

TRAVEL ANALYTICS BENCHMARKING

Australian Business Travel Digest

What corporate air, hotel and traveller behaviour
actually cost this financial year.

Financial Year 2025–26 · 227 contributing programs

Prepared by Travel Analytics · Confidential, anonymised benchmarking



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Contents

Every figure in this digest is aggregated across contributing corporate travel programs with AUD 500k or more of annual air spend. Organisation and traveller identities are removed. Any figure backed by fewer than 30 observations is suppressed. All amounts are Australian dollars.

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Executive summary

FY26 was a year of sharp price movement — but also one that exposed where corporate travel programs may be spending money unnecessarily.

Across 227 corporate travel programs, the cost of flying rose dramatically into the December quarter before easing through the second half of the year. On a like-for-like basis, domestic air costs finished 28% above where they began, but well below their Q2 peak. For buyers, the message is important: budgets and negotiations anchored to the December quarter may now overstate the market.

More importantly, the data challenges some established approaches to travel policy.

Booking early still matters, but the penalty for booking late has narrowed substantially. Flexible fares appear to be considerably over-purchased: across the contributing programs, \$5.7 million was spent on flexible-fare premiums to protect against an estimated \$1.0 million of change costs.

Cabin policy also deserves a more targeted approach. Premium travel varies dramatically by destination, from 16% across the Tasman to almost two thirds for Middle East travel, suggesting regional rules may be more effective than a single global cabin policy.

Accommodation presents a different problem: visibility. Only half of eligible overnight domestic trips resulted in accommodation booked through the TMC, limiting both program oversight and the negotiating power that comes from consolidated hotel spend.

Finally, corporate travel is highly concentrated. Fewer than 9% of travellers account for 47% of trips and 40% of both air spend and carbon. That suggests targeted engagement with frequent travellers may produce greater returns than broad policy changes applied equally across the workforce.

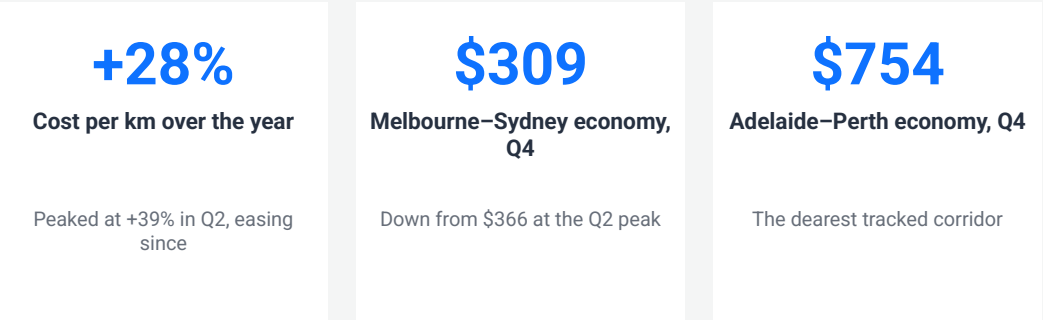
The opportunity coming out of FY26 is therefore to manage travel more precisely: re-baseline budgets, reconsider where flexibility is genuinely needed, target late bookings rather than applying blanket advance-purchase rules, regionalise cabin policy, improve hotel capture and focus behavioural change on the relatively small group of travellers who drive most of the program.

A note on the headline index. The cost-of-travel index published in earlier editions has been rebuilt from the underlying corridor data. The reasons, and four other data issues, are on slide 19.

The year in review: FY26 at a glance

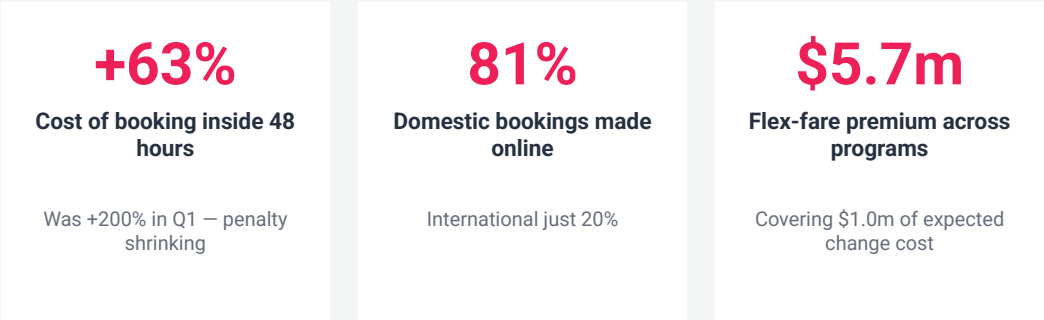
1. What flying cost

Like-for-like air cost across tracked corridors



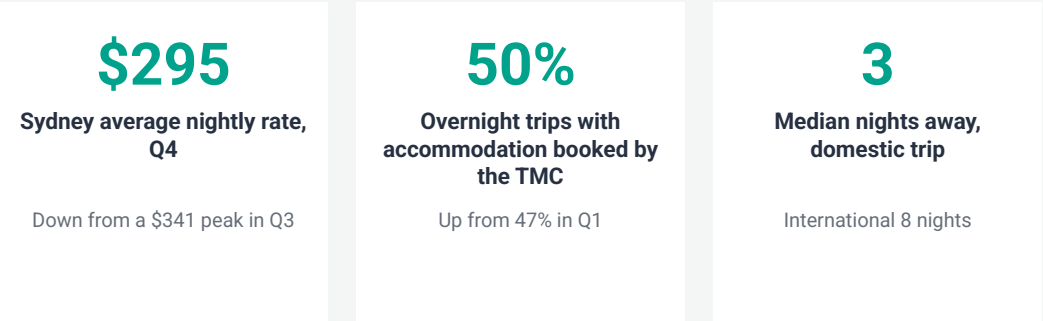
2. How travel was bought

Lead time, channel and fare flexibility



3. Where travellers stayed

Nightly rates and program hotel capture



4. Who travels, and the carbon

Concentration of trips, spend and emissions



SECTION 3

Air

What a seat cost across the year, corridor by corridor — and what buying behaviour added to the bill.



