Colin Biggers & Paisley

HR Highlights Series.

Fuel on the fire: How the oil crisis will affect employment relations

Megan Kavanagh

Wednesday 22 April 2026

Agenda

The Fuel Crisis: An Overview

Impacts of the Fuel Crisis on Employers & Employees

- *Transportation and Business Logistics*
- *Bargaining Pressure and Wage Growth*
- *Stand Downs and Redundancies*
- *Workplace Flexibility*
- *Force Majeure Clauses*
- *WHS Risks*
- *Emergency Orders*

Next Steps

Why this matters in Australian workplaces and for Australian business

Global conflicts have local consequences	• Analysts warn sectors dependent on fuel—such as **construction, transport, logistics** are vulnerable and foreshadow job losses
Heightened emotions, identity issues, and social division	• **Respect at Work and Other Matters Amendment Bill 2024** also recently passed in Queensland expands what counts as “unlawful” or “hateful” speech under anti-discrimination law
Economic ripple effects affecting employers and employees	• **Higher fuel prices**, may push the RBA toward rate hikes. **Unemployment** in March is at **4.3%**,

The Fuel Crisis

Parallels with the 2008 Financial Crash…

The Age

I can smell another financial crash coming, says former Goldman Sachs chief

Lloyd Blankfein, who led Goldman Sachs through the 2008 financial crisis, says the world is "due for a kind of reckoning".

1 month ago

The Nightly

Chalmers warns Iran war could hit as hard as pandemic, GFC

Treasurer Jim Chalmers has conceded the Iran war will make Australia's inflation challenge worse, and could be as damaging to the economy as the pandemic...

3 weeks ago

9News

Prime Minister Anthony Albanese warns 'economic shocks' to be 'with us for months' in rare national address

He outlined the measures the government had already taken to address the soaring cost of petrol and diesel ...

2 weeks ago

Australian Broadcasting Corporation

Price of groceries to increase within weeks due to war in Iran

Farmers ask for a 30-cent-per-litre price rise for milk as fuel and fertiliser prices surge.

7 hours ago

Fuel Crisis: An Overview

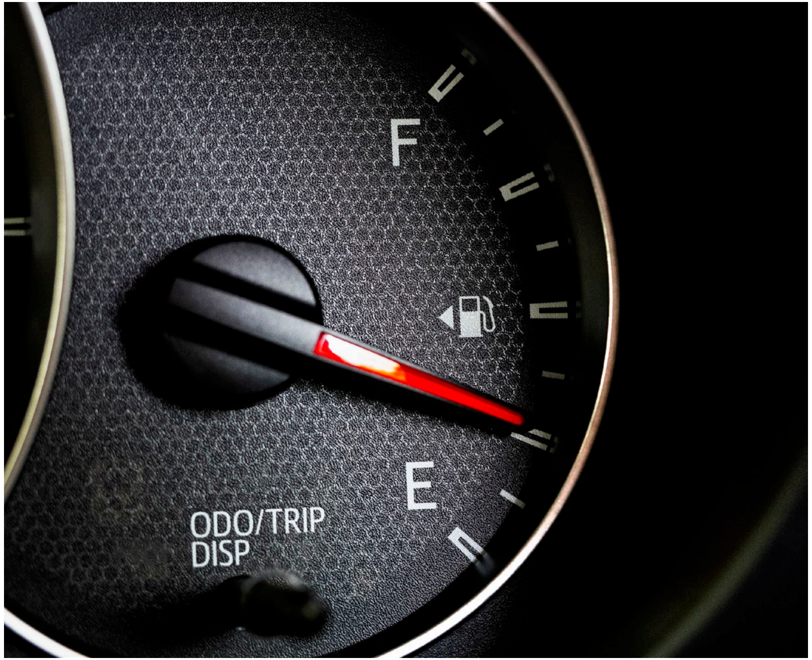
As of April 2026, Australia is facing a severe fuel crisis driven by conflict in the Middle East, leading to rising costs and fuel scarcity.

In response, the federal government has taken various actions in an attempt to soften the impact.

On 30 March, National Cabinet implemented the National Fuel Security Plan.

This four-level plan is a practical guide aimed at managing fuel supply chain pressures.

The federal government has also launched a 20-million-dollar information campaign titled 'Every little bit helps'. It was rolled out across Australia on Monday 13 April, encouraging Australians to reduce car use as the global oil crisis persists.



Everyday Australians Under Pressure

Graham, rural New South Wales

I work at a petrol station in a rural town. Locals and tourists think our fuel restrictions are for profiteering. We're worn out.

