

Compliance with Domestic and International Travel Requirements in the Department of Industry, Science and Resources

Department of Industry, Science and Resources

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Canberra ACT
20 November 2025

Dear President
Dear Mr Speaker

In accordance with the authority contained in the *Auditor-General Act 1997*, I have undertaken an independent performance audit in the Department of Industry, Science and Resources. The report is titled *Compliance with Domestic and International Travel Requirements in the Department of Industry, Science and Resources*. Pursuant to Senate Standing Order 166 relating to the presentation of documents when the Senate is not sitting, I present the report of this audit to the Parliament.

Following its presentation and receipt, the report will be placed on the Australian National Audit Office's website — <http://www.anao.gov.au>.

Yours sincerely



Dr Caralee McLiesh PSM
Auditor-General

The Honourable the President of the Senate
The Honourable the Speaker of the House of Representatives
Parliament House
Canberra ACT

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Audit snapshot

Auditor-General Report No.7 2025–26

Compliance with Domestic and International Travel Requirements in the Department of Industry, Science and Resources



Why did we do this audit?

- ▶ In 2024–25, \$953 million was spent on travel through the whole of Australian Government travel arrangements (the WoAG Arrangements). All non-corporate Commonwealth entities must comply with the WoAG Arrangements.
- ▶ The approach of an entity to official travel can reflect whether staff within the entity are behaving with integrity.
- ▶ The audit was conducted to provide assurance to the Parliament as to whether the Department of Industry, Science and Resources (DISR) has effective arrangements to comply with domestic and international travel requirements.



Key facts

- ▶ DISR is a non-corporate Commonwealth entity and must comply with all elements of the WoAG Arrangements.
- ▶ The Department of Finance (Finance) manages the WoAG Arrangements.



What did we find?

- ▶ DISR's arrangements for compliance with domestic and international travel requirements were largely effective.
- ▶ DISR has largely appropriate arrangements for managing domestic and international travel in accordance with WoAG requirements.
- ▶ DISR has implemented largely effective controls for official travel.



What did we recommend?

- ▶ There were three recommendations to DISR to improve oversight of mandatory training, non-compliance and domestic travel through regular reporting.
- ▶ DISR agreed to the recommendations.

2,097

Number of DISR officials who travelled domestically in 2024–25.

\$13.1m

Spent by DISR officials on domestic and international travel in 2024–25.

8%

The percentage of domestic trips without documented approval prior to travel (from a sample reviewed by the ANAO).

Summary and recommendations

Background

1. Staff in Australian Government entities undertake domestic and international travel for the purpose of achieving the objectives of the entity. The whole of Australian Government travel arrangements (the WoAG Arrangements) are coordinated procurements established and managed by the Department of Finance (Finance). The WoAG Arrangements encompass five components: book; fly; stay; drive; and pay. The WoAG Arrangements are supported by resource management guides outlining the Australian Government policies for domestic and international air travel.

2. All non-corporate Commonwealth entities must comply with all elements of the WoAG Arrangements. Corporate Commonwealth entities and Commonwealth companies may elect to use some or all of the arrangements. As a non-corporate Commonwealth entity, the Department of Industry, Science and Resources (DISR) must comply with the WoAG Arrangements.

Rationale for undertaking the audit

3. In 2024–25, \$953 million was spent on travel through the WoAG Arrangements. The purpose of whole of government policy for travel is to maximise value for money. The approach of an entity to official travel reflects whether the entity is behaving with integrity by meeting the intent of the WoAG travel framework. There has been parliamentary and public interest in relation to government travel arrangements and expenditure. The audit was conducted to provide assurance to the Parliament as to whether the Department of Science, Industry and Resources (DISR) has effective arrangements to comply with domestic and international travel requirements.

4. This audit is part of a series of domestic and international travel compliance audits. The entities included in the ANAO's travel compliance series are: DISR; Department of Agriculture, Fisheries and Forestry; Civil Aviation Safety Authority; Australian Criminal Intelligence Commission; and Services Australia.

Audit objective and criteria

5. The objective of the audit was to assess whether DISR has effective arrangements to comply with domestic and international travel requirements.

6. To form a conclusion against the objective, the ANAO adopted two high-level audit criteria.

- Did DISR have appropriate arrangements in place to manage domestic and international travel in accordance with whole of Australian Government requirements?
- Has DISR implemented effective controls and processes for domestic and international travel in accordance with its policies and procedures?

7. The audit examined the management of domestic and international travel by DISR officials from 1 July 2022 to 31 December 2024.

Conclusion

8. DISR's arrangements to comply with domestic and international travel requirements are largely effective.
9. DISR has established largely appropriate arrangements for managing domestic and international travel in accordance with the WoAG requirements. DISR has policies and procedures in place that align with WoAG Arrangements. Mandatory training covering key concepts is in place, although there is no regular reporting of compliance with requirements to executive or governance committees. Travel related guidance material is available to officials to assist in promoting compliance.
10. DISR was largely effective in implementing controls and processes for domestic and international travel in accordance with its policies and procedures. Controls for domestic and international travel are in place. Documentation of approval and acquittals for domestic travel could be strengthened. DISR officials did not meet internal reporting timeframes for gifts and benefits accepted from airlines. Processes for identifying and assessing non-compliance are in place, however these are not clearly defined and DISR has not reviewed their effectiveness. Reporting on non-compliance to executive committees includes instances related to travel, however these are combined with other *Public Governance, Performance and Accountability Act 2013* (PGPA Act) non-compliance. Reports to Heads of Divisions including travel related non-compliance did occur but have now ceased.

Supporting findings

Arrangements for managing domestic and international travel

11. DISR has developed policies and procedures for domestic and international official travel. The documents align with the WoAG Arrangements. DISR has created an entitlement for Senior Executive Service (SES) officers to fly business class on certain routes. DISR has an integrity related enterprise risk. Its status is green. In 2023, DISR identified an enterprise level fraud and corruption risk related to official travel. The current risk rating is low. (See paragraphs 2.2 to 2.23)
12. DISR requires all officials to complete training outlining duties and responsibilities of officials under the PGPA Act including appropriate use of public resources in the context of official travel. Reports on mandatory training compliance are provided to Heads of Divisions. Reports are not provided to governance committees, which limits DISR's ability to assess the risk non-compliance presents to integrity across the organisation. Travel-specific training is provided when requested and extensive guidance material is available to officials. (See paragraphs 2.24 to 2.40)

Controls and processes for managing domestic and international travel

13. DISR has implemented controls for domestic travel across planning and approval, booking and acquittal of expenses. DISR's policy allows for documentation of travel approval after booking. The ANAO identified eight per cent of trips where approval had not been documented before the travel occurred. DISR officials selected flights that complied with lowest practical fare policy 98 per cent of the time; the lowest (cheapest) fare was selected for 27 per cent of trips reviewed by the ANAO. Travel expenses incurred while travelling are required to be endorsed

after the trip. Endorsers are given discretion on the level of review for each transaction which creates the risk that inappropriate expenses and non-compliance are not detected. (See paragraphs 3.3 to 3.39)

14. DISR has implemented controls for international travel. International trips reviewed by the ANAO met these requirements. (See paragraphs 3.40 to 3.56)

15. DISR's gifting policy requires declaration of gifted airline lounge memberships and upgrades to loyalty program tiers as a result of status credits accrued for official travel. DISR officials did not meet internal reporting timeframes for gifts and benefits accepted from airlines in 68 per cent of cases. (See paragraphs 3.57 to 3.78)

16. DISR policies do not clearly define arrangements for identifying, assessing and responding to non-compliance. Non-compliance is identified and notified to a central team. In the absence of an approved or current standard operating procedure DISR are not managing the assessment and categorisation of the notifications in a consistent manner. Issues identified through non-compliance notifications and a 2022 Travel and Credit Card Management Review are not consistently informing continuous improvement in the management of official travel. (See paragraphs 3.79 to 3.99)

17. Reporting of non-compliance with section 23 of the PGPA Act is provided to governance committees, however this does not separately identify travel non-compliance. Monthly reports of non-compliance with travel requirements were provided to Heads of Divisions until June 2024 with no reporting thereafter. Reporting is provided to executive management on international travel. No other travel reporting is provided to the Secretary, executive or committees to help inform if the travel policies and risk settings remain appropriate. (See paragraphs 3.100 to 3.109)

Recommendations

Recommendation no. 1 Paragraph 2.32

The Department of Industry, Science and Resources improves its training and education arrangements to ensure officials are aware of their obligations, and there is executive oversight of mandatory training by:

- (a) defining and publishing mandatory training requirements for officials;
- (b) establishing clear roles and responsibilities for monitoring and reporting arrangements, including reporting of mandatory training rates to Executive Board; and
- (c) defining escalation processes for non-compliance with mandatory training.

Department of Industry, Science and Resources response: *Agreed.*

Recommendation no. 2
Paragraph 3.91

The Department of Industry, Science and Resources updates its Compliance Reporting policy and develops supporting guidelines for officials that clearly describe:

- (a) legislative non-compliance;
- (b) policy non-compliance;
- (c) the notification and assessment process;
- (d) regular reporting arrangements (see Recommendation 3); and
- (e) the approach to tracking corrective actions and assessing the effectiveness of those corrective actions.

Department of Industry, Science and Resources response: *Agreed.*

Recommendation no. 3
Paragraph 3.108

The Department of Industry, Science and Resources develop reporting on official travel and associated non-compliance for executive and Heads of Divisions to support assessment of risk and ensure its policy settings remain fit for purpose.

Department of Industry, Science and Resources response: *Agreed.*

Summary of entity response

18. The proposed audit report was provided to DISR and relevant parts of the proposed audit report were provided to the Department of Finance (Finance). DISR's summary response is provided below and Finance chose not to provide a summary response. The full responses from DISR and Finance are at Appendix 1.

Department of Industry, Science and Resources

The Department of Industry, Science and Resources (the department) acknowledges the Australian National Audit Office's proposed audit report on Compliance with Domestic and International Travel Requirements.

The department welcomes the ANAO's assessment that the department's:

- arrangements for compliance with domestic and international travel requirements were largely effective;
- arrangements for managing domestic and international travel are in accordance with Whole-of-Australian-Government (WoAG) and are appropriate, and;
- controls for official travel are largely effective.

The department is committed to ensuring continued compliance with domestic and international travel requirements. The department agrees and has already commenced addressing all three recommendations and additional opportunities for improvement.

The department acknowledges the work undertaken by the ANAO to prepare the report and collaborative approach throughout the audit.

Key messages from this audit for all Australian Government entities

19. Below is a summary of key messages, including instances of good practice, which have been identified in this audit and may be relevant for the operations of other Australian Government entities.

Governance and risk management

- Policies, training and controls for travel should be informed by an assessment of entity specific context and risks of official travel.
- Monitoring and reporting should provide visibility of compliance with whole of Australian Government requirements and support entities to determine if practices are achieving value for money.
- Entities need to ensure delegates have access to all the relevant information to make an informed decision that expenditure is appropriate.

Audit findings

1. Background

Introduction

1.1 Staff in Australian Government entities undertake domestic and international travel for the purpose of achieving the objectives of the entity. Official travel is:

any travel where a Commonwealth entity is ultimately responsible for any of the direct or indirect costs associated with that travel ... This includes travel by officials, contractors and consultants to undertake work duties at the direction of the employer to achieve one or more Commonwealth objectives.¹

Australian Government framework for travel

1.2 The Commonwealth resource management framework governs how Australian Government entities use and manage public resources. The foundation of the framework is the *Public Governance, Performance and Accountability Act 2013* (the PGPA Act). Under the PGPA Act, accountable authorities are required to promote the proper use and management of public resources.²

1.3 The Commonwealth Procurement Rules (CPRs) are issued by the Minister for Finance under section 105B of the PGPA Act. Compliance with the CPRs is mandatory for officials of non-corporate Commonwealth entities (NCEs). The CPRs require NCEs to use coordinated procurements where they exist. The whole of Australian Government travel arrangements (the WoAG Arrangements) are coordinated procurements established and managed by the Department of Finance (Finance).³ All NCEs must comply with all elements of the WoAG Arrangements.⁴ Corporate Commonwealth entities (CCEs) and Commonwealth companies may elect to use some or all of the arrangements.

1.4 Finance has published model accountable authority instructions (AAIs), which include requirements for official travel (see Box 1).⁵

-
- 1 Department of Finance, RMG 206 — Model AAIs for NCEs (Track change — November 2021), Resource Management Guide 206 — *Accountable authority instructions (AAIs)*, 28 April 2023, p. 40, available from <https://www.finance.gov.au/government/managing-commonwealth-resources/managing-risk-internal-accountability/risk-internal-controls/accountable-authority-instructions-aais-rmg-206> [accessed 7 January 2025].
 - 2 *Public Governance, Performance and Accountability Act 2013*, paragraph 15(1)(a).
 - 3 Coordinated procurements are whole-of-government arrangements for procuring goods and services.
 - 4 Section 4 of the CPRs mandates all NCE's that are subject to the PGPA Act to participate in all elements of coordinated procurements. Finance's website lists mandatory co-ordinated procurements for NCEs, including the WoAG Arrangements.
 - 5 AAIs are 'written instruments that may be issued by the accountable authority to instruct officials on matters relating to the finance law ... AAIs include instructions that the accountable authority expects officials to follow when exercising powers and carrying out functions and duties under the PGPA Act.' Department of Finance, *RMG 206 — Accountable Authority Instructions (AAIs)*, available from <https://www.finance.gov.au/government/managing-commonwealth-resources/managing-risk-internal-accountability/risk-internal-controls/accountable-authority-instructions-aais-rmg-206> [accessed 7 May 2025].

Box 1: Model accountable authority instructions for official travel — non-corporate Commonwealth entities

You must:

- not enter into an arrangement for official travel unless you have been delegated, or authorised to exercise, power to enter into an arrangement of this type
- act in accordance with the Commonwealth Procurement Rules (CPRs) when procuring official travel (see *Procurement*).
- Where the government has established coordinated procurements for a particular travel activity, you must use the arrangement established for that activity, unless:
- an exemption has been provided in accordance with the CPRs or reimbursement is to be provided to a third party (i.e., a non-Commonwealth traveller that cannot access coordinated travel procurements) for airfares, accommodation or car rental; or
- a travel allowance is to be provided for accommodation arrangements.

You must:

- use the Australian Government's contracted travel management company (TMC) [also referred to as the travel management services (TMS) supplier] to book domestic and ex-Australia international airfares under the Deed of Standing Offer for the Provision of Whole of Australian Government Travel Management Services unless the air travel is charter travel, in which case the use of the TMC is recommended but not mandatory
- use the contracted accommodation program management services provider for domestic accommodation under the Deed for the Provision of Accommodation Program Management Services to the Australian Government
- use the contracted car rental service providers for domestic car rentals under the Deed for the Provision of Car Rental Services to the Australian Government
- use the contracted travel card and related services provider for card payment services under the Deed for the Provision of Travel and Related Card Services to the Australian Government
- not accrue reward and loyalty points (such as frequent flyer points), however status points may be accrued.

