Fact sheet

Temporary fuel cost escalation measures (Phase 2)

What is happening?

Global supply disruptions have continued to cause fuel price volatility.

To support continuity and consistency, the Department of Logistics and Infrastructure (DLI) is implementing phase 2 of temporary fuel cost escalation measures.

The initiative provides targeted relief for increased fuel costs directly associated with delivering eligible DLI contracts.

What are the measures?

For a limited temporary period, eligible price adjustments will be applied to DLI contracts using published fuel indices to reflect short-term movements.

There is no change to contract risk allocation or entitlement.

When does this apply?

The measures will apply for invoices paid from 1 October 2026 to 31 December 2026, only while the terminal gate price is above $2 a litre.

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

Which contracts are eligible?

Phase 2 measures apply to eligible DLI contracts where invoices are approved and paid between 1 October 2026 and 31 December 2026 and only while the terminal gate price is above $2 a litre.

Eligible contracts include construction, maintenance and service contracts where fuel is a direct and material delivery cost

Where a contract has an applicable fuel Rise and Fall mechanism, that contractual mechanism will apply instead of the separate interim payment process.

How is the adjustment calculated?

DLI will calculate adjustments centrally using eligible invoices paid in the applicable month, the approved fuel weighting and published fuel pricing.

Existing contractual fuel allocations are not increased.

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When will I receive payment?

Adjustments are based on the month an invoice is paid, not the month the work was completed.

Submitted invoices require superintendent certification of completed work before being approved for payment in accordance with the contract. Temporary fuel adjustments are calculated separately based on invoices paid.

What happens to small or negative adjustments?

- A calculated adjustment below $500 is carried forward and aggregated with a subsequent calculation.
- A negative calculation is carried forward and offset against a later positive adjustment rather than recovered immediately.

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.

DLI will identify eligible invoices and calculate any applicable adjustment separately.

If your contract is for consultancy services, eligibility will depend on the nature of the work being delivered. General consultancy services that do not involve material operational travel are not eligible. Consultancy or service contracts where operational travel is a material component of delivery may be considered. This requires consultant to lodge a claim for assessment.

DLI may contact a contract manager or contractor if information is required to confirm material operational travel or another eligibility matter.

Is this a permanent contract change?

No. The measure is temporary, does not alter existing contract risk allocation and does not create an ongoing contractual entitlement.

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