Colin Biggers & Paisley

Government Webinar Series.

Fuel on the Fire: What Australia's Fuel Security Response Means for the Public Sector

Megan Kavanagh, Morgan Lane, Tyrone Prisk

Wednesday 13 May 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 does this matter for Australian Governments?

Global conflicts have local consequences	• Analysts warn that any entity that is dependent on fuel—such as **construction, transport, logistics** are vulnerable to being able to ensure continuity of service
Heightened emotions, identity issues, and social division	• **Respect at Work and Other Matters Amendment Bill 2024** also recently passed legislation in Qld and other jurisdictions 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%.** Will make the cost of service delivery significantly higher than accounted for in Government budgets
Budget 2026	

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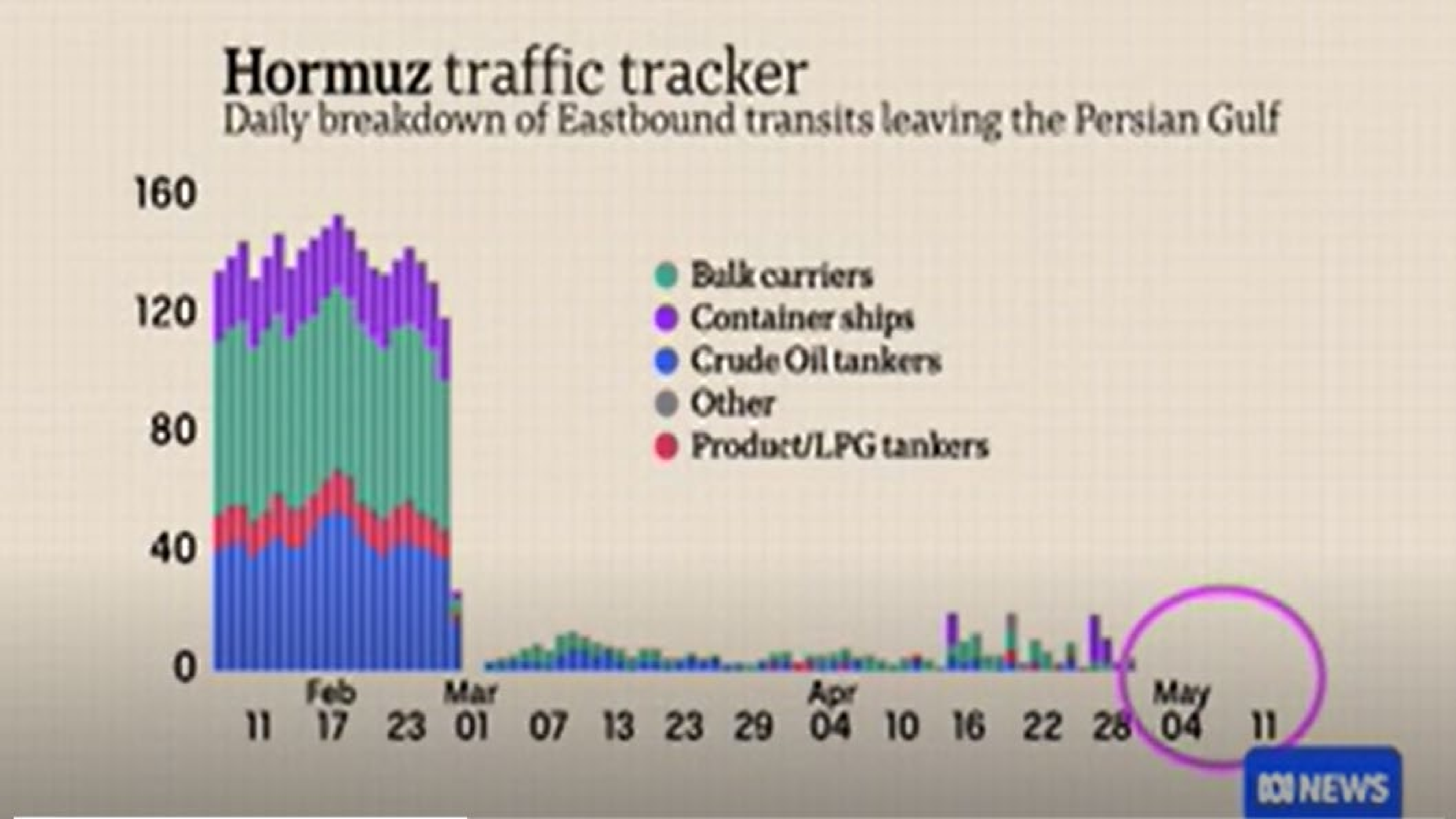
The Fuel Crisis