Whole of Australian Government travel arrangements

1.5 The WoAG Arrangements commenced in 2010 and aim to:

- reduce travel costs by aggregating government buying power to secure competitive pricing and discounts;
- decrease administrative costs for suppliers and entities by removing procurement duplication;
- simplify processes by integrating technology, unifying pricing and aligning systems;
- optimise savings by promoting efficient booking behaviour and value for money choices; and

- support Australian Government policies.⁶

1.6 The WoAG Arrangements encompass five components outlined in Table 1.1.

Table 1.1: Whole of Australian Government travel arrangements — services and suppliers

Component	Services	Suppliers (as at November 2025)
Book ^a	The Travel Management Services (TMS) supplier ^b provides booking services for air travel, hotel, bus, sea, rail, car rental, ground transport services, and charter flights. In addition, 24/7 support and entity travel reports are provided.	Corporate Travel Management (CTM)
Fly ^c	Domestic and international air travel suppliers. The panel of airlines is not exclusive. ^d Airlines included in the panel provide 'discounted airfares and beneficial fare conditions' to the Australian Government.	Panel of 18 airlines • three domestic airlines, and • 17 international airlines
Stay ^a	All domestic accommodation must be booked through the sole supplier. Booking international accommodation through the supplier is encouraged but is not required.	CTM
Drive ^e	Domestic vehicle rental services supplier. Bookings can be made via the TMS supplier or directly with the supplier via a WoAG portal.	Hertz
Pay ^f	Travel and Procurement Payments Services (TAPPS). For official travel booked via the TMS supplier, entities are required to use a 'lodge card'. ^g Commonwealth credit cards are utilised for other expenses associated with travel such as meals and incidentals.	National Australia Bank (NAB)

Note a: Standing Offer Notice ID SON3979293, available from <https://www.tenders.gov.au/Son/Show/b3e4c6ad-ab57-4d46-a3c6-d0ce7b083ac7>.

Note b: The supplier of Travel Management Services is known as the Travel Management Company (TMC).

Note c: Standing Offer Notice ID SON3337469, available from <https://www.tenders.gov.au/Son/Show/606ca6fd-c615-d94c-905e-491969f2a3ba>.

Note d: Given the panel is not exclusive, entities are permitted to book both domestic and international air travel with non-panel airlines. Domestic flights and international flights departing Australia must be booked through the TMS supplier.

Note e: Standing Offer Notice ID SON3527487, available from <https://www.tenders.gov.au/Son/Show/1545a9af-e0d4-bab4-60d4-e03aed0558db>.

Note f: Standing Offer Notice ID SON3637640, available from <https://www.tenders.gov.au/Son/Show/ad2d8b17-c42e-4601-a757-72568eafa384>.

Note g: A lodge card is the digital number stored in the Travel Management Services supplier User profile.

Source: Department of Finance, *Whole of Australian Government Travel Arrangements*, About the Travel Arrangements and Department of Finance, *Whole of Australian Government Procurement*.

6 Department of Finance, *Whole of Australian Government Travel Arrangements*, About the Travel Arrangements, Finance, 5 July 2024, available from <https://www.finance.gov.au/government/travel-arrangements/about-travel-arrangements> [accessed 7 January 2025].

Lowest practical fare

1.7 The WoAG Arrangements are supported by resource management guides (RMGs) outlining the Australian Government policies for domestic and international air travel. The policies require travellers to select the ‘lowest practical fare’ (LPF) for domestic flights and the ‘international best fare’ (IBF) for international flights.

- The LPF 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’.⁷
- The IBF is ‘the lowest fare 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’.⁸

1.8 The LPF and IBF policies allow officials to book flights which are not the lowest (cheapest) fare. Officials select a Booking Code to explain why the lowest fare has not been chosen (see Table 1.2). Booking Codes 1 to 6 are compliant with LPF and IBF policies. If flights are not compliant, then Code 7 (‘Outside of LPF policy’) is to be used. These policy settings reduce the ability for individual delegates, entities and Finance as the framework owner to determine the effectiveness of the policy and if value for money is being achieved.

Table 1.2: Policy booking codes for lowest practical fare and international best fare

Policy booking code		Requirement
1	Lowest fare	Domestic: This is the cheapest available fare taking into account the 1-hour window. ^a International: This is the cheapest fare taking into account the 24-hour booking window. ^b
2	Timing, routing, connection or baggage charges	Domestic: Where the fare selected is not the lowest fare because it: • is the most direct route; • ensures connections for further flights are met; or • takes into account excess baggage fees. International: Where the fare is selected is not the lowest fare because it: • is the most direct route; • ensures connections for further flights are met; • includes baggage allowances or value-adds offered by WoAG contracted airlines; or • takes into account excess baggage fees.

7 Department of Finance, *RMG 404 — Domestic Travel Policy*, Finance, Canberra, 16 November 2023, available from <https://www.finance.gov.au/publications/resource-management-guides/domestic-travel-policy-rmg-404> [accessed 8 January 2025].

8 Department of Finance, *RMG 405 — Official International Travel — Use of the best fare of the day*, Finance, Canberra, 16 November 2023, available from <https://www.finance.gov.au/publications/resource-management-guides/official-international-travel-use-best-fare-day-rmg-405> [accessed 8 January 2025].

Policy booking code		Requirement
3	Approval/entitlement to travel at a higher fare class	Domestic: All air travel is to be at the lowest practical fare in economy class unless there is a business case or entitlement to travel outside these guidelines. In these circumstances, officials are still required to obtain the lowest practical fare within the entitlement. International: All air travel is to be at the international best fare in the appropriate class ^c (having regard to internal travel policy) unless there is a business case or entitlement to travel outside these guidelines. In these circumstances, officials are still required to obtain the international best fare within the entitlement.
4	Health issues	Health issues for officials requiring certain facilities. A medical certificate is required to support use of this code.
5	Personal responsibilities	Impact on personal responsibilities such as family.
6	Require flexibility to change booking	Where flexibility is required for air travel, travel bookers must consider selecting a semi-flexible fare type instead of a fully flexible fare.
7	Outside of LPF policy	Preference for a particular aircraft or airlines, availability of access to airline lounges, accumulation of airline benefits such as reward or loyalty points (including status credits).

Note a: According to *RMG 404 — Domestic Travel Policy*, the one hour ‘time window’ is used by the TMS supplier to ‘monitor whether the lowest practical fare has been selected and assess potential missed savings ... For outbound flights, the window commences 1 hour prior to the booked flight ... For inbound flights, the window commences 1 hour after the booked flight’.

Note b: According to *RMG 405 — Official International Travel — Use of the best fare of the day*, the TMS supplier ‘applies the 24-hour window to the booked flight time from the point of departure to monitor whether the international best fare has been selected.’

Note c: *RMG 405 — Official International Travel — Use of the best fare of the day* requires officials to select ‘business class or equivalent or lower-class airfare’.

Source: *RMG 404 — Domestic Travel Policy* and *RMG 405 — Official International Travel — Use of the best fare of the day*.

1.9 The RMGs set out additional guidance for travellers and approvers. Two key considerations for officials undertaking and approving travel are necessity of travel and value for money.⁹

- Value for money requires ‘the use of Commonwealth resources in an efficient, effective, economical and ethical manner that is consistent with the policies of the Commonwealth ... Accordingly, when booking travel, officials must make decisions based on impartial consideration of fares available’.
- Delegates, in approving official travel, ‘must be satisfied there is a demonstrated business need for the travel’ and that ‘air travel must only be undertaken where other communication tools, such as teleconferencing and videoconferencing, are ineffective’.

9 Department of Finance, *RMG 404 — Domestic Travel Policy*, Finance, Canberra, 16 November 2023, available from <https://www.finance.gov.au/publications/resource-management-guides/domestic-travel-policy-rmg-404> [accessed 17 April 2025].

Review of travel purchasing policies

1.10 In 2024, the Australian Government published the Aviation White Paper to set out the ‘Australian Government’s vision for Australia’s aviation sector towards 2050 to ensure it remains safe, competitive, productive and sustainable.’ The White Paper contains 56 new policy initiatives. Under the banner of a ‘competitive and efficient aviation sector’, initiative 17 is:

Review government travel purchasing policies to consider whether changed policy settings could better support competition. The Department of Finance will conduct the review in 2024.¹⁰

1.11 Finance finalised the ‘Review of Australian Government Travel Policies’ in December 2024.¹¹ The review made seven recommendations.

- Publish WoAG Travel Arrangements usage and expenditure.
- Update policy to explicitly deal with flight upgrades.
- Return to market for a full re-tender of the Airline Panel following consultation with the market on the approach to status credits.
- Create one Government Travel Policy, including mandating economy class for flights under three hours, enhanced guidance on gifts and benefits and setting a two-year review period.
- Booking codes for best value fare to be updated to include a justification for selecting the booking code for delegate consideration.
- Work with the contracted TMS supplier to improve services.
- Remove the requirement for accountable authorities to seek Ministerial approval for international travel over a certain threshold.

1.12 The Australian Government’s response to the recommendations is detailed in the ‘Review of Australian Government Travel Policies — What We’re Doing’, which stated ‘the Review found that the travel policies are generally fit for purpose and deliver significant savings for government.’¹² Finance published the review and response on its website on 1 August 2025.

Airline loyalty programs

1.13 Airline loyalty programs (also known as frequent flyer programs) are customer loyalty schemes. According to the Australian Competition and Consumer Commission, customer loyalty schemes offer points or discounts with the purpose of increasing repeat business. There are two types of points offered by Australian airlines through their airline loyalty programs.¹³

10 Australian Government, *Aviation White Paper — Towards 2050*, August 2024, p. 14, available from <https://www.infrastructure.gov.au/infrastructure-transport-vehicles/aviation/aviation-white-paper> [accessed 7 January 2025].

11 Department of Finance, *Report of the Review of Australian Government Travel Policies*, 24 December 2024, available from <https://www.finance.gov.au/publications/reviews/report-review-australian-government-travel-policies> [accessed 1 August 2025].

12 Department of Finance, *Review of Australian Government Travel Policies — What We’re Doing*, undated, available from <https://www.finance.gov.au/publications/reviews/report-review-australian-government-travel-policies> [accessed 1 August 2025].

13 Department of Finance uses the term ‘reward and loyalty points’ to collectively refer to both reward points and status credits.

- Reward points (also known as frequent flyer points) are awarded to travellers who are members of the airline's loyalty program for certain flights.
- Status credits are also awarded to members of the airline's loyalty program on certain flights and contribute to the status of a loyalty program membership (for example silver or gold).

1.14 Reward points and status credits can only be accrued by travellers who are members of an airline's loyalty program. Since commencement of the WoAG Arrangements in 2010, government policy prohibits the accrual of reward points for official travel. The accrual of status credits is permitted for official travel.

Airline lounge access

1.15 Membership of an airline lounge is separate to membership of an airline loyalty program and membership to a loyalty program does not in itself provide access to airline lounges. Membership of an airline lounge alone does not entitle members to accrue reward points or status credits. Access to airline lounges is available to travellers based on the class of travel, i.e. business and first class.

1.16 Airline lounges can be accessed by officials who have purchased a membership. Both Qantas and Virgin Australia offer discounted lounge memberships as part of the WoAG Arrangements to Commonwealth officials, including if the entity purchase the membership on their behalf or if they purchase it themselves.

1.17 Qantas' Chairmans Lounge and Virgin Australia's Beyond are by invitation-only memberships that provide access to premium airline lounges. Qantas and Virgin Australia may gift memberships of airline lounges, including invitation-only lounges, to senior officials. The Australian Public Service Commission (APSC) requires the annual reporting of gifted airline lounge memberships by agency heads.¹⁴

Department of Industry, Science and Resources

1.18 The Department of Industry, Science and Resources' (DISR) purpose as set out in its corporate plan is to enable a productive, resilient, and sustainable economy enriched by science and technology.¹⁵ It does this through growing innovative and competitive businesses, industries and regions, investing in science and technology and supporting a strong resources sector. DISR has been operating since 1 July 2022 following a machinery of government change.

14 The requirement is 'in circumstances where agency heads are gifted airline lounge memberships (including those which are invitation only), these must be recorded in their agency's gifts and benefits register annually or when circumstances change, such as a new or cancelled membership.' Australian Public Service Commission, *Guidance for Agency Heads — Gifts and Benefits*, APSC, 2021, available from <https://www.apsc.gov.au/working-aps/integrity/integrity-resources/guidance-agency-heads-gifts-and-benefits> [accessed 20 February 2025].

15 Within the department are divisions such as the Anti-Dumping Commission, the Australian Radioactive Waste Agency, the Australian Space Agency, the National Measurement Institute and Questacon. Officials of these divisions are DISR officials.

1.19 In 2024–25 DISR’s total resourcing was \$3.6 billion, with an average staffing level (ASL) of 3,380.¹⁶ The Secretary is the accountable authority and agency head for the purposes of the PGPA Act and the *Public Service Act 1999*.

1.20 DISR is a NCE and must comply with all elements of the WoAG Arrangements. In 2024–25, DISR reported its expenditure on travel as \$13.1 million compared to \$12.2 million in 2023–24.¹⁷ Expenditure of this volume put DISR within the top ten of reported travel expenditure by NCEs in 2023–24.

1.21 Between 1 July 2022 and 30 June 2025, DISR records indicate there were over 20,000 official domestic trips, with a total estimated cost of \$37.5 million and an average trip cost of \$1,800. Over the same period, officials travelled internationally over 1,000 times, at a total estimated cost of \$11.6 million and an average trip cost of \$10,800.

Previous ANAO audit coverage

1.22 Previous ANAO audits have identified issues in other entities with credit cards and travel. In 2023–24, the ANAO conducted a series of audits assessing compliance with corporate credit card requirements.¹⁸ These reports identified:

- positional authority risks with expenditure on travel and credit cards being approved by officials junior to the traveller;
- approval of travel not being provided prior to travel being undertaken; and
- failure to identify, record or respond to instances of non-compliance with travel requirements.

Rationale for undertaking the audit

1.23 In 2024–25, Australian Government entities spent \$953 million on travel through the WoAG Arrangements. The purpose of the whole-of-government policy for travel is to maximise value for money. The approach of an entity to official travel reflects whether the entity is behaving with integrity by meeting the intent of the WoAG travel framework. There has been parliamentary and public interest in relation to government travel arrangements and expenditure. The audit was conducted to provide assurance to the Parliament as to whether DISR has effective arrangements to comply with domestic and international travel requirements.

16 As set out in the *Portfolio Budget Statements 2025–26*, Budget Related Paper No. 1.11, Industry, Science and Resources Portfolio, page 21, Table 1.1. The total resourcing for DISR is the combination of the estimated actual total departmental and total administered resourcing. ASL is the full-time equivalent staffing level averaged over a financial year.

17 As reported in DISR’s 2023–24 and 2024–25 Annual Reports, available from <https://www.industry.gov.au/corporate-governance/annual-reports> [accessed 30 October 2025].

18 The ANAO developed *the Audit Lessons — Management of Corporate Credit Cards* to share lessons from these audits. Available from <https://www.anao.gov.au/work/insights/management-of-corporate-credit-cards> [accessed 16 April 2025].

Audit approach

Audit objective, criteria and scope

1.24 The objective of the audit was to assess whether DISR has effective arrangements to comply with domestic and international travel requirements.

1.25 To form a conclusion against the objective, the ANAO adopted two high-level audit criteria.

- Did DISR develop appropriate arrangements to manage domestic and international travel in accordance with whole of Australian Government requirements?
- Has DISR implemented effective controls and processes for domestic and international travel in accordance with its policies and procedures?

1.26 The audit examined the management of domestic and international travel by DISR officials from 1 July 2022 to 31 December 2024.

Audit methodology

1.27 To address the audit objective, the audit methodology included:

- reviewing legislative, policy and internal frameworks;
- examining DISR's policies, procedures, travel management systems, assurance and reporting activities;
- meeting with DISR officials;
- testing the effectiveness of DISR's control framework for travel; and
- analysing travel data from DISR's systems and entity level data from the WoAG travel management system.

1.28 The audit was conducted in accordance with ANAO Auditing Standards at a cost to the ANAO of approximately \$411,000.

1.29 The team members for this audit were Jenny Broome, Fionan Dunne, Nathan Daley, Daniel Levy, Thea Ingold, Nathan Callaway, Anne Rainger and Michelle Page.