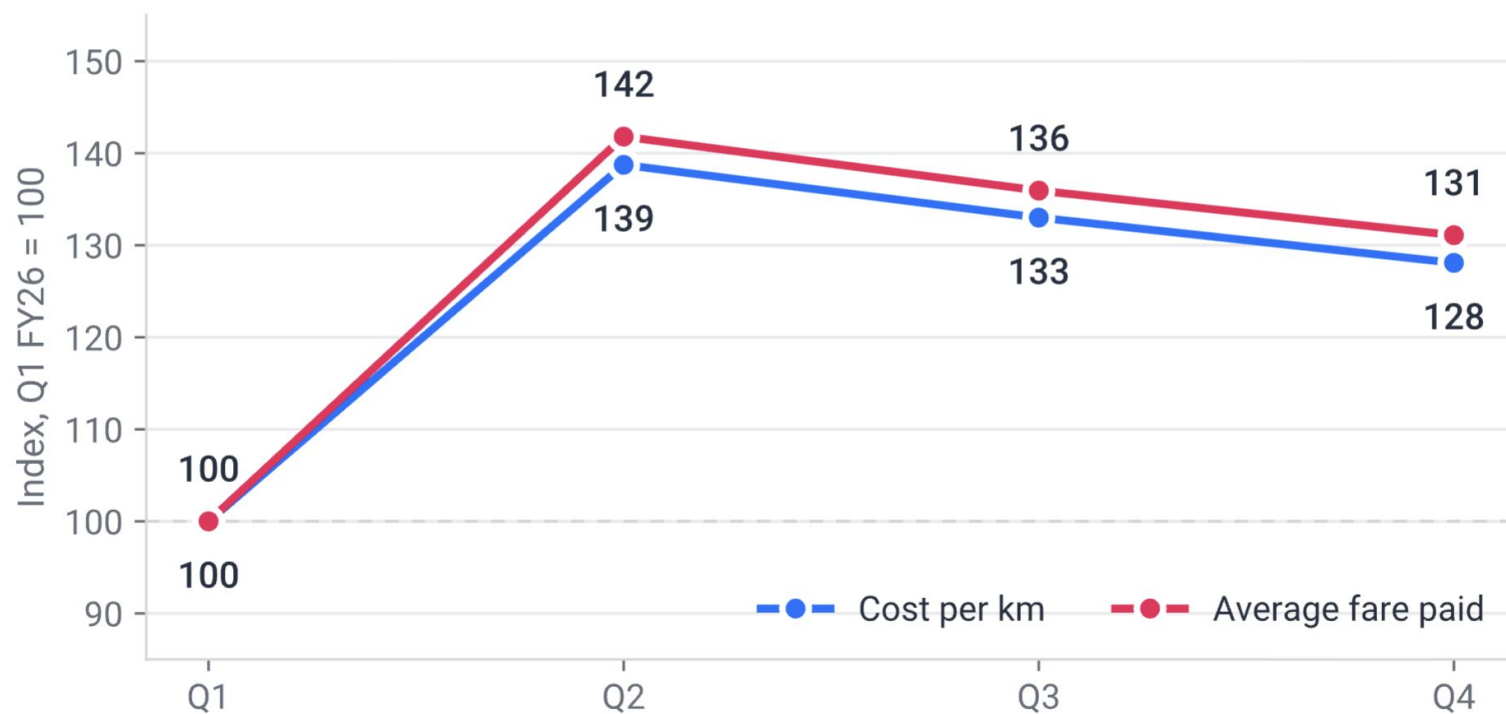
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What flying cost: up sharply, then easing

Holding routes, cabins and mix constant, the cost of a domestic sector rose 39% between the September and December quarters and has fallen in every quarter since, finishing the year 28% above its starting point. Average fares paid followed the same shape about three points higher, which tells us the increase was price, not travellers trading up. For a buyer: the Q2 shock has partly unwound, so budgets set off December quarter actuals are now running ahead of the market.

Figure 1. Fixed-weight index of domestic air cost per kilometre and average fare paid, Q1 FY26 = 100.