People get upset daily. We had a $50 limit, enough to easily make the round trip to the nearest hospital. Now it's $30, no jerry cans. There are restrictions because we don't want to run out … We're also leaving a limit here for emergencies … our SES and everyone else.

In a small country town 'mates' expect favours. When I say no, people get quite angry. When it's your business going under because I can't give you fuel, I can understand the frustration.

It's real kick in the teeth for rural communities. We have no idea when our next delivery will be or when they may return to regular. We've already run out of 95 octane. It's getting quite scary.

Fiona, Dora Creek, NSW

I'm a DSP [disability support pension] recipient, 43 years old and a carer. I have to keep buying fuel, about a tank a week … I need to go into the hospital to visit mum who had a stroke and is in rehab, which is about 45 minutes away.

So we cut back on other expenses. The food budget was the first to go, even though it was already limited. I'm concerned that fuel supply will be limited in my area … I'm also concerned that I won't be able to support my family in person as much, as I won't be able to afford to drive to visit as often.

Darren, Sydney, NSW

I'm a semi-retired taxi driver. I commute 37km for work on Wednesday and 75km to my partner on Thursday.

I've been reducing discretionary driving as much as possible and am considering reducing travel to [my] partner. I might possibly be forced to not drive [my] taxi due to fuel cost and availability.

Economic Pressures

Rising cost-of-living → wage pressure

Force majeure events → operational disruption

Transport & supply chain costs → sector-specific impacts

Flow-on effects for staffing, retention, and **bargaining**

Bargaining and Minimum Wage

PUSH FOR LARGER INCREASES

A. **High cost-of-living and fuel cost pressures**

B. **CPI-linked EAs create a comparison problem**

   Award-reliant workers vs EBA-covered workers — the FWC is sensitive to this divergence because it undermines the safety-net function of awards.

C. **Unions will argue real wages have gone backwards**

PRESSURES TO MINIMISE INCREASES

- Rising operating costs
- Force majeure and supply chain disruption
- Redundancy risk

PRESSURE ON ALLOWANCES

Travel, fuel, car, meal, on-call and others if insufficient to meet costs.

National Minimum Wage

FWC Outlook

Moderate-to-strong increase likely — not as high as CPI, but above pre-inflation levels.

Why?

- Protect the lowest-paid from cost-of-living pressures
- Avoid fuelling inflation or harming employment
- Some awards may receive extra attention due to industry pressures

Expect a **middle-path outcome**.

ACTU seeking urgent vehicle allowance increase

Tuesday, April 14, 2026, 10:30am

Print Bookmark

The ACTU has this morning lodged an urgent case in the FWC seeking a minimum 10c-per-kilometre increase to vehicle allowances in modern awards, to address the Iran War-related spike in fuel costs.

The FWC annually adjusts vehicle allowance rates on July 1, but the ACTU is seeking an increase now to prevent workers from having to absorb the cost of higher fuel prices, which have risen by 35% on average since the war began.

The union peak body will argue that the FWC should review award vehicle allowances monthly and update rates "in line with CPI private vehicle costs for at least the next 12 months, while fuel prices remain volatile".

The ACTU said today that the average award vehicle allowance provides 99c per kilometre, of which 40% is expected to cover fuel costs.

It has applied to vary any award that contains a vehicle allowance, and is pushing for increases of at least 10c-per-kilometre.

The ACTU said that with the 35% fuel price increase, an employee doing 40km of "in-job driving" a day, which is typical for home care workers, "would be shortchanged by nearly $800 a year", while pressures on regional workers are much greater.

The application will also affect workers on enterprise agreements that have vehicle allowance rates linked to awards.

Workplace Express

14 April 2026

Sectors where CPI-style indexation still appears

Local Government

- Some councils include CPI-based increases in enterprise agreements.

Utilities & Energy

- Long-term EBAs sometimes include CPI + fixed percentage formulas.

Transport & Logistics

- Some agreements include fuel-price adjustment mechanisms (not wages, but allowances).

Community Services / NFP

- A few EBAs include CPI-linked increases due to funding constraints.

Construction & Infrastructure

- Major project agreements sometimes include cost-of-living or project-specific escalation.

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Impacts of the Fuel Crisis on Employers & Employees

Transportation and Business Logistics

The fuel crisis will impact ***any*** workplace that relies on products/deliveries going out or coming in.

Fuel scarcity and rising costs will drastically increase transport costs and cause significant supply chain disruptions.

Key questions for employers

Which roles or functions rely on fuel-dependent travel or deliveries?

Which activities are genuinely critical versus deferrable?

Can services be delivered differently?

