

ADMINISTRATION POLICIES



Leaseback of Council Vehicles Policy

Introduction

The purpose of this policy is to:

- Establish a set of parameters for the use of Council owned motor vehicles by Councillors and staff;
- Provide a framework for the selection, management and replacement of these motor vehicles.

Definitions:

Responsible Officers – are those officers approved by the General Manager to have Private or Commuter Use of a Council owned motor vehicle. Responsible Officers also include the Mayor and General Manager.

Private Use – allows for the use of council owned motor vehicle by Responsible officers for non work related travel as part of their terms and conditions of employment. Private Use vehicles fully maintained (including fuel) and comprehensively insured.

Commuter Use – allows for Responsible Officers to travel between home and the worksite/workplace (taking the most direct route) using a Council owned motor vehicle as described in this policy. Commuter Use vehicles are to be marked, fully maintained (including fuel) and comprehensively insured.

Lease Back Payment – the after tax payroll deduction (including GST) as determined by the General Manager in relation to Private Use of the Council owned motor vehicle.

Fringe Benefits Tax (FBT) – tax payable by Council on the grossed up value of the vehicle provided. This tax may be reportable on the Employee Payment Summary and is reduced or fully offset by Lease Back Contributions.

1. Staff Access to Motor Vehicles

Council vehicles are available to all eligible members of Council (staff and councillors) for work related and authorised purposes during business hours of Council. During business hours all Council vehicles are considered as available for “pooled use”.

2. Entitlement

Entitlement to a motor vehicle will follow the requirements of the Local Government (State) Award 2010 as a minimum and may be based upon:

- The provision of a motor vehicle as part of a negotiated remuneration package;

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- The provision of a motor vehicle as a 'job facility', eg positions which involve significant travel on behalf of the Council in fulfilling normal working requirements;
- The provision of a motor vehicle as a discretionary benefit for positions where it is considered appropriate to provide a Council vehicle;
- The provision of a motor vehicle as an incentive to attract and/or retain an employee;
- Any exceptions to entitlement needing the approval of the General Manager;
- Any employee affected by a redeployment situation will have the 'entitlement' to a vehicle assessed in terms of their original conditions of employment. In a redeployment situation, Council may terminate this agreement in accordance with the Local Government State Award for conditions of employment;
- Employees must possess a current Australian Driver's Licence. Should any employee be disqualified from holding a driver's licence for any reason, they will be removed from the private use scheme and will not be permitted to drive any Council vehicle during the period of disqualification;
- Employees will be required to complete a detailed log book of both business and private kilometres travelled. This will allow Council to determine the usage charge for private travel and allow Council to choose the most cost effective FBT calculation method to be applied to the vehicle. The log book must be completed for a minimum three (3) month period when the normal usage for a vehicle changes or as required by the General Manager. This clause does not apply to vehicles that are Commuter Use only.

3. Private Use Scheme

Motor Vehicle Allocation by Group

Table 1

LEVEL	RESTRICTIONS	EMPLOYEE CONTRIBUTIONS
GROUP 1 General Manager	Nil	Nil – vehicle forms part of salary package
GROUP 2 Directors / Executive Managers	Fuel to be reimbursed for private travel outside Walcha Council area and during leave periods	Nil – vehicle forms part of salary package

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GROUP 3 Non Executive Managers (above Grade 9)	Fuel to be reimbursed for long private trips and during leave periods	Sedans/2WD \$100 pw Utes/4WD \$120 pw
GROUP 4 Other Employees	Commuter Use only	Nil - No private usage of vehicle

General Conditions

The vehicle will be available for Council use during working hours except when the Lessee is absent on approved paid leave or other approved absence. Use of the vehicle during working hours remains at the discretion of the Director - Engineering Services (DES) or General Manager.

Groups 1, 2 & 3 Lessees are entitled to full private use, subject to conditions in as per Table 1. Council is responsible for all costs including registration, insurance, maintenance, fuel or other expenditure approved by Council.

