



**MASTER BUILDERS**  
A U S T R A L I A

12 May 2026

Fair Work Commission  
Commissioner Hatcher

By email: [chambers.hatcher.j@fwc.gov.au](mailto:chambers.hatcher.j@fwc.gov.au)

## **Application to vary vehicle allowances in multiple Modern Awards (AM2026/10 and ors)**

### **Introduction**

1. Master Builders Australia (Master Builders) refers to the Directions made on 20 April 2026 in relation to the abovementioned matter. This matter deals with an Application to vary 27 modern awards with respect to vehicle allowances.
2. In its Application, the Australian Council of Trade Unions (ACTU) argues that these applications are brought on the basis of the need to update the award safety net to take into account the recent and very substantial increase in fuel costs associated with the Middle East conflict. It is suggested that the Award does not currently meet the modern awards objective and should be varied in the manner sought.
3. Master Builders submission opposes the Applications to vary vehicle allowances in multiple Modern Awards for the reasons set out below. Master Builders acknowledges the modern awards objectives set out in Section 134 of the *Fair Work Act 2009* (Cth) but does not agree that the modern awards do not meet this objective. Further to this, should the Application be successful, Master Builders has concerns regarding the precedent such an approach sets which will have greater impacts on business, than might have been intended.
4. Master Builders is an interested party in these proceedings as the proposed variations will impact employers covered by the Modern Awards captured by these Applications that are relevant to the building and construction industry.



+61 2 6202 8888



PO Box 7170, Yarralumla ACT 2600



[enquiries@masterbuilders.com.au](mailto:enquiries@masterbuilders.com.au)  
[www.masterbuilders.com.au](http://www.masterbuilders.com.au)

## Who is Master Builders Australia?

5. Master Builders is the nation's peak building and construction industry association, which was federated on a national basis in 1890. Master Builders' Members are the Master Builder State and Territory Associations. Over 130 years, the Master Builders network has grown to more than 32,000 businesses nationwide, including the top 100 construction companies. Master Builders is the only industry association representing all three sectors: residential, commercial, and civil construction. For noting, the membership contingent is made up predominantly of small and medium-sized enterprises.

## Reasons for opposing application

6. Master Builders, however, seeks to ensure that there are no unintended consequences that could arise specifically for the building and construction industry, because of the proposed variations relating to vehicle allowances.
7. Master Builders acknowledges the current issues linked to the volatility of fuel prices currently being experienced across Australia as a result of the conflict in the Middle East, however, it is noted that the prices for fuel, both petroleum and diesel have declined.
8. Master Builders does not agree with the broader application of the motor vehicle allowances as some Modern Awards already contain provisions to deal with the use of personal motor vehicles for work-related purposes. For many of these, what is currently provided is greater than the Australian Tax Office (ATO) reasonable travel allowance rate where a personal vehicle is required to be used for work-related purposes.
9. Master Builders notes that administrative burden that is associated with any change of rate, particularly for changes to payroll systems on a regular basis as is proposed, which will have an impact on small and medium-sized enterprises, particularly where there is no transition period provided.
10. Master Builders notes that the Annual Wage Review has commenced and changes to the minimum wage and Modern Awards, which are likely to affect the motor vehicle allowances, will also come into effect shortly.

*M. Byrne*

Melissa Byrne  
National Director – Policy and Legal