Road Transport Contractual Chain Order Fuel Cost Recovery 2026

Employer Guide

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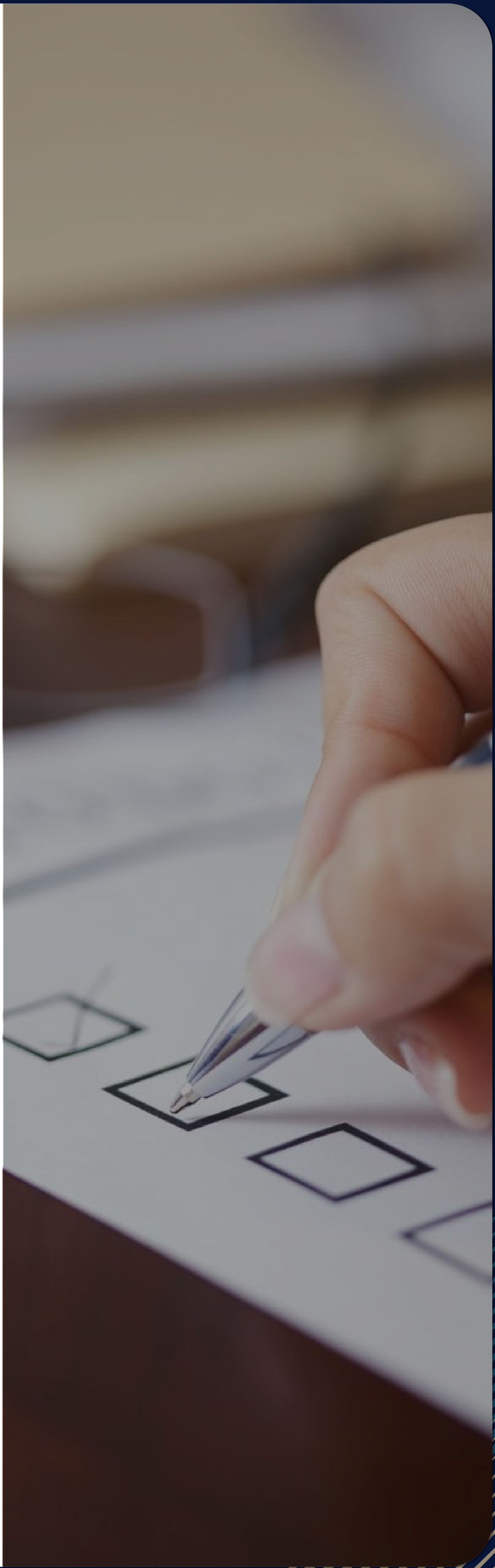
Contents



Summary

Road Transport Contractual Chain Order – Fuel Cost Recovery – 2026

Commencement Date: 21 April 2026

Why the Order is in place

The RTCCO was made in response to sharp fuel price increases arising from disruption to global fuel supply chains, particularly due to conflict in the Middle East and reduced shipping through the Strait of Hormuz. Fuel prices rose significantly in Australia from early March 2026.

What is a road transport contractual chain?

A road transport contractual chain (often called a supply chain) exists where:

1. There is a series of contracts or arrangements (the chain);
2. Work in the road transport industry is performed under those arrangements by:
   - an owner driver (regulated road transport contractor),
   - a road transport employee like worker (gig worker), or
   - an employee; and
3. At least one party to the first contract in the chain is a constitutional corporation.

Importantly, the business that starts the chain does not need to be a transport company.

Who is involved in the chain?

PRIMARY PARTIES

A primary party is a party to the first contract or arrangement in the chain. There may be more than one primary party (for example, where goods are sold and delivered under a single commercial arrangement).

Primary parties can include non-transport businesses, such as retailers, manufacturers or principals procuring transport services.

SECONDARY PARTIES

A secondary party is a party to any later contract in the chain under which road transport work is performed. This includes transport companies that subcontract work to other transport businesses or engage owner drivers or gig workers.

WORKERS AT THE END OF THE CHAIN

The chain may end with:

- Regulated road transport contractors (owner drivers operating their own vehicles as small businesses), or
- Road transport employee like workers (gig workers performing road transport work via digital platforms).

Who might be affected?

The RTCCO applies to contractual chains involving the performance of the following types of work:

- Road Transport and Distribution (excluding livestock)
- Long Distance Operations in the Private Transport Industry
- Waste Management
- Passenger Vehicle Transportation (excluding tram, monorail and light rail)

The cash-in-transit industry is expressly excluded from the Order.