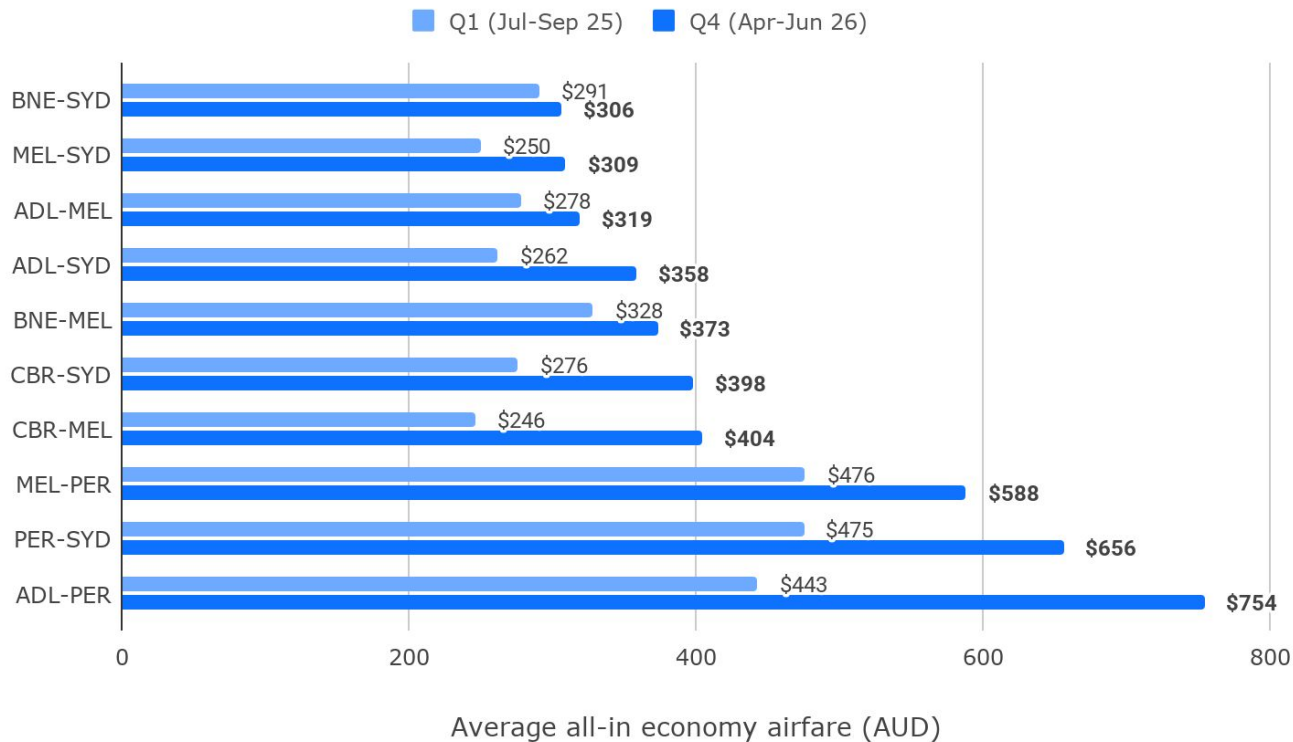


Built from the tracked domestic corridor table (10 city pairs, economy and business, 156,352 priced sectors). Weights held at Q1 FY26 observation counts, so the index reflects price movement rather than changes in what people bought. Slide 19 explains why this differs from the index published previously.

Domestic corridors: where the money goes

Every tracked corridor is dearer than it was in July, but not evenly. The transcontinental routes carry the increases — Adelaide–Perth rose 70% and now averages \$754 one way in economy — while the east-coast triangle, which carries the bulk of corporate volume, moved far less. Canberra–Melbourne and Canberra–Sydney are the outliers worth a conversation with your airline: both rose more than 40% on short sectors where there is little competitive pressure.

Figure 2. Average all-in economy fare by corridor, first quarter against fourth quarter of FY26.

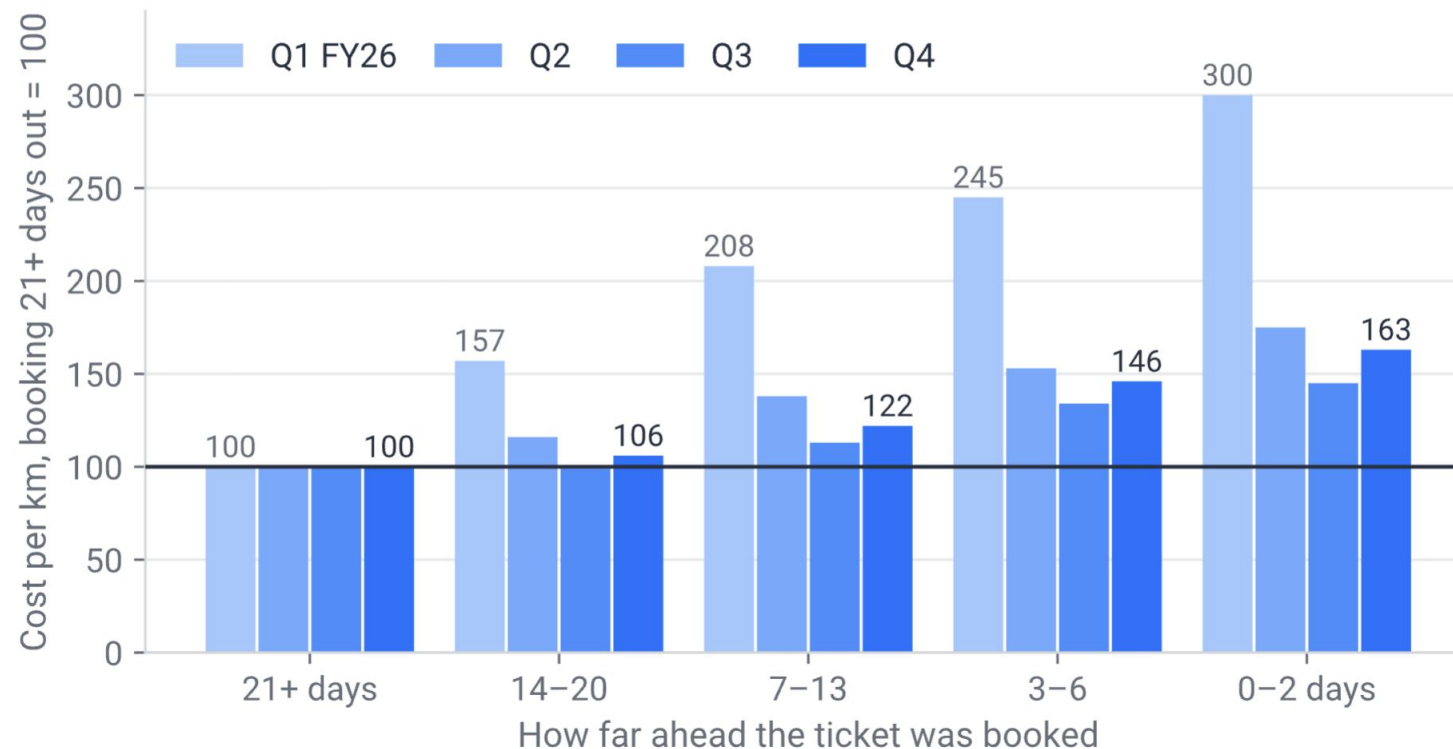


Direction collapsed; all-in fare is base fare plus surcharges and taxes. Economy shown as the headline; business cabin detail for each corridor is in the full digest.