Pressures compared and compounded

Employer		Employee	
Higher fuel & transport costs	Rising operating costs	Job insecurity	Decreased demand & hours
Input scarcity & price surges	Increased financial stress	Stand down risk	Stress of uncertainty
Restructuring & job insecurity	Wage pressure on employers	Work from home shift	Redundancy exposure
Productivity impacts	Freight & logistics costs	Social pressure	Cost of living & bargaining pressure

Specific industries under pressure

Transport & logistics: immediate cost increases, wage pressure, skills shortages

Retail & hospitality: reduced consumer spending, higher turnover, wage demands

Healthcare & aged care: rising supply costs, workforce shortages, increased service demand

Education: higher operating costs, limited wage flexibility, increased wellbeing needs

Manufacturing & construction: material cost increases, project delays, industrial pressure

Agriculture: transport costs, unavailability of key inputs, cost pressure on workers

Mining: cost of transport (including FIFO), energy costs, freight and transport

Tourism: cost of travel and other cost of living pressures reduce demand for services

Professional services: rising salary expectations, retention challenges, wellbeing demands

Stand Downs & Redundancies

- The option of standing down employees is often raised early in times of disruption.
- Cost pressure is not enough reason for stand downs
- It is a narrow and tightly constrained option. Even in times of 'emergency', legal requirements must still be followed.
- It is always essential to check the applicable award, enterprise agreement or employment contract, as these instruments may include their own stand-down or redundancy provisions.
- Economic or operational pressures do not dilute the legal requirements for a genuine redundancy.
- Restructures - ordinary rules still apply:
  - Consult
  - Redeployment Opportunities
  - Comply with Agreements and Policy

Australian Broadcasting Corporation

Iron ore workers stood down with no pay, the company blames the fuel crisis

In short: Nathan River Resources has stood down workers and stopped operations at a remote NT mine, blaming the high price of fuel. Unions say...

5 days ago

NT News

‘No way out’: Union fights for NT mine workers stood down because of fuel crisis

The owners of a Territory mine have taken the extraordinary step of standing down workers without pay during the national fuel crisis.

5 days ago

Adelaide Now

Jobs cull looms as crippling effects of fuel crisis bites SA businesses

Almost a quarter of surveyed South Australian businesses will likely be forced to stand down staff or cut their hours if the fuel crisis...

1 week ago

Workplace Flexibility and WFH Requests

- The Federal Government is supporting a flexible approach. State by state approach is generally to support WFH as a fuel saving measure
- No work-from-home mandate at this stage but described as a 'sensible measure'
- Employers should anticipate an increase in flexible work requests from employees seeking to reduce their commuting costs during the crisis.
- Before permitting employees to work from home, an employer should consider:
  - Employment contracts and any applicable modern award or enterprise agreement
  - Whether the employee has a right to request flexible working arrangements under the *Fair Work Act*
  - Duties under WHS Legislation

WHS Risks - Psychosocial Hazards

Psychosocial Hazards: Anything that could cause psychological harm.

Psychosocial hazards that are at risk of being amplified during the fuel crisis include:

- Job demands;
- Low job control;
- Organisational change management.

A person conducting a business or undertaking (PCBU) must eliminate these psychosocial risks, or if that is not reasonably practicable, minimise them so far as is reasonably practicable.

Signs of poor organisational change management include inadequate consultation, little consideration of new hazards and insufficient support.

To minimise harm caused to employees by the fuel crisis, employers should:

1. Communicate clearly and regularly
2. Consult
3. Involve your people
4. Provide support

Force Majeure Clauses

Force Majeure: Unforeseeable circumstances that prevent someone from fulfilling a contract.

Examples of force majeure events:

- natural disasters, **war**, terrorism, blockade or insurrection, strikes, riots and pandemic

Typical elements:

1. **External/Uncontrollable:** The event must not be caused by the parties and must be outside their control.
2. **Foreseeability:** The event could not have been reasonably anticipated or planned for at the time of contracting.
3. **Causation/Impossibility:** The event must directly prevent, hinder, or delay performance, not just make it more expensive or less profitable.
4. **Mitigation:** The affected party must show they took reasonable steps to avoid or minimize the impact.
5. **Force Majeure** may affect contractors more than employees.

Emergency Orders

Emergency fuel orders to apply until diesel below $2

Monday, April 20, 2026, 3:56pm

Print Bookmark

A FWC expert panel has this afternoon made an emergency contractual chain order that will require companies at the top of the supply chain to review petrol prices fortnightly and pay enough to cover owner-driver and transport businesses' increased fuel costs.

