

7 May 2026

Fair Work Commission  
By email to: [awards@fwc.gov.au](mailto:awards@fwc.gov.au)

## **AM2026/10 – Vehicle Allowances Applications to Vary Multiple Awards**

### **Submission of the Australian Dental Association**

#### **1. Introduction**

1.1 The Australian Dental Association (ADA) is the peak professional body representing dentists and private dental practices throughout Australia. Most dental practices operate as small businesses within the national workplace relations system.

1.2 The ADA makes this submission in relation to the applications seeking to vary vehicle allowance provisions across multiple modern awards, including awards commonly applied in private dental practices:

- the *Health Professionals and Support Services Award 2020*; and
- the *Clerks – Private Sector Award 2020*.

1.3 While the ADA acknowledges cost-of-living pressures faced by employees, it has significant concerns about the proportionality, governance, and long-term impacts of the proposed variations on private dental practices.

#### **2. Avoiding complexity and red tape**

2.1 In private dental practices, award coverage is common for the following roles:

- non-dentist clinical staff such as oral health therapists, dental hygienists, dental therapists and dental assistants (under the *Health Professionals and Support Services Award 2020*); and
- receptionists and administrative employees (under the *Clerks – Private Sector Award 2020*).

2.2 Although these award-covered roles are widespread, the incidence of vehicle allowance payments in dental practices is unclear and appears limited. Based on member feedback available to date, the ADA infers a relatively low level of routine or frequent work-related travel requiring reimbursement, outside niche circumstances such as mobile dentistry, outreach services, or multi-site operations.

2.3 Notwithstanding this limited incidence, changes to award vehicle allowances would introduce new administrative complexity, compliance uncertainty, and monitoring obligations for all employers covered by the awards, regardless of whether vehicle allowances are commonly paid.

2.4 This includes:

- more frequent recalculation of allowance rates;
- payroll system updates;

- increased record-keeping and audit risks; and
- reduced certainty for small business operators seeking to comply with their award obligations.

2.5 These impacts would fall disproportionately on small dental practices with limited internal administrative capacity.

### **3. Reasonableness of the existing award rate**

3.1 The current award vehicle allowance of \$0.99 per kilometre already exceeds the Australian Taxation Office (ATO) rate of \$0.88 per kilometre, which is widely relied upon across the economy as a benchmark for tax deductibility, enterprise agreement reimbursements, and private-sector payment arrangements.

3.2 Available research we have seen suggests that fuel costs represent less than 25% of the total per-kilometre allowance, with most of the rate reflecting non-fuel costs such as depreciation, servicing, insurance, registration, and tyres.

3.3 Against that background, there's a reasonable basis to conclude that:

- the current award allowance remains adequate; or
- at a minimum, it's already more generous than the arrangements applying to most non-award-covered employees.

3.4 The ADA is concerned that the proposed increases haven't been clearly shown to be necessary to meet the modern awards objective in sectors where vehicle use is limited and intermittent.

### **4. Impact on small business**

4.1 Most private dental practices are small businesses currently absorbing:

- scheduled and unscheduled award wage increases (particularly for dental assistants);
- rising consumables, freight, and supply costs; and
- workforce availability challenges.

4.2 Any permanent increase to award-based vehicle allowances risks compounding employment costs and diverting attention and resources away from patient care and practice sustainability.

4.3 Limited early feedback from ADA members indicates that in certain operating models, particularly multi-site, regional, or outreach-based practices, employer-borne staff travel costs can already be significant due to distance, frequency, and recurrence. Further mandated increases may affect the viability of providing such services.

### **5. Cost-of-living pressures and employer capacity**

5.1 The ADA recognises that fuel price volatility creates genuine pressure for employees. However, indefinite or permanent increases to award allowances aren't well suited to addressing temporary or cyclical price shocks.

5.2 Embedding higher rates into awards during periods of volatility risks locking in costs after underlying conditions have stabilised or reversed.

5.3 Such outcomes may ultimately put upward pressure on patient fees or reduce the availability of discretionary

or outreach services.

## 6. Governance and indexation concerns

6.1 The ADA has concern with the proposed monthly review mechanism, which appears to operate as a one-way ratchet, whereby allowance rates may increase but can't decrease.

6.2 This approach departs from established governance norms, including the ATO model, under which rates are periodically reviewed and can move both upward and downward in line with prevailing cost movements.

6.3 A rise-only indexation mechanism risks embedding:

- long-term cost escalation;
- detachment from real-world operating costs; and
- structural increases that are difficult to unwind, even where conditions improve.

## 7. Distinction between private and public sector

7.1 Dentists themselves aren't covered by modern awards, and workforce arrangements in public dental services differ materially from those in private practice.

7.2 Any funding or remuneration challenges affecting public sector dental employment can be addressed through government funding and policy mechanisms rather than through broad and permanent award variations.

7.3 Public sector considerations shouldn't be relied upon to justify complex, indefinite award changes with significant downstream impacts on private small businesses.

## 8. Conclusion

8.1 The ADA submits that employer interests in private dentistry are best served by:

- avoiding unnecessary complexity and red tape;
- resisting indefinite ratcheting of award vehicle allowances; and
- ensuring any changes are proportionate, evidence-based, and sensitive to small business capacity.

8.2 The ADA respectfully urges the Commission to approach the proposed variations with caution, considering the limited prevalence of vehicle allowance usage in dental practices, existing award generosity, and the cumulative cost pressures already facing the sector.

Sincerely,



Dr Kate More (Ph.D.)  
Chief Executive Officer