The price of booking late — and how much it fell

Booking a domestic economy ticket inside two days of departure cost three times a three-weeks-ahead fare in the September quarter. By the June quarter the same ticket cost 63% more. The whole curve flattened: the 14–20 day band is now barely distinguishable from booking 21 days out. A policy that spends effort forcing travellers from 10 days to 21 days is now defending a 22% gap rather than a 108% one.

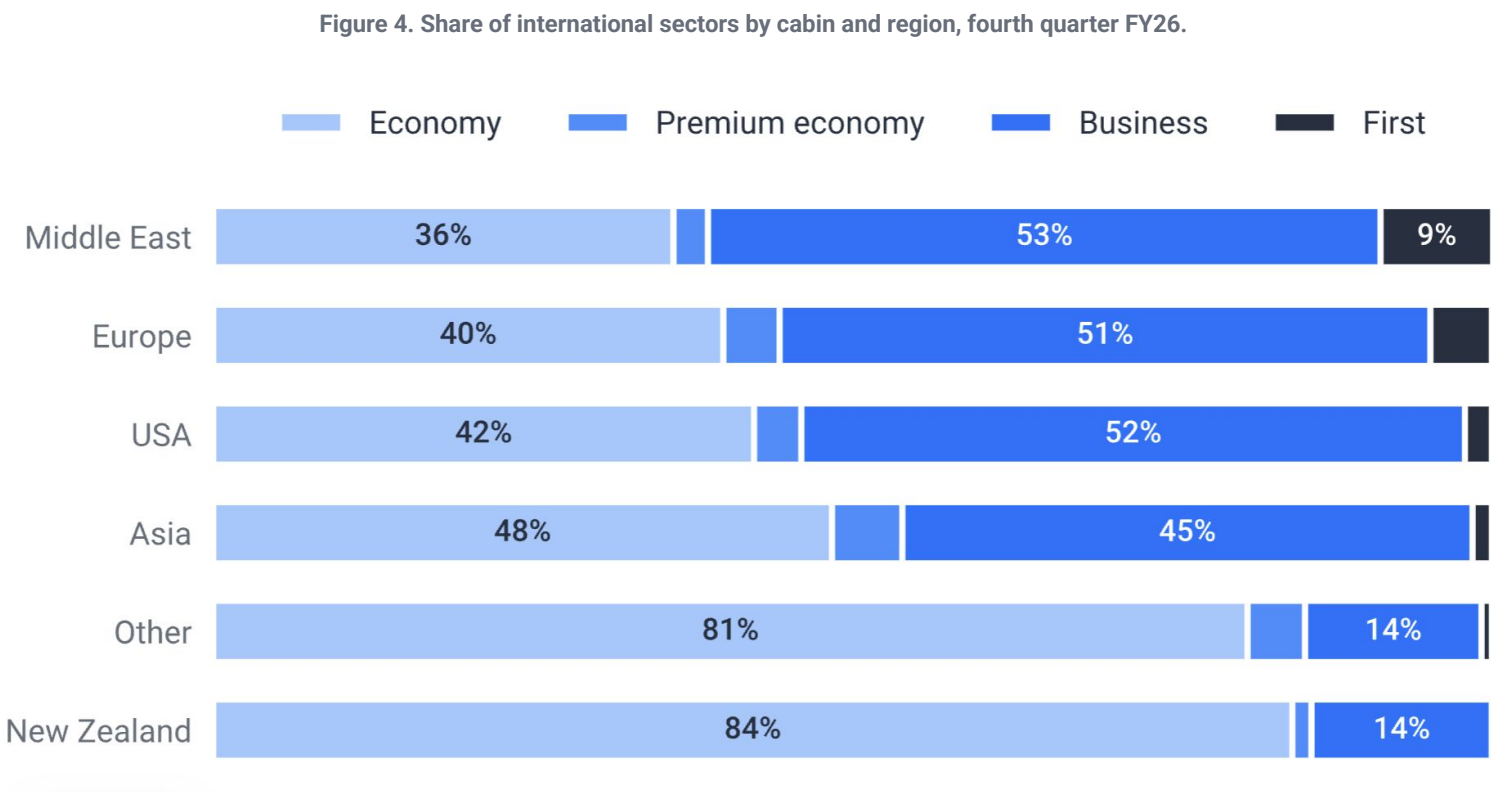
Figure 3. Domestic economy cost per kilometre by booking lead time, each quarter indexed to its own 21+ day band = 100.



Each quarter is indexed against its own 21+ day band, so the bars show the late-booking penalty within that quarter, not movement in the underlying fare level. 35,311 sectors sit in the Q4 21+ day band.

Cabin choice is a regional decision

Where travellers sit varies far more by destination than any single policy line would suggest. Almost two thirds of Middle East sectors and 60% of European sectors were flown in premium economy or above; across the Tasman it is 16%. Premium cabin use also rose through the year in the long-haul markets – Europe went from 55% economy in the first quarter to 40% in the fourth. A cabin rule written once for the whole program will be too generous for New Zealand and too tight for Europe.

