

Rise & Fall Settings Update: Bitumen and Fuel Confirmed Outcomes

1 May 2026

Dear Members,

This update provides a consolidated view of the outcomes the Australian Flexible Pavement Association (AfPA) has secured for members in response to the ongoing bitumen and fuel supply disruption and outlines the developments that have occurred since our last Rise & Fall (R&F) [communication on 2 April 2026](#).

Summary of Confirmed Outcomes (as of 2 April 2026)

In the weeks immediately following critical resource supply disruptions, AfPA engaged directly with ministers, directors general, and chief engineers in every state and territory. That coordinated national approach delivered the following outcomes within a matter of weeks:

- Bitumen rise-and-fall (R&F) mechanisms updated to reflect current-cost recovery in Queensland, New South Wales, South Australia, and Western Australia, eliminating the time-lag that was creating unacceptable gaps between actual costs and contract adjustments.
- Fuel cost recovery mechanisms confirmed in Western Australia and South Australia.
- Ongoing negotiations were continuing in Victoria, Tasmania, and the Northern Territory for both bitumen R&F and fuel recovery.

These outcomes were achieved because our Association, with guidance and insights from our members, acted early, engaged at the right level, and presented a single, unified position on behalf of the sector.

Fair Work Commission RTCCO: Implications on Fuel R&F

Since our last update, the Fair Work Commission has issued a [Road Transport Contractual Chain Order \(RTCCO\)](#) under the Fair Work Amendment (Fairer Fuel) Act 2026, effective 21 April 2026. The RTCCO requires all parties within a road transport contractual chain to adjust the rates they pay, at least fortnightly, to ensure that increased fuel costs are recovered by those performing road transport work. The order will remain in place until the weekly average national terminal gate price for diesel falls below \$2.00 per litre.

The scope of the RTCCO is broad. Obligations extend to both primary and secondary parties in a road transport contractual chain, and on a wide reading of the legislation, may apply to all contracting parties in a chain involving road transport, not only those who directly engage transport operators. The flexible pavement sector, which relies on road transport across its full supply chain, is working through the practical and contractual implications of compliance.

The RTCCO is directly relevant to AfPA's fuel cost recovery negotiations with state and territory road authorities. Where existing state R&F mechanisms or contract provisions already account for the increased cost of fuel, those arrangements may satisfy the obligations under the order. AfPA is actively reviewing the RTCCO's reach and engaging with fellow industry bodies to develop a coordinated position. We will provide further guidance as our assessment progresses.

Developments Since 2 April 2026

Since our last update, AfPA has continued to progress outstanding matters with state and territory road authorities. The following changes and confirmations have been secured:

Bitumen Rise-and-Fall:

- Transport for NSW has now confirmed temporary bitumen rise-and-fall relief for the *Bitumen Sealing Works Throughout NSW Panel*, using the C450 rate for the final day of the month prior to tender. This addresses the outstanding bitumen surfacing review noted in our 2 April update. Bitumen R&F for asphalt panel works remains in place as previously confirmed.
- In Victoria, the Department of Transport and Planning has approved relief on current contracts to address the increased cost of bitumen for April. This arrangement has been formally signed off by the Secretary of DTP. VicRoads Section 199 rise-and-fall clauses continue to apply. There is currently no certainty on whether this relief will extend to May and June, and AfPA is continuing to engage on this point.
- Discussions in Tasmania and the Northern Territory remain ongoing. In the Northern Territory, AfPA is engaging directly with the Minister.

Fuel Cost Recovery:

- Queensland has confirmed fuel cost recovery mechanisms for state works utilising the AfPA calculator.
- In New South Wales, TfNSW has confirmed a temporary fuel relief surcharge for the Bitumen Sealing Works panel, effective for works completed from 1 April 2026 that were tendered prior to 20 March 2026. The surcharge is reviewed and communicated fortnightly, aligned with NSW retail diesel prices. TfNSW is separately assessing the implications of the Fair Work Commission Road Transport Contractual Chain Order for broader adoption across other contract panels.
- In Victoria, DTP is currently assessing the implications of the Fair Work Commission Road Transport Contractual Chain Order – Fuel Cost Recovery – 2026. Contractors have been asked to supply information to the Department. Further guidance will be provided once that assessment is complete.
- Tasmania and the Northern Territory remain in progress. AfPA is working closely with road authorities in both jurisdictions.

State-by-State Summary

This section provides a consolidated summary of bitumen rise-and-fall and fuel cost recovery positions across all jurisdictions as of 1 May 2026. Members should use this as a reference when reviewing their contract positions. Where contract-specific nuances exist, Members are encouraged to engage directly with their respective road authorities to confirm how existing relief mechanisms apply to their contracts.