Obligations on primary parties

If you are a primary party, you must:

1. Adjust the rates you pay to the next party in the chain to ensure increased fuel costs are covered
2. Conduct rate reviews at least fortnightly or twice per month.

Additional obligation

Unless an exception applies, a primary party must also take reasonable steps to ensure that any secondary party engaging owner drivers or gig workers is passing fuel cost increases on to them.

This obligation does not apply where the primary party:

- is a small business employer (fewer than 15 employees); and
- is not a road transport business.

Reasonable steps may include:

- making inquiries of secondary parties; and
- obtaining assurances (for example, confirmation that a fuel levy or adjustment mechanism is in place).

Obligations on secondary parties

If you are a secondary party, you must:

1. Adjust the rates you pay any other secondary party, regulated road transport contractor or road transport employee-like worker to cover increased fuel costs; and
2. Review and adjust those rates at least fortnightly or twice per month.

These obligations apply regardless of whether the work is performed using company vehicles, owner drivers or further subcontracting.

How can fuel adjustments be made?
Fuel adjustment obligations can be met by:

- applying an existing rise-and-fall clause or fuel cost model in a contract or industrial instrument;
- applying a fuel levy or surcharge; or
- adopting a new agreed formula or benchmark to adjust rates for fuel price movements

Many businesses are using formula based approaches linked to movements in published fuel price indices.

Duration of the Order
The RTCCO has no fixed end date.

The Order will be reviewed by the Fair Work Commission after the first month and then every three months.

The obligations will cease if the weekly average national terminal gate price for diesel falls below $2.00 per litre.

IMMEDIATE ACTION CHECKLIST FOR BUSINESSES

ACT NOW

- ☐ Identify whether your business is a primary or secondary party in any road transport contractual chain.
- ☐ Map your contractual chains, including subcontractors and owner drivers.
- ☐ Confirm whether road transport work is being performed in a covered industry.

IMPLEMENT COMPLIANCE MEASURES

- ☐ Review existing contracts for fuel adjustment mechanisms.
- ☐ Establish or update a rate review process (fortnightly or twice monthly).
- ☐ Implement a fuel levy, surcharge or formula if one is not already in place.

IMPLEMENT COMPLIANCE MEASURES

- ☐ Conduct regular fuel price reviews and rate adjustments.
- ☐ Keep records of rate reviews and adjustments.
- ☐ For primary parties, obtain assurance from secondary parties that fuel increases are being passed down the chain.

IF ISSUES ARISE

- ☐ Engage early with counter parties up or down the chain.
- ☐ Seek advice if disputes arise; disputes about the operation of the Order can be taken to the Fair Work Commission.

This summary is general information only and is intended to support business implementation of the RTCCO. Businesses should obtain advice specific to their circumstances.

Introduction

Key Points

On 20 April 2026, the Fair Work Commission (Commission) made the Road Transport Contractual Chain Order – Fuel Cost Recovery – 2026 (the Order).

The Order has been in operation since 21 April 2026.

A copy of the Order can be downloaded here.

The Order regulates the conduct of persons in a road transport contractual chain (more commonly known as a 'supply chain') that involves work performed in the road transport industry. Critically, the person that starts a contractual chain may not be a transport company. They could be a retail company, a manufacturer or a construction company etc.

Its primary purpose is to ensure that parties up and down a road transport contractual chain recover costs associated with fuel price increases driven by the current conflict in the Middle East.

These can override existing commercial arrangements and contracts, including fixed price contracts.

The Order is a legally enforceable instrument just like a modern award or an enterprise agreement.

Non-compliance can attract maximum penalties of $99,000 per contravention for body corporates.

Purpose of this Guide

This guide will help you:

- determine if the Order currently applies to your business;
- understand the circumstances in which your business may be subject to the Order;
- identify the new obligations and steps required to be taken by all businesses covered by the Order; and
- understand matters that may impact the duration and content of the Order.

Using this Guide

This guide is intended to help businesses navigate this "time-sensitive" Order with ease and offer practical advice and examples for complying with the new obligations under the Order. The guide should serve as a starting point for understanding. Further advice should always be sought for the resolution of specific issues.

The guidance in this document was finalised on 6 May 2026 and may be subject to future revision.

Does the Order Apply to Your Business?

Overview
The Order covers persons in a road transport contractual chain that involves the performance of work in the road transport industry.

To help you determine if the Order applies to your business, this section answers the following:

- What is a road transport contractual chain?
- When is a business in a road transport contractual chain?
- When is a road transport contractual chain covered by the Order?
- What is the road transport industry?