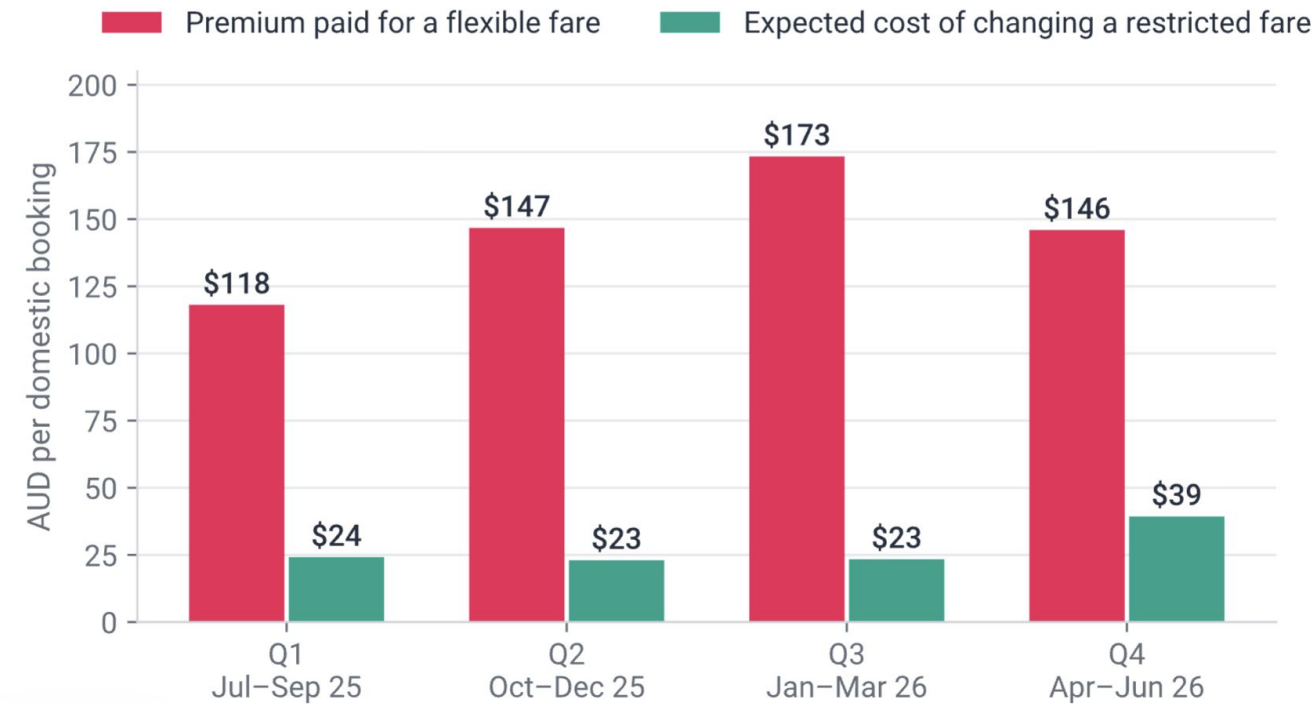


Domestic sectors are excluded here and shown separately in the full digest. Exact shares for every region and quarter are in the appendix of the PDF edition.

The flex-fare payback test: a losing trade

A flexible domestic fare cost \$146 more than a restricted one in the fourth quarter. The expected cost of not buying it – the chance a restricted ticket gets changed, multiplied by what that change costs – was \$39. The premium has exceeded the risk it insures against in all four quarters. Across contributing programs, 39,493 flexible domestic tickets carried \$5.7 million of premium to cover an expected \$1.0 million of change cost – a net \$4.7 million.

Figure 5. Premium paid for a flexible domestic fare against the expected cost of changing a restricted one.



Expected change cost = share of restricted bookings changed × average cost of a change. International fare types are excluded: the restricted sample there is dominated by long-haul business tickets, so the two are not comparable. FY25 comparison quarters are excluded – see slide 19.

SECTION 4

Accommodation

What a night cost in each market, and how much of it your program actually saw.



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Rates peaked with air – and half the nights went unseen

Sydney reached \$341 a night in the March quarter before falling to \$295, still the most expensive capital. Brisbane is now within \$2 of Sydney and Perth within \$7. On the right, accommodation booked by the TMC: Adelaide and Melbourne convert two thirds of overnight trips into a TMC booking, Brisbane only 43%. Accommodation booking non compliance is worth chasing as leakage erodes your ability to negotiate.

Figure 6. Average nightly rate, capital cities.

