

National Farmers' Federation Submission –

Vehicle allowances – applications to vary multiple awards (AM2026/10 and others)

May 2026



The National Farmers' Federation (NFF) is the voice of Australian farmers.

The NFF was established in 1979 as the national peak body representing farmers and more broadly, agriculture across Australia. The NFF's membership comprises all of Australia's major agricultural commodities across the breadth and the length of the supply chain.

Operating under a federated structure, individual farmers join their respective state farm organisation and/or national commodity council. These organisations form the NFF.

The NFF represents Australian agriculture on national and foreign policy issues including workplace relations, trade, and natural resource management. Our members complement this work through the delivery of direct 'grass roots' member services as well as state-based policy and commodity-specific interests.

NFF Member Organisations



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NFF's key messages

- The war in the Middle East, which has been on-going since February 2026 has had a significant impact upon the price of petrol at the bowser.
- This has had, for a period, a greater impact in circumstances where employees are required, in the course of employment, to use their own vehicles. Employees, at least until recently, were incurring additional costs as to both the price and availability of petrol owing to higher prices.
- The Pastoral Award 2020 at Clause 18 (c) sets out the obligations of an employer to pay Vehicle Allowance.
- Independent of the process set out in this application the Fair Work Commission is conducting its annual review of wages and allowances in Modern Awards and the Vehicle Allowance is included as part of the review process.

The Application

The standard application made by the ACTU, and in the case of the Pastoral Award 2020, the AWU, seeks to provide a temporary additional mechanism for dealing with vehicle allowances. Specifically, the application provides that.

- Commencing from the first full pay period on or after May 5 2026 the Vehicle Allowance set out in Clause 18.3 (c) of the Pastoral Award will provide a temporary additional mechanism for dealing with Vehicle Allowance Increases.
- The Vehicle Allowance will increase monthly using the private motoring subgroup index weighted average of eight (8) Capital Cities Published by the ABS with reference to the index of the previous month.
- Where the movement is a negative figure, the allowance is not adjusted which is appropriate in the circumstances of the case.
- The additional mechanism would lapse on May 5 2027 according to the union application.

NFF Response

The NFF is opposed to the application for the following reasons.

- There is a Vehicle Allowance Clause in the Pastoral Award 2020 (Modern Award number MA 000035)
- That Clause can be found at Clause 18 (c) and is currently expressed in these terms.

Use of vehicle allowance

[18.3(c)

varied

by [PR724570](#), [PR729479](#), [PR740884](#), [PR762308](#), [PR774088](#) ppc 01Jul24]

*An employee will be paid an allowance of **\$0.98** per kilometre when instructed by the employer to use their own vehicle during working hours to relocate materials, equipment, or personnel either within the normal work location or on public thoroughfares.*

- That clause is currently under review as part of the Annual Award Review which is currently being conducted by a Full Bench of the Fair Work Commission
- This application imposes a different set of obligations to those set out in the award.
- To have two sets of obligations dealing with the same subject is double jeopardy and is not permitted. If the Commission were mindful to grant relief to the unions with respect of the application, it would have to be made clear that the regular provisions of the Pastoral Industry Award do not apply while any additional vehicle allowance provisions are in place.
- The NFF supports an express objection to the inclusion of proposed clause XY3.3. The rationale underlying Clause XY3.3 — namely, the current fuel price volatility — is by its nature temporary. An oil price shock, as the term itself connotes, is a transient market disruption, not a structural shift warranting permanent changes to award conditions. The proposed clause CY3.3 will result in entrenching allowance increases that were justified only by exceptional market conditions — effectively "locking in" rates that should have unwound once fuel prices stabilise.
- While the early stages of the oil price shock led to a significant increase in price at the bowser undoubtedly motivating the ACTU in making the application a combination of measures including the reduction in fuel excise levels and more confidence in supply chains has led to a reduction in price at the bowser

- The NFF also makes it clear that while an additional Vehicle Allowance Clause is in place the regular provisions in the Pastoral Industry Award do not apply.
- The AWU has not led any evidence to support its application in relation to the Pastoral Award

CONCLUSION

When the oil price shock, brought about by the War in the Middle East first started the challenges of using your vehicle in the course of employment were real and the costs were very apparent. However, the risks have been mitigated, and prices appear to have returned to a more normal level. This is why the NFF remains opposed to the application as set out by the ACTU and believes that the traditional award structure with no additional remedy is the appropriate model for dealing with these issues.



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