What is a Road Transport Contractual Chain?
A road transport contractual chain has three features:

1. a series of contracts or arrangements (the chain)
2. work is performed for a party to the first contract in the chain by a regulated road transport worker (e.g. owner driver or gig worker) or by an employee
3. at least one party to the first contract or arrangement in the chain is a constitutional corporation

Road Transport Contractor

This type of worker is most commonly referred to as an “owner driver”. The worker operates their own vehicle to transport goods, merchandise, materials, waste or passengers. They operate as a small business instead of an employee of a company.

They are engaged under a services contract.

This engagement may be as an individual that performs the work under the contact or as:

Body Corporate
an individual who is either a director of the body corporate, or a member of the family of a director of a body corporate, performs work under the contract

Trustee of a Trust
an individual who is a trustee of the same trust, performs work under the contract, whether or not the individual is a party to the contract

Partnership
an individual who is a partner in the same partnership, performs work under the contract, whether or not the individual is a party to the contract

The work to be performed under the services contract is in the road transport industry.

The worker performs all or a significant majority of the work to be performed under the services contract and they do not perform work under the services contract as an employee.

Road transport employee-like worker

This type of worker is most commonly referred to as a “gig worker”.

They are also engaged under a services contract as an individual, body corporate, trustee of a trust, or partnership, and perform work in the road transport industry. The critical difference is that this worker is engaged to perform “digital platform work” (e.g. couriers for Uber, DoorDash, Amazon, etc.).

When is a Business in a Road Transport Contractual Chain?

A business is in a road transport contractual chain if they fall into at least one of three categories:

Primary Party	Secondary Party	Worker
A party to the first contract or arrangement in the chain **Important Note:** This can include a business that is not a road transport business.	A party to any subsequent contract or arrangement in the chain, under which work is performed by an owner driver, gig worker or employee.	They perform work in the road transport industry under a services contract in the chain and are either an owner driver or gig worker.

Important Note: The following individuals are not part of a road transport contractual chain:

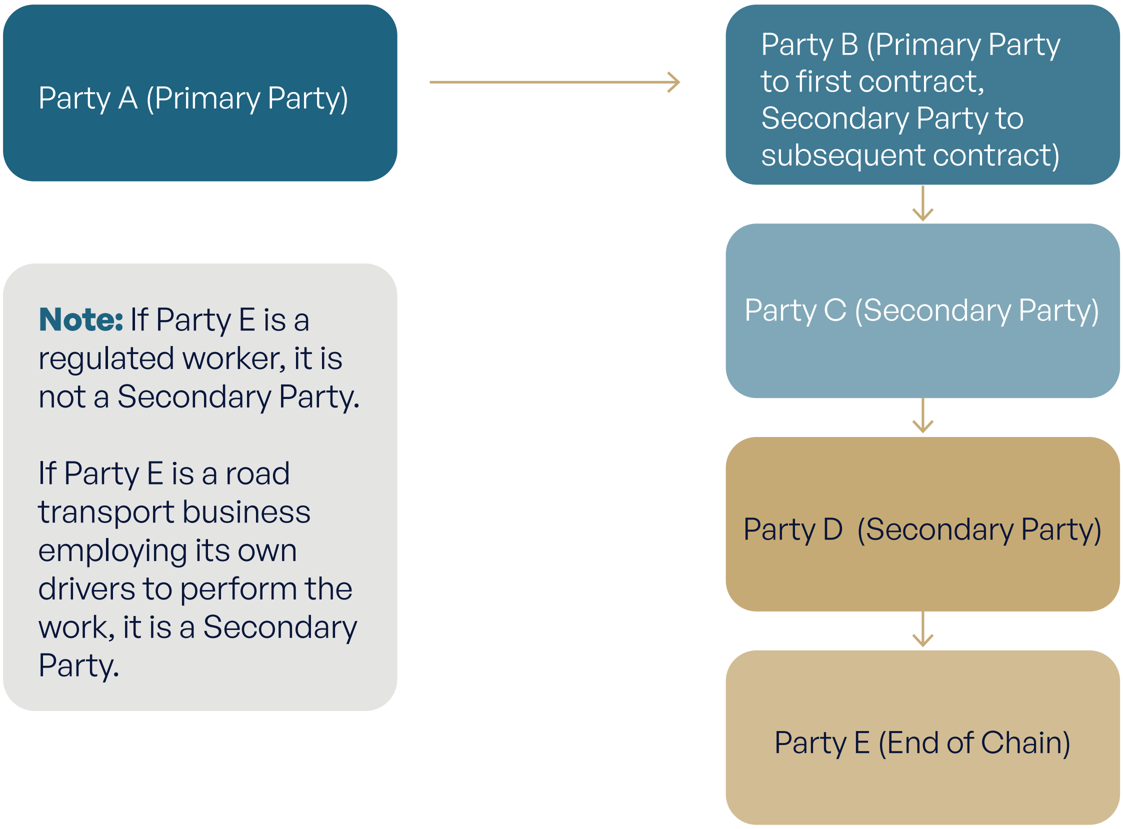
- a passenger being transported in a motor vehicle, limousine, hire car, bus or coach
- a consumer who has products delivered to them for their own private or domestic use
- a person performing work relating to the transport or dealing with livestock.

