media release

ACTU
australian council of trade unions

Thursday, 27 August 2026

Unions win vehicle allowance increase

Australian Unions have secured an increase in the vehicle allowance paid to community and aged care workers.

The Fair Work Commission has agreed to a temporary increase in vehicle allowances from $1.01 cents a kilometre to $1.05 per kilometre, following an application led by Australian Unions, including the Australian Services Union and the Health Services Union.

Aged care and community sector workers who use their own vehicles for travel during work hours and who are covered by the two industry awards will now receive the higher per-kilometre allowance.

The increase will help compensate these workers for on-going fluctuating fuel prices due to the Middle East conflict, maintenance costs and other expenses tied to using their vehicles for work.

Thousands of workers in aged care and the community sector, including those in home-care disability support will benefit from the temporary increase that will start from 1 September 2026 and remain in force until 28 February 2027.

The uplift will help workers in these female-dominated services travel the longer distances often required to reach clients in outer suburban and regional areas around the country.

Quotes attributable to ACTU President, Michele O'Neil:

"This is positive news for community and aged care workers and means their vehicle allowances will help keep pace with fuel costs at the petrol station bowser for the next six months.

"While we're disappointed the Fair Work Commission didn't extend the increase to other workers in fast food and retail delivery, maintenance trades, firefighters and nurses, this is welcome news for aged care and community care workers.

"The higher allowance will make all the difference to aged care and community workers when it comes to deciding if they can afford to fill up their vehicles and make it to work to support often vulnerable clients.

"At the urging of unions, the Fair Work Commission has agreed to lift the allowance for these essential workers so they can better absorb fuel costs.

"This is important to workers, who would have been shortchanged by hundreds of dollars a year depending on the extent of their travel if the allowance had been left to stay at the level it was.

"We urge all employers to make sure workers who are required to use their own vehicle for work are not left out of pocket."

ENDS

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