2. Arrangements for managing domestic and international travel

Areas examined

This chapter examines whether the Department of Industry, Science and Resources (DISR) has developed appropriate arrangements for the management of domestic and international travel in accordance with the whole of Australian Government travel arrangements (the WoAG Arrangements).

Conclusion

DISR has established largely appropriate arrangements for managing domestic and international travel in accordance with the WoAG requirements. DISR has policies and procedures in place that align with WoAG Arrangements. Mandatory training covering key concepts is in place, although there is no regular reporting of compliance with requirements to executive or governance committees. Travel related guidance material is available to officials to assist in promoting compliance.

Areas for improvement

The ANAO made one recommendation aimed at improving mandatory training arrangements.

2.1 Entities need to establish arrangements for managing official travel in line with the WoAG Arrangements. Policies and procedural guidance, as well as training, should be available and easily accessible to all officials. Entity arrangements should be informed by an assessment of entity-specific risks.

Has the Department of Industry, Science and Resources developed appropriate policies and procedures for domestic and international travel?

DISR has developed policies and procedures for domestic and international official travel. The documents align with the WoAG Arrangements. DISR has created an entitlement for Senior Executive Service (SES) officers to fly business class on certain routes. DISR has an integrity related enterprise risk. Its status is green. In 2023, DISR identified an enterprise level fraud and corruption risk related to official travel. The current risk rating is low.

Framework for official travel

2.2 DISR's framework for the management of domestic and international travel is established through:

- instructions in the DISR Accountable Authority Instructions (AAIs);
- the DISR (Accountable Authority) Financial Delegation 2024;
- the DISR Enterprise Agreement (2024–27); and

- policy documents including Departmental Policy 2.3 — Domestic Travel, Departmental Policy 2.3A — Official Overseas Travel and Departmental Policy 5 — Commonwealth Credit Cards.¹⁹

Accountable Authority Instructions

2.3 DISR's Accountable Authority Instructions (1 September 2022) set out the Secretary's instructions related to official travel:

Official travel is any travel where a Commonwealth entity is ultimately responsible for any of the direct or indirect costs associated with that travel (noting the exceptions for using the coordinated travel procurements). This includes travel by officials, contractors and consultants to undertake work duties at the direction of the employer to achieve one or more Commonwealth objectives.

Official travel should only be undertaken when there is a demonstrated need and when other communication tools, such as teleconferencing and videoconferencing, are an ineffective option.

Arrangements for the purpose of official travel will generally be entered into under section 23 of the PGPA Act.

2.4 The Official Travel section of the DISR AAls are consistent with the model AAls issued by Department of Finance (Finance) (refer to paragraph 1.4). A link to DISR's *Finance* intranet page is included, which provides access to relevant documents.²⁰ The AAls mandate completion of DISR's Financial Framework Accreditation training by all officials every two years (see paragraph 2.27).

Department of Industry, Science and Resources (Accountable Authority) Financial Delegation

2.5 The DISR (Accountable Authority) Financial Delegation 2024²¹ establishes a delegation in line with subsection 23(3) of the PGPA Act for the power to approve expenditure for procurements.²² Additional requirements related to domestic travel are included in a footnote in the document:

Prior to booking domestic travel, the traveller must obtain PGPA Act s23 approval from an EL2 or above. A traveller at EL2 or above may provide PGPA Act s23 approval for their own travel. All domestic travel approvals must be exercised and documented in line with DP2.3 — Official Domestic Travel.

Department of Industry, Science and Resources Enterprise Agreement 2024–2027

2.6 The DISR Enterprise Agreement (EA) includes travel and location-based conditions.

19 Other relevant departmental policies are Approving Commitments, Gifting, Financial Delegations and Accreditation and Compliance Reporting.

20 DISR updated its AAls in January 2025. The January 2025 version lists the DISR Financial Delegations, and departmental policies 2.1 — Approving commitments of relevant money and entering into arrangements (November 2017, for the previous iteration of DISR), 2.3 — Domestic Travel and 2.3A — Official Overseas Travel.

21 The associated Departmental Policy 12.1 — Financial Delegations and Accreditation was last approved in April 2018 for the previous iteration of DISR.

22 Section 23 of the PGPA Act provides accountable authorities of non-corporate Commonwealth entities (NCEs) the power to make arrangements and commitments. Subsection 23(3) of the Act provides for the accountable authority of a non-Corporate Commonwealth entity to 'on behalf of the Commonwealth, approve a commitment of relevant money for which the accountable authority is responsible.'

An employee who travels on official business is entitled to have reasonable travel, accommodation, meal and incidental expenses met by the department. The Australian Taxation Office rates are used as the basis for determining reasonable meal and incidental expenses.

2.7 DISR does not pay meal and incidental allowances to officials, rather DISR pays for actual costs incurred when travelling. Officials use their purchasing card to pay for these expenses. The Australian Taxation Office (ATO) rates are used to determine maximum daily meal and incidental caps.²³

2.8 The EA provides for a private accommodation allowance and a private vehicle allowance to cover reasonable expenses incurred while staying at non-commercial accommodation, or utilising a private vehicle, while on official business.²⁴

Departmental Policy 2.3 — Domestic Travel

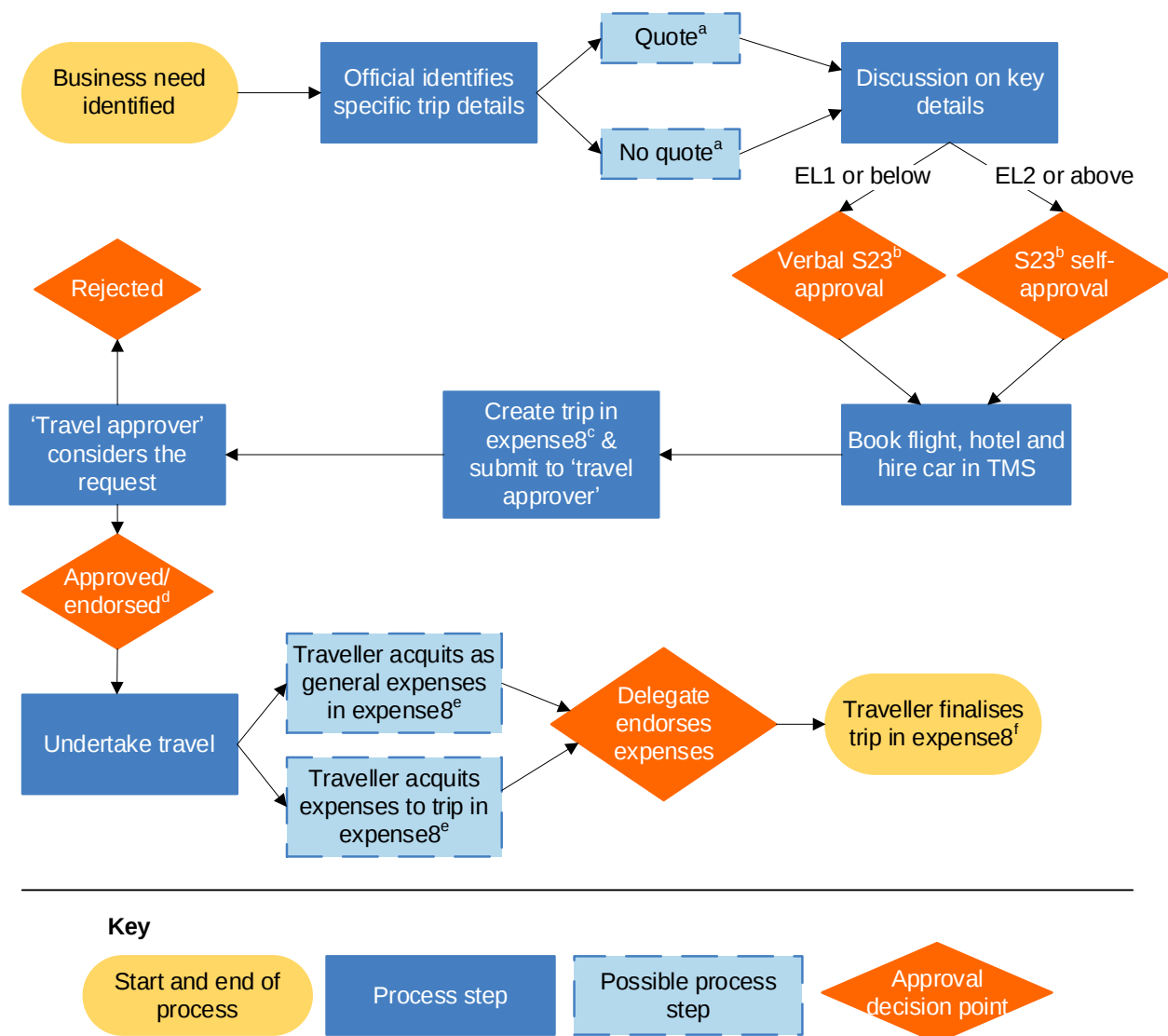
2.9 DISR's Departmental Policy 2.3 — Domestic Travel (September 2024) sets out the department's requirements when 'planning, approving and undertaking domestic travel'.²⁵ DISR defines official domestic travel as 'travel undertaken by an official for department business, where the official is required to be absent overnight, or on single day travel where the duration is 10 hours or more.' The process for domestic travel at DISR is illustrated by Figure 2.1.

23 The ATO's reasonable meal and expenditure rates are published in Taxation Determinations. The 2024–25 income year determination is available from <https://www.ato.gov.au/law/view/pdf/pbr/td2024-003.pdf> [accessed 3 May 2025].

24 The private accommodation allowance is \$77/night, and the motor vehicle allowance is in accordance with ATO rates.

25 The current domestic travel policy was approved in September 2024. The policy in place prior to this was approved in December 2020. Key additions to the current policy include: a specific requirement for endorsement of a domestic trip in expense8, prior to departure and after travel in exceptional circumstances, consideration of work, health and safety risks and the requirement to adhere to the APS Code of Conduct.

Figure 2.1: Domestic travel process at the Department of Industry, Science and Resources



Note a: DISR’s domestic travel policy indicates that costs should be discussed with the traveller’s manager, however there is no guidance on how costs would be estimated. A cost estimate could be informed by quotes from the TMS system.

Note b: Approval given in line with section 23 of the PGPA Act.

Note c: Expense8 is DISR’s expense and travel management system.

Note d: The ‘travel approver’ is required to approve the trip prior to departure. In circumstances where an EL2 (or above) has self-approved, their manager is still required to endorse the section 23 approval.

Note e: On return, travellers should associate expenses with the trip in expense8 as part of the acquittal. Expenses can also be acquitted as general transactions.

Note f: Travellers should finalise the trip in expense8. This does not always occur.

Source: ANAO analysis of DISR’s *Domestic Travel* and *Commonwealth credit card* policies.

2.10 The ANAO’s assessment of the alignment of DISR’s current *Domestic Travel* policy with the WoAG Travel Arrangements and *RMG 404 — Domestic Travel Policy* is presented in Table 2.1.

Table 2.1: Alignment of the Department of Industry, Science and Resources' *Domestic Travel* policy to the Whole of Australian Government Arrangements

WoAG requirement	ANAO assessment	DISR alignment
Select Lowest Practical Fare (LPF)	◆	Guidance is provided to officials to make impartial decisions on air fares, and to assess fares, fare types and the cost of changes or cancellations when booking domestic air fares.
Value for money	◆	The policy refers to the efficient, effective, economical and ethical use of Commonwealth resources. DISR states value for money requires officials to understand the goals and purpose of travel.
Necessity of travel	◆	The policy refers to a demonstrated business need for the travel, that is able to withstand public scrutiny.
Diligence	◆	The policy refers to the APS Code of Conduct.
Use of contracted travel management services (TMS) supplier to book domestic air travel	◆	DISR clearly requires the use of the TMS system to make domestic air travel bookings. Failure to book via the TMS system is considered non-compliance and must be reported as such.
Use of contracted TMS supplier to book domestic accommodation	◆	DISR clearly requires the use of the TMS system to make domestic accommodation bookings.
Use of the contracted hire car provider for car rental	◆	DISR clearly requires the use of the TMS system, or the specific provider to book car rentals. The policy considers sites where the contracted service provider is not available.
Domestic airfares must be economy class unless there is a business case or entitlement to travel business class ^a	◆	DISR's domestic travel policy creates an entitlement for SES officials to fly business class on domestic flights. ^b
Airline reward and loyalty points	◆	The wording in the DISR policy aligns with the WoAG restrictions on frequent flyer points.
Use of travel card when booking in the TMS system	◆	DISR mandates the use of a travel card when booking via the TMS system.

Key: ◆ Fully aligned ▲ Partly aligned ■ Not aligned

Note a: The review of Australian Government Travel policies recommended economy class be set as the standard class for all travellers, including SES officers, on flights less than 3 hours in duration. The recommendation will not be implemented.

Note b: Excluding Canberra — Sydney — Melbourne flights.

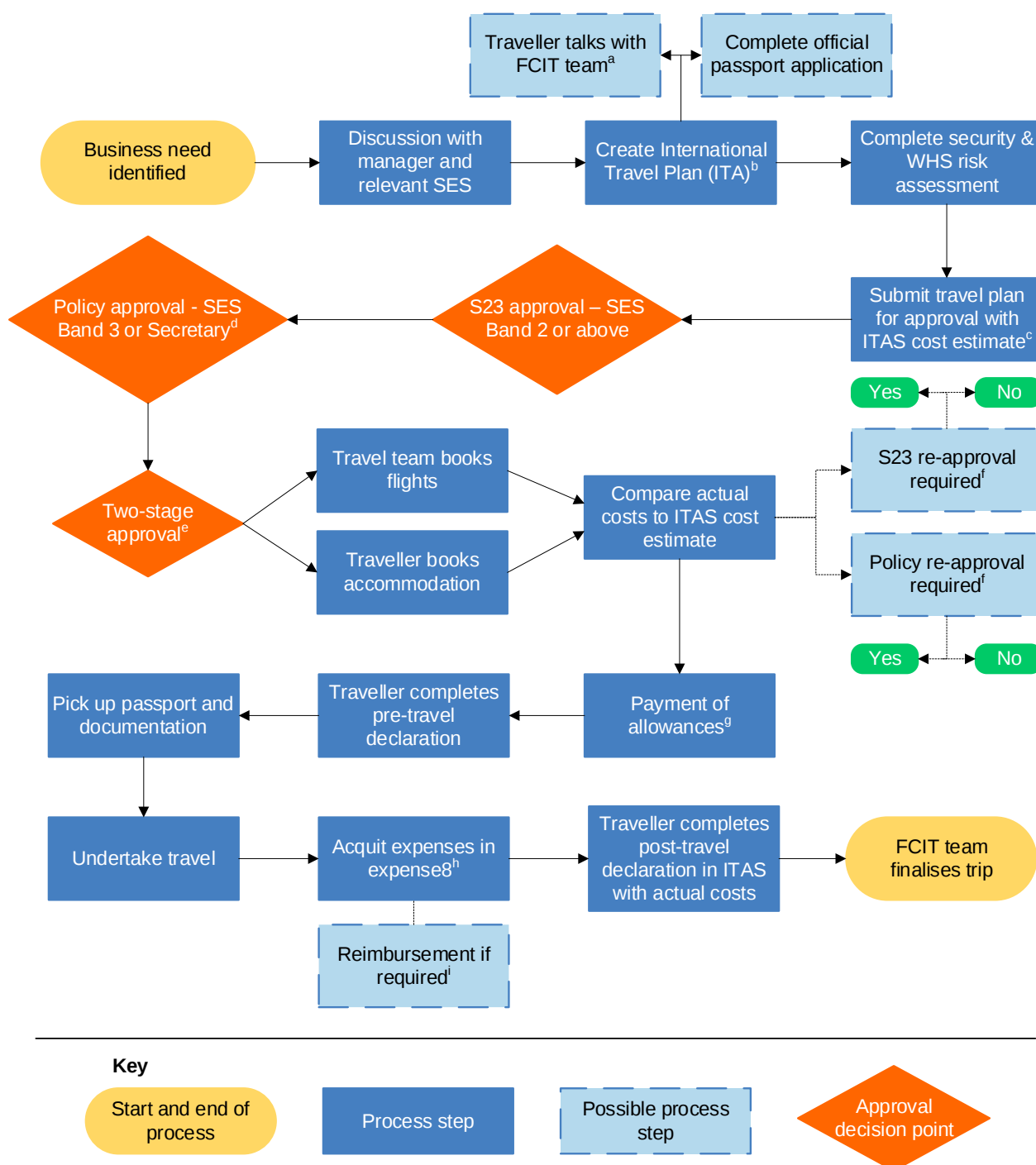
Source: ANAO analysis of DISR's *Domestic Travel* policy and the WoAG Travel Arrangements.