When is a Business in a Road Transport Contractual Chain Covered by the Order?

The business is in a road transport contractual chain that involves the performance of work in the road transport industry as defined (and subject to any modifications or exclusions in the Order).

There is no limit to how many parties may be in a contractual chain. There must be an initial contract and at least one subsequent contract involving work to be performed in the road transport industry.

The below chart will assist you to understand when a party is a primary or a secondary party.



For avoidance of doubt, this includes the following persons at any point in the chain:

- primary parties;
- secondary parties;
- road transport businesses;
- digital labour platform operators in the road transport industry;
- road transport employee-like workers performing work in the road transport industry;
- regulated road transport contractors performing work in the road transport industry.

Important Note: The primary party that is 'the apex' of a road transport contractual chain (i.e. the party starting the chain) may not be a road transport business. Examples Include:

- a retailer
- a restaurant
- a manufacturing company
- a wholesaler
- a building company
- a government agency or local council.

What is the "Road Transport Industry" Under the Order?

The road transport industry includes the four industries:

ROAD TRANSPORT AND DISTRIBUTION INDUSTRY *(excluding transport or dealing with livestock)*	LONG DISTANCE OPERATIONS IN THE PRIVATE TRANSPORT INDUSTRY *(excluding transport or dealing with livestock)*
WASTE MANAGEMENT INDUSTRY	PASSENGER VEHICLE TRANSPORTATION INDUSTRY *(excluding electric tramway, monorail and light rail)*

In all cases, the definition from the following modern awards has been adopted (subject to the exclusions noted above):

- Road Transport and Distribution Award 2020
- Road Transport (Long Distance Operations) Award 2020
- Waste Management Award 2020
- Passenger Vehicle Transportation Award 2020.

Are there any sections of the road transport industry excluded?

Yes. The Order expressly excludes the cash in transit industry from coverage of the Order.

Definition: "Road Transport and Distribution Industry"

The road transport and distribution industry includes:

- transporting by road of goods, wares, merchandise, materials or other things in any form;
- receiving, handling or storing goods, wares, merchandise, materials or other things in any form at a distribution facility;
- storing and distributing goods, wares, merchandise, materials or other things in any form, in connection with air freight forwarding and customs clearance mobile food vending;
- distributing and relocating new or used vehicles requiring the driving of the vehicle itself.

Examples:

Examples of businesses that work in the road transport industry include:

- freight and logistics companies (e.g. Linfox, Toll Group, Amazon Freight, Uber Freight);
- courier and last-mile delivery businesses: small to medium enterprises providing rapid, local, or regional delivery services (e.g. FedEx Express, Australia Post, Uber);
- fleet operators;
- owner drivers.

Definition: "Long Distance Operations in the Private Transport Industry"

A long distance operation means:

- any interstate operation, or any return journey where the distance travelled exceeds 500 kilometres; and
- the operation involves a vehicle moving materials whether in a raw or manufactured state from a principal point of commencement to a principal point of destination. An area within a radius of 32 kilometres from the GPO of a capital city will be deemed to be the capital city.

A private transport industry means the transportation by road of all materials whether in a raw or manufactured state throughout Australia.

To be an interstate operation, the distance involved must exceed 200 kilometres for any single journey.

Examples:

Examples of businesses that work in long distance operations in the private transport industry:

- freight and logistics companies;
- owner drivers.

Definition: “Waste Management Industry”

The waste management industry means the collection, transportation, handling, recycling and disposal of any waste material whatsoever.