Hormuz traffic tracker
Daily breakdown of Eastbound transits leaving the Persian Gulf
160
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40
0
Bulk carriers
Container ships
Crude Oil tankers
Other
Product/LPG tankers
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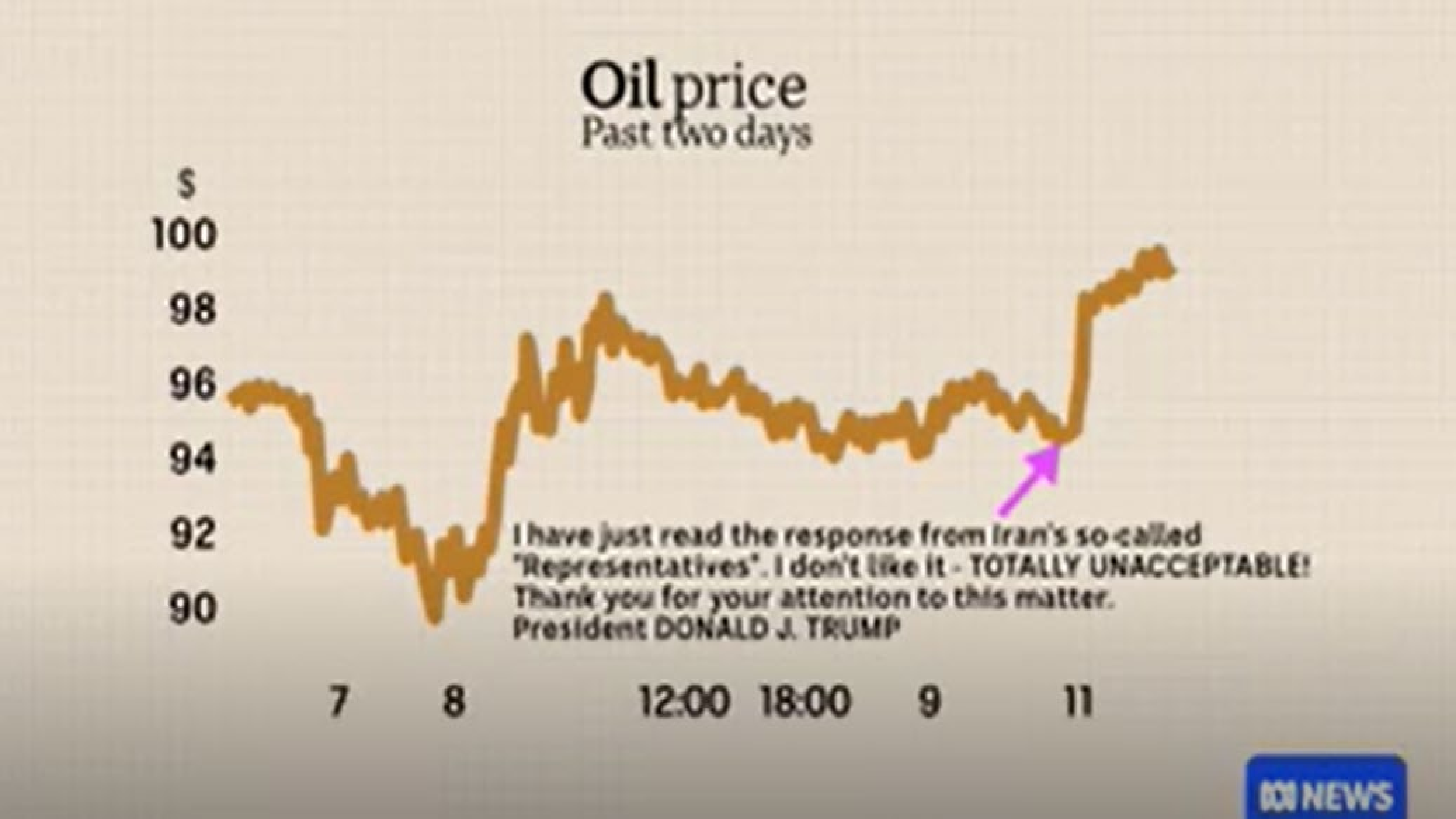
ABC NEWS


