



Additional items in driver agreements

GUIDANCE NOTE



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1 Driver agreement

A driver agreement is an agreement between a taxi driver and a permit holder (operator) that clarifies certain working conditions for the driver, and other arrangements for the taxi. It should include information such as what portion of the fare box the driver will keep (which must be at least 55%), insurance arrangements and leave entitlements.

A driver agreement includes conditions that all taxi drivers are entitled to—these are known as ‘implied conditions’¹. The implied conditions automatically apply to all driver agreements and cannot be changed. However, an operator and driver can agree to include additional terms in their agreement.

There are rules about what other terms can and cannot be included in a driver agreement.

In deciding what other terms to include in a driver agreement, the driver and operator need to make sure they don’t contradict any implied conditions. This means that a new term can’t be included if it would change the value, meaning or outcome of an implied condition.

Any other terms must also be in line with all other requirements under the Transport (Compliance and Miscellaneous) Act 1983 (the Act), regulations made under the Act, and other relevant laws.

2 What terms can be included?

A term can be included if it is consistent with all implied conditions and other relevant laws—this means that the term does not contradict the intent of the implied conditions.

The following types of terms are acceptable, because they don’t change any of the implied conditions.

Type of term	Example
The term creates an obligation or requirement on the driver, and makes the driver liable for the cost if they fail to meet the obligation or requirement. NOTE: There must actually be a cost to the permit holder (operator)—the permit holder can’t just charge the driver as a punishment/penalty.	The driver must only use a mechanic approved by the permit holder if the taxi breaks down. If the driver does not take the taxi to an approved mechanic and the repairs cost more as a result, the driver will compensate the permit holder for this extra cost.
	The driver must ensure that all manual dockets and vouchers are complete, accurate and readable. If a docket is not filled out correctly and cannot be honoured as a result, the driver must pay the permit holder for any reasonable extra costs incurred.
The term enables the permit holder to provide optional additional services to the	If, at the driver’s request, the permit holder dry cleans the driver’s uniform, the driver must pay the permit holder or reimburse them for this cost.

¹ Conditions determined by the Taxi Services Commission under section 162L(1) of the *Transport (Compliance and Miscellaneous) Act 1983*

driver for a fee (the services must not be related to operating or maintaining the taxi).

If the driver requests a letter of reference from the permit holder, the driver must pay a \$5 fee for this service.

3 What terms may not be included?

A term cannot be included if it contradicts the implied conditions in any way. The following are some examples of terms like this.

Type of term	Example	Reason term not allowed
The term requires the driver to pay a fee that seeks to pass on or offset costs incurred by the permit holder (operator) in connection with operating or maintaining the taxi.	The driver must pay the permit holder an 'admin', or similar, fee for doing routine administrative tasks involved in operating or maintaining the taxi.	Inconsistent with implied condition 1.3. The permit holder cannot charge the driver a fee that results in the driver getting less than 55 per cent of the gross fares.
	The driver must pay an additional 'shift fee', or similar fee, for use of the vehicle.	Inconsistent with implied condition 1.3. The permit holder cannot charge the driver a fee that results in the driver getting less than 55 per cent of the gross fares.
	The driver must pay an 'excess', or similar, fee that goes towards paying the excess on an insurance policy held by the permit holder.	Inconsistent with implied condition 2. The permit holder must pay all operating and maintenance costs

	<p>The permit holder is affiliated with a network services provider (taxi booking service) who provides a booking service as part of its contract with the operator, and the term requires the driver to:</p> <ul style="list-style-type: none"> • pay the operator a fee; or • reimburse the operator for a fee paid to the taxi booking service (TBS), to access the TBS' booking services <p>NOTE: If the TBS with which the permit holder's vehicle is affiliated charges the driver the fee directly, this will still be an 'operating' cost, and the permit holder must reimburse the driver for this cost under implied condition 2.</p>	<p>Inconsistent with implied condition 2. The permit holder must pay all operating and maintenance costs</p>
<p>The term makes the driver liable for any kind of cost involved in maintaining or operating the taxi.</p>	<p>The driver must pay for cleaning, fuel, replacement parts or related items.</p>	<p>Inconsistent with implied condition 2. The permit holder must pay all operating and maintenance costs.</p>
<p>The term makes the driver pay for any of the costs associated with third party damage following an accident.</p>	<p>The driver must pay any expenses incurred by failing to submit an accident report to the permit holder immediately.</p>	<p>Inconsistent with implied condition 3.6. The permit holder must indemnify the driver for all costs, including legal costs, associated with vehicle damage arising from use of the taxi.</p>
<p>The term makes the driver pay for damage to the taxi not caused by the driver's conduct.</p>	<p>The permit holder can use the bond, or the driver must pay the permit holder, for any damage caused to the taxi during the driver's shift.</p>	<p>Inconsistent with implied condition 7.4. The permit holder may only deduct from the bond for damage caused by the driver's conduct, not for any damage.</p>

4 Appendices

4.1 Useful information when calculating the 55/45 split

From 30 June 2014, drivers **must** receive 55 per cent of the gross fares earned during a shift. This is also known as 'share of the fare box'.

4.2 How to calculate the 55/45 split

Run Shift Report

Calculate driver 55 per cent/permit holder (operator) 45 per cent split

Permit holder records gross fares earned during each shift

For example, if gross fare was \$400 for a shift.

Gross fares:	\$400
Driver share (55% of gross fares earned per shift)	55 per cent of \$400 earned during a shift $(400 \times .55) = \mathbf{\$220}$
Permit holder share (45% of gross fares earned per shift)	45 per cent of \$400 earned during a shift $(400 \times .45) = \mathbf{\$180}$

Note:

Permit holders **must pay** all operating and maintenance costs of the taxi (including fuel, oils, lubricants, repairs, livery and equipment, tyres and other replacement parts).

No other fees can reduce the 55 per cent gross fare split to drivers.

'Gross fares' means the amount of all fares accrued on the meter, including (where applicable):

- booking fee
- high occupancy fee
- late night surcharge, and
- public holiday surcharge.

Gross fares do not include the wheelchair accessible taxi (WAT) lifting fee.