Waste material can be:

- solid or liquid
- organic
- biological
- medical
- raw or natural
- wholly or partly manufactured
- decomposed or partly decomposed
- in any other state or form and including all domestic, trade and industrial waste

The waste management industry also includes the operation of the following:

- transfer stations
- landfill sites
- incinerators
- recycling depots
- yards or terminals
- treatment plants
- compost facilities
- alternative waste treatment facilities
- the operation of other facilities of the same kind

Definition: “Passenger Vehicle Transportation Industry”

The passenger vehicle transport industry means the transport of passengers by:

- motor vehicle
- limousine or hire car
- bus or coach.

A “motor vehicle” means any motorised vehicle capable of carrying less than 8 persons and used for hire, charter or reward.

To be an interstate operation, the distance involved must exceed 200 kilometres for any single journey.

Examples:

Examples of businesses that work in the passenger vehicle transport industry:

- limousine and chauffeured car services
- rideshare companies
- bus/coach services
- specialised and contracted transport services (e.g. student transport, prisoner transport, specialised transport for events).

Obligations Under the Order

Who has Obligations Under the Order?

The following parties have obligations under the Order:

- Primary parties
- Secondary parties.

What Obligations are Imposed by the Order?

In general terms:

- the principal obligation is to pay rates that cover changes in fuel costs (i.e. the increased cost of fuel) since on or before 6 March 2026 and any ongoing changes in the price of fuel for the duration of the Order (fuel adjustment obligation). This applies to both primary and secondary parties; and
- unless an exception applies, a primary party must also take reasonable steps to ensure that secondary parties are adjusting the rates they pay owner drivers and gig workers by the amount necessary to ensure recovery of the increased cost of fuel.

See the Case Studies in this guide for an illustration of how parties sit in a road transport contractual chain and the obligations that are imposed on each party.

Who do the Obligations Impact?

The purpose of the Order is to provide cost recovery for fuel price changes up and down the entire contractual chain:

- it works down through the chain to any owner driver or gig worker to provide for cost recovery; and
- it works up and through the chain to the party to the first contract or arrangement in the chain to provide for cost recovery.

Cost Recovery from Customer/Client

In general terms:

- If you are a road transport business contracted to another road transport business up the chain, they must also meet the fuel adjustment obligations for you.
- If you are a road transport business contracted to the party at the apex of the road transport contractual chain, which could be a retailer, a manufacturing company, a building company or even a government agency, the party at the apex must also meet the fuel adjustment obligations for you.

Defined Terms in the Order

Fuel

Any liquid or gaseous energy source used to power vehicles for the performance of work in the transport industry, including petroleum and diesel products.

Increased Cost of Fuel

The difference between the cost per litre for the type of fuel used to perform the relevant work in the road transport industry at any given time and the cost as it was on or before 6 March 2026.

Rate

The contracted, standard, ongoing or usual rate or amount paid by one person covered by the Order to another for the performance of work in the road transport industry on or before 6 March 2026, including an hourly rate, a running rate, a total amount, or any other form of payment or combination of the foregoing.

Small Business Employer

The employer employs fewer than 15 employees at that time.

Obligations on Primary Parties

Fuel Adjustment Obligation: First Contract in the Chain

If your business enters into a contract or arrangement with another party to perform work in the road transport industry (the other primary party), you have an obligation to pay rates to them that cover changes in fuel costs since on or before 6 March 2026 and any ongoing changes in the price of fuel.

These services could be provided directly by the other primary party (e.g. Linfox) using their own company vehicles or owner drivers, or could be indirectly provided by them engaging another road transport business (this chain could involve a series of further subcontracting arrangements).

On an ongoing basis, you must review the rates paid to the other primary party:

- within each fortnight, or
- twice per calendar month, and
- adjust the rate paid to the other primary party by the amount necessary to ensure the increased cost of fuel is covered.

Subject to adhering to one of the timing options, the primary party otherwise has the flexibility to schedule the timing of the review.

This review is of the rate and does not change your existing payment period terms.

Additional Obligation: Take Reasonable Steps to Ensure Secondary Parties are Adjusting Rates

The Order imposes an additional obligation on primary parties.

Primary parties must also take reasonable steps to ensure that secondary parties engaging owner drivers or gig workers are adjusting the rates they pay owner drivers and gig workers by the amount necessary to ensure recovery of the increased cost of fuel.

This obligation is intended to ensure that primary parties who have the benefit of cost recovery under the Order take reasonable steps to make sure that this is passed down the chain to those it is most intended to benefit.

Important:
This additional obligation does not apply if the primary party:

- is a small business employer; and
- is not a road transport business.

Compliance with this additional obligation requires:

- inquiries to be made by the primary party of the relevant secondary party; and
- assurance to be received from relevant secondary party about how rates have been adjusted to allow for cost recovery.