Oil price
Past two days
$
100
98
96
94
92
90
I have just read the response from Iran's so-called "Representatives". I don't like it - TOTALLY UNACCEPTABLE! Thank you for your attention to this matter.
President DONALD J. TRUMP
7
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12:00
18:00
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11
ABC NEWS

Posted on 2 Apr, 2026

Fuel supply pressures highlight critical role of local government

Fuel supply constraints and rising costs are putting councils and communities under increasing pressure across Australia, with implications for essential services and community infrastructure.

The Australian Local Government Association is advocating for local government to be recognised as a key part of the national response to fuel supply challenges, and to be included in national-level decision-making.

ALGA President, Mayor Matt Burnett, said councils are already feeling the impacts of supply uncertainty and escalating costs.

“Local government is a key piece of the puzzle when it comes to fuel supply and service delivery across Australia,” Mayor Burnett said.

“We know how hard it is for councils to continue delivering essential services when their bottom lines are affected by rising fuel costs.”

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.

Fuel crisis leaves councils facing cost blowouts, rate hikes and spending cuts

By state political reporter Thomas Kelsall

Local Government

Tue 14 Apr

Councils like Mount Barker District Council are impacting by the soaring prices of fuel and bitumen. *(ABC News)*

Queensland councils call for fuel crisis "essential user" status

Published on 02 April 2026

Queensland's peak local government body is calling for "essential user" status for councils to ensure they can keep delivering essential services, should the current fuel crisis hit harder.

This week, the LGAQ has been in meetings in Canberra, advocating for councils to have priority access under State and Federal emergency fuel legislation in order to deliver essential services, such as waste collection, should fuel supplies start to tighten in the future.

"The LGAQ is collating feedback from our 77 councils across the state, with all reporting price increases and affordability impacts," LGAQ President Mayor Matt Burnett said.

"We welcome the National Cabinet decision to halve fuel excise for three months and pause the heavy vehicle road user charge, however if, down the track, supply levels do become impacted, councils will need essential user status under the *Liquid Fuel Supply Act (Qld) 1984* and the *Federal Liquid Fuel Emergency Act* so that they can maintain the delivery of critical services that Queensland communities rely on.

"For example, waste collection services are critical and would have community health impacts if these were not prioritised."

LGAQ CEO Alison Smith said contractors who rely on freight haulage to provide councils with important inputs and construction materials are starting to jack up prices, adding to the financial stresses on councils.

"Councils have told us that some contractors are saying they can no longer supply at contracted rates and are demanding new price schedules from councils at 30 per cent or higher," Ms Smith said.

"All councils – metro, urban, rural and regional – are vulnerable to fuel price hikes, given the vast geographical areas they cover.

"Diesel use also increases dramatically in northern parts of Queensland once the wet season ends in May, a time many councils ramp up their road works, maintenance and essential activities.