Departmental Policy 2.3A — Official Overseas Travel

2.11 DISR's Departmental Policy 2.3A — Official Overseas Travel (September 2024) sets out the department's requirements for arranging, managing and undertaking official overseas travel.²⁶ Official overseas travel is defined as 'travel undertaken for department business to a foreign country by an official.' The process for international travel at DISR is illustrated at Figure 2.2.

26 DISR updated its policy three times during the audit period (September 2022, December 2022 and September 2024). The September 2022 update included the introduction of the dual approval process and the removal of ministerial approval for international travel. The September 2024 update provides additional detail on considerations by officials in selecting the IBF.

Figure 2.2: International travel process at the Department of Industry, Science and Resources



Note a: The FCIT Team is DISR's Fleet, Credit Cards, Insurance and Travel Team.

Note b: ITA's are submitted through the International Travel Approval System (ITAS), the system used to manage and record international travel by DISR officials. DISR uses the abbreviation ITA to align with the plan ID e.g. ITA123456.

Note c: The cost estimate is calculated based on data loaded into ITAS for expected costs of airfares, accommodation and meals in specific locations.

Note d: The Secretary's approval is required for international trips that meet certain criteria (see paragraph 3.44).

Note e: Two-stage approval refers to approval having been granted by both PGPA Act section 23 and policy delegates.
 Note f: One or both PGPA Act section 23 and policy re-approval may be required if the estimated cost of the trip exceeds the estimate previously approved.

Note g: An incidentals allowance is provided prior to officials prior to departure. Other allowances that may be paid are a clothing allowance and an equipment allowance.

Note h: Expenses incurred whilst on overseas travel are acquitted as general transactions in expense8 and are not associated with the trip.

Note i: In circumstances where an official has 'incurred unavoidable additional business-related expenses from personal funds', a reimbursement can be sought.

Source: ANAO analysis of DISR's *Official Overseas Travel* and *Commonwealth credit card* policies.

2.12 The ANAO's assessment of the alignment of DISR's current *Official Overseas Travel* policy with the WoAG Travel Arrangements and *RMG 405 — Official International Travel — Use of the best fare of the day* is presented in Table 2.2.

Table 2.2: Alignment of Department of Industry, Science and Resources' *Official Overseas Travel* policy to Whole of Australian Government Arrangements

WoAG requirement	ANAO assessment	DISR alignment
Value for money	◆	The policy refers to the efficient, effective, economical and ethical use of Commonwealth resources.
Necessity of travel	◆	The policy refers to 'department business' ^a and that the travel can withstand public scrutiny.
Safety	◆	DISR requires officials to complete risk and security assessments and identify mitigations prior to each trip.
Approval of the need to travel	◆	DISR requires two levels of approval for international travel.
International best fare (IBF) of the day	◆	DISR states all bookings must be consistent with IBF and provides considerations when choosing flights. International flights are booked by the central FCIT Team.
Use of contracted TMS supplier to book international air travel departing Australia	◆	DISR clearly requires the use of the TMS system to make international air travel bookings.
Class of travel	◆	Aligns with WoAG agreement for business class travel.
Use of a travel card when booking in the TMS system	◆	DISR mandates the use of a travel card when booking airfares via the TMS system.
Airline reward and loyalty points	◆	The wording in the DISR policy aligns with the WoAG restrictions on frequent flyer and points.

Key: ◆ Fully aligned ▲ Partly aligned ■ Not aligned

Note a: The policy lists reasons for overseas official travel. The list is not exhaustive. It includes, for example, 'representing the department at an international meeting or forum', and 'building relationships'.

Source: ANAO analysis of DISR's *Official Overseas Travel* policy and WoAG Arrangements.

Departmental Policy 5 — Commonwealth Credit Cards

2.13 DISR's Departmental Policy 5 — Commonwealth Credit Cards (September 2024)²⁷ sets out how cards are 'issued and used appropriately for department related business, and all expenses incurred are properly approved, acquitted, and endorsed.' The department uses two credit card products: a Purchasing card and a Travel card (also known as a Lodge card). Purchasing cards are physical cards issued to officials to make purchases of goods and services, while travel cards are 'virtual' cards only used for bookings made through the contracted travel management service system.²⁸

2.14 The purchasing card issued to officials must not be used for 'personal expenses', such as medication, toiletries, personal groceries, and tipping within Australia.

2.15 All transactions must be acquitted by the cardholder and endorsed by the delegate by the 20th day of the next month. The policy requires all transactions to have an itemised invoice attached to the acquittal. The policy requirements for evidence of transactions have been updated during the period of the audit.

2.16 Between October 2019 and January 2024, 'receipts/invoices' were required to be attached to the acquitted expense for transactions above \$82.50, with the exception of transactions charged to the travel card. For transactions below \$82.50, 'receipts/invoices' were to be retained until the acquittal had been endorsed by the delegate.²⁹

2.17 Since January 2024, an 'itemised invoice' must be attached to the acquittal for all transactions, irrespective of value. DISR requires the invoice to meet the definition of a 'tax invoice' for transactions above \$82.50. The requirement for an 'itemised invoice' for every transaction continues in the current (September 2024) policy. For transactions on the travel card, the travel provider receipt must be attached. For lost or unavailable invoices, the policy states:

In exceptional circumstances where invoices have been lost, are not available, or cannot be requested from the merchant, a statutory declaration is to be completed for purchases valued \$82.50 or more. A record such as an email, file note or a missing invoice form is to be completed for purchases valued under \$82.50. The record must include date of transaction, supplier name, description of items purchased and amount (incl GST).³⁰

2.18 The policy states a tax invoice is not required for 'overseas purchases', but an 'itemised invoice detailing purchases will be accepted'.

27 DISR updated its policy three times during 2024. The updates ensured alignment with the approval requirements for travel, and updated timeframe requirements for acquittals and endorsements of transactions.

28 The requirement to use a virtual card for bookings made through the travel management service system is a requirement of the WoAG Travel Arrangements.

29 The Commissioner of Taxation requires all businesses in Australia to provide a tax invoice to customers for any sale of \$82.50 or above. Australian Taxation Office, *Goods and Services Tax Ruling*, ATO, Canberra, 2019, available from <https://www.ato.gov.au/law/view/document?docid=GST/GSTR20131/NAT/ATO/00001> [accessed 7 October 2025].

30 The examples of exceptional circumstances given by DISR are 'transport tap on and off services, vending machines etc.'

Assessment of risk

Enterprise risks

2.19 DISR's eight enterprise risks are listed in the Corporate Plan and its Risk Management Framework. Relevant to official travel is the risk 'we maintain good governance and ethical standards and adhere to our legal obligations'. In November 2024, the Executive Board approved a proposal to change the 'status' of the risk from amber to green.³¹ As at August 2025, the status of the risk remains green.

Fraud and corruption risks

2.20 The PGPA Fraud and Corruption Rule establishes a requirement for an accountable authority to take all reasonable measures to prevent, detect and deal with fraud relating to the entity.³² DISR's 2023–25 Fraud and Corruption Control Strategy (November 2023) (the Strategy) 'documents the department's approach to prevent, detect and respond to fraud and corruption.' The Strategy lists DISR's 10 fraud and corruption risks.³³ Relevant to travel is the risk of 'theft, misuse, or misdirection of staff payroll, entitlements, cash, credit cards, and travel vouchers.' DISR completes its enterprise fraud and corruption risk assessment (EFCRA) over a two-year cycle.³⁴ The current EFCRA was approved by Executive Board in August 2025 and records the risk rating as 'Low'. The risk has been accepted, and no treatments were proposed.

Divisional risks

2.21 Divisional risks are recorded in divisional risk registers. Divisional risk registers are 'reviewed/updated quarterly.'

2.22 Oversight of official travel sits in the Chief Finance Officer Division (CFOD). The CFOD's Risk Register (June 2024) identifies a risk of failure 'to support the department to comply with Australian Government Financial Framework, legislation (i.e. PGPA Act) and related policies of government.' The controls, assessed as 'Partially Effective', were:

- funding, resourcing and procurement frameworks (inc. for higher-risk fraud areas such as procurement and credit cards);
- automated data transfers and reconciliation;
- RPA [Robotic Process Automation] to reduce manual entry and analysis;
- Quality Assurance, compliance monitoring and reporting; and

31 Amber status indicates 'the risk is adequately managed, but action may be required to avoid it becoming unacceptable. Some elements of the risk may be of concern. Monitoring and review required.'
Green status indicates 'the risk is currently adequately managed. Continue to monitor.'

32 The Fraud and Corruption Rule sets out minimum standards for accountable authorities for managing the risk and incidents of fraud and corruption relating to their entity. Section 10 of the Public Governance, Performance and Accountability Rule 2014.

33 Examples of DISR's fraud and corruption risks are: unauthorised access, use, modification, and/or disclosure of departmental information by employees (or equivalent); theft, damage, or misuse of departmental property, facilities, vehicles, equipment, other physical assets, and assets on loan and fraudulent procurement practices, contract management, or policy activities.

34 The latest two-year cycle ran from 1 July 2023 to 1 July 2025.

- mandatory training including fraud, financial framework accreditation and COI [Conflict of Interests].

2.23 DISR's existing controls including the AAls, departmental policies, and financial delegations are not referenced in the risk assessment. One treatment was identified: 'Divisional assurance review to identify opportunities to strengthen lines of defence.' This was recorded as due in December 2024. The CFOD implemented the treatment through an enterprise-wide Assurance Map (March 2025).³⁵

Has the Department of Industry, Science and Resources developed appropriate training and education arrangements?

DISR requires all officials to complete training outlining duties and responsibilities of officials under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), including appropriate use of public resources in the context of official travel. Reports on mandatory training compliance are provided to Heads of Divisions. Reports are not provided to governance committees, which limits DISR's ability to assess the risk non-compliance presents to integrity across the organisation. Travel-specific training is provided when requested and extensive guidance material is available to officials.

2.24 The Australian Public Service Commissioner's Directions 2022 mandate integrity training for all employees of the Australian Public Service (APS) and entities will provide a range of additional mandatory training and education to staff. The PGPA Act requires accountable authorities to establish and maintain measures to ensure officials comply with the finance law. Failure to comply with the finance law is a breach of the APS Code of Conduct.

2.25 Whilst there is no requirement for entities to provide travel-specific training or education to officials, the WoAG Travel Arrangements form part of the Commonwealth Procurement Rules (CPR's) which is a finance law. Providing training and education to officials to support compliance with the WoAG arrangements is a measure to ensure officials are complying with finance law.

Mandatory training at Department of Industry, Science and Resources

2.26 The relevant suite of mandatory training requirements are listed within an official's learning management system (LMS) profile. Officials at DISR are enrolled in relevant mandatory training modules on commencement, based on roles within the department. The ANAO identified two modules that contain content relevant to official travel.

Financial Framework Accreditation

2.27 DISR requires all officials to complete the Financial Framework Accreditation module every two years 'to ensure officials are aware of their duties and obligations as officials under the Commonwealth'.³⁶ The course is tailored to DISR's operational context, with explicit reference to

35 As an internal audit activity, DISR developed an enterprise Assurance Map by consulting with Heads of Divisions to understand key functions and listing current assurances over those functions.

36 In addition to the AAls, the requirement to complete Financial Framework Accreditation every two years is also included in the Commonwealth Credit Cards and Financial Delegations and Accreditation policies.

the department's AAls and policies. The course includes a section dedicated to official travel with links to DISR's travel policies.

Integrity in the Australian Public Service

2.28 In 2022, DISR implemented the 'APS Foundations: Integrity in the APS' training from the APS Academy to comply with the APS Commissioner's Directions.³⁷ DISR officials are required to complete the module once on commencement with the department. Since 28 October 2024, DISR officials are also required to complete a separate module annually called Integrity Matters.

Monitoring of mandatory training completion

2.29 DISR's approach to monitoring completion of mandatory training is not recorded in policy or procedure. During the audit period, reports on mandatory training completion were provided to Heads of Divisions (HoDs).³⁸ During 2022 reports were provided quarterly, and this increased to monthly in 2023. Between September 2023 and October 2024, reports were not provided to HoDs but have since resumed.³⁹ DISR advised the ANAO in March 2025 that it is the responsibility of HoDs to monitor and follow up officials who are not compliant with mandatory training requirements.

2.30 Regular reports of mandatory training are not provided to the Executive Board or its sub-committees, for example the People, Safety and Culture Committee. Ad hoc reporting was provided, for example:

- in August 2022, the Executive Board requested a report on mandatory training completion rates. In December 2022, DISR reported to the Executive Board the completion rate for Integrity in the APS was 76 per cent and 64 per cent for Financial Framework Accreditation.
- in March 2025, the Executive Board was advised that the completion rate for Financial Framework Accreditation as at 30 December 2024 was 96 per cent.⁴⁰

2.31 The APSC recommends entities measure and report on integrity performance regularly. Training completion rates are identified by the APSC as a key integrity metric. Without oversight by senior management, DISR is not in a position to identify risks and assess the impact of non-compliance with mandatory training as a potential integrity issue.

37 While this module does not specifically cover official travel, it outlines the roles and responsibilities of public servants in maintaining and promoting integrity when discharging their duties.

38 Heads of Divisions are SES Band 2 officers who lead divisions within DISR.

39 The absence of reporting on mandatory training completion to Heads of Divisions was impacted by the changeover to a new learning management system.

40 As at 30 June 2025, the completion rate for Financial Framework Accreditation training was reported as 85 per cent.

Recommendation no. 1

2.32 The Department of Industry, Science and Resources improves its training and education arrangements to ensure officials are aware of their obligations, and there is executive oversight of mandatory training by:

- (a) defining and publishing mandatory training requirements for officials;
- (b) establishing clear roles and responsibilities for monitoring and reporting arrangements, including reporting of mandatory training rates to Executive Board; and
- (c) defining escalation processes for non-compliance with mandatory training.

Department of Industry, Science and Resources response: *Agreed*

2.33 *The department has launched a new intranet page that outlines all mandatory training requirements and the renewal intervals. The system generates email reminders when training is due or overdue. Reporting is escalated as appropriate for non-compliance, and this information is included in quarterly reporting to Executive Board.*

Travel-specific training

2.34 Specific training for official travel has been provided as requested by the Fleet, Credit Cards, Insurance and Travel (FCIT) Team. The provision of travel-specific training is not recorded or tracked. The contracted TMS supplier, CTM, provides training which is accessible through the CTM portal. Training includes profile management, how to create a domestic booking, and how to use the CTM portal.

Guidance material

2.35 The DISR intranet, known as iCentral, provides news and messaging across the department. DISR has established iCentral pages for domestic travel, international travel and Commonwealth credit cards which contain links to policy documents and additional guidance material.