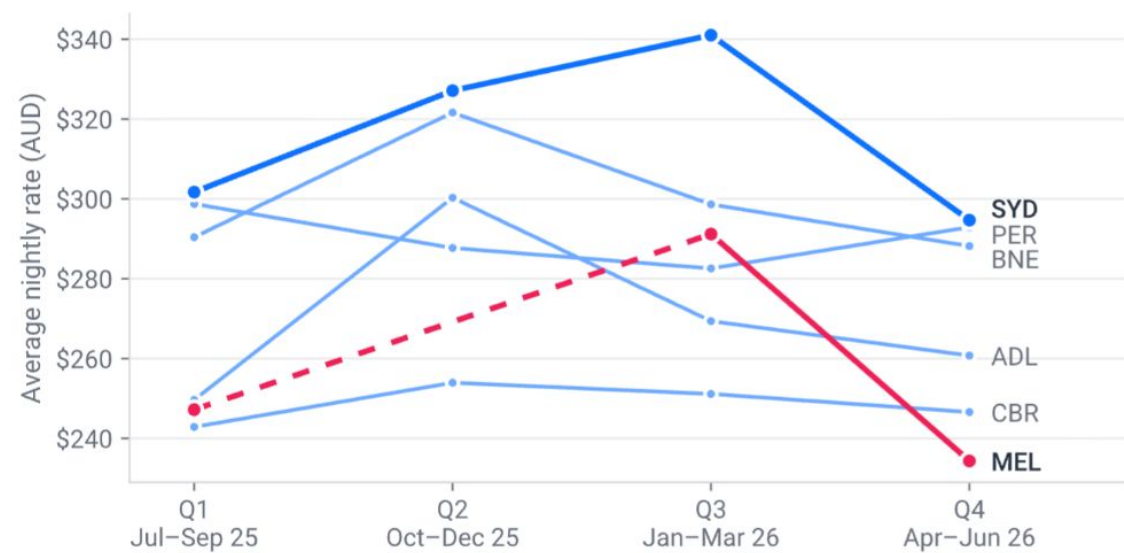
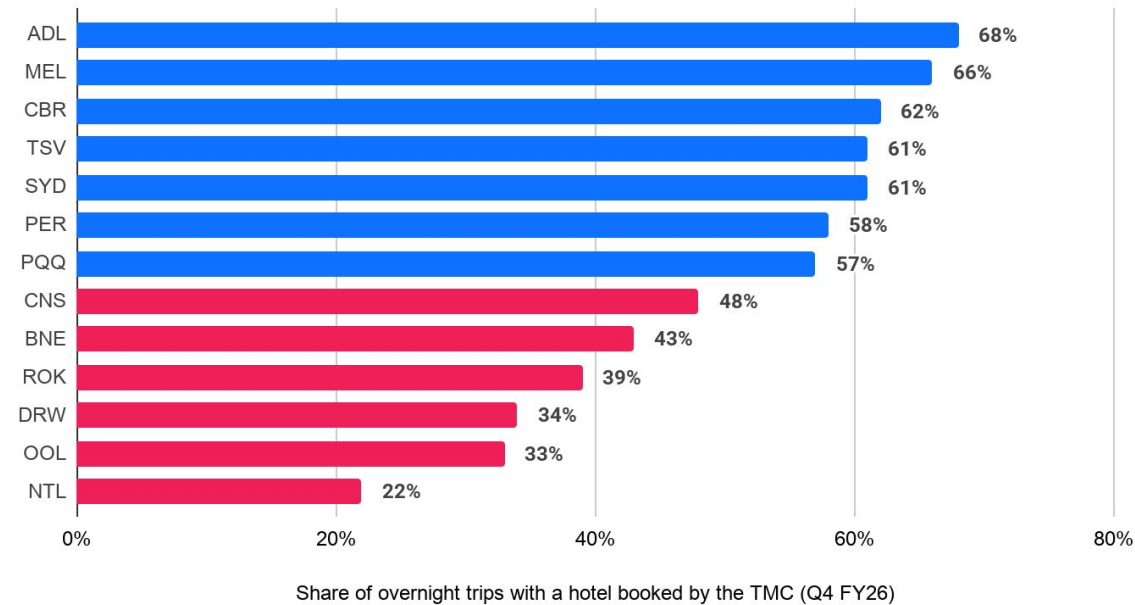


Figure 7. Program hotel capture, Q4 FY26.



Capture measured across cities with 300 or more overnight-eligible trips in the quarter. Melbourne's December quarter rate is not shown — the source value is not usable (slide 19). International nightly rates are omitted from this edition for the same reason.

SECTION 5

How people travelled

Trip shape, booking channel, and the small group of people who account for most of the program.



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Trip shape: short, simple and increasingly self-served

Corporate travel is far less complex than the systems and processes built for it often assumes. Ninety-seven per cent of domestic trips go to a single destination and the typical trip lasts three nights. The channel split is the striking one: in the fourth quarter four in five domestic bookings were booked online, while four in five international bookings still went through an agent – a split that held in every quarter of the year.

Figure 8. Median nights away.

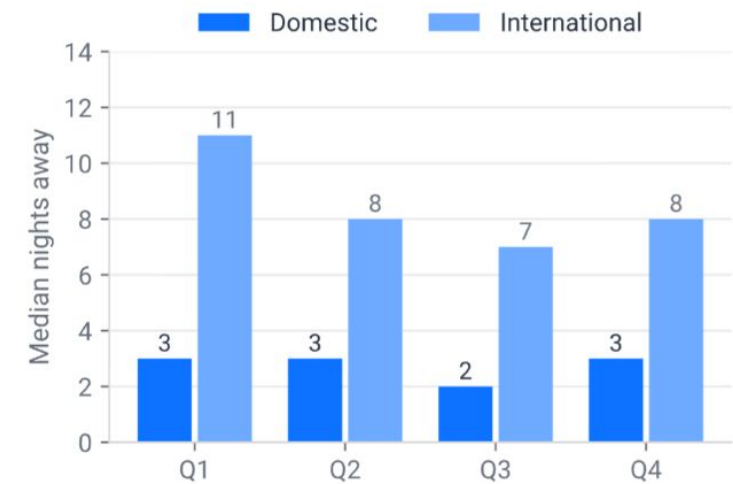


Figure 9. Destinations per trip, Q4 FY26.