"The LGAQ is reporting councils' fuel needs directly to the State Government Fuel Taskforce and we're urging them and the Commonwealth to prioritise these at the national level.

Government Four-Level Fuel Security Plan

Liquid Fuel Emergency Act 1984

LEVEL 1: Plan and prepare	LEVEL 2: Keeping Australia moving	LEVEL 3: Take targeted action	LEVEL 4: Protecting critical services for all Australians
Australians can purchase fuel normally.	Only buy the fuel you need – make voluntary choices to use less and avoid the impact of higher fuel prices.	Ongoing supply disruptions mean we will focus on getting fuel to where it's needed most and adopt practical measures to limit fuel use.	Ongoing supply disruptions require government action to ensure critical users are protected, and the economy remains open and operating.

We are here (Level 2)

Impacts of the Fuel Crisis on Employers & Employees

Pressures compared and compounded

Employer

- Higher fuel & transport costs
- Rising operating costs
- Input scarcity & price surges
- Increased financial stress
- Restructuring & job insecurity
- Wage pressure on employers
- Productivity impacts
- Freight & logistics costs

Employee

- Job insecurity
- Decreased demand & hours
- Stand down risk
- Stress of uncertainty
- Work from home shift
- Redundancy exposure
- Social pressure
- Cost of living & bargaining pressure

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 Agreement-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

Emergency fuel orders to apply until diesel below $2

Monday, April 20, 2026, 3:56pm

Print Bookmark Highlight off

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.

Weekly reviews an "undue burden"

The expert panel made only minor changes to the draft order that it published last week (see Related Article).

The FWC will review the order's operation after a month and then every subsequent three months.

The expert panel clarified in its decision that the orders cover the whole of the road transport industry except for the cash-in-transit industry, because it is made up of a single contractual chain that does not include "vulnerable participants" and has its own "special cost recovery mechanisms".

The TWU and ARTIO application sought weekly reviews, but the expert panel found this would "impose an undue administrative burden".

Workplace Express

20 April 2026

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* or relevant State Industrial legislation
  - Duties under WHS Legislation

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

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

Managing existing contracts and new procurement

Road transport contractual chains

The road transport contractual chain order has been in effect since 21 April 2026

Implemented due to disruptions in the fuel supply chain caused by the ongoing conflict in the Middle East and the related increase in the cost of fuel

Covers most work in the road transport industry

What are the obligations?

- A primary party must, either fortnightly or twice per calendar month, adjust the rate they pay to the other primary party, to ensure the other primary party recovers the increased cost of fuel.
- Take reasonable steps to ensure that secondary parties in the same contractual chain comply with their obligations below
- A secondary party must, either fortnightly or twice per calendar month, adjust the rate they pay to the other secondary party, regulated road transport contractor, or road transport employee-like worker to ensure that they recover the increased cost of fuel.

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.

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

Force Majeure - relevance

Why look at "Force Majeure"?

Understanding how "force majeure" clauses in contracts operate helps government bodies and businesses manage contractual risk, delay, suspension and termination rights.

The purpose of Force Majeure is that it can provide a party relief (or an excuse).

Force Majeure - relevance

What is "Force Majeure"

“Force majeure” is a French term translating to “*superior strength*”.

The Oxford English Dictionary gives a legal definition as being “*unforeseeable circumstances that prevent someone from fulfilling a contract*”. Though not exhaustive, typical examples of a “force majeure event” include:

1. acts of god;
2. natural disasters (bushfire, flood, storm and tempest);
3. war, terrorism, blockade or insurrection;
4. strikes, riots and civil disturbance; and
5. epidemic or pandemic.

Force Majeure - when it operates

Force Majeure is not available in common law or equity (ie: Force Majeure does not implicitly or "naturally" exist or arise).

There is no doctrine in English law which corresponds with the doctrine of "force majeure" in French law.

In Australia, “force majeure” is a commercial concept that **applies only if a contract has a clause that provides for it (and to the extent it is provided for).** If the contract does not have such a clause, "force majeure" style relief is not available.

