

<b>Policy Name:</b>	<b>PRIVATE USE OF MOTOR VEHICLES</b>
<b>File Number:</b>	12/6
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<b>Policy Review Date:</b>	As required
<b>Business Group:</b>	City Works & Services
<b>Responsible Officer:</b>	Group Manager City Works & Services
<b>OBJECTIVE</b>	See below

**POLICY OBJECTIVES:**

**1. TO MEET THE TRANSPORT NEEDS OF THE ORGANISATION.**

- To establish parameters for private use of passenger vehicles purchased, leased or hired by Council.
- To establish conditions of use and cost calculation methods for apportionment of private use by staff and business use by Council that are transparent.
- To attract and retain appropriately skilled staff.
- To ensure that Council is reimbursed for the components of the total cost of providing passenger vehicles that are attributed to private use by staff.
- To ensure the optimum use of passenger vehicles through management practices which are efficient, fair, equitable and accountable.

**2. ACHIEVEMENT OF OBJECTIVES:**

The objectives are likely to be achieved if:

- a. The provision of vehicles for private use by staff takes into account the following:
  - i. Internal equity;
  - ii. External competitiveness;
  - iii. Sound financial/ asset management (including return on sale)
  - iv. Councils need for the vehicles.

- b. Information systems are in place which monitor the utilisation of all vehicles;
- c. Available information indicates that optimum use of vehicles is being achieved;
- d. A pooling system is in place for vehicles which recognizes vehicles are a corporate asset and not the property of individuals or departments;
- e. Vehicles are primarily available for Council use during normal business hours and are available at all times for staff engaged on Council Business;
- f. Terms and conditions for the private use of Council passenger vehicles are documented and form the basis of an agreement between the General Manager and staff or Council and the General Manager.

### **3. POLICY STATEMENT**

- a. In order to achieve its objectives, Council will invest in, lease or hire and effectively utilise, a fleet of passenger vehicles. In using these vehicles Council will have in place management systems and practices to achieve maximum efficiency, effectiveness and economy.
- b. The primary use of passenger vehicles is for the purposes of providing works, services and facilities to the community to achieve corporate and program objectives. Any other use is secondary for these vehicles.
- c. The total number of vehicles will not be increased without the approval of the General Manager.
- d. Council recognises that there is a benefit to it in providing vehicles to staff for private use. These benefits are:
  - i. A saving in garaging, cleaning and maintenance costs where vehicles are held to meet Councils operational needs;
  - ii. More efficient provision of services due to staff having access to Council vehicles when needed after hours;
  - iii. Enabling Council to attract and retain suitable and appropriately skilled staff;
  - iv. Shared costs with Council through private use payments, for vehicles that are necessary to meet Council's operational needs
- e. Council also recognises that there are costs in providing staff with "private use" of Council vehicles, namely:
  - i. Fringe Benefit Tax;
  - ii. The possibility of private accidents and resultant insurance excess costs, and loss of productivity;
  - iii. Additional capital outlay;
  - iv. Vehicle changeover costs;
  - v. Fleet administration costs and overheads;
  - vi. Standing Charges (I.e.. Registration, CTP & Insurance)
- f. In determining the allocation of private use, the following criteria are to be used:
  - i. Position in Council's structure;

- ii. The relative size of the job as determined by a job evaluation;
  - iii. The impact of market forces; and
  - iv. The requirement of individual jobs.
- g. In determining the level and extent of private use, the General Manager is to designate those positions which are eligible to participate in Council's private use of vehicles scheme. In making this determination, the General Manager will consider the criteria in Clause f above.
- h. Where an employee is provided with private use, he/she will ensure the adequate security of the vehicle whilst in private use, and carry out regular routine maintenance and cleaning to ensure the vehicle is kept in a safe and clean condition, to agreed standards.
- i. Unless otherwise required or determined by the General Manager, a family sized vehicle will be the designated private use vehicle. Council will aim to have a mix of vehicle types including smaller, more fuel efficient vehicles.
- j. The private use contribution for vehicles, will be calculated using a standard cost calculation method, taking into account the ownership costs or lease costs as follows:
- i. Opportunity cost on capital outlay
  - ii. Net capital cost, depreciation cost or changeover cost
  - iii. Standing Charges (I.e. Registration, CTP & Insurance)
  - iv. Running costs (i.e. fuel, oil, servicing, maintenance, repairs).
  - v. Fleet administration costs and overheads.
  - vi. Fringe Benefits Tax.
  - vii. Lease fees. (This option is included where vehicles are not owned. It replaces opportunity cost and changeover cost when used).
  - viii. Benefits to Council in attracting and retaining key staff.