2.36 The iCentral Domestic and International Travel pages provide an overview of the process, and detailed subsections containing guidance for officials and links to additional material. Material includes instructions describing how to undertake tasks in expense8, CTM and ITAS such as creating trips and endorsing trips.

2.37 DISR uses a service portal known as ServiceNow. Officials use ServiceNow to submit requests for corporate (including for official travel) and IT assistance, and it also provides a Knowledge Hub containing guidance articles. In addition to ServiceNow, messages to officials are provided via 'dashboards' in expense8, ITAS and CTM.

2.38 The iCentral 'News' page is used to publish articles. The FCIT Team has used the News page or updates from the Secretary to update officials on procedural changes or provide reminders of requirements for official travel. The FCIT Team implemented a regular Travel and Credit Card Newsletter in April 2024 which is made available to officials on the expense8 dashboard.

2.39 The FCIT Team does not record or track guidance provided via ServiceNow, iCentral or via email.

Department of Finance

2.40 The role of Finance as the policy owner is to provide supporting guidance material to entities to support compliance with *RMG 404 — Domestic Travel Policy* and *RMG 405 — Official International Travel — Use of the best fare of the day*. Feedback to the review of Australian Government Travel policies (refer to paragraphs 1.10 to 1.12) identified the need for additional training and guidance from the WoAG Travel Team in Finance. The response to the review did not respond to the feedback.

3. Controls and processes for managing domestic and international travel

Areas examined

This chapter examines whether the Department of Industry, Science and Resources' (DISR) has effectively implemented controls and processes for domestic and international travel in accordance with its policies and procedures.

Conclusion

DISR was largely effective in implementing controls and processes for domestic and international travel in accordance with its policies and procedures. Controls for domestic and international travel are in place. Documentation of approval and acquittals for domestic travel could be strengthened. DISR officials did not meet internal reporting timeframes for gifts and benefits accepted from airlines. Processes for identifying and assessing non-compliance are in place, however these are not clearly defined and DISR has not reviewed their effectiveness. Reporting on non-compliance to executive committees includes instances related to travel, however these are combined with other *Public Governance, Performance and Accountability Act 2013* (PGPA Act) non-compliance. Reports to Heads of Divisions including travel related non-compliance did occur but have now ceased.

Areas for improvement

The ANAO made two recommendations aimed at improving identification, management, response and oversight of non-compliance, and developing risk based travel reports.

3.1 Section 16 of the *Public Governance and Accountability Act 2013* (PGPA Act) requires accountable authorities of Commonwealth entities to establish and maintain appropriate systems of internal control. Entities should have an effective, evidence-based assurance approach in place to validate control effectiveness and monitor compliance with policy requirements for the purposes of continuous improvement.

3.2 Effectively implementing an appropriate process for management of non-compliance is necessary to ensure entities' adherence to both internal policies and legislative requirements and serves as a deterrent for future non-compliance by officials. Responding to identified instances of non-compliance allows an entity to demonstrate that its officials are discharging their duties and facilitates continuous improvement and refinement in the entity's control framework.

Has the Department of Industry, Science and Resources implemented effective controls for domestic travel?

DISR has implemented controls for domestic travel across planning and approval, booking and acquittal of expenses. DISR's policy allows for documentation of travel approval after booking. The ANAO identified eight per cent of trips where approval had not been documented before the travel occurred. DISR officials selected flights that complied with lowest practical fare policy 98 per cent of the time; the lowest (cheapest) fare was selected for 27 per cent of trips reviewed by the ANAO. Travel expenses incurred while travelling are required to be endorsed

after the trip. Endorsers are given discretion on the level of review for each transaction which creates the risk that inappropriate expenses and non-compliance are not detected.

Domestic travel at the Department of Industry, Science and Resources

3.3 Table 3.1 sets out DISR's domestic travel between 2022–23 and 2024–25.⁴¹

Table 3.1: Domestic travel statistics 2022–23 to 2024–25

Departure date	Number of officials that travelled	Number of trips ^a	Estimated travel expenditure ^b (\$)	Average estimated cost per trip (\$)
2022–23	1,937	6,488	11,161,586	1,720
2023–24	2,051	7,079	13,132,594	1,855
2024–25	2,097	6,894	13,293,955	1,928

Note a: 14 of the total domestic trips analysed had a status of 'Rejected' or 'Unsubmitted' but recorded expenses against the trips.

Note b: These figures are travel expenditure recorded in expense8 against domestic trips. Expense8 reporting on total costs does not include all costs as some data fields are not mapped to the total cost data fields.

Source: ANAO analysis of expense8.

Planning and approval

Business need

3.4 When creating a new trip in DISR's travel and expense management system (expense8), officials must complete a 'Trip Name' and select from a drop-down list of 'Type of Travel'. Over the audit period, the top four types of travel were 'conference/meeting', 'other reason to travel', 'training', and 'inspection or assessment'.

3.5 Further detail can be provided by travellers to the 'travel approver' in expense8. The ANAO reviewed 64 randomly selected domestic trips, with 52 per cent of trips providing additional detail of business need to the travel approver. If additional information is not provided, the level of documentation recorded in expense8 reduces DISR's ability to undertake assurance activities of business need and value for money considerations for domestic travel.

3.6 The itinerary is completed by adding details of each element of the trip (flights, accommodation, taxi and/or car hire).⁴² The flight component is populated with departure and arrival airports. The value of air fares and accommodation for the trip are manually transcribed into expense8 by the official after being booked through the travel management services (TMS) system (see paragraphs 3.16 to 3.28).

41 DISR uses expenditure data from its financial management system TechnologyOne (TechOne) to report on travel expenditure in its Annual Report (refer to paragraph 1.20). Differences between expenditure calculated from TechOne and expenditure presented in Table 3.1 are due to the way expenditure is captured and reported in expense8.

42 DISR's domestic travel policy permits officials to request private travel be added to official travel. This must be reflected as a segment within the expense8 trip. The duration of the private travel should be less than the official component and not result in additional cost to DISR.

3.7 Expense8 calculates the proposed total cost of the trip, by combining the costs of air fares, accommodation and taxis, and the maximum meal and incidental caps. The meal and incidental caps are determined by the length of the trip (see paragraph 2.7). The domestic trip ‘workflows’ to the travel approver for approval.

Approval requirements

3.8 The Public Governance, Performance and Accountability Rule 2014 at section 18 requires the approval of any commitment of relevant money by the accountable authority or a delegate to be recorded in writing ‘as soon as practicable after giving it.’ DISR’s travel policy defines ‘as soon as practicable’ as ‘the earlier of 20 business days from making a travel booking, or the day **prior** to travel departure.’ [emphasis in the original]⁴³

3.9 DISR’s domestic travel policy (from September 2024) outlines the required level of approval:⁴⁴

- verbal approval is required prior to booking travel. Officials at EL2 or above are permitted to book travel with self-approval.
- approval must be documented in expense8 as soon as practicable. This occurs after travel has been booked.

3.10 For EL1 or below, approval is provided by the financial delegate. For EL2 and above, approval is ‘endorsed’ by the official’s manager. In approving or endorsing the trip in expense8, the ‘travel approver’ is confirming there is a valid business need, value for money has been considered and the requisite verbal pre-approval was obtained (if required).

Absence of documented approval

3.11 In September 2023, the Fleet, Credit Cards, Insurance and Travel (FCIT) Team undertook a review of documented approval of year-to-date domestic trips recorded in expense8. The review identified 1,283 domestic trips with a creation or departure date from 1 July 2023: nine per cent of those trips were not created in expense8 prior to departure; and 22 per cent did not have documented approval prior to departure.⁴⁵ The domestic travel policy in place at the time did not require approval to be documented prior to travel (refer to footnote 44). As a result, DISR did not consider the absence of documented approval for travel as non-compliance (refer to paragraph 3.80).

3.12 In response to the findings of the September 2023 review, DISR implemented monthly audits of domestic trips in expense8. The updated domestic travel policy released in September 2024 mandated the documentation of approval in expense8 prior to travel.

43 The DISR Approving Commitments of Relevant Money and Entering into Arrangements policy (November 2017) requires the approver of a commitment of money to ‘document all approvals they give. The approver should be satisfied that they provide appropriate evidence of compliance with PGPA Act — s23. This should be proportionate to the significance, value, level of risk and sensitivities associated with the spending proposal.’

44 The December 2020 domestic travel policy required verbal approval prior to travel and did not specify that documented approval/endorsement of approval was required prior to travel.

45 The DISR FCIT Team used news articles on the iCentral intranet to remind officials of the legislative and policy requirement for travel to be approved prior to departure in October 2023 and August 2024.

3.13 Over the second half of 2024, DISR's monthly audit identified between nine and 17 trips per month that had occurred without documented approval (see Table 3.2). Non-compliance with documented approval is notified by the traveller or the FCIT Team. Confirmed instances of non-compliance are reported through the Compliance Dashboard (refer to paragraphs 3.102 to 3.104 and Table 3.8).

Table 3.2: Department of Industry, Science and Resources' monthly audit findings (2024) — absence of documented approval

Month	Number of unique trips in the month	Trips identified by the FCIT Team (%)
July	574	2.61
August	559	2.86
September	516	1.74
October	566	1.94
November	750	1.47
December	537	3.17

Source: DISR's monthly travel audit records.

3.14 Of the ANAO's sample of 64 trips, five trips (eight per cent) had not been approved/endorsed by the 'travel approver' in expense8 prior to travel. Two of those trips were not created in expense8 until after the travel had occurred. Both trips were completed by the same Executive Level 2 official. None of these trips were notified by DISR as non-compliance as all trips occurred prior to the updated policy requirement of documented approval prior to travel.

3.15 The ANAO observed 11 instances of good practice within its sample where records of written approval from delegates provided prior to booking were attached to the expense8 trip.⁴⁶

Booking

3.16 Booking of domestic travel (flights, accommodation and car hire) is undertaken by travellers or travel arrangers and must be completed through the TMS system on a travel card (see Table 1.1).⁴⁷ There is no integration between the TMS system and expense8. Bookings made by travellers or travel arrangers in the TMS system are not reviewed by the 'travel approver'. The only details of bookings available to the 'travel approver', including policy booking codes for lowest practical fare (LPF), are those entered into expense8 by the traveller/arranger. The details entered into expense8 do not include the class of air travel.

3.17 The ANAO identified one trip within its sample where the requirement to use the TMS system to book travel (accommodation) was not met. This failure to comply with the WoAG arrangements was not identified or reported as non-compliance.⁴⁸

⁴⁶ For example, in the form of emails or travel request forms.

⁴⁷ Hire cars can be booked outside of the TMS system in circumstances where Hertz cannot supply a car. DISR requires email confirmation of the lack of available hire car be obtained prior to booking with another company.

⁴⁸ There is no record in expense8 as to why the traveller did not use the TMS system to book accommodation. The accommodation booked was in Canberra.

3.18 Failure to use the TMS system to book domestic flights and accommodation was identified by the ANAO by reviewing invoices attached to acquitted expenses. DISR relies on the acquittal and endorsement of credit card expenses to identify bookings made outside the TMS system.

3.19 The Department of Finance (Finance), as the policy owner, has no visibility of the number or value of domestic bookings made outside the TMS system. The review of Australian Government Travel policies (refer to paragraphs 1.10 to 1.12) did not consider how visibility over non-compliance with using the TMS supplier could be achieved.

Lowest practical fare

3.20 The whole of Australian Government travel arrangements (WoAG Arrangements) require officials to book flights that are the LPF (see paragraph 1.7). If a flight is booked that is not the lowest (cheapest) fare in economy class, officials are required to select the 'booking code' from a drop-down list (within the TMS system) which includes seven options (refer to Table 1.2).

3.21 The distribution of LPF booking codes across all domestic air travel by DISR officials since July 2022 is at Table 3.3.

Table 3.3: Lowest practical fare booking codes for the Department of Industry, Science and Resources — 2022–23 to 2024–25^a

Booking code		Domestic (%) ^b
1	Lowest Fare	41
6	Require flexibility to change booking	38
2	Unsuitable due to time, routing connections or baggage charges	16
3	Approval/Entitlement to travel at a higher fare class	3.7
5	Personal responsibilities	1.4
7	Outside of LPF policy	0.7
4	Health issues	0.2
–	Blank ^c	0.1

Note a: The data is based on LPF code per booking reference. Finance advised the ANAO that booking references are not unique.

Note b: Booking references may include multiple flights for the same instance of travel, each associated with a different LPF code. Where this occurs, the booking reference will be included under multiple booking codes meaning results will not add to 100 per cent. Bookings may also contain both domestic and international flights.

Note c: Blank refers to records where an LPF code has not been recorded in the TMS system.

Source: ANAO presentation of LPF data extracted from the contracted TMS system. The ANAO was unable to provide assurance over the data in the report from the system due to a lack of information captured during the individual bookings and anomalies in the aggregated data.

3.22 Within the ANAO's sample, 59 trips utilised air travel. 98 per cent of the flights were compliant with the lowest practical fare policy and 27 per cent were the lowest (cheapest) fare (booking code 1).⁴⁹

49 LPF booking code data reported by the ANAO is as recorded in the TMS system.

3.23 Officials are required to duplicate the LPF booking code from the TMS system into expense8. LPF booking codes in the TMS system and expense8 did not match in 29 per cent of trips containing air travel reviewed by the ANAO.

3.24 The review of Australian Government Travel policies (refer to paragraphs 1.10 to 1.12) notes feedback from entities on the lack of visibility over the actual fares displayed at the time of booking, the challenges of providing the LPF booking codes to the travel approver and the frequency with which the travel booker is not the traveller (and therefore selecting an LPF code on behalf of the traveller).

3.25 The review indicates Finance has made a decision to update the LPF and IBF booking codes.⁵⁰ A recommendation was also made that a justification for selecting the code is to be documented in the TMS system. The online booking tool provided by the contracted TMS supplier currently contains a free text field for the traveller/travel booker to 'Enter the reason for booking out of policy'. No other changes to the LPF policy settings have been proposed.

Accommodation

3.26 DISR policy adopts ATO 'reasonable rates' as the basis for 'reasonable costs' for accommodation.⁵¹ The ATO rates are based on annual income, divided into three tiers.⁵² 'Travel approvers' can provide approval for expenditure on accommodation at a higher rate if it is necessary.⁵³ DISR's policy does not require documented evidence of the approval outside of the approval for the trip in expense8.

3.27 Within the ANAO's sample, 53 trips included accommodation. To assess reasonableness of accommodation, the ANAO compared costs of accommodation utilised to the ATO's reasonable rates in place at the time of travel. For 20 per cent of trips (13 trips) utilising commercial accommodation, bookings were made above the ATO rates for the respective traveller. The ANAO observed good practice for two trips where there is evidence that the 'travel approver' approved a higher expenditure on accommodation prior to booking, and another trip where there is evidence no other accommodation was available at the destination.

3.28 Where prior approval has been obtained, DISR officials who utilise private accommodation may claim an allowance in line with DISR's Enterprise Agreement (refer to paragraph 2.7). The private accommodation allowance is generated automatically when a trip that includes a private accommodation component within the itinerary is endorsed. Within the ANAO's sample, officials utilised private accommodation on three trips. Two officials documented the private

50 The updated LPF and IBF booking codes are included in the Report of the Review of Australian Government Travel Policies. The report is available at <https://www.finance.gov.au/publications/reviews/report-review-australian-government-travel-policies> [accessed 4 September 2025].

51 The current domestic travel policy (September 2024) applies the ATO rates. The previous policy (December 2020) stated accommodation bookings 'must meet the department's business needs and be publicly defensible in terms of value for money considerations and the Commonwealth Procurement Rules.'