A “force majeure” clause is a matter the parties can choose to address in the contract and can be tailored to the needs of the relevant commercial parties, usually suppliers and customers. If a dispute in respect of such a clause arises, ultimately, courts will rely on the contract wording to determine the matter.

Force Majeure - how it operates

Exactly how a “force majeure” clause works depends on the wording of the “force majeure” clause, but typically the affected party must show that the event:

1. was irresistible;
2. was unforeseeable;
3. was external to the person claiming discharge; and
4. made performance impossible.

We would say that 2026 Iran war would fall into this category. At least when it started.

Keep an eye on foreseeable though, we know of insurers who have given updated travel insurance advice that Iran war is now foreseeable and coverage will not be provided.

Note that increased cost of performance is usually not a category of "force majeure" that relieves a party from the consequences of non-performance.

Force Majeure - what to draft

A well drafted “force majeure” clause will clearly define the events that trigger the clause in the context of the commercial relationship, take into consideration the events that may affect supply and set out what happens next.

This may include:

Force Majeure Event definition - can be broadly drafted (for all sorts of events and tends to be supplier friendly) or narrowly drafted (buyer friendly and when buyers recognise give supplier relief in a discrete set of consequences);

Notice requirements - should always include this as it should start the clock on the relevant relief period (aka "suspension period". Seek better disclosure of relevant details and explanation of factor affecting performance, expected delivery etc.

What is relieved - all performance or some performance? Is the buyer relieved from payment? (eg: currently oil may be affected, but IT contracts are not blocked in Hormuz)

Force Majeure - what to draft (cont…)

This may include:

Updates/reporting - ongoing disclosure of information

Mitigation steps - including the ability to source elsewhere if another provider can supply, including reduction in minimum spends/volumes, payment relief / payment plans

Suspension - overwhelmingly most FM clauses suspend obligations. Many FM clauses will exclude/carve out payment obligations, so payments continue during suspension (especially IT contracts).

Termination - when either party can terminate if the disruption goes on too long. Be careful with this as too many contracts leave suspension open ended or provide for the supplier to terminate and not the buyer.

Force Majeure - example clauses

Force Majeure (courtesy of ChatGPT)

(a) A party is not liable for any delay or failure to perform its obligations under this Agreement to the extent caused by a Force Majeure Event.

(b) In this clause, Force Majeure Event means any event or circumstance beyond the reasonable control of the affected party, including: (i) acts of God; (ii) flood, fire, earthquake, storm or other natural disaster; (iii) epidemic, pandemic or public health emergency; (iv) war, terrorism, civil commotion or riot; (v) industrial disputes or labour shortages; (vi) interruption or failure of utilities, telecommunications, cloud services or internet services; (vii) cyber attacks or malicious third party acts; (viii) acts or omissions of government or regulatory authorities; and (ix) any other event beyond the reasonable control of the affected party, but excluding any inability to pay money.

(c) The affected party must: (i) promptly notify the other party of the Force Majeure Event;(ii) use reasonable endeavours to mitigate the effects of the Force Majeure Event; and (iii) resume performance as soon as reasonably practicable.

(d) If a Force Majeure Event continues for more than 30 consecutive days, either party may terminate this Agreement by written notice to the other party.

Force Majeure - example clauses

Queensland Government Service Agreement (for social services programs) - Standard Terms Version 1.2 – dated 21 July 2025

30. Intervening Event

(a) You must notify Us if You are unable to carry out wholly or in part, any of Your obligations to deliver the Services due to natural disasters, strikes, lockouts, or other industrial disturbances, acts of terror, unavoidable accident, fire, flood, or explosion.

(b) Your notice to Us must provide the extent to which You expect to be unable to perform or will be delayed in performing the Services.

(c) You must take all reasonable steps to reduce the effect of the Intervening Event. We acknowledge that the Services may be suspended to the extent that they are affected by the Intervening Event.