#### **4. SUPPLY OF VEHICLES FOR PRIVATE USE**

Council shall provide vehicles for private use to various employees. The type of vehicle supplied for private use shall be determined by the General Manager having regard to the position, desirable fleet mix and cost. The positions held by employees to which this refers includes Group Managers, Executive Managers, Managers, staff on contract (non-Managers) and other staff requiring a vehicle.

Vehicles supplied as part of contract remuneration packaging may be selected by the employee from any lower category than that indicated for the position.

#### **5. MOTOR VEHICLE AGREEMENT - PRIVATE USE**

An agreement shall be signed in all circumstances between the employee and the General Manager. The General Manager is given authority to negotiate final terms, including the category of private use and category of passenger vehicle type.

The motor vehicle agreement will cover items such as maintenance and repair, staff responsibilities, vehicle security, vehicle accessories, no smoking or animals in vehicles, traffic and parking infringements, and accident liability.

Should an employee breach any of the clauses of the private use agreement, disciplinary action will be taken as necessary and may lead to termination of the private use agreement. In certain circumstances the General Manager reserves the right to terminate the Motor Vehicle Agreement - Private Use on immediate notice.

## **6. VEHICLE USE**

Vehicles shall be provided for private use on the following basis:

- The motor vehicle shall be available for business use during normal working hours, except whilst the employee is absent on leave.
- The vehicle may be used by any member of staff at the discretion of the General Manager.
- If the vehicle is not required while the employee is on leave, the employee may make application in writing to the General Manager who may approve the waiving of the private use contribution and allocate the vehicle to another employee for the period of the leave.
- Staff, including those on contract are entitled to use the vehicle 52 weeks per year (allows private usage during the week when not required for Council business, on rostered leave days, public holidays, weekends, annual leave, long service leave and sick leave).
- Whilst the vehicle is on Council premises, such vehicles will form part of Council's car pool.

## **7. FLEET MANAGEMENT**

The replacement of passenger vehicles is to be carried out to provide the most cost effective return to Council or as determined by the General Manager.

Employees are to aim to achieve 25,000 annualised kilometres in their vehicle to reduce Council's FBT liability.

## **8. AUTHORISED DRIVERS**

Other than in a case of an emergency, the vehicle may only be driven by a licensed driver named in the 'Motor Vehicle Agreement - Private use', a spouse/partner, or an authorised officer of the Council. Other licensed persons may drive the vehicle provided the employee is in the vehicle at the time.

## **9. UNAUTHORISED USE OF VEHICLE**

The motor vehicle shall not be used in any car rally or any other form of competition or for commercial purposes. Inappropriate use, as determined by the General Manager, will be grounds for termination of the private use agreement.



### **10. CONTRIBUTION PAYMENTS**

In consideration of a private use payment by the employee to Council, the Council shall make available to the employee a standard type of vehicle suitable for the proposed use.

The amount of private use payment shall be deducted by the Council from the employee's net pay for non contract staff, or the annual cost included as a component of the salary package for staff on contracts.

### **11. CONTRIBUTION REVIEW AND VARIATIONS**

The Private Use payments will be reviewed as cost factor variations occur, but at least on an annual basis. If a variation in the private use payment is deemed appropriate, the payment will be calculated in accordance with the cost calculation method for the type of vehicle provided. Staff will be given a minimum of three (3) months written notice of any pending payment variation.