This requirement may be satisfied by disclosure of a pay increment, such as a fuel levy, that provides for recovery of the increased cost of fuel. It does not necessarily require disclosure of total rates of pay.

What constitutes "reasonable" steps will be informed by the particular circumstances.

The obligation does not impose a requirement to take all steps that might conceivably be taken.

Obligations on Secondary Parties

Fuel Adjustment Obligation: Businesses that Engage Owner Drivers

If you are a secondary party and you engage owner drivers or gig workers, your obligation is to pay rates to them that cover increases in fuel costs since on or before 6 March 2026 and any ongoing changes in the price of fuel.

On an ongoing basis you must review these rates:

- within each fortnight, or
- twice per calendar month, and
- adjust the rate you pay by the amount necessary to ensure you cover the increased cost of fuel.

Subject to adhering to one of the timing options, the secondary party otherwise has the flexibility to schedule the timing of the review.

This review is of the rate and does not change your existing pay periods or payment terms.

Fuel Adjustment Obligation: Businesses that Engage Fleet Operators

If you are a secondary party and you engage a transport fleet owner (who would themselves be a secondary party), your obligation is to pay rates to them that cover changes in fuel costs since on or before 6 March 2026 and any ongoing changes in the price of fuel.

On an ongoing basis you must review these rates:

- within each fortnight, or
- twice per calendar month, and
- adjust the rate you pay by the amount necessary to ensure you cover the increased cost of fuel.

Subject to adhering to one of the timing options, the secondary party otherwise has the flexibility to schedule the timing of the review.

Case Studies

Introduction

The following case studies and infographics illustrate the impact of the Order on road transport contractual chains that involve work performed in the road transport industry.

Case Study 1:

Cummins Liquor buys soft drinks in bulk from McFills Soft Drink Co on a delivered basis.

McFills Soft Drink Co subcontracts the delivery to Big Transport Co, who in turn subcontract the delivery to Little Transport Co.

Little Transport Co engages owner drivers to undertake the delivery.

Where does each party sit in the chain?

Primary Party

- Cummins Liquor is a primary party (and would be the apex of the contractual chain).
- McFills Soft Drink Co is a primary party (and would be the "other primary party").

Secondary Parties

- Big Transport Co is contracted to McFills Soft Drink Co for transport services, thereby making both of them secondary parties.
- Big Transport Co subcontracts the cartage work to Little Transport Co, and this means that Big Transport Co is also a secondary party in the contractual chain to them.
- Little Transport Co is also a secondary party in the contractual chain.

End of the Chain:

- Bob Owner Driver Co is an owner driver who owns and drives their own vehicle (the bottom of the contractual chain). Bob Owner Driver Co is neither a primary nor a secondary party and has no obligations under the Order.

Who has fuel adjustment obligations?

To comply with the Order:

- Cummins Liquor must adjust the rate they pay McFills Soft Drink Co to account for increases in fuel costs related to the cartage work performed by McFills Soft Drink Co for them (the delivery of the soft drink).
- McFills Soft Drink Co must adjust the rate they pay Big Transport Co to account for increases in fuel costs related to the work they perform for McFills Soft Drink Co.
- Big Transport Co must adjust the rate they pay Little Transport Co to account for increases in fuel costs related to the work they perform for Big Transport Co.
- Little Transport Co must adjust the rate they pay Bob Owner Driver Co to account for increases in fuel costs related to the work they perform for Little Transport Co.

Who has additional obligations?

To comply with the Order:

- Cummins Liquor (as a primary party) must take reasonable steps to ensure that Little Transport Co meets its obligations to pay Bob Owner Driver Co the adjustment in rate.
- McFills Soft Drink Co (as a primary party) must take reasonable steps to ensure that Little Transport Co meets its obligations to pay Bob Owner Driver Co the adjustment in rate.