(d) Once the Intervening Event has ended, You must as soon as possible recommence delivery of the Services and where possible, carry out all acts which You would have been liable to carry out had the Intervening Event not occurred.

Force Majeure - example clauses

Queensland Government General Contract Conditions For General Goods and Services (version 3.4 – published January 2026) are designed for procurements which are Moderate Risk and/or Value

The term "force majeure" does not appear.

No express FM clause.

No express "intervening" event clause.

There is a Suspension clause, triggered by default events where customer may terminate, and is customer (govt) friendly.

With the previous slide in mind, QLD government is contractually less strict on the social service contract than general commercial procurement (as you would expect).

Force Majeure - tips and tricks (drafting)

Tips, tricks, takeaways - drafting

1. When drafting, think about supply chain disruption and loss of supply side inputs ("*but how can I if it is unforeseen?*")
2. Whether the FM clause applies only when performance is slowed, impossible or when it is delayed - always read the FM Event definition (that is where the gremlins are)
3. What notice must be given (timings, in what form and what evidence in support is required) - draft for the exchange of information
4. What results when FM triggered (eg: complete/partial suspension? allow the buyer to acquire elsewhere?)
5. Keep an eye on wording - eg: the ability to terminate if FM occurs for 30 days straight is a higher threshold to termination than "*party x can terminate if MF occurs 30 days in any 90 day period*" (and whom can terminate?)
6. Relief from obligations shouldn't apply to all obligations (eg: obligation to disclose and keep informed)
7. Don't treat FM clause as a boilerplate, consider it a general term that is relevant to the key terms of the bargain.
8. If you are dealing with a "consumer contract" or a "small business contract" that is "standard form", the Unfair Contract Terms regime in the Australian Consumer Law will apply.

Force Majeure - tips and tricks (when FM occurs)

Tips, tricks, takeaways - when FM occurs

1. Obviously, go to your contracts and review for FM clauses to understand when it will be triggered, what can happen, what your obligations are and then plan for what you can do
2. A clause can operate similar to FM without it being labelled FM. Don't just ctrl+f search "force majeure" (and truncations). Search "suspend", "event", "intervene", "unforeseen" etc.
3. If you wish to give notice of FM and seek relief, think about what goes into the notice, the outcome you seek and consider what the bargain may be required to achieve it. Better preparation and detail will give confidence and comfort to your counterparty.
4. If you wish to give relief:

   (a) consider doing so with limitations (you can always extend or update the relief)

   (b) narrow scope the relief to the obligation/performance that the FM is blocking

   (c) keep in mind that you do not wish to permanently waive your rights or release an obligation that is not affected

   (d) the opportunity to terminate may be available (consider termination in bad faith though (*Hungry Jacks*)

Force Majeure - tips and tricks (when FM occurs)

Tips, tricks, takeaways - when FM occurs

1. Keep in mind the **contractual duty of good faith in contracts**. However, this is not a one size fits all approach - how this applies depends on the contract and the state jurisdiction you are in (in NSW, the general rule is that it applies (*Renard Constructions*, *Hughes Bros*, *Burger King, Overlook Management* cases), VIC and QLD it has been recognised but not considered as broadly applicable as NSW)
2. Acting in good faith = honestly/without deception, acting to the agreed purpose/objectives (not against), reasonableness and fairness, co-operation.
3. From the Background of the QLD social services programs contract:

The relationship between You and Us is one of mutual respect. The parties have a shared goal to ensure the delivery of quality and effective services, to work collaboratively and constructively and a spirit of goodwill, while acknowledging the requirement for accountable, responsible and effective expenditure of public monies.

Colin Biggers & Paisley

Next Steps

Practical Steps for Government

- Prioritise critical operations
- Be cautious about standing down or terminating employees
- Review contracts
- Consider flexible working arrangements
- Communicate clearly and regularly
- Offer employee support

Presenters

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Thank you.

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