Justice Adam Hatcher and vice presidents Ingrid Asbury and Mark Gibian's orders require the primary parties in contractual chains to adjust every fortnight the rate they pay for work in the road transport industry "by the amount necessary" to ensure regulated road transport contractors and employee-like workers recover the increased cost of fuel as a consequence of the Iran war.

The expert panel said that this requirement takes into account evidence about "the hierarchical nature of road transport contractual chains and the power those at the top of the chain have to control pricing further down the chain".

It intends to ensure that primary parties "take reasonable steps" to ensure that cost recovery "is passed down the chain to those it is most intended to benefit".

The order ultimately aims for end users of road transport services to bear the increased fuel cost, to "allow the burden to be shared widely across the Australian community".

The increased cost of fuel relates to the difference between the price on March 6 this year, and any given time that the order is in effect.

The order takes effect tomorrow, and will remain in place place for as long as diesel prices are above $2 per litre, based on the Australian Institute of Petroleum's price report.

AUSTRALIA

Fair Work Commission

WORKPLACE express

Other employers go it alone

Uber has reached agreement with the TWU to add a 5c-per-kilometre surcharge that goes directly to drivers, off the back of FWC hearings into fuel price relief for the road transport sector.

As the FWC's consideration of the TWU's urgent "industry emergency application" to fast-track relief for truck drivers came to an end yesterday (see related articles here and here), the TWU and Uber announced that following "constructive discussions" Uber would introduce its own temporary fuel surcharge.

The surcharge for non-EV vehicles will apply from April 15 to June 8 and go directly to

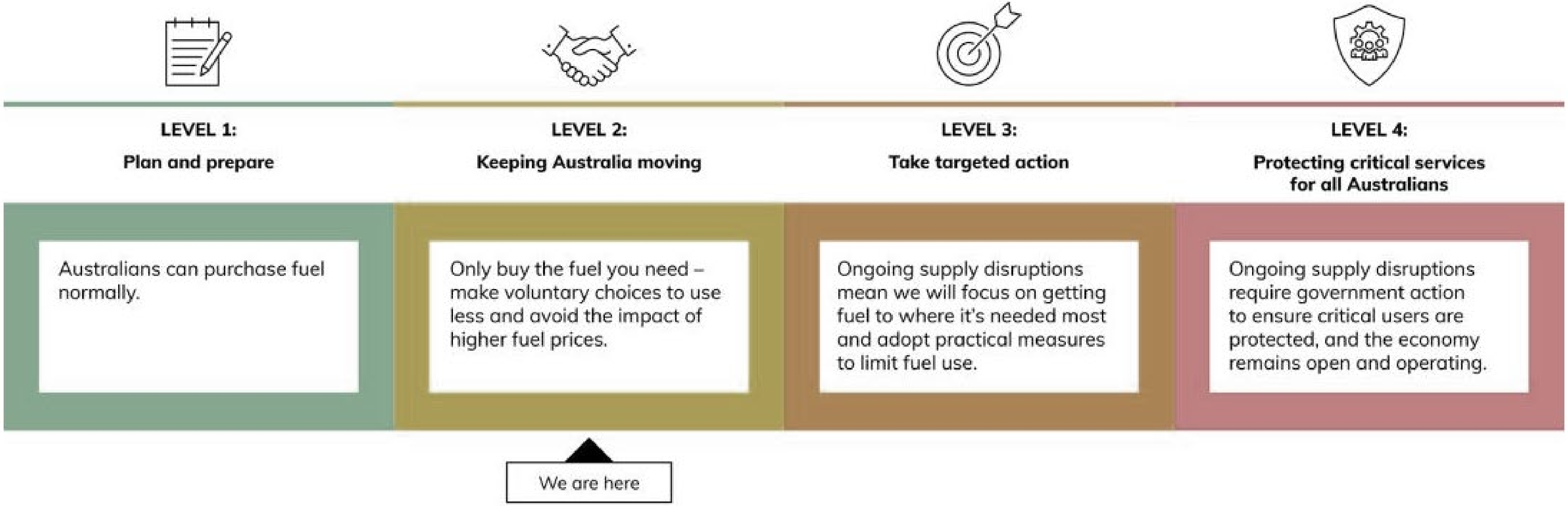
The Courier Mail
https://www.couriermail.com.au › News › Queensland

Uber to permanently hike fares for all Australian rides

20 Mar 2026 — **Uber has announced a permanent price increases across Australia** from next week in an effort to end temporary fuel surcharges, while offering an ... Read more

Next Steps

Government Four-Level Fuel Security Plan



Practical Steps for Employers

Prioritise critical operations

Be cautious about standing down or terminating employees

Review contracts

Consider flexible working arrangements

Communicate clearly and regularly

Offer employee support

Presenter

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Thank you.

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