



Media statement

Draft Road Transport Contractual Chain Order – fuel cost recovery

The following statement is attributable to a spokesperson for the Fair Work Commission.

The Fair Work Commission (Commission) has today proposed making a Road Transport Contractual Chain Order. This order includes rules about fuel cost recovery in contractual chains in the road transport industry.

The proposed order relates to a joint application made by the Transport Workers' Union of Australia (TWU) and the Australian Road Transport Industrial Organisation (ARTIO) under recent amendments to the *Fair Work Act 2009*. These amendments require the Commission to deal urgently with applications concerning events that have a significant national impact on the road transport industry and are determined by the Minister for Employment and Workplace Relations to be 'emergency applications'.

The circumstances and events for this joint application concern the unprecedented increases in fuel prices that are being experienced across the road transport industry due to the ongoing conflict in the Middle East and the significant reduction in shipping through the Strait of Hormuz. This has resulted in fuel supply chain disruption. On 10 April 2026 the minister determined the joint application to be an 'emergency application' given these circumstances.

The increasing fuel prices have wide-reaching impacts on the Australian economy and are likely to cause large-scale disruptions within the road transport industry. That industry plays a critical role in national supply chains, with road transport being the most common source of domestic freight transport in Australia. Evidence before the expert panel indicated that over 75% of non-bulk domestic freight is carried in long-distance trucks. A major disruption would impact workers, businesses and others who rely on the industry.

The proposed order considers the joint application and the submissions made by parties over 3 days of hearing. The proposed order sets rules for fuel cost recovery that would require certain parties in a road transport contractual chain to adjust the rate they pay for work in the road transport industry each fortnight, or at least twice per calendar month, to ensure that the increased cost of fuel is recovered by regulated road transport operators including the significant number of owner-drivers in the road transport industry.

The proposed order would take effect on 20 April 2026 and obligations would only cease 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. The Commission would review the order after the first month of operation and every 3 months thereafter.

An engagement conference for parties who may be covered by the proposed order to express their views, including whether the proposed order should be made, will take place on Thursday 16 April 2026.

A further hearing will take place on Friday 17 April 2026 at 10 am (AEST). At this hearing any party to be covered by the proposed order, as well as any other affected entity, may call evidence and make submissions concerning the draft order – including whether it should be made and its proposed terms.

Submissions have also been invited from persons or organisations who may be affected by the proposed order by 12 pm 17 April 2026.

More information about the [MS2026/1 major case](#), including how to make a submission, is available on the Commission's website.

Background

Road transport contractual chain

A road transport contractual chain is a series of connected agreements for work in the road transport industry. 'Road transport contractual chain' is defined at [section 15RA](#) of the *Fair Work Act 2009*.

Road transport contractual chain orders

The *Fair Work Legislation Amendment (Closing Loopholes No. 2) Act 2024* amended the *Fair Work Act 2009* to enable the Commission to make road transport contractual chain orders (RTCCOs). An RTCCO creates rights and obligations that apply to the persons in a road transport contractual chain set out in the order. Orders are legally binding.

Fairer Fuel Act

The *Fair Work Amendment (Fairer Fuel) Act 2026* (Fairer Fuel Act) received Royal Assent on 1 April 2026. The Fairer Fuel Act amends the *Fair Work Act 2009* to enable the Commission to make, vary and revoke RTCCOs in an expedited manner in response to an application determined by the minister to be an 'emergency application'. The amendments commenced 2 April 2026.

This application

The TWU and the ARTIO made a joint application for a RTCCO on 2 April 2026. The application seeks to deal with the issue of rising fuel.

Minister determined emergency application

On 10 April 2026 the Minister for Employment and Workplace Relations determined that the application is an emergency application. The determination states that the circumstance to which the application relates is the fuel supply chain disruption resulting from or which continues to be affected by:

- the significant reduction in shipping through the Strait of Hormuz, and
- conflict in the Middle East.

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Media enquiries

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