CDM DIRECT

TRANSPORT PROVIDER EDITION

For carriers, freight forwarders and subcontractors

Fuel Cost Recovery Is Back

Your customers now owe you for fuel.
Here's how to make sure you get paid.



OBLIGATIONS RESTART
23 November 2026

Collect the fuel increase from your customers. Pass it on to your subcontractors. Keep the proof that you did both.

Freight buyer? Ask for the Freight Buyer Edition.

From 23 November, your customers owe you for fuel

Fuel cost recovery restarts on **23 November 2026**, the Fair Work Ombudsman confirms. Your customers must cover your higher fuel costs, with rates adjusted at least monthly.

FOR EXAMPLE

$9,000

a week in extra fuel

On 20 trucks each using 1,000 litres a week, a 45 cent rise in diesel adds $9,000 a week.

Covered contracts may require fuel-cost adjustments. Check what you're recovering and what must be passed on.

21 APR 2026
Order applies
Fuel cost recovery obligations take effect.

5 JUN 2026
Obligations stop
Diesel falls below $2. The order stays in place.

23 NOV 2026
Obligations restart
Rates adjusted at least once each calendar month.

FEB 2027
Commission review
Next review, then every three months.

Work performed between 21 April and 5 June 2026 was covered too. Do you need to catch up?

Four things to know

Monthly adjustment, new contracts included.
Rates, levies and rise-and-fall terms must be adjusted at least monthly, so whoever bears the fuel cost recovers the rise since 6 March 2026. Contracts signed after 6 March are covered too.

A fuel levy doesn't automatically comply.
A levy counts only if the party bearing the fuel cost has a copy of the order, it's adjusted at least monthly and the payer has taken reasonable steps to make sure it covers the increase.

Getting it wrong can cost more than the fuel.
Breaching the order is a civil penalty matter. A court can impose up to $109,200 per breach on a company. The Fair Work Ombudsman, an underpaid subcontractor or their union can bring a claim.

The rules can stop applying again.
They stop once the national weekly average terminal gate diesel price is below $2 a litre for four weeks running. Next review February 2027, then every three months.

The obligation can run through the contractual chain

Both sides of the first contract are primary parties, such as the manufacturer or retailer buying transport and the carrier it hires. Everyone further down is a secondary party.

Client
PRIMARY PARTY

Adjusts the rate it pays and takes reasonable steps down the chain.

→

Carrier or forwarder
MAY BE PRIMARY AND SECONDARY

Recovers the increase from its client and passes it on below.

→

Subcontractor or owner-driver
SECONDARY PARTY OR REGULATED CONTRACTOR

Receives the increase.

No trucks of your own? If you contract to arrange freight and pay carriers or owner-drivers, you can be in the chain too. That can include forwarders, brokers, 3PLs and contractor courier networks.

If you're in the middle, the work comes from three directions

Prove it up.
Clients must take reasonable steps, so expect them to ask how you adjust rates and to request assurances.

Pay it down.
Pass the increase on to each subcontractor and owner-driver at least once each calendar month.

Check the gap.
If what clients pay you doesn't match what you pay subcontractors, the difference comes out of your margin.

The order excludes employees of the parties, cash in transit, livestock and private deliveries. Some small business employers are exempt from the reasonable-steps duty. See the Fair Work Ombudsman guidance.

Check first

1. Are you a primary party, a secondary party or both?
2. Which contracts are covered?
3. Does each fuel levy or rise-and-fall clause meet the conditions?
4. Who signs off each adjustment?

What somebody now needs to coordinate

Six steps, every month the obligations apply. Each one needs an owner.

1. Map the chain.

Work out whether you're a primary party, a secondary party or both. List the covered contracts, clients, subcontractors and owner-drivers.

2. Check existing terms.

Test each levy and rise-and-fall clause against the order's conditions, for review by the authorised commercial team. Confirm a copy of the order has gone to each party bearing the fuel cost.

3. Gather the inputs.

Collect mileage records, fuel receipts and invoices, and the 6 March 2026 baseline cost for each fuel type.

4. Run the monthly cycle.

Assemble the inputs and draft the month's adjustments under approved rules, then refer them for decision.

5. Ask and answer.

Request assurances from the parties below you, respond to requests from clients and confirm approved changes have reached the right people.

6. Keep the record.

File the method used, the review dates and the reasonable steps taken. Track the weekly diesel price and Commission reviews.

The work is spread across procurement, finance, legal, transport operations and outside contractors. Unless someone owns the process, money goes unrecovered and the next adjustment becomes a last-minute exercise.

A recurring obligation needs a recurring owner

This work has to land somewhere. Left alone, it lands on your operations manager or your accounts team, people hired to move freight and run the books. It pulls them into a month-end round of chasing clients and paying subcontractors.

You could hire for it. But the volume moves with your contracts, the diesel price and the order itself, and the order can switch off. A permanent hire is a fixed cost for work that won't stay the same size.

A co-sourced coordination team can

- Maintain a working contractual-chain and rate-adjustment register
- Obtain supporting information and chase missing records
- Assemble inputs and draft monthly calculations for approval
- Request, answer and file assurances up and down the chain
- Circulate approved changes and retain the evidence trail
- Flag exceptions and deadlines to authorised staff

Your business keeps control

- Whether a contract is covered
- Contractual interpretation
- Payments
- Legal decisions

The coordination team

- Gathers the information
- Completes the follow-up
- Keeps the agreed process moving

The business keeps control of contractual interpretation, payments and legal decisions. The coordination team keeps the agreed process moving.

HOW CDM DIRECT CAN HELP

Get paid what you're owed without tying up your team

Our specialists, supported by AI-assisted workflows, prepare each month's adjustments under your approved rules. Your authorised people approve every one.

CDM Direct's **Fleet Readiness as a Service (FRaaS)** includes **Fuel Cost Recovery & Administration**, one of five co-sourced operational modules. Our specialists work within your approved processes to keep the records, follow up customers and subcontractors, and prepare each month's work for your decision.

FRaaS also supports driver readiness, compliance administration, incident and breakdown response, and maintenance coordination.

- **Fuel Cost Recovery & Administration**
- **Driver Readiness**
- **Compliance Administration**
- **Incident & Breakdown Response**
- **Maintenance Coordination**



Start with a three-cycle pilot

We'll scope your contractual-chain workload, agree a monthly process and a fixed fee, and work within your authorised approval procedures.

Talk to CDM Direct about your fuel cost recovery workload.

Book a conversation → 1800 221 811 | cdmdirect.com.au

General information, current at 16 November 2026. It isn't legal advice. Check the order and Fair Work Ombudsman guidance for your circumstances.