Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
BUDGET ESTIMATES 2011-2012

Finance and Deregulation Portfolio

Department/Agency: Department of Finance and Deregulation
Outcome/Program: 2/2.1
Topic: Air Travel

Senator: Xenophon
Question reference number: F73
Type of question: Written
Date set by the committee for the return of answer: Friday, 8 July 2011

Number of pages: 1

Question:

a) What percentage of WOAG business does each domestic airline receive?
b) Are you able to provide a reason for this?
c) Why does Virgin Blue for example not have a larger share on the domestic routes that are the same as QANTAS?

Answer:

a) Qantas and Virgin Australia hold about 79 per cent and 14 per cent share of the government's domestic travel, respectively. Jetstar and Regional Express (Rex), combined, hold about 4 per cent share of the government's domestic travel. The remaining 3 per cent is shared between a range of airlines including Tiger Airways and SkyWest.

   According to a report in the Australian Financial Review on 31 March 2011 the share of the total Australian domestic corporate market (including government) of Qantas and Virgin Australia is 89 per cent and 10 per cent respectively.

b) The Lowest Practical Fare travel policy requires impartial consideration of all the fares available, without regard to personal preference for a particular airline (including lounge access or aircraft type), and reduces the influence of the time and frequency of flights as reasons for selecting a particular airline.

   Under the Australian Government's devolved financial framework and the *Financial Management and Accountability Act 1997*, monitoring compliance with government policy sits with the individual agency and is the responsibility of each agency's Chief Executive.

c) Refer to point (b) above.