Important:

If Cummins Liquor was a small business, this additional obligation would not apply. This is because this additional obligation does not apply if the primary party:

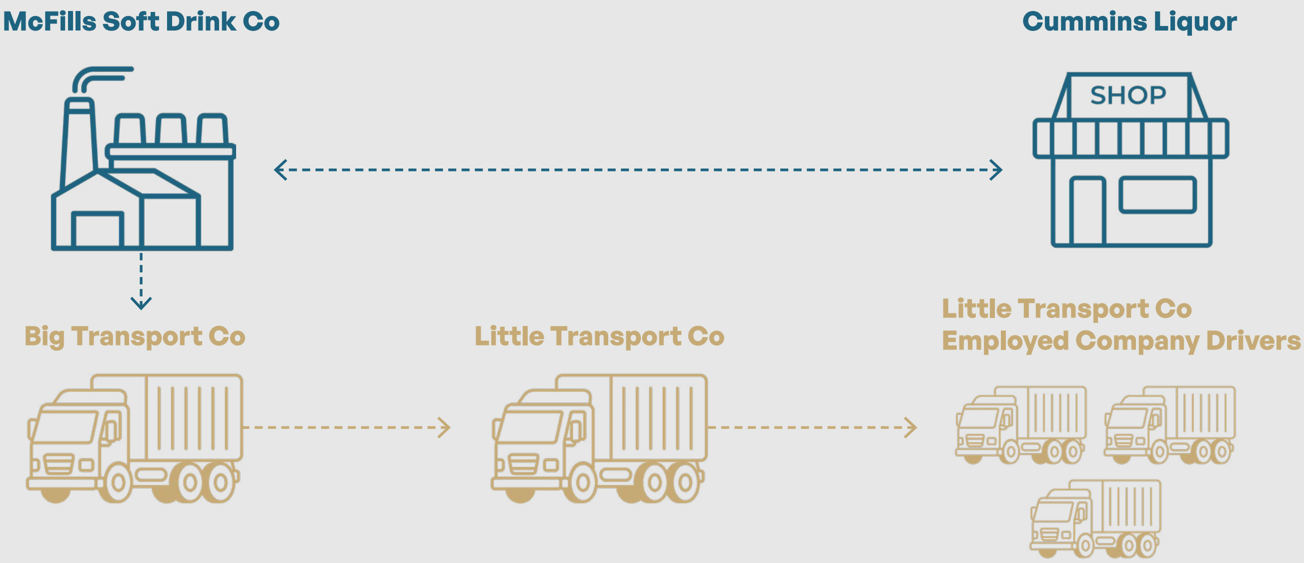
- is a small business employer; and
- is not a road transport business.

Case Study 2:

Cummins Liquor buys soft drinks in bulk from McFills Soft Drink Co on a delivered basis.

McFills Soft Drink Co subcontracts the delivery to Big Transport Co who in turn subcontract the delivery to Little Transport Co.

Little Transport Co uses its company fleet to undertake the delivery



Where does each party sit in the chain?

Primary Party

- Cummins Liquor is a primary party (and would be the apex of the contractual chain).
- McFills Soft Drink Co is a primary party (and would be the "other primary party").

Secondary Parties

- Big Transport Co is contracted to McFills Soft Drink Co for transport services making them both secondary parties.
- Big Transport Co subcontracts the cartage work to Little Transport Co, and this means that Big Transport Co is also a secondary party in the contractual chain to them.
- Little Transport Co is also a secondary party in the contractual chain and uses only their company fleet to perform the cartage work (they are also at the bottom of the contractual chain).

End of the Chain:

- Little Transport Co is at the bottom of the contractual chain.

Who has fuel adjustment obligations?

To comply with the Order:

- Cummins Liquor must adjust the rate they pay McFills Soft Drink Co to account for increases in fuel costs related to the cartage work performed by McFills Soft Drink Co for them (the delivery of the soft drink).
- McFills Soft Drink Co must adjust the rate they pay Big Transport Co to account for increases in fuel costs related to the work they performed for McFills Soft Drink Co.
- Big Transport Co must adjust the rate they pay Little Transport Co to account for increases in fuel costs related to the work they perform for Big Transport Co.

Who has additional obligations?

No one.

There are no additional obligations as neither Big Transport Co nor Little Transport Co are engaging owner drivers to perform the cartage work.

Important:

If you are a 'manufacturing' company, you will need to consider carefully whether one or a series of distinct contractual chains is in operation. For instance, McFills Soft Drink Co, in addition to the contractual chain involving Cummins Liquor for soft drink, is likely a party to a separate contractual chain for the supply of bottles to its factory to put the soft drink in.

This contractual chain has nothing to do with Cummins Liquor (McFills Soft Drink Co sells and delivers them soft drink, not bottles) and if McFills Soft Drink Co wants to recover increases in costs in this bottle contractual chain from Cummins Liquor, they will need to approach it as they would any other commercial cost change rather than rely on the Order.

This consideration will need to be made by manufacturers receiving materials, goods or parts to produce something else that they later sell and deliver including internal contractual chains from related companies. A manufacturer may be involved in a number of contractual chains where they are the apex primary party and others where their customer or client is the apex primary party.

