Domestic Air Travel – Use of the Lowest Practical Fare
 - RMG 405: Official International Travel – Use of best fare of the day.

TRAVEL POLICY

Domestic Air Travel Market Share

Australian Government Domestic Market Share				
Fiscal Year	2023-24		2024-25	
Airline Name	Domestic Spend	APS Market Share	Domestic Spend	APS Market Share
Qantas	\$252,346,135	73.40%	\$268,329,033	71.20%
Virgin Australia	\$67,222,395	19.60%	\$78,478,792	20.80%
Jetstar	\$5,920,562	1.70%	\$6,946,799	1.80%
Air North	\$6,537,789	1.90%	\$5,183,641	1.40%
Regional Express	\$4,794,218	1.40%	\$3,514,830	0.90%
Other	\$6,869,541	2.00%	\$14,644,422	3.90%

Background

The Australian Government Travel Arrangements are coordinated procurements designed to reduce travel-related costs and streamline processes for entities when booking and paying for travel.

The Travel Arrangements involve approximately over 150 participating entities and over 20 suppliers.

The Travel Arrangements include four components and are designed to reduce travel-related costs and streamline processes for agencies when booking and paying for official travel.

Component	Services	Suppliers
Book	Travel Management Services	CTM
Fly	Domestic & International Air Travel Services	Panel of 18 airlines
Drive	Domestic Vehicle Rental Services	Hertz
Pay	Travel & Procurement Payment Services	NAB

Remuneration Tribunal – Travel allowance review

- The Remuneration Tribunal announced changes for relevant office holders effective 7 September 2025.
- After broad consultation, the Tribunal has decided to:
 - remove access to first class international air travel for all office holders; and
 - remove access to business class air travel for Tier 2 office holders on domestic routes between Canberra and Sydney or Melbourne, and between Sydney and Melbourne.

TRAVEL POLICY

- As an independent statutory body, the Remuneration Tribunal has come to these decisions, however the Government believes the current policy settings for the APS are appropriate.

Parliamentarians and their staff travel

- 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 IPEA. They are not therefore subject to the Australian government travel policies or the Public Governance, Performance and Accountability Act 2013.
- Parliamentarians and their staff benefit from the use of airfare discounts under the Australian Government Airline Arrangement. Any updates to the treatment of loyalty points and status credits will be reflected in the new Arrangement and will also apply to Parliamentarians and their staff, as the Deed requires the suppression of loyalty points.

Supporting information**Questions on Notice**

- QoN 64 – Completed Reviews – July 2025 (Senator Paterson)

Freedom of Information (FOI) Requests

- Finance FOI request #24-25/090. Documents relating to the current Review of Australian Government travel program. Response provided the Terms of Reference on 17 February 2025 but refused to release the submissions.

Recent Ministerial Comments

- In August 2025, a spokesperson for Senator Gallagher pointed to comments stated in February 2025 – the comments were “consultation would be undertaken on the review’s findings later this year, with the report not to be released beforehand.”

Relevant Media Reporting

- [Here are the APS travel perks that could be disappearing](#), Miriam Webber, The Canberra Times, 1 August 2025
- [Free APS Qantas business class upgrades safe, says travel policy](#), Julian Bajkowski, The Mandarin, 4 August 2025
- [Qantas has a fair split of government travel, report says](#), Jake Nelson, Australian Aviation, 5 August 2025
- [Economy-class mandate for taxpayer-funded travellers 'not appropriate' says government](#), Robyn Ironside, The Australian, 6 August 2025
- [Public servants to be banned from free flight upgrades – but business class still a go](#), Brittany Busch, Sydney Morning Herald, 6 August 2025
- [Airlines pressed to stop bonus status credits for public servants](#), Ayesha de Kretser, AFR, 7 August 2025

TRAVEL POLICY

- [Top bureaucrats cling to comforts of Qantas Chairman's Lounge](#), Ayesha de Kretser, AFR, 8 August 2025
- [Airbus Albo keeps the champagne flowing](#), Peter Van Onselen, Daily Mail, 10 August 2025
- [Top bureaucrats barred from flying business between Sydney, Melbourne](#), Ronald Mizan, AFR, 14 August 2025
- [Public servants forced to fly economy as tribunal contradicts government](#), Olivia Ireland, The Age, 14 August 2025
- [Allowing bureaucrats to stash status credits saves millions: Qantas](#), Ayesha de Kretser, AFR, 25 August 2025

Attachment:**Attachment A – What We're Doing**

Date sent to MO: 16/09/2025
Cleared by (SES): Andrew Danks
Telephone No: 02 6215 3996
Group/Division: Commercial Group / Procurement Division
Contact Officer: S22
Telephone No: S22
Consultation: Nil
PDR Number: SB25-000083



Review of Australian Government Travel Policies – What We’re Doing

The Department of Finance (Finance) has completed the Review of Australian Government Travel Policies (the Review). The Government committed to undertaking the Review as part of the [Aviation White Paper](#) released on 26 August 2024.