Bitumen Rise-and-Fall Outcomes (1 May 2026)

Jurisdiction	Position	Status
Queensland	TMR is applying current-cost indicators to bitumen R&F, capturing the actual cost of bitumen at the time of delivery. The index is captured on the 15th day of the month. Applies to both asphalt and bitumen spray seal work.	Confirmed
New South Wales	TfNSW has updated the index applied under the R&F formula to reflect the current cost of bitumen as of 31 March 2026 for asphalt panel works. Temporary bitumen R&F relief also now confirmed for the Bitumen Sealing Works, based on the C450 rate.	Confirmed
South Australia	Current-cost bitumen recovery in place for state GC21 contracts. Bitumen, cutter and PMB cost adjustments in place for PSA-BW contracts.	Confirmed
Western Australia	Current-cost bitumen recovery in place for state works.	Confirmed
Victoria	Relief approved to extend compensation on current contracts for increased bitumen costs for April. Currently no certainty on extension to May/June. VicRoads Section 199 rise-and-fall clauses continue to apply in May and June, but the previous month index approach could be maintained.	Confirmed
Tasmania	Productive discussions with the state road authority are ongoing. DSG has been receptive and empathetic; however, no formal bitumen R&F mechanisms have yet been established.	Discussions ongoing.
Northern Territory	AfPA is heavily engaged in discussions with the state road authority. Currently, no bitumen R&F mechanisms have been formalised.	Discussions ongoing.

Note: There are nuances in individual contracts that members should be aware of. In some cases, the way the updated index is applied may differ slightly depending on contract terms. If you are uncertain about how the changes apply to a specific contract, please contact your AfPA branch.

Fuel Recovery Confirmed Outcomes (1 May 2026)

Jurisdiction	Position	Status
Queensland	Fuel cost recovery mechanism confirmed for state works (AfPA Calculator).	Confirmed
New South Wales	Temporary fuel relief surcharge confirmed for bitumen sealing works. Assessing implications of the FWC Road Transport Contractual Chain Order for wider adoption across other panels.	Confirmed
South Australia	Fuel relief mechanism confirmed for GC21 contracts, with a one-month lag indicator. No R&F provision in PSA-BW contracts.	Confirmed
Western Australia	Fuel relief mechanism confirmed for state works.	Confirmed
Victoria	DTP is currently assessing implications of the FWC Road Transport Contractual Chain Order – Fuel Cost Recovery – 2026. Further guidance to be provided once assessment is complete.	Confirmed
Tasmania	Ongoing.	Discussions ongoing.
Northern Territory	Outcome pending. AfPA is working closely with the road authority.	Discussions ongoing.

Fuel Usage Tracking – Ongoing Requirement

Members must continue to record actual fuel usage for every contract with a state road authority. When fuel cost recovery mechanisms are finalised in remaining jurisdictions, road authorities will require accurate, verifiable data. We strongly encourage all members to:

1. Record litres used on each contract from 1 March 2026 onwards.
2. Retain all fuel invoices, delivery records, and surcharge notifications.
3. Use the AfPA Fuel Calculator, or preferred alternate, to track volumes and costs accurately and consistently. Contact your AfPA branch to access the calculator and supporting guidance.

What Comes Next

AfPA will continue to pursue outcomes for our members and provide timely updates as and when bitumen and fuel cost recovery mechanisms are formalised.

The flexible pavement industry has responded effectively to the current supply disruption. Contractors, bitumen suppliers, and state road authorities have collaborated to source fit for purpose alternative supply, maintain construction schedules, and protect the functionality of Australia's road network, including disaster recovery works and major infrastructure projects. This response demonstrates the sector's capability and adaptability. It also creates a clear opportunity, one that AfPA is actively pursuing, to formalise the lessons learned into durable policy frameworks.

AfPA will continue to engage with state road authorities nationally to advance three priorities:

1. An AfPA-led national review and harmonisation of bitumen specifications against international supply realities, delivering more flexible and accessible supply chains without compromising quality to ensure that they remain fit for purpose.
2. Formalised emergency response frameworks and specification protocols that enable the industry to respond to future disruptions by design, not improvisation.
3. Ensuring that the whole of the supply chain, including the sector's smaller contractors and regional operators, who carry significant exposure in supply disruptions, are protected through fair contract mechanisms and transparent supply arrangements.

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1 May 2026

Disclaimer: AfPA's role throughout this disruption has been to coordinate a national industry response to the global crude oil crisis and collaborate with state and territory road authorities on behalf of our members to establish fair, fit-for-purpose contractual mechanisms that enable our members to respond to rapidly changing market conditions.