52 Officials with a higher income have higher rates for accommodation. Available from <https://www.ato.gov.au/law/view/document?src=dr&pit=99991231235958&arc=false&start=1&pageSize=10&total=1&num=0&docid=TXD%2FTD20243%2FNAT%2FATO%2F00001&dc=false&stype=find&tm=phrase-basic-TD%202024%2F3> [accessed 12 June 2025].

53 The domestic travel policy does not specify if EL2 or above officials are required to obtain approval from the 'travel approver'.

accommodation component in the trip itinerary and therefore claimed the private accommodation allowance.

Acquittal of travel expenses

3.29 DISR officials are required to utilise their purchasing card to pay for all meals and incidentals (refer to paragraph 2.7).⁵⁴ On return from the trip, expenses are required to be acquitted in expense8 (in accordance with DISR's *Commonwealth Credit Cards* policy, see paragraphs 2.13 to 2.17) and the trip 'finalised' in expense8.

3.30 There is no required timeframe to finalise domestic trips, but all associated transactions must be acquitted and endorsed by the 20th of the next month. In order to correctly acquit expenses incurred while undertaking domestic travel, the traveller must identify the transaction as a travel transaction and associate each expense to the existing trip in expense8. Acquitted expenses are 'work-flowed' to the endorser.⁵⁵

Expenses associated with trip

3.31 The ANAO assessed the expenses that had been associated with the 64 trips in the ANAO's sample. The ANAO found:

- 31 per cent of trips contained transactions not acquitted within the required time period⁵⁶; and
- 27 per cent of trips contained acquitted transactions which did not include the appropriate receipt.

3.32 Within the ANAO's sample, there were expenses incurred by officials that were not associated with and acquitted against the correct trip in expense8. This occurred when:

- the official (account holder) identified the transaction as a 'general transaction' rather than a 'travel transaction' and therefore cannot associate the expense with the trip;
- the account holder assigned the expense to the incorrect trip; or
- the account holder tried but failed to assign the expense to the trip by recording trip details in the free text 'purpose' field of a 'general transaction' (which does not automatically assign the expense to the trip).

3.33 The ANAO identified instances where duplicate trips had been created in expense8; that is two separate trips in expense8 for the same domestic trip.⁵⁷ The result is that expenses can be recorded against either trip, and neither trip reflects the total expenditure for the travel.

54 While the DISR Enterprise Agreement and domestic travel policy require the use of the Commonwealth credit card, reimbursements can also be paid to officials who have had 'to use their personal funds for official travel-related expenses instead of the purchasing card'.

55 The endorser is the cardholder's manager and be an EL1 or above, except for the Secretary, Deputy Secretaries and the Chief Scientist. The endorser for the Secretary and Deputy Secretaries is the CFO, and the relevant Deputy Secretary for the Chief Scientist.

56 During the transition of Travel and Procurement Payment Services (TAPPS) providers, from Diners to NAB, there were delays in transactions appearing in expense8. As a result, the timeframe for acquitting transactions in expense8 was temporarily extended by the Chief Finance Officer.

57 Four of the trips in the ANAO's sample of 64 trips had dual entries in expense8.

Endorsement of acquitted expenses

3.34 When an official associates expenses with a pre-existing trip in expense8, a system notification will alert the endorser there are expenses to be endorsed.⁵⁸ Expenses that were incurred while travelling can be acquitted in expense8 without being associated with the trip. It is the responsibility of the endorser to ensure that the transactions have been appropriately matched to the trip.

3.35 It is at the discretion of the endorser to review details of the expense(s) and the endorser can endorse expenses as a 'batch' without reviewing the details of the transactions.

3.36 In addition, DISR advised the ANAO on 8 April 2025 that expenses that are attributed to an endorsed trip, fall into certain merchant categories⁵⁹ and if they do not exceed the approved budget for the trip, will 'auto endorse'. The process of 'auto endorsing' acquitted transactions is not included in the *Domestic Travel* policy or the *Commonwealth Credit Card* policy. In circumstances where transactions are auto endorsed, the endorser receives an alert from expense8 of the endorsement. DISR advised the ANAO on 8 April 2025 that endorsers are not required to review the auto endorsed transactions.

3.37 Batch endorsement and auto endorsement of credit card transactions does not support compliance with DISR's *Commonwealth credit card* policy which requires endorsers to 'ensure sufficient descriptions and documentation are provided to support the expenditure.'

3.38 The discretion given to endorsers and the auto endorsement of transactions allows for variability of approved reasonable travel expenses. On three occasions, credit card transactions for items that fall within DISR's definition of 'personal expenses' were included for a trip: deodorant and over the counter medication, sanitary products and laundry. Two of these transactions were endorsed by the relevant endorser. The third transaction was 'auto endorsed' due to the merchant category of the business (sanitary products purchased at a retailer with a 'meals and incidentals' merchant category).

Opportunity for improvement

3.39 DISR could assess its risk settings for endorsing credit card transactions and ensure alignment of policy and practice.

Has the Department of Industry, Science and Resources implemented effective controls for international travel?

DISR has implemented controls for international travel. International trips reviewed by the ANAO met these requirements.

58 The endorser will also be notified of acquitted 'general transactions', i.e. other credit card expenses that require endorsement.

59 The merchant categories are: accommodation, airfare, car hire, meals and entertainment, motor vehicle costs (including tolls), other travel, parking, public transport, and taxis/Uber.

International travel at the Department of Industry, Science and Resources

3.40 DISR requires officials to create an International Travel Plan (ITA) in the International Travel Approval System (ITAS). DISR refers to international trips and travel plans:

- a **trip** refers to either a delegation or an independent travel plan.
- a **travel plan** is the number of times a staff member travels overseas, e.g. if a staff member travels overseas 5 times, then this is counted as 5 travel plans or if there is a delegation of 4 staff then this is counted as 4 travel plans. [emphasis in the original]

3.41 ITAS calculates a cost estimate of the proposed trip based on data entered into the system.⁶⁰ Table 3.4 sets out DISR's international travel between 2022–23 and 2024–25.⁶¹

Table 3.4: International travel statistics 2022–23 to 2024–25

Departure date	Number of travel plans ^a	Estimated travel expenditure ^b (\$)	Average estimated cost per travel plan (\$)
2022–23	384	4,325,760	11,265
2023–24	306	3,306,440	10,805
2024–25	378	3,919,978	10,370

Note a: 136 of the total travel plans analysed had a status of 'Cancelled', 'Rejected' and 'Postponed'. Plans with a status of cancelled had expenses recorded against the trips.

Note b: Estimated travel expenditure recorded in ITAS against international trips. The data includes actual costs of airfares and accommodation and estimated costs for meals, transport and incidentals (refer to paragraphs 3.53 to 3.55).

Source: ANAO analysis of ITAS.

Planning and approval

Business need and planning

3.42 In creating an ITA, officials enter destinations, record a 'primary purpose of travel', select from a drop-down list of 'business activity' and complete a 'business case summary'. The top four business activities for trips undertaken in the audit period were 'meetings', 'conference/seminar', 'board/committee meeting' and 'exporter verification'.⁶²

60 Entered data for meal and incidental rates are sourced from ECA International. Rates for flights and accommodation are determined by the FCIT Team by referring to the WoAG TMS booking tool and online travel websites.

61 DISR uses expenditure data from its financial management system TechnologyOne (TechOne) to report on travel expenditure in its Annual Report. Differences between expenditure calculated from TechOne and expenditure presented in Table 3.4 are due to the way expenditure is captured and reported in expense8 and ITAS.

62 The options available to travellers are: meetings; conference/seminar; board/committee meetings; training; accompanying ministerial or parliamentary travel; peer review; trade negotiation; exporter verification; scholarship; and secondment.

3.43 Officials are required to:

- complete security and risk assessments;⁶³
- complete a private travel declaration;⁶⁴ and
- identify any external funding.⁶⁵

Approval

3.44 DISR has implemented two levels of approval for international travel: section 23 approval and policy approval. Approval is obtained prior to booking based on the estimated cost of the trip. The approval of expenditure per section 23 of the PGPA Act is required from an SES Band 2. Policy approval is required by the Deputy Secretary, unless certain criteria are met, in which case further approval is required.⁶⁶

Ministerial approval for international travel

3.45 In February 2015, Finance updated *RMG 405 — Official International Travel — Use of the best fare of the day* (RMG 405) to remove a requirement to obtain approval from the Prime Minister for international travel costing \$50,000 or more. Guidance from Finance stated entities were:

expected to agree their approval requirements for international travel with the relevant Cabinet Minister ... At a minimum, proposals for significant delegation travel should be submitted to the relevant Cabinet Minister for consideration.⁶⁷

3.46 Between July and September 2022, DISR's international travel policy stated trips with a value over \$50,000 required endorsement from the Secretary and Ministerial approval. In September 2022, the Secretary approved an update to DISR's international travel policy to remove Ministerial approval. DISR advised the ANAO on 2 May 2025 that the Secretary discussed the change to the approval requirements for international travel with the Minister for Resources.

3.47 The current RMG 405 does not include any requirement for ministerial approval.

63 The requirement to undertake security and risk assessments was introduced in March 2021. The requirement was not included in the Overseas Travel policy until it was updated in September 2022. The review and approval of the security and risk assessments by the delegate was an offline process. Since a system upgrade in September 2023, the current requirement is for these security and risk assessment documents to be attached to ITAS for delegate review and approval.

64 Private travel occurs when an official undertakes personal travel immediately before or after official travel. DISR's Official Overseas Travel policy includes specific requirements for officials undertaking personal travel associated with official travel, including prior approval. Approval will only be granted in 'exceptional circumstances' and the length of private travel 'should' be less than the official component. No private travel was undertaken in association with the official international travel within the ANAO's sample of 15 trips.

65 Four of the trips in the ANAO's sample had some level of external funding. Externally funded travel occurs when part or all of an official's travel expenses are not paid by DISR. This may include a fee for service arrangement or where an official is invited to attend and actively contribute to an event.

66 The Secretary's approval is required if the total estimate of the trip is greater than \$80,000 and/or the travel includes locations where the Department of Foreign Affairs and Trade (DFAT) travel advice sits at Level 3 — Reconsider your need to travel, or more than four officials are travelling as a delegation. If the DFAT travel advice is Level 4 — Do not travel, the Executive Board must approve the travel. Approval for travel undertaken by a Deputy Secretary (or equivalent) is required from the Deputy Secretary responsible for 'Corporate' or the Secretary.

67 The Department of Finance did not define 'significant delegation travel'.

3.48 The ANAO reviewed 15 randomly selected international trips. The ANAO's assessment of documentation of business need, completion of security and risk assessments and the two levels of approval for the sample of 15 trips is at Table 3.5.

Table 3.5: ANAO assessment of business need, security and risk assessments and approvals of a sample of international trips

ANAO Trip ID	Business need	Security and risk assessments	Approval
1	◆	Not required ^a	◆ ^b
2	◆	Not required ^a	◆
3	◆	◆	◆
4	◆	◆	◆
5	◆	◆	◆
6	◆	◆	◆
7	◆	◆	◆
8	◆	◆	◆
9	◆	Not required ^c	◆ ^d
10	◆	◆	◆
11	◆	◆	◆
12	◆	◆	◆
13	◆	◆	◆
14	◆	◆	◆
15	◆	◆	◆

Key: ◆ Fully completed ▲ Completed with minor issue ■ Not completed

Note a: The DISR international travel policy in place at the time did not require security or risk assessments to be completed prior to travel.

Note b: Approval by the Secretary for travel by a Deputy Secretary equivalent official was not recorded in ITAS by the Secretary. There is an email noting the Secretary's approval (not from the Secretary).

Note c: The trip was cancelled prior to departure.

Note d: The trip was approved as required before it was cancelled.

Source: ANAO analysis of international trip records.

Booking

Flights

3.49 All international flight bookings are completed by DISR's Fleet, Credit Card, Insurance and Travel (FCIT) Team. Once an ITA has been approved, the FCIT Team liaises with the

traveller/arranger to facilitate flight bookings. This may include the use of a booking form. Once flights are booked by the FCIT Team, the actual costs of the flights are added to ITAS. If the cost of the booked flights exceeds the estimated costs previously approved, re-approval is required.

International best fare

3.50 Within the ANAO's sample, DISR booked flights for 12 trips,⁶⁸ all of which were the 'Lowest Fare' (cheapest) (refer to paragraph 1.7). DISR does not record international best fare (IBF) booking codes outside of the TMS system. As a result, delegates are not provided information on IBF booking codes. The distribution of IBF codes across all international travel by DISR officials since July 2022 is at Table 3.6.

Table 3.6: International best fare booking codes for the Department of Industry, Science and Resources — 2022–23 to 2024–25^a

Booking code		International (%) ^b
1	Lowest Fare	78
2	Require flexibility to change booking	20
6	Unsuitable due to time, routing connections or baggage charges	1
3	Approval/Entitlement to travel at a higher fare class	0.8
5	Personal responsibilities	0
7	Outside of IBF policy	0
4	Health issues	0

Note a: The data is based on IBF code per booking reference. The Department of Finance advised the ANAO that booking references are not unique.

Note b: Booking references may include multiple flights for the same instance of travel, each associated with a different IBF code. Where this occurs, the booking reference will be included under multiple booking codes meaning results will not add to 100 per cent. Bookings may also contain both domestic and international flights.

Source: ANAO presentation of IBF data extracted from the contracted TMS system. The ANAO was unable to provide assurance over the data in the report from the system due to a lack of information captured during the individual bookings and anomalies in the aggregated data.

Accommodation

3.51 International accommodation is excluded from the WoAG travel arrangements. Bookings of accommodation for international travel are made by travellers or travel arrangers.⁶⁹ DISR allows bookings to be made directly with hotels or using online booking sites. The physical purchasing card is used to pay for accommodation.

3.52 The estimated cost of the international trip generated by ITAS (refer to paragraph 3.41) provides travellers/arrangers with reasonable rates for accommodation at specific destinations. Once accommodation is booked, the actual cost (or an estimate if the payment is to be made on check out), is entered into ITAS by the FCIT Team. If the cost of booked accommodation exceeds the estimated costs previously approved, re-approval is required.

⁶⁸ Two of the trips were arranged by external entities. One did not go ahead.

⁶⁹ The FCIT Team may also book international accommodation if requested.

Acquittal and finalisation

3.53 The acquittal and finalisation of international trips must be completed within 30 days of return. Unlike domestic travel expenses, international travel transactions are acquitted as 'General Transactions' and not assigned to a trip. Officials are encouraged to use the free text 'Purpose' field of the transaction to record the ITA identifier, the reason for the expense and the date. For example, 'ITA-0179 Dinner 01/01/2025'. Acquitted expenses are submitted to the endorser for endorsement.

3.54 After acquitting credit card transactions in expense8, the official is required to manually transcribe the total expenditure for the trip incurred on the Commonwealth credit card (both the purchasing and travel cards) as part of the ITAS post travel declaration.⁷⁰

3.55 ITAS records the 'Approved travel expenditure for this trip' as the 'Actual cost' of the international trip. This is generated prior to departure. The delegate does not receive notification of any difference in the total expenditure incurred on the Commonwealth credit card and the approved expenditure. The ITAS 'approved travel expenditure for this trip' field is used to inform executive reporting on actual costs of international travel (refer to paragraphs 3.106 to 3.107).

Timeliness and completeness of acquittals

3.56 Expenses associated with 14 of the 15 trips in the ANAO's sample were reviewed.⁷¹ All expenses assessed had been endorsed by the delegate.

- Four of the trips were not acquitted within the timeframe required by the credit card policy.
- Three of the trips were not acquitted in ITAS within the timeframe required by the international travel policy.
- One trip records actual costs in ITAS, in circumstances where the trip was cancelled.⁷²

70 The post travel declaration requires travellers to record expenditure accrued on their credit card, claim out of pocket expenses, and confirm all expenditure was within the approved financial limit for the trip.

