

Temporary fuel cost escalation measures

What is happening?

Recent global supply disruptions have caused short-term volatility in fuel prices.

To support continuity and consistency, the Department of Logistics and Infrastructure (DLI) is applying temporary arrangements to how fuel-related price adjustments are calculated.

What is changing?

For a limited temporary period, eligible price adjustments will be applied to DLI contracts:

- monthly, instead of quarterly or annually
- using published fuel indices to reflect short-term movements
- with quarterly reconciliation once Australian Bureau of Statistics (ABS) indices are released.

There is no change to contract risk allocation or entitlement.

When does this apply?

The measures will apply for invoices paid during March, April, May and June 2026 only.

Standard contract provisions will resume after this period unless advised otherwise.

How are fuel costs measured?

- AIP published daily fuel prices will be used for interim monthly calculations.
- ABS petroleum indices will be used for quarterly reconciliation.
- Once ABS data is released, interim payments will be adjusted to ensure accuracy.
- This approach ensures adjustments reflect actual market conditions over the period.

How does this apply to contracts?

No wholesale changes to contract conditions are being introduced.

These measures apply to DLI contracts where invoices were approved and paid during March, April, May and June 2026.

Existing contracts with fuel percentage allocations already included remain as specified under the contract.

How are payments processed?

Payments made under the temporary arrangements will be processed in accordance with the conditions of the relevant contract.

- Payments will relate to invoices paid in the relevant month.
- Adjustments are calculated using published indices (fuel invoices not required).
- Payments are recorded through existing contract variation and payment processes.
- Final reconciliation will occur once ABS indices are available.

What do I need to do?

You do not need to do anything additional to receive the adjustment.

- Continue submitting payment claims for work completed and certified in accordance with your contract. Temporary fuel adjustments are calculated separately based on invoices approved and paid.
- This temporary arrangement provides an additional fuel adjustment on top of regular contract payments.

When will payments be processed?

Adjustments are based on the month an invoice is paid, which is used as the administrative basis for applying the temporary measures.

- Invoices paid in March will receive the adjustment in the 4th week of May
- Invoices paid in April will receive the adjustment in the 4th week of June
- Invoices paid in May will receive the adjustment in the 4th week of July.
- Invoices paid in June will receive the adjustment in the 4th week of August.

DLI will retrospectively calculate adjustments for invoices already paid in March and April and include them in the scheduled payment runs.

My March/April invoice has already been paid. Will I still receive the payment?

Yes. DLI will calculate the adjustment and process it automatically in the scheduled payment run. You do not need to resubmit any additional claims or invoices.

Why aren't payments immediate?

The adjustments rely on independent published fuel indices.

DLI will apply the formula and complete checks before payment.

This ensures payments are accurate and consistent across all contracts.

Where to get more information?

If you have questions about how these temporary measures may apply to your contract, please contact your Superintendent or contract representative in the first instance.

Website: dli.nt.gov.au/industry

Email: Fuelmeasure.dli@nt.gov.au