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## Fair Work forces big business to cover fuel surge

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Companies at the top of the transport supply chain, including supermarkets, mining companies and retailers, will be forced to cover the fuel cost increases of owner drivers and transport businesses under a landmark order by the Fair Work Commission.

The unprecedented order, which followed an application by the Transport Workers Union and the Australian Road Transport Industrial Organisation, will also apply to Uber, Uber Eats and Door Dash after a commission full bench decided against excluding them. The order, to take effect on Tuesday, will require parties across road transport contractual chains to update the rates they pay for road transport services every fortnight to reflect changes in fuel prices that have skyrocketed due to the Iran war.

The obligations will apply to supermarkets, retailers, manufacturers and other businesses that

contract road transport services, as well as transport and logistics companies along the chain.

The requirement to undertake rate reviews does not apply to the cash-in-transit industry, or to small businesses that require the delivery of freight by road. Existing arrangements used to manage fuel price changes can satisfy the requirements of the order.

It will be pinned to diesel prices as published by the Australian Institute of Petroleum and stay in place while diesel prices are above \$2 per litre.

Minister for Employment and Workplace Relations Amanda Rishworth said the order was “about fairness”, as truck drivers should not be left carrying the cost of global fuel shocks that were outside their control.

“By requiring fuel price changes to be reflected in transport rates, this order helps protect hardworking truckies and small

businesses from being pushed to the brink,” she said.

But Australian Industry Group chief executive Innes Willox said the order would be a “massive administrative burden and compliance nightmare both for trucking companies and their customers”. “How can a business that engages the service of a trucking company sensibly assess that business’s fuel costs when they have no way of identifying or controlling matters such as what type of vehicle is used to undertake the work, what other freight is moved simultaneously or even what price has actually been paid for fuel?” he asked.

Australian Resources and Energy Employer Association chief executive Steve Knott said the “extraordinarily broad order will mean any business with transport in its supply chain will be required to absorb increased fuel

costs of its road transport providers”. “The final order confirms this is not confined to owner-drivers or small operators. It applies across entire contractual chains in the road transport industry,” he said.

TWU national secretary Michael Kaine said the “historic” order would, for the first time, put obligations on the wealthy clients at the top of the supply chains to pay their fair share.

“Many drivers in the industry are mum-and-dad operations currently being forced to subsidise fuel costs for the multibillion-dollar companies they are carting goods for. These clients of transport must pay their fair share,” he said.