71 The expenses for one of the trips were not further analysed as none of the expenses incurred by the traveller made any reference to the ITAS trip identifier in expense8 that was part of the sample.

72 ITAS records the actual cost of the trip as \$25,775. DISR advised the ANAO in June 2025 that the actual cost of the trip was \$380.

Has the Department of Industry, Science and Resources implemented effective processes to support compliance with airline lounge and reward and loyalty point arrangements?

DISR's gifting policy requires declaration of gifted airline lounge memberships and upgrades to loyalty program tiers as a result of status credits accrued for official travel. DISR officials did not meet internal reporting timeframes for gifts and benefits accepted from airlines in 68 per cent of cases.

3.57 The WoAG Arrangements prohibit the accrual of frequent flyer points by travellers for official travel. The accrual of status credits is permitted. *RMG 404 — Domestic Travel Policy* and *RMG 405 — Official International Travel — Use of the best fare of the day* require that value for money considerations do not include preferences for a particular airline or aircraft types, access to airline lounges or the accumulation of airline reward and loyalty points (including status credits).

3.58 Public service entities must meet public expectations of integrity, accountability, independence, transparency, and professionalism. Entities should look to implement policies and processes and build a culture that promotes ethical decision-making and behaviours and meet the intent of policies as well as compliance.

Gifts and benefits

3.59 The DISR *Gifting* policy (March 2023) defines a gift or benefit as:

any item or service accepted by an official from clients, customers or other external associates in the course of their official duties. Gifts or benefits can be categorised as those which are transferable (i.e. the value embodied within the gift can be transferred from one person to another) or those which are non-transferable.

3.60 Gifts and benefits that are accepted must be recorded on the DISR gift register within seven working days. For gifts or benefits valued at over \$100, approval from a delegate is required. Recording acceptance and obtaining approval for gifts and benefits is through the ServiceNow portal (see paragraph 2.37).

Airline loyalty programs

3.61 Membership of airline loyalty programs is at the discretion of an individual, and officials who join a loyalty program do so in a personal capacity. Membership of loyalty programs can be recorded as part of an official's traveller profile in the TMS system. DISR has not developed a policy on airline loyalty programs and does not collect any information on officials' membership of airline loyalty programs outside of the TMS system. The ANAO reviewed the TMS system profiles of 77 unique travellers, of which 37 (48 per cent) had recorded membership of at least one airline loyalty program.

Reward points

3.62 The TMS supplier and the airlines are responsible for blocking the accrual of reward points to members of airline loyalty programs. During the audit period, there was one instance of failure by the TMS supplier to block reward points. DISR, along with other entities using the WoAG Arrangements, received advice from Finance that some Qantas flights booked via the TMS system,

over a period of one month, had ‘inadvertently’ accrued frequent flyer points. The error was rectified, and reversal of inappropriately allocated frequent flyer points was actioned. In response, DISR sent an email to affected officials advising the error had occurred and been rectified.

Status credits

3.63 Status credits are allocated to flights for official travel. As status credits are allocated to an individual’s loyalty program membership, DISR has no visibility of the accrual of status credits.

3.64 DISR defines ‘airline lounge membership given as a result of status points earned, that are directly attributable to airline travel on official business’ as a non-transferable gift or benefit. As such, any airline lounge membership obtained in these circumstances is required to be declared.

Gifts and benefits from airlines

3.65 Between 1 July 2022 and 3 April 2025, eight DISR officials declared receiving an upgrade of their Qantas loyalty program tier as a result of accrued status credits. Five of the eight officials in making the declaration noted the status credits had been accrued through both official and personal travel. Two of the declarations were published on DISR’s public gifts and benefits register.⁷³

3.66 Other declared gifts and benefits from Qantas:

- accrual of status credits for individual flights (one individual on two occasions);
- one-off access to Qantas Club lounge as a result of frequent flyer status (one individual);
- promotional items (one individual);
- alcohol (four individuals on seven occasions); and
- invitation to the 2024 Treasurer’s Post Budget Luncheon Address (the Secretary).

3.67 Between 1 July 2022 and 3 April 2025, seven officials declared receiving an upgrade of their Virgin Australia loyalty program tier as a result of accrued status credits. One of those officials declared two tier upgrades. All but one of the officials making the declaration noted the status credits had been accrued through both official and personal travel. None of the declarations have been published on DISR’s public gifts and benefits register.

3.68 In June 2024 a DISR official declared receiving access to Virgin Australia lounges through a ‘status match’ offer. Virgin Australia matched the official’s access to Qantas lounges, which was reported by the official to be in part due to status credits accrued as a result of official travel.

Airline lounges

3.69 Individuals electing to purchase lounge memberships can access discounted rates available to APS officials. An official may purchase a lounge membership, or DISR may purchase a lounge membership for officials. DISR’s *Domestic Travel* policy states purchase of airline lounge memberships is ‘at the discretion of divisions. Generally, they should only be considered reasonable for officials who frequently travel i.e., greater than 10 trips expected per year.’⁷⁴ DISR does not

73 DISR publishes gifts and benefits valued over \$100 received by all officials, not just the accountable authority. Available from <https://www.industry.gov.au/accessing-information/gifts-and-benefits> [accessed 4 June 2025].

74 Purchased lounge memberships are not classified by DISR as a travel expense.

collect or maintain information on officials' membership or access to airline lounges (outside of those declared as a gift or benefit).

Invitation only lounges

3.70 Since October 2023, the APSC *Guidance for Agency heads — Gifts and benefits* has required the declaration of gifted airline lounge memberships on an entity's gifts and benefit register 'annually or when circumstances change'.⁷⁵

3.71 DISR first publicly reported gifted Chairmans Lounge memberships on 24 April 2023. The public gifts and benefits register was updated on 19 October 2023 with additional gifted memberships. In May 2024, the public register was updated to record 'Chairmans Lounge Membership' rather than 'Lounge Membership'.⁷⁶

3.72 DISR first publicly reported a gifted Virgin Beyond membership on 4 December 2024. In April 2025, DISR recorded an 'Annual Declaration' for this gift.

Timeliness of declarations of gifts and benefits

3.73 DISR's Gifting policy requires all gifts and benefits to be declared and approved (required for gifts valued over \$100) within seven working days of receipt. Only 32 per cent of the gifts or benefits declared by DISR officials from Qantas or Virgin Australia met this requirement.

Review of Australian Government travel policies

3.74 The report into the review of Australian government travel policies (refer to paragraphs 1.10 to 1.12) stated 'Finance does not support making significant changes to the Airline Deed close to its expiration.' Prior to a return to market in early 2026 for a full re-tender, Finance will:

consult the market ... 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

The review also recommended that 'new travel guidance explicitly deal with flight upgrades'.

3.75 Due to an absence of consistently recorded data on official's membership of airline lounges or airline loyalty programs, Finance (and individual entities) are unable to assess whether or not these memberships are impacting flight selection.

Declarations of interests

3.76 Finance's *Resource Management Guide 203 - General Duties of Officials* provides guidance on general duties of officials, including the duty to disclose material personal interests in accordance with the PGPA Act:

75 Australian Public Service Commission, *Guidance for Agency Heads — Gifts and Benefits*, APSC, 2021, available from <https://www.apsc.gov.au/working-aps/integrity/integrity-resources/guidance-agency-heads-gifts-and-benefits>. [accessed 13 August 2025].

76 DISR, *Gifts and Benefits* [Internet], available from <https://www.industry.gov.au/accessing-information/gifts-and-benefits> [accessed 13 August 2025].

The overriding principle for a declaration of a material personal interest should be: if in doubt, declare the interest in accordance with the appropriate process. Taking this step should protect both the official and the Commonwealth entity.

A material personal interest is one that can give rise to a real or apparent conflict of interest that could affect the ability of an official to discharge their duties.⁷⁷

3.77 The Australian Public Service Commission provides further guidance for agency heads and statutory office holders on conflict-of-interest declarations. This advice is silent on reporting of airline lounge memberships as a material personal interest. The advice does provide other examples of what may need to be disclosed, including professional associations such as past employment, past professional relationships, organisational memberships or public political affiliations.⁷⁸

3.78 Of the SES officials who declared the gift of an invitation-only airline lounge membership, none included the gift in their declarations of material personal interests.

Has the Department of Industry, Science and Resources implemented effective assurance processes, including for managing identified instances of non-compliance?

DISR policies do not clearly define arrangements for identifying, assessing and responding to non-compliance. Non-compliance is identified and notified to a central team. In the absence of an approved or current standard operating procedure DISR are not managing the assessment and categorisation of the notifications in a consistent manner. Issues identified through non-compliance notifications and a 2022 Travel and Credit Card Management Review are not consistently informing continuous improvement in the management of official travel.

Non-compliance

Defining non-compliance

3.79 DISR has a Compliance Reporting policy that states the department 'is required to report on all identified legislative breaches and any instances of misuse of the Commonwealth credit card.'⁷⁹ The policy focuses on the preparation of the Compliance Report.⁸⁰ The domestic and international travel policies define non-compliance only as any instance where travel bookings are not made on the TMS system and do not define other possible instances of non-compliance.⁸¹ The

77 Department of Finance, *Resource Management Guide 203 — General duties of officials*, Duty to disclose interests, 27 February 2023, available from <https://www.finance.gov.au/government/managing-commonwealth-resources/general-duties-officials-rmg-203> [accessed 9 May 2025].

78 Australian Public Service Commission, *Model Conflict of Interest Declaration form — Agency Heads and Statutory Office Holders*, APSC, Canberra, 2025, p. 4, available from https://www.apsc.gov.au/sites/default/files/2025-09/Model_AgencyHead_SOH_Declaration_Form.pdf [accessed 7 October 2025].

79 Legislative breaches are defined as non-compliance with the PGPA Act, PGPA Rule, PGPA Delegations, policies of the Australian government and relevant Finance law under the PGPA framework.

80 DISR's *Compliance Reporting Policy* describes the 'Compliance Report' as a 'report from the Chief Financial Officer to the accountable authority reporting on the department's compliance with the PGPA framework'. To support the annual compliance report, Heads of Divisions complete biannual certifications.

81 DISR's domestic travel policy states that 'if CTM is not used to book travel an instance of non-compliance is to be reported'.

Commonwealth Credit Card policy defines non-compliance for credit card expenditure as personal expenditure and inappropriate use of cards.⁸²

Identifying non-compliance

3.80 DISR requires officials to notify instances of non-compliance when they are identified. Notification is achieved through a form on ServiceNow. Neither the domestic nor international travel policies describe arrangements for identifying or notifying non-compliance, how the notifications will be managed or reference the Compliance Reporting policy.

3.81 Identification of non-compliance with the credit card policy primarily occurs during the acquittal and endorsement process. The endorser is responsible for ensuring that:

- transactions are consistent with DISR policies, the Accountable Authority Instructions, Commonwealth Procurement Rules and financial delegations;
- sufficient descriptions and documentation is provided;
- domestic travel expenses are associated with the relevant expense8 trip; and
- instances of non-compliance, including personal use, have been identified and reported.

Response to non-compliance

3.82 The official making the notification of potential non-compliance is required to identify:

- the dollar value;
- the 'legislation category' (for example PGPA Act section 23 — approval and commitment of relevant money);
- the 'type of non-compliance' (for example approval not obtained or approved by delegate outside of delegation threshold)⁸³; and
- 'corrective action/s' (to be or already implemented).

3.83 All instances of potential non-compliance notified are reviewed by two members of the Financial Frameworks Team to determine whether an 'actual' breach (non-compliance) has occurred. As part of the assessment, the Financial Frameworks Team may amend the 'legislation category', 'type of non-compliance' and may allocate an 'expenditure type'.

3.84 The Financial Frameworks Team has a 'Travel approvals — Compliance assessment' tool.⁸⁴ It has no other finalised and approved guidance for officials within the team. In the absence of an approved or current standard operating procedure DISR are not managing the assessment and categorisation of the notifications in a consistent manner.

3.85 Instances of non-compliance that have been confirmed by the Financial Frameworks Team are (where relevant) reported in a quarterly CFO Compliance Dashboard (see paragraphs 3.102 to 3.104) and inform the annual Compliance Report from the CFO to the Secretary.

82 Examples of inappropriate use include cash withdrawal, fuel for fleet vehicles, traffic infringements and tipping within Australia.

83 Also referred to as 'breach type' by DISR.

84 DISR advised the ANAO in June 2025 that the purpose of the compliance assessment tool is to 'ensure consistency [within the Financial Frameworks Team] when assessing instances of non-compliance related to travel approvals.'

3.86 DISR provided the ANAO data that covered all instances of potential non-compliance reported between August 2022 and January 2025. A total of 1,588 instances of potential non-compliance were notified, of which the ANAO determined 352 related to travel.⁸⁵ Table 3.7 shows a breakdown of travel-related potential non-compliance reported by category.

Table 3.7: Instances of potential travel non-compliance reported by officials between August 2022 and January 2025

Non-compliance category	Number of notifications
AAIs and Departmental Policies (internal)	16
PGPA Act — section 105B: Procurement (excludes Austender)	31
PGPA Act — section 21: Application of Government Policies	8
PGPA Act — section 25 (including section 26): Commonwealth Credit Cards	169
PGPA Act — section 23 (includes Rule section 18, FFSP ^a section 32B): Approval and Commitment of Relevant Money	128
Total	352

Note a: *Financial Framework (Supplementary Powers) Act 1997*.

Source: ANAO analysis of DISR's extract of its non-compliance register.

3.87 Common travel-related non-compliance related to:

- absence of documented approval;
- tipping in Australia;
- incidentals (purchase of personal items); and
- accidental use of corporate credit cards for personal expenses.

3.88 The ANAO noted a significant proportion of non-compliance was associated with corporate credit cards linked to payment accounts in apps such as Uber and Uber Eats.

Corrective actions

3.89 When making a notification of potential non-compliance, the official is required to document 'corrective action(s)'⁸⁶ and, in circumstances where the non-compliance is due to private and unauthorised expenditure being placed on a Commonwealth credit card, repay the debt immediately. Pursuant to DISR's *Compliance Reporting* policy, Heads of Divisions (HoDs)⁸⁷ are required to ensure corrective action has been taken for identified breaches.

3.90 Outside officials repaying the debt, there is no evidence that corrective actions are being reported to HoDs, or of corrective actions being implemented. There is no evidence of escalation in circumstances where officials are responsible for multiple instances of non-compliance.

85 Irrespective of the categorisation of the potential non-compliance allocated by DISR, the ANAO reviewed all notifications to identify those that related to official travel.

86 The requirement to record corrective action(s) is not included in the Compliance Reporting policy. It is a mandatory field on the ServiceNow reporting tool.

87 Heads of Divisions are SES Band 2 officers who lead divisions within DISR.

Recommendation no. 2

3.91 The Department of Industry, Science and Resources updates its Compliance Reporting policy and develops supporting guidelines for officials that clearly describe:

- (a) legislative non-compliance;
- (b) policy non-compliance;
- (c) the notification and assessment process;
- (d) regular reporting arrangements (see Recommendation 3); and
- (e) approach to tracking corrective actions and assessing the effectiveness of those corrective actions.

Department of Industry, Science and Resources response: *Agreed.*

3.92 *The department is updating the compliance reporting policy and supporting guidelines to include clearer information regarding the legislative and policy non-compliance processes and reporting.*

Department of Finance

3.93 The Department of Finance, as the policy owner, do not undertake any monitoring of non-compliance with the WoAG travel arrangements.

3.94 *RMG 404 — Domestic Travel Policy and RMG 405 — Official International Travel — Use of the best fare of the day* state that officials are responsible for managing compliance with LPF and IBF requirements in accordance with ‘their entity’s internal processes’.

