



## INFORMATION SHEET

### PASS THROUGH OF DRIVERS, BUS AIDES AND BUS WARDENS WAGES

#### PURPOSE

The purpose of this information sheet is to remind contractors as to what the Public Transport Authority (the Authority) will consider being compliant with Clause 9.12 of the Evergreen Contract in relation to the pass through of wages for Drivers, Bus Aides and Bus Wardens.

#### BACKGROUND

As part of the Contract to perform school bus services, the Authority provides contractors with a reimbursement for the costs of employing Drivers, Bus Aides, and Bus Wardens. The rate of pay that was negotiated with the school bus industry is a contracted hourly rate of pay. That is, the hourly rate is over and above most Federal and State wage awards for bus drivers due to their duties & responsibilities.

The Pass-through of wages clause is designed to ensure that the contractor does not make a profit or windfall gain from holding some back some of the hourly wage rate and only pay the Federal or State award, or rate negotiated between the two parties.

The amount of reimbursement provided to a Contractor for the cost of wages is set out in Part 2 of Schedule 3 of the Evergreen Contract.

The formula for payment of wages as contained in the Part 2 of Schedule 3 of the Evergreen Contract provides a Contractor with an hourly contracted rate to cater for all of the following items in relation to entitlement of an employee:

- Sick leave;
- Annual leave;
- Leave loading;
- Public holidays;
- Long service leave.

The following paragraphs attempt to explain the negotiated contract rate of pay for school bus drivers.

#### Rate Calculation - Drivers Wages Under 25 Adult Seat Vehicle

Base Rate = \$28.03

Casual Wage Rate = \$33.63 (*Hourly Rate + 20%*)

Number of School Days

Superannuation Guarantee Legislation (*Paid separately under Contract*)

Workers Compensation (*Paid separately under Contract*)

Daily Wage (Base Rate x 4 Hours)	\$112.11
18 Days Annual Leave	\$10.30
Leave Loading (17.5%)	\$1.80
9 Days Sick Leave at Casual Rates	\$6.18
6 Paid Public Holidays	\$3.43
Long Service Leave	\$2.10
Daily Cost	\$135.92
<b>Grossed Up Hourly Rate</b>	<b>\$33.98</b>
<b>Grossed Up Hourly Pass Through Rate</b>	<b>\$33.45</b>

### Rate Calculation - Drivers Wages Over 25 Adult Seat Vehicle

Base Rate = \$28.74  
Casual Wage Rate = \$34.48 (*Hourly Rate + 20%*)  
Number of School Days  
Superannuation Guarantee Legislation (*Paid separately under Contract*)  
Workers Compensation (*Paid separately under Contract*)

Daily Wage (Base Rate x 4 Hours)	\$114.94
18 Days Annual Leave	\$10.56
Leave Loading (17.5%)	\$1.85
9 Days Sick Leave at Casual Rates	\$6.33
6 Paid Public Holidays	\$3.52
Long Service Leave	\$2.15
Daily Cost	\$139.35
<b>Grossed Up Hourly Rate</b>	<b>\$34.84</b>
<b>Grossed Up Hourly Pass Through Rate</b>	<b>\$34.30</b>

So to ensure that contractors are paying their drivers the correct hourly rate, the “pass through hourly rate” is bolded in red. The difference in the hourly rate bolded in blue minus the hourly rate bolded in red (ie 54 cents) is the provision for Long Service Leave. Contractors are also obliged to pay in respect of the leave provisions the correct entitlement once this has been accrued by the employee wishing to take such leave.

Note: the cost of superannuation and worker’s compensation insurance, are catered for separately under the Evergreen Contract.

### RELATED CONTRACTUAL REFERENCES

The relevant clause in the Evergreen Contract states:

#### Clause 9.12 Pass-through of wages

- (a) The Contractor acknowledges that part of the Service Charge represents compensation to the Contractor for remuneration it provides to Drivers, Bus Aides and Bus Wardens in connection with the Service (that part referred to in this clause as the "**Remuneration**"). The Contractor agrees that it will remunerate Drivers, Bus Aides and Bus Wardens based on the amount of Remuneration it receives, to the intent that the Contractor will not make any windfall or profit in respect of the Remuneration.

(b) Without limiting clause 9.12(a), where the Contractor pays:

(i) to each Driver, an amount per hour worked by the Driver of at least the amount of the base rate per hour (plus, where applicable, an appropriate amount for each of sick leave, annual leave, long service leave, leave loading and public

holiday pay) which the Authority from time to time notifies the Contractor it applies for the purposes of determining the variable "R" in the Drivers' Wages Component of Part 2 of Schedule 3; and

(ii) to each Bus Aide, an amount per hour worked by the Bus Aide of at least the amount of the base rate per hour (plus, where applicable, an appropriate amount for sick leave, annual leave, long service leave, leave loading and public holiday pay) which the Authority from time to time notifies the Contractor it applies for the purposes of determining the variable "R" in the Bus Aide's Wages Component of Part 2 of Schedule 3; and

(iii) to each Bus Warden, an amount per hour worked by the Bus Warden of at least the amount of the base rate per hour (plus, where applicable, an appropriate amount for sick leave, annual leave, long service leave, leave loading and public holiday pay) which the Authority from time to time notifies the Contractor it applies for the purposes of determining the variable "R" in the Bus Warden's Wages Component of Part 2 of Schedule 3,

the Contractor will be deemed to be complying with clause 9.12(a).

## **DISPUTES RELATING TO RATES OF PAY BETWEEN EMPLOYEES AND CONTRACTORS**

While the Public Transport Authority (PTA) has a contractual requirement to ensure contractors pass through wages under the contract, complaints from drivers, bus aides or bus wardens who feels that they are not being paid the appropriate wage rate under the contract made to the PTA will be advised to discuss their concerns with their employer. If this proves unsatisfactory they will be further advised that they should seek further advice and relief from the appropriate industrial relations body.

Noting that the Operations Section within School Bus Services is relatively small, the PTA will only intervene in cases where it has been proven that the contractor has breached their contractual obligations via the industrial process, or where there are systematic discrepancies with wages in a larger operation.