The Review was informed by feedback from key airlines and travel providers, and Australian Government entities that use the travel arrangements.

The Review found that the travel policies are generally fit for purpose and deliver significant savings for government. 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 Review can be found at [Finance website](#).

The Review made seven recommendations to the Government with regards to identified potential improvements. The actions and timelines associated with addressing the recommendations is as follows:

Recommendation	What We're Doing
<p>Recommendation 1: Finance publish the WoAG Travel Arrangements usage and expenditure on the Finance website at the entity level. This should include:</p> <ul style="list-style-type: none"> a. information on sectors flown, split by airline, for both domestic and international travel, updated every 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). 	<p>Finance will publish a suite of data and reports on the Whole of Australian Government (WoAG) Travel Arrangements.</p> <p>Finance has commenced developing travel usage and expenditure reports. Prior to publishing, Finance will engage with entities to gather additional information that will provide context to the data.</p> <p><u>Expected timeframe:</u> The data will be published on the Finance website in early 2026.</p>
<p>Recommendation 2: The new travel policy to explicitly deal with flight upgrades, including providing advice that:</p> <ul style="list-style-type: none"> 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. 	<p>As part of Recommendation 4, Finance will consult on and draft a new Travel Policy. Recommendation 2 will be included as part of this work.</p> <p>Finance will also engage with the APSC to ensure any changes to the Policy are consistent with its guidelines.</p> <p><u>Expected timeframe:</u> The new Travel Policy is planned to be implemented in early 2026. Following the implementation, the Travel Policy will be reviewed again in 2028.</p>
<p>Recommendation 3: In relation to the Airline Panel, Finance:</p> <ul style="list-style-type: none"> 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. 	<p>Finance will consult the market ahead of the re-tender of the Airline Panel – this will include feedback on the current Tier structure and airline benefits.</p>

Recommendation	What We're Doing
<p>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:</p> <ul style="list-style-type: none"> 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. 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: <ul style="list-style-type: none"> 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. 	<p>Finance will consult on and draft a new Travel Policy, combining RMG 404 and RMG 405.</p> <p>The new Travel Policy will incorporate aspects of Recommendations of 2, 4 and 5. The new Travel Policy will be consulted with entities to ensure it will be operationally effective.</p> <p>The new Travel Policy will not mandate the use of economy class travel. The current settings are appropriate.</p> <p><u>Expected timeframe:</u></p> <p>The new Travel Policy is expected to be implemented in early 2026. It will be reviewed again in 2028.</p>
<p>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.</p>	<p>The new Best Value Fare Booking Codes (Booking Codes) will be included in a new Travel Policy consultation process. Consultation will be important to ensure that the Booking Codes cover operational requirements, and the use cases are sound and understood by entities.</p> <p>Engagement will occur to understand the most effective manner to share justifications with delegates.</p> <p><u>Expected timeframe:</u></p> <p>Booking Codes to be included in the new Travel Policy to be implemented in early 2026.</p>

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.

Recommendation	What We're Doing
<p>Recommendation 6: In response to submissions from Commonwealth entities, Finance work with the contracted Travel Management Company, Corporate Travel Management, to:</p> <ul style="list-style-type: none"> 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. 	<p>Finance will work with Corporate Travel Management to implement activities, processes and functionality to support this recommendation.</p> <p><u>Expected timeframe:</u></p> <p>Implementation of this recommendation is current and ongoing.</p>
<p>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.</p>	<p>The current requirement will remain in place. Accountability and oversight of travel must be maintained at the ministerial level for all entities.</p> <p>Maintaining this level of oversight will ensure travel policies are consistently applied, and any deviations from the policy are promptly addressed. Finance will ensure that guidance to this process is confirmed in the new Travel Policy.</p>