3.95 The RMG’s advise entity officials that reporting is available (through the TMS system) to assist with ‘internal reporting’ against LPF and IBF based on the one-hour and 24-hour booking windows (refer to Table 1.2). The ANAO was unable to provide assurance over the data in the report from the TMS system due to a lack of information captured during the individual bookings and anomalies in the aggregated data.

Continuous improvement

3.96 DISR’s Internal Audit team completed a travel and credit card management review in February 2022. The purpose of the review was to ‘undertake an end-to-end review of the travel and credit card processes, policies, and framework.’ The review concluded ‘the department has in place a well-documented travel and credit card management policies [sic] that are guided by the Accountable Authority Instructions’ and made 17 recommendations and eight business process improvements. DISR agreed to all recommendations and improvements.

- Two moderate risk recommendations related to monitoring of credit card expenses and staff reimbursements.
- Two moderate risk recommendations related to expense8 and QBT integration and access.⁸⁸

88 QBT was the previous Travel Management Services (TMS) supplier.

- Three moderate risk recommendations related to system administrators.
- One moderate risk recommendation related to reasonable expenses.

3.97 Appendix 3 sets out the ANAO's observations of the implementation of key recommendations and improvements by DISR.

3.98 There has been no oversight or monitoring of the implementation of the recommendations and improvements outside of the FCIT Team. DISR advised the ANAO that as at 12 March 2025, 18 of the 25 recommendations and business process improvements have been completed.

3.99 The risks identified by the 2022 Travel and Credit Card Management Review have not been incorporated with risks and issues identified through non-compliance reporting to inform continuous improvement mechanisms.

Has the Department of Industry, Science and Resources developed appropriate arrangements for monitoring and reporting to executive management?

Reporting of non-compliance with section 23 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) is provided to governance committees, however, this does not separately identify travel non-compliance. Monthly reports of non-compliance with travel requirements were provided to Heads of Divisions until June 2024 with no reporting thereafter. Reporting is provided to executive management on international travel. No other travel reporting is provided to the Secretary, executive or committees to help inform if the travel policies and risk settings remain appropriate.

3.100 Entities should have appropriate arrangements for reporting to the accountable authority and executive management. Early identification of potential issues, through regular monitoring and reporting, enables the accountable authority and executive management to refine existing arrangements, provide further training or guidance to officials, manage expenditure on travel and manage any non-compliance.

3.101 According to the APSC:

Agencies that can effectively measure, monitor and report of their integrity performance will be better positioned to identify risks; action and remedy integrity issues; and embed integrity into all aspects of workplace culture and practice.⁸⁹

Compliance dashboard

3.102 A quarterly Chief Finance Officer (CFO) Compliance Dashboard (Dashboard) is prepared for executive committees at DISR.⁹⁰ The Dashboard reports on DISR's monitoring activities 'undertaken in support of the financial framework'. The categories of the Dashboard include: financial framework, credit cards (personal use and acquittals), gifts and benefits and official hospitality.

⁸⁹ APSC, *Integrity Metrics Resource*, APSC, available from <https://www.apsc.gov.au/working-aps/integrity/integrity-metrics-resource> [accessed 15 August 2025].

⁹⁰ DISR's executive committees are the Executive Board, Performance and Risk Committee, Operations Committee and the People, Safety and Culture Committee. The Compliance Dashboard is also tabled at the Audit and Risk Committee.

Under the financial framework category, non-compliance with elements of the PGPA Act are reported. Some additional commentary is provided along with the dashboard graphics.

3.103 Instances of non-compliance with section 23 approvals for travel and mandatory elements of WoAG Travel Arrangements reported by officials and confirmed by the Financial Frameworks Team are included in the quarterly Compliance Dashboard (see paragraph 3.81).

3.104 A traffic light system is used to identify ‘focus areas’.⁹¹ As non-compliance related to official travel is reported together with other PGPA Act or credit card non-compliance, the nature and level of travel non-compliance are not identifiable to recipients of the Dashboard. In 2024, travel related non-compliance has been highlighted within the dashboard commentary in each quarter as detailed in Table 3.8.

Table 3.8: Travel related non-compliance in quarterly Compliance Dashboards

Quarter	DISR description	Traffic light
Quarter 3 2023–24	Instances of non-compliance with section 23 of the PGPA Act are mainly attributed to increased monitoring of trips not endorsed in Expense8 prior to travel being undertaken. Most instances reflect verbal travel approvals not being correctly documented (in accordance with PGPA Rule s18).	Not reported
Quarter 4 2023–24	PGPA Act non-compliance has trended down in Q4, with a notable reduction in s23 approval of travel arrangements. A new process has been introduced with a travel officer contacting the approvers daily for any unapproved trips departing in the next 7 days. The new process will be communicated via an iCentral article shortly. The article will also provide a reminder to staff to record s23 approval in expense8 before travelling and what details are required when seeking offline s23 approval via email.	Orange
Quarter 4 2023–24	Credit card personal use continues to be driven by accidental use in third party apps such as Uber (50 per cent) and travel-related expenses (25 per cent). A new domestic travel policy, providing additional guidance for allowable travel expenses will be released in Q1 of 2024-25.	Red
Quarter 1 2024–25	PGPA Act non-compliance has continued to trend downward in Q1 of the 2024-25 FY, with the largest decrease seen in travel-related incidental and meal expenses. Improvements were anticipated with the release of the new domestic travel policy and proactive engagement with travellers for trips not approved in expense8.	Green
Quarter 1 2024–25	Credit card personal use has reported a decline in Q1. ^a This may be linked to delay in acquittals during the transition to NAB, with the largest decline in travel-related meals and incidental expenses.	Orange

91 The traffic light system was included since the inception of the Compliance Dashboard for quarter 1 2022–23. At that time, there was no ‘key’ to determine application of the traffic light to each category. Traffic lights were removed for quarters 1 to 3 in 2023–24 and reintroduced for quarter 4 2023–24.

Quarter	DISR description	Traffic light
Quarter 2 2024–25	PGPA Act non-compliance has seen 78% of instances reported relating to travel approvals, with daily and monthly compliance checks now being undertaken by the travel team (41 instances). The revised travel policy issued in late September 2024 provides greater guidance to staff regarding travel approval requirements. 53% of the instances reported during this quarter relate to trips undertaken or booked prior to the travel policy being released (22 instances). Additional guidance is currently under development to support travel arrangers.	Orange

Note a: The use of a Commonwealth credit card for 'personal' expenses is prohibited (refer to paragraph 2.14).

Source: ANAO analysis of DISR's CFO Compliance Dashboards for 2024.

Heads of Division reports of non-compliance

3.105 The FCIT Team provided monthly compliance reports to HoDs between August 2023 and June 2024. The 2023 reports contained personal transactions made on Commonwealth credit cards. From January 2024, the reports included travel non-compliance in addition to personal transactions.⁹² As at May 2025, reporting to HoDs has not recommenced.

International travel reports

3.106 From December 2023 HoDs have received a monthly International Travel Report, and from January 2024, Deputy Secretaries have received the report quarterly. The purpose of the report is to assist HoDs with 'anticipating peak travel periods, enabling better forward planning resulting in lower costs, securing desired flights and class of travel, as well as aiding in budgeting and forecasting for travel'.

3.107 The International Travel Report provides a department overview of number of trips, number of travel plans, number of travellers, total cost of trips (refer to paragraphs 3.54 and 3.55) and average cost per travel plan, and the top 4 business reasons for international travel. All ITA's are listed, recording total cost, stage of travel (proposed, in progress and completed), whether acquittal has occurred, destinations and primary purpose of the trip.

92 The travel related non-compliance was: bookings made outside of WoAG travel providers, PGPA Act section 23 (approval not obtained or insufficient dollar value) and PGPA Act section 23 (PGPA Rule section 18, verbal approvals/commitments not in writing).

Recommendation no. 3

3.108 The Department of Industry, Science and Resources develop reporting on official travel and associated non-compliance for executive and Heads of Divisions to support assessment of risk and ensure its policy settings remain fit for purpose.

Department of Science, Industry and Resources response: *Agreed.*

3.109 *The department is enhancing its travel reports, including reporting on associated non-compliance.*



Dr Caralee McLiesh PSM
Auditor-General

Canberra ACT
7 November 2025

Appendices

Appendix 1 Entities response

Department of Industry, Science and Resources



Australian Government
Department of Industry,
Science and Resources

OFFICE OF THE SECRETARY

Meghan Quinn PSM

Dr Caralee McLiesh PSM
Auditor-General for Australia
Australian National Audit Office
38 Sydney Avenue
FORREST ACT 2603
Via email: OfficeoftheAuditorGeneralPerformanceAudit@anao.gov.au

Dear Dr McLiesh *Caralee*,

Thank you for providing the Department of Industry, Science, and Resources (the department) with the opportunity to comment on the ANAO's draft audit report on the Compliance with Domestic and International Travel Requirements.

The department accepts the recommendations in the report and acknowledges the importance of governance and risk management in:

- managing domestic and international travel in accordance with whole of government requirements;
- assessing the risk non-compliance presents to integrity across the organisation; and
- helping inform if travel policies and risk settings remain appropriate.

The department's response is enclosed. Your team may wish to contact Kirsty Bunfield, General Manager of Financial and Shared Services (Kirsty.bunfield@industry.gov.au) if they would like to discuss the response.

May I extend my thanks to the Australian National Audit Office for its professionalism and collaborative approach throughout this audit process.

Yours sincerely

20 October 2025

Industry House - 10 Binara Street, Canberra City, ACT 2601 - GPO Box 2013 Canberra ACT 2601 - www.industry.gov.au - ABN: 74 599 608 295

Department of Finance



Australian Government
Department of Finance

Matt Yannopoulos PSM
Secretary

Our Ref: EC25-001742

Dr Caralee McLiesh PSM
 Auditor-General
 Australian National Audit Office
 PO BOX 707
 CANBERRA ACT 2601

Dear Dr McLiesh *Caralee,*

I refer to your email to the Department of Finance (Finance) Acting Secretary, Mr Richard Windeyer on 25 September 2025 regarding the audit report on the Department of Industry, Science and Resources compliance with domestic and international travel requirements.

Thank you for providing an extract of the proposed report with information relevant to Finance, pursuant to section 19 of the *Auditor-General Act 1997*. Finance has reviewed the extract of the proposed audit report and has no concerns with the information or data being presented.

Finance notes the recommendations in the report and key messages for all Australian Government entities outlined in the extract of the proposed report.

Yours sincerely

Matt Yannopoulos PSM
 Secretary

23 October 2025

Appendix 2 Improvements observed by the ANAO

1. The existence of independent external audit, and the accompanying potential for scrutiny improves performance. Improvements in administrative and management practices usually occur: in anticipation of ANAO audit activity; during an audit engagement; as interim findings are made; and/or after the audit has been completed and formal findings are communicated.

2. The Joint Committee of Public Accounts and Audit (JCPAA) has encouraged the ANAO to consider ways in which the ANAO could capture and describe some of these impacts. The ANAO's corporate plan states that the ANAO's annual performance statements will provide a narrative that will consider, amongst other matters, analysis of key improvements made by entities during a performance audit process based on information included in tabled performance audit reports.

3. Performance audits involve close engagement between the ANAO and the audited entity as well as other stakeholders involved in the program or activity being audited. Throughout the audit engagement, the ANAO outlines to the entity the preliminary audit findings, conclusions and potential audit recommendations. This ensures that final recommendations are appropriately targeted and encourages entities to take early remedial action on any identified matters during the course of an audit. Remedial actions entities may take during the audit include:

- strengthening governance arrangements;
- introducing or revising policies, strategies, guidelines or administrative processes; and
- initiating reviews or investigations.

4. In this context, the below actions were observed by the ANAO during the course of the audit. It is not clear whether these actions and/or the timing of these actions were planned in response to proposed or actual audit activity. The ANAO has not sought to obtain assurance over the source of these actions or whether they have been appropriately implemented.

- Development of a register of knowledge articles, responses to common enquiries and standard operating procedures.
- Standard operating procedures approved for Domestic Travel Audit, Quote and book international flights via CTM portal and How to obtain a CTM invoice and CTM booking itinerary.
- The establishment of an assurance function within the Fleet, Credit Cards, Insurance and Travel Team.

Appendix 3 Implementation of key recommendations and business process improvements

Theme	Review finding	Recommendation/BPI	ANAO observations
Reasonable expenses	The ambiguity, subjectivity, and complexity of the definition of reasonable expense within the departmental policy could lead to unintentional misunderstandings, and inappropriate approval credit card <i>[sic]</i> transactions.	Define and provide clarity on what constitutes “reasonable expense” in relevant policies.	- The Department of Industry Science and Resources’ (DISR) credit card policy has been updated three times over the audit period. Each update resulted in a change to the guidance for ‘reasonable expenses’. - The ANAO identified DISR’s inconsistent approach to incidentals and other expenses incurred while officials are travelling (see paragraphs 3.34 to 3.38).
Independent monitoring/ reporting/ assurance	Failure to maintain adequate and appropriate monitoring processes to demonstrate compliance with policy and procedure requirements may expose the Department to inappropriate credit card transactions by staff, increasing fraud risk and misuse of public money.	- Consider establishing a regular, independent monitoring/ reporting/ assurance function for <u>travel management</u> that: - establishes, develops and rollouts monthly reporting requirements for the differing needs of Executives/ cardholders/ managers. - undertakes ongoing detailed analysis of transactional data to determine trends and highlight anomalies/ non-compliance with policy. - undertakes regular sample testing to ensure compliance with departmental policies.	- Heads of Divisions (HoDs) monthly reporting for international travel has been implemented. - HoD monthly reporting related to travel and credit card non-compliance was implemented, then ceased. - DISR completes ‘checks’ of domestic trips to identify trips without documented pre-approval. - There is no monitoring or reporting on^a: - lowest practical fare booking codes. - domestic trips that have exceeded the approved budget. - volume of expenses acquitted by expense categories.

Theme	Review finding	Recommendation/BPI	ANAO observations
System integration and reconciliation of travel	- There is a risk that staff can travel without the trip being approved in Expense8, resulting in inappropriate and unauthorised expenses incurred by the department. Travel arrangements including cost of trip and class of travel may not be in line with departmental policy. - Inaccurate reporting of travel transactions in Expense8 resulting from cardholders not creating a trip for the contractor or a staff [sic] within Expense8.	- Perform monthly reconciliations of travel booked through QBT^b and trips created and approved in Expense8. - Ensure the current system integration between QBT and Expense8 incorporates functionality to ensure appropriate reconciliation of travel transactions are enabled between travel booked in QBT and trips created and approved in Expense8.	- DISR has not progressed with the integration of expense8 and the current Travel Management Services (TMS) system. - The integration has been impacted by machinery of government changes in 2022, transition to new WoAG suppliers of the TMS system and Travel and Procurement Payments Services (TAPPS), and the cessation of integration projects by the current TMS supplier. - The Fleet, Credit Cards, Insurance and Travel (FCIT) Team has not implemented a monthly reconciliation between travel booked through the TMS system and trips created in expense8 in the absence of system integration. - DISR advised the ANAO that the FCIT Team investigated options for a reconciliation process, however, 'there are no common data points in the two systems which can easily match trip details'. - The ANAO (and DISR) has identified domestic travel occurring without documented approval, expenses incurred while travelling not being associated with expense8 trips and not being acquitted with the required evidence (see paragraphs 3.11 to 3.14 and paragraphs 3.29 to 3.38).

Note a: The Travel and Credit Card Management Review suggested reporting on these items, amongst others.

Note b: QBT was the previous Travel Management Services (TMS) supplier.

Source: ANAO analysis.