FAIR WORK COMMISSION

Matter No: MS2026/1

Re Application by: Transport Workers' Union of Australia & Australian Road Transport Industrial Organisation re fuel cost recovery

WITNESS STATEMENT OF MICHAEL JOHN KILGARIFF

DATED 22 MAY 2026

I, Michael John Kilgariff, of state as follows:

BACKGROUND

1. I am the Chief Executive Officer of Cement, Concrete & Aggregates Australia (**CCAA**).

2. CCAA is a national industry association representing the heavy construction materials industry in Australia.

3. CCAA has five foundation members being, Holcim, Heidelberg, Boral, Adbri and Cement Australia.

4. CCAA has about another 80 members including Wagners in Queensland and Gunlake in NSW. In all, CCAA represents around 90% of the construction materials industry.

5. I previously gave evidence in this matter on 13 April 2026.

6. I am aware that the Housing Industry Association may seek to have residential builders removed from the coverage of the Road Transport Contractual Chain Order - Fuel Cost Recovery - 2026 (**Fuel Order**) made on 20 April 2026.

7. CCAA members supply concrete and aggregates across all market segments, that is residential, non-residential (commercial) and engineering construction (infrastructure).

Lodged by: Australian Business Industrial, Boral, Holcim, Adbri, Metromix, CCAA, Aramex, FedEx Express Australia Pty Ltd, Team Global Express Pty Ltd, and NSW Business Chamber Ltd.	**Telephone:** Nigel Ward – 0405 539 172 Dominic Mather – 0429 372 164
Address for service: Australian Business Lawyers & Advisors Level 7, 8 Chifley Square, SYDNEY NSW 2000	**Email:** Nigel.Ward@ablawyers.com.au Dominic.Mather@ablawyers.com.au

Each member has their own independent strategy for which segment of the market they focus on, and this often differs by region.

8. Where the members materials are delivered, delivery can be via a variety of fleet engagement mechanisms such as:

   (a) Company heavy vehicles;

   (b) Owner driver heavy vehicles; and

   (c) Fleet operator heavy vehicles.

   Often member companies will have all three engagement models working side by side.

9. Members, to my knowledge, do not use one form of delivery engagement for a market segment. For example, they do not use only company heavy vehicles for residential projects.

10. A heavy vehicle, irrespective of manner of engagement, performs a number of trips each day to jobs that are across segments. For example, one day it might be a run on a big infrastructure project; on another day, the heavy vehicle may deliver to a residential pour, a commercial pour and an infrastructure job.

11. Heavy vehicles are allocated based on a number of factors such as availability, job distance and volume. Each member allocates across the transport engagement models differently.

12. I am aware that construction materials companies distribute concrete to residential builders through their concrete plant networks.

13. While some plants may distribute more concrete to residential builders in a day than others (usually related to their proximity to the work) I am not aware of any construction materials company who operate dedicated plants or delivery vehicles for a residential builder.

14. Construction materials companies will therefore distribute concrete to residential builders as well as other market segments on a daily and hourly basis from the same plant.

15. Concrete is sold on a delivered basis; that is to say the transport costs are not separated from the total cost of sale.

16. Concrete is usually priced on a per m3 basis.

17. Residential housing makes up approximately 30 – 40% of the total concrete market in Australia. Non-residential is approximately 30% and engineering construction is approximately 28%.

18. The Australian market produces approximately 30 million m3 of pre-mixed concrete per annum, therefore the total volume of concrete sold to residential builders is approximately 9 - 12 million m3 per annum.

19. If the HIA was successful, it would mean that construction material companies:

    (a) would not have the protection of the Fuel Order to recover fuel related transport costs involved in the delivery of product to residential builders;

    (b) would need to absorb these costs themselves;

    (c) would face the material administrative challenge of differentiating load by load where the Fuel Order applied and where it might not, and

    (d) would face increased commercial pressure by builders not working on residential projects to not recover fuel related transport costs, weakening the effectiveness of the Fuel Order across the entire construction materials industry.

Signed:

Michael John Kilgariff
Date: 22 May 2026