Practical Actions for Business

How can the Fuel Adjustment Obligations be Satisfied?
The Order expressly provides that the fuel adjustment obligations for both primary and secondary parties can be satisfied by any of the following:

Adjustment of the rate in accordance with an applicable State or Territory industrial instrument that involves the application of a 'rise and fall' formula or cost model to account for or address recovery of the increased cost of fuel.

Adjustment of the rate in accordance with the application of a 'rise and fall' formula, cost model or cost benchmark in an applicable collective agreement or contract to account for or address recovery of the increased cost of fuel.

An ongoing or special arrangement between persons in a road transport contractual chain that adjusts the rate in accordance with an agreed 'rise and fall' formula, cost model or other benchmarking methodology to account for or address recovery of the increased cost of fuel.

In relation to the ongoing or special arrangement, the 'rise and fall' formula, cost model or benchmarking methodology may be applied in a standardised way on the basis of a reasonable averaging of the increased cost of fuel to a group of regulated road transport contractors or road transport employee-like workers engaged by a single road transport business.

Can a Business Maintain an Existing Arrangement if it Meets the Fuel Adjustment Obligation?
Yes. Some businesses have operated with fuel levies or fuel rate reviews for the last month and in some cases, years. If you are already doing this, you can continue as long as it complies with the obligations in the Order.

Practical Actions for Parties up the Chain
Firstly, we suggest engaging with your clients and customers who are above you in the contractual chain, especially apex primary parties.

You should maintain sound relations with your clients and customers, and you may need to work together to ensure you both understand the obligations and then agree on a sensible approach to be applied in your circumstances.

To comply with the fuel adjustment obligation, parties must:

- use existing cost and rate, rise and fall models (and, for some, more frequently)
- work out what fuel is as a proportion of total costs and then adjusting this portion of rates by changes in the Australian Institute of Petroleum (gate price) fuel index.

How does this look in practice?
Most parties are seeking to adopt a formula approach to this to try and make it as administratively easy as possible in the time frame.

Some businesses are adjusting cartage rates, but most have implemented or agreed to a temporary fuel levy or surcharge. Roughly, this is likely based on 25-30% of total costs being apportioned to fuel and adjusting this portion of the rate by the Australian Institute of Petroleum index changes.

Important:
Your clients and customers may be less informed than you are right now, and you may need to work with them so they are properly informed and you come up with a solution that is workable.

This will be even more important if you are talking to them about cost increases that go beyond the scope of the Order, especially internal supply chains ending with you.

This issue will hopefully be short lived, while you will want your client and customer relations to last well past this.

Practical Actions for Parties Down the Chain

To comply with the fuel adjustment obligation, parties must:

- use existing cost and rate, rise and fall models (and, for some, more frequently) work out what fuel is as a proportion of total costs and then adjusting this portion of rates by changes in the Australian Institute of Petroleum (gate price) fuel index.

How does this look in practice?
Most parties are seeking to adopt a formula approach to this to try and make it as administratively easy as possible in the time frame.

- Some businesses are adjusting cartage rates for owner drivers and fleet owners
- Some businesses have introduced a fuel levy or surcharge for owner drivers and fleet owners
- Some businesses who operate with Recipient Created Tax Invoice (RCTI) arrangements and provide fuel through a fuel card or their own bowser have pegged the price and simply pay anything over this price themselves.

Disputes

Fair Work Commission Role

If you have genuinely tried to resolve matters but you run into difficulty up or down the contractual chain, you can take a dispute to the Commission.

It may appear strange taking what could look like a commercial dispute to the Commission, but they are empowered to deal with disputes concerning the implementation or operation of the Order.

The Commission will conciliate any such dispute and can, by consent of all parties, arbitrate a dispute.

Duration of Order

Commencement

The Order became operative from Tuesday, 21 April 2026.

The obligations are effective from that date. They are not retrospective and you do not have to back-pay to 6 March.

Review Process

The Order will be the subject of review by the Commission after the first month (25 May) and then every three months thereafter.

The review process will likely focus on issues such as how the Order is working, issues with fuel price increase recovery, or issues with fuel price gouging.

If you experience problems or identify possible unintended consequences, please contact ACCI or your member organisation so your concerns can be raised.

End Date

The Order does not include an end date.

The obligations will cease to apply if the weekly average national terminal gate price for diesel, as measured in the weekly diesel price report of the Australian Institute of Petroleum, falls below $2.00 per litre.

Australian Chamber of Commerce and Industry