



AM2026/13 - Vehicle Allowances – Applications to vary multiple Awards

**Submission of the Australian Manufacturing
Workers Union**

24 April 2026

AM2026/13 and Ors – Vehicle Allowance – variation to multiple Awards

Submission of the AMWU

Introduction

1. The Australian Manufacturing Workers' Union (AMWU) is the primary union representing Australian manufacturing workers. We are more than 55,000 members strong, and we live and work in every region and city of the country.
2. Our members build, manufacture, and repair trains, trucks, trams and electric buses; infrastructure for construction projects; as well as naval ships and other military equipment. We process the food our farmers grow, and manufacture the packaging that preserves it from factory to shop to dining table. We keep the equipment in our factories, mines and hospitals running and keep our wind turbines spinning.

Standing concerning the Awards in AM2026/13

Manufacturing and Associated Industries and Occupations Award 2020 (MAIO)

3. A significant number of our members are covered under the MAIO. Workers covered under the MAIO cover a range of occupations and callings – including process and production line workers, technical and trades assistants, a range of mechanical and engineering based trades, technical officers and skilled technical roles ranging from scheduling, planning and quality control.
4. The MAIO also covers those workers engaged in maintenance trades and occupations who perform work in other manufacturing industry sectors including Food and Beverage Manufacturing and Printing and Packaging.

Vehicle Repair, Services and Retail Award 2020(RSR)

5. Our coverage under the RSR pertains to those occupations in and in connection with the repair and servicing of a range of vehicles. Workers under this Award may be focusing on private motor vehicles, or a range of commercial vehicles and equipment, such as forklifts, mining trucks or farm equipment, including through roadside assistance. Our members involved in the pre-sale preparation of motor vehicles and car rentals are also covered by this Award.

Awards in related proceedings

6. The AMWU also has an interest in the Airline Operations Ground Staff Award 2020 and the Food, Beverage and Tobacco Manufacturing Award 2020 and, where relevant, these submissions extend to those Awards

Submission of the ACTU

7. The AMWU has read a draft of the ACTU Submission in these proceedings and generally adopts the contents of the Submission. The ACTU has extensively set out the underlying context for bringing forward these Applications, as well as setting out the legislative framework surrounding the application and the requisite tests that must be met.
8. The AMWU wishes to provide additional submissions in relation to the matters contained in section 134 of the Fair Work Act (2009) Modern Awards objective, with specific relevance to the MAIO and RSR, and our members covered by those Awards. For the avoidance of doubt, these submissions supplement and complement those submissions made by the ACTU, except where it is expressly stated.

Submissions Concerning the Modern Awards Objective

9. The AMWU notes that the Vehicle Allowance is an expense related allowance. It is only paid in circumstances where an employee has had to make use of their own vehicle for the benefit of their employer. These proposed changes are designed to better reimburse the expense borne by the employee, rather than reflecting the value of the work performed.

134(a) Relative Living Standards and the needs of the low paid

10. Given the nature of the trades covered by both the MAIO and RSR, a proportion of workers who are reliant on those Awards are apprentices on training contracts. It is more likely that Apprentices will be paid modern award rates than are likely to be covered by enterprise agreements.¹ This is particularly common for apprentices employed by Group Training Companies.
11. Depending on their age, prior schooling and stage of their apprenticeship, an Apprentice may be earning less than, or near to the national minimum wage. As such, they should be considered in terms of the low paid.
12. Apprentices covered by both the MAIO and RSR are entitled to receive the Vehicle Allowance, should they be required to use their own vehicle for work purposes. As apprentice tradespeople, they may be required to pick up necessary supplies and equipment (as may other tradespeople) in order to carry out their duties.

¹ AMWU *Submission to the Review of Apprenticeship Incentives* 2024 at p 13

13. Given the existing low wages that most apprentices receive, the challenge of being able to afford to travel to and from work is a significant challenge. For example, in a survey of over 600 apprentices found in 2022 that the average amount spent on petrol was \$50 - \$99 per week, averaging 200 km per week travel to and from work.²
14. Although the Vehicle Allowance does not cover transport to and from work, if an apprentice is required to use their vehicle for work purposes, the amount received is barely adequate to compensate for measures such as additional fuel.
15. The AMWU submits that this factor weighs strongly in favour of making the variations.

Section 134(1)(b) The need to encourage collective bargaining

16. As a general practice, the AMWU seeks to incorporate the relevant modern award into enterprise agreements that it negotiates on behalf of its members. As such, there are a substantial number of enterprise agreements that are dependent on provisions contained in a modern award, including, relevantly, the Vehicle Allowance.³
17. Although a variation to the awards is likely to be a neutral factor in encouraging enterprise bargaining, the AMWU submits that in the case of some awards, variations to those awards will also have an effect on employees covered by certain enterprise agreements.

Section 134(1)(d) The need to promote flexible modern work practices and the efficient and productive performance of work

18. The AMWU submits that agreements between employers and employees to use private vehicles for sporadic purposes is a “flexible work practice” that allows for an “efficient and productive performance of work”.
19. If a company provided vehicle is not available, the ability for a worker to make a delivery or pick up necessary parts or supplies, is of benefit to the employer, as it causes minimal disruption and, likely, minimal costs to the employer.
20. The proposed variation to ensure that the Vehicle Allowance provides a more accurate measure of reimbursement to the employee is likely to promote the maintenance of this practice in the workplace. As such, the AMWU submits it weighs in favour of making the variation.

² <https://www.etunational.asn.au/2022/08/30/survey-results-reveal-cost-of-living-pressure-and-lack-of-mentorship-causing-apprentices-to-consider-quitting/>

³ For example *mycar Tyre and Auto National Enterprise Agreement 2022* incorporates the RSE and the *AMWU and CEPU and Simplot Australia Pty Limited Employee National Collective Agreement 2021* incorporates much of both the *Food, Beverage and Tobacco Award 2020* and the MAIO

Conclusion

21. The use of an employee's personal vehicle for the business of their employer is a shifting of costs that should be, at least partially, reimbursed. The Vehicle Allowance is one way that this reimbursement occurs. Given the ongoing uncertainty over fuel prices (particularly diesel prices), the AMWU submits that a variation to the Vehicle Allowance in the terms proposed is consistent with the Modern Awards objective and therefore the variation should be made.

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