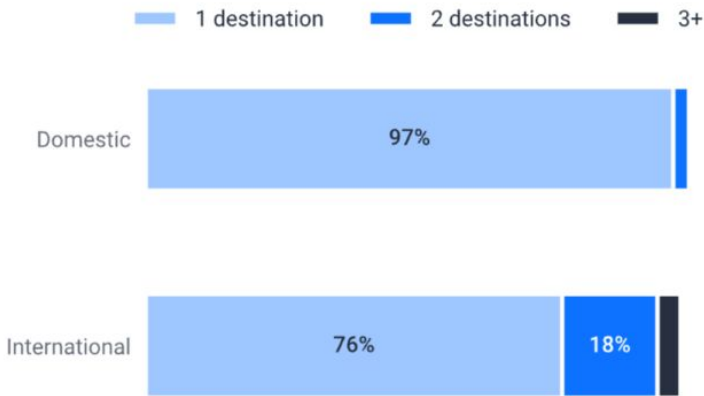
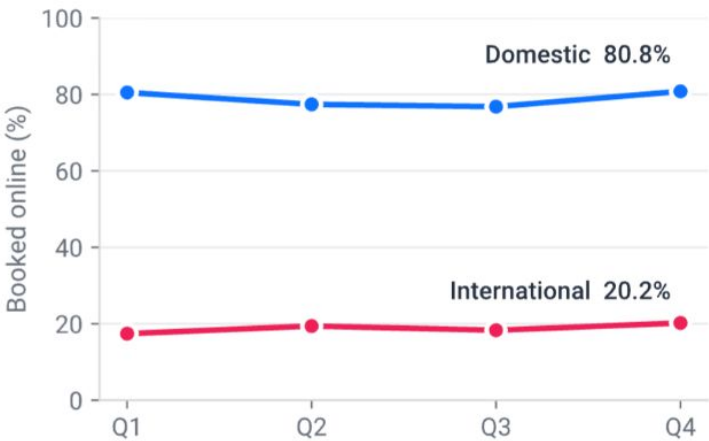


Figure 10. Share booked online.

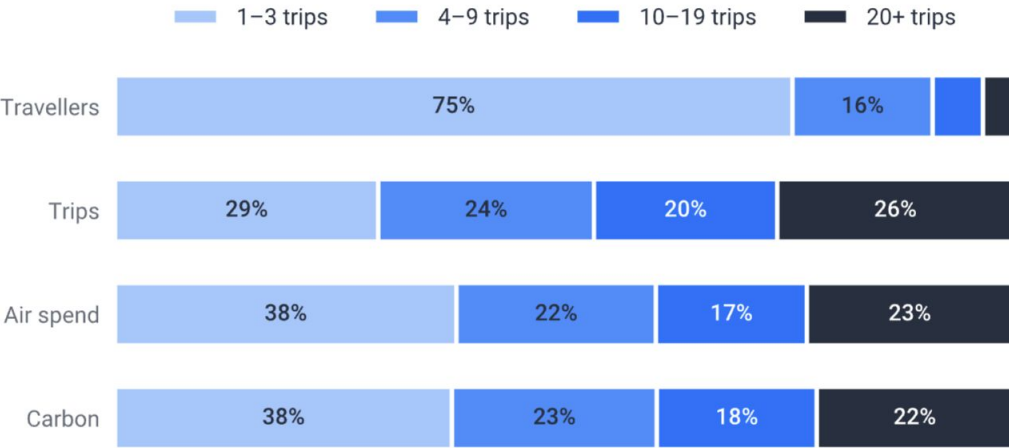


Nights away taken from the highest-volume overall row in each quarter; the source table emits duplicate overall rows (slide 19). Destinations per trip counts distinct booked destinations in a single trip record.

The frequent minority: 9% of people, 40% of the spend

Trips, spend and carbon sit very unevenly across the traveller base, so an “average traveller” describes nobody. Three quarters of people fly one to three times a year. Just under 9% fly ten or more – and that group takes 47% of trips, spends 40% of the air budget, and emits 40% of the carbon. Anything that changes behaviour reaches most of the program through roughly 4,400 people.

Figure 11. Share of travellers, trips, air spend and carbon by annual trip frequency.



Occasional		Regular		Frequent	
1-3 trips a year		4-9 trips a year		10+ trips a year	
Travellers	37,256	Travellers	7,730	Travellers	4,418
Trips a year	1.4	Trips a year	5.7	Trips a year	19.4
Airfare spend a year	\$2,846	Airfare spend a year	\$8,027	Airfare spend a year	\$25,103
Carbon a year	649 kg	Carbon a year	1,905 kg	Carbon a year	5,782 kg

49,404 travellers across contributing programs. A frequent traveller costs roughly nine times an occasional one in air spend and nine times in carbon.

SECTION 6

Carbon

The emissions attached to each seat — and why the cabin matters more than the distance.



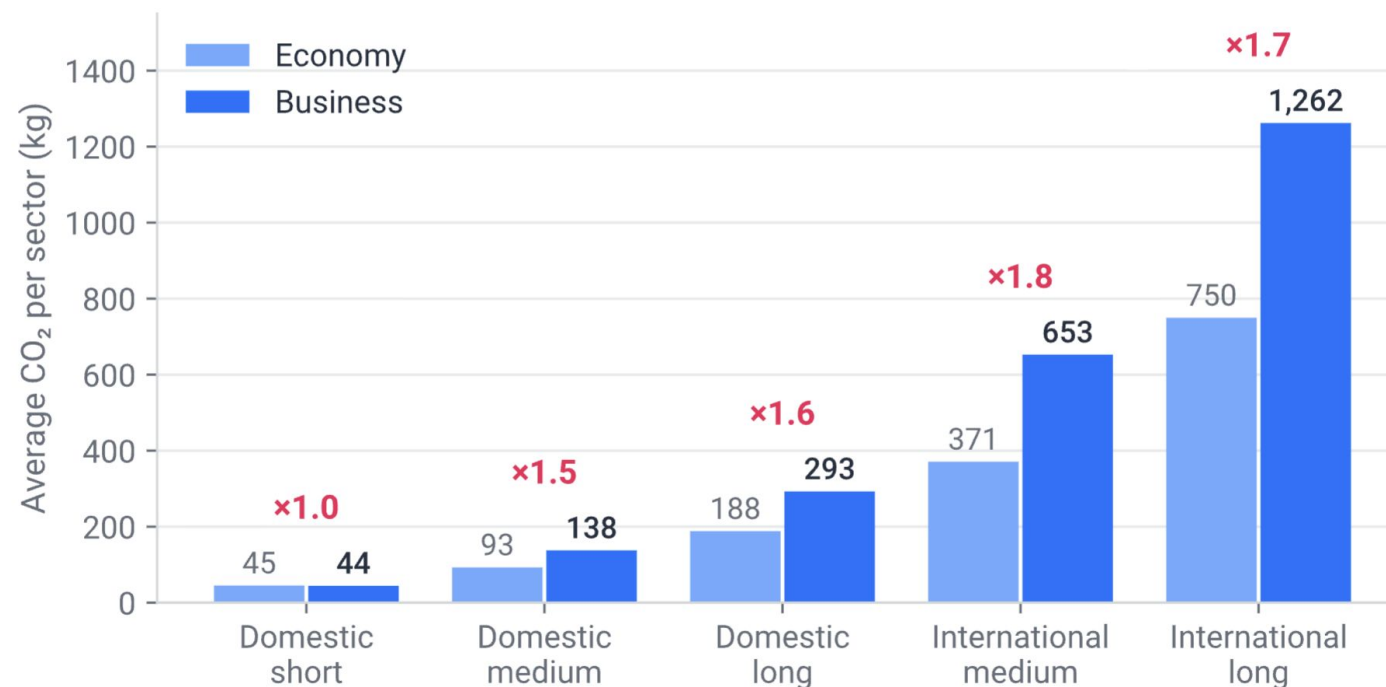
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The business-class premium is also a carbon premium

The same aircraft on the same route carries very different emissions depending on where the traveller sits, because a premium seat takes up more of the cabin. A long-haul international business seat carries 1,262 kg of CO₂ against 750 kg in economy. On short domestic sectors the difference all but disappears — 44 kg against 45 kg — so cabin restrictions on short hops buy almost no carbon benefit. The leverage is entirely in long-haul cabin choice.

Figure 12. Average CO₂ per sector by cabin and haul, fourth quarter FY26. The multiplier on each axis label is business against economy.



Emissions are the platform's stored per-sector values. Domestic short business is a thin sample (39 sectors) and should be read with care. Premium economy and first cabins are in the full digest.

What a travel buyer can **act on**

Six things this benchmark supports doing, in rough order of how much money they are worth.

01

Re-baseline your budget off Q4, not Q2

Air costs peaked in the December quarter and have fallen in every quarter since. A budget built on Q2 actuals is carrying roughly 8% of headroom the market has already given back.

02

Narrow flexible fares to travellers who change plans

At 23% of domestic bookings across the year, flexibility is bought far wider than the 10–16% of restricted tickets that actually get changed. The single clearest saving in this data.

03

Rewrite cabin policy by region, not globally

Premium cabin use runs from 16% across the Tasman to 64% into the Middle East. One global rule cannot fit both; regional thresholds match how travellers already behave.

04

Reset advance-purchase targets to a flatter curve

The late-booking penalty fell from 200% to 63% across the year, and the 14–20 day band is within 6% of booking three weeks out. Chase the 0–6 day bookings instead.

05

Go after hotel leakage in Brisbane and Newcastle

Half of overnight domestic trips end without a program hotel. Adelaide manages 68% capture and Brisbane 43% on far higher volume — that gap is negotiated rate you are not earning.

06

Engage the 4,400, not the 49,000

Just under 9% of travellers drive 47% of trips and 40% of spend and carbon. Direct engagement with that group moves the program faster than any all-staff policy change.

Notes on this edition

Changes to the headline index

Previous editions published a cost-of-travel index reading 228.7 at the end of FY26 — an increase of 129% across the year. That figure could not be reproduced from the corridor data published in the same document.

Rebuilding the same fixed-weight calculation from the tracked corridor table gives **100 → 139 → 133 → 128**: costs rose steeply into the December quarter and have eased since. The published index instead rises in every quarter.

The gap traces to the base quarter. In the region-level cost-per-kilometre table, September-quarter values sit far below every later quarter — Asia business reads \$0.14 per km against \$0.36 to \$0.76 afterwards. An understated base inflates every subsequent reading. That table also disagrees with the corridor table on domestic economy cost per kilometre by a factor of two to six.

This edition therefore leads with the corridor-based index, labelled as such. The underlying calculation is being reviewed before the next edition.

Method

Air cost per kilometre uses base fare plus carrier surcharge, excluding government tax. Distance and CO₂ are the platform's stored per-sector values. Cells backed by fewer than 30 observations are suppressed. This is a benchmark digest, not advice on any individual program.

Figures withheld from this edition

International hotel rates. Nightly rates for at least eight Asian and Pacific destinations appear to be recorded in local currency rather than Australian dollars — Denpasar reads \$4.58 million a night, Ho Chi Minh City \$3.25 million, Tokyo \$74,226. The whole international rate table is withheld pending conversion.

Melbourne, December quarter. The average nightly rate is recorded as −\$41.28 across 13,951 room-nights. A negative average rate is not possible; the value is suppressed rather than estimated.

FY25 fare-change comparisons. The four FY25 quarters hold between 0.4% and 36% of FY26 booking volumes and report a 0.0% change rate throughout. This is incomplete backfill rather than a real trend.

Duplicate “overall” rows. The days-away table emits more than one overall row for six of the eight quarter and scope combinations. The highest-volume row is used.

Full quarterly tables

Every figure behind this deck, quarter by quarter, is in the PDF edition of the Corporate Travel Cost Digest — 58 pages of source tables covering fares, lead time, cabin mix, hotel rates, behaviour and emissions.

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