Council recognises that where an employee is granted full private use of a vehicle, this vehicle in many cases becomes that employee's family vehicle. Accordingly, Lessees are entitled to grant permission for other persons to drive the Council vehicle whilst on private use provided such person(s) hold a current driver's licence and is:

- The partner of the Lessee who permanently resides with the Lessee; or
- Another suitably licensed person may also drive the vehicle only where the Lessee and /or partner is a passenger in the vehicle.

Group 4 Lessees are entitled to Commuter Use as defined. Council is responsible for all costs including registration, insurance, maintenance, fuel or other expenditure approved by Council. Commuter use does not include:

- Transportation of family members or members of the public unless for work related purposes;
- Transportation of other Council employees to and from work;
- Visits to private or non-work related locations other than the odd occasion (such as stopping at a shop on the way home via the direct route); and

Council vehicles are not permitted in any car rally or competition, or to be used for any commercial purpose outside of Council's own operations. Where a Lessee has obtained approval to have full private use of a Four Wheel Drive (4WD) vehicle, only appropriate recreational use of the vehicle is permitted. Appropriate off road use can be defined as utilising the vehicle only where access is provided by either a marked track/trail (eg camping ground access, fire trail, dirt roads), or where vehicular access is specifically allowed (eg beach

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driving). Where inappropriate private use of a 4WD results in damage to the vehicle, the Lessee will be responsible for all repair costs incurred.

Lessees may retain the use of the lease back vehicle for no more than four weeks annual leave per annum and a maximum of two weeks per annum of other forms of paid leave where the lease back of the vehicle is considered to be a discretionary benefit.

If an employee has been placed on workers compensation and provided that the appropriate lease back fee is still being paid, the allocation of a vehicle for private use is limited to four weeks. This period may be extended under the authority of the General Manager, where a workplace program has been established for the employee's return to work.

Any form of 'Leave Without Pay' taken by the Lessee, Council will require the motor vehicle to be returned to the Director - Engineering Services for general Council use (unless otherwise approved by the General Manager in writing).

Lessees absent at Conferences and Training, or overseas, where the vehicle is not required, may have to return the vehicle to the DES for retention in the Pool for general use during such periods or for allocation on a temporary basis to the Employee acting in the Lessee's position. Allocation for an Employee acting in the role will only be granted on the basis that the Employee makes the appropriate lease back payment. Lease back payments will cease during periods of leave of one week or more, where the Lessee does not have the vehicle. Adjustments to lease back payments will only be made following appropriate notification to the Finance Department.

Council may rotate the use of vehicles with the objective of ensuring that otherwise low mileage vehicles travel sufficient distances to reduce the level of FBT percentages for calculation of tax payable.

A Council vehicle may not be used for private purposes unless and until a formal agreement has been signed by both parties.

Employee Contributions

Lessees will be required to enter into a Lease Back Agreement with Council. The amount proposed will be reviewed annually as part of the budget process and Lessees will be given notice in accordance with the Local Government State Award requirements as a minimum of any change to the level of contribution. The amount will be deducted from post-tax salary and will include GST.

Lessees utilising a utility with a carrying capacity of less than one tonne on a Commuter Use basis only and who live in the Walcha Local Government Area are not required to make a contribution towards the running cost of the vehicle. This is reflective of the fact that these vehicles do not incur an FBT

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liability, and the Lessee is assisting Council in the garaging and general maintenance of the vehicle.

Fuel receipts for personal travel should be kept and handed to the Finance Department after 31 March each year to reduce the FBT liability for the vehicle.

Vehicle Options & Accessories

Vehicle accessories that are not required for business/operational purposes are not permitted given that their capital and FBT cost is often not recouped at sale or trade-in.

All vehicles provided under Lease Back arrangement may be fitted with the following standard accessories where available, and where they contribute to the safety and protection of the vehicle and/or driver:

- Floor mats (front & rear);
- Mudflaps (front & rear);
- Air-conditioning;
- Anti-lock braking system (ABS);
- Cruise Control;
- Metallic or pearl paint.

Council may fit additional accessories if they are required for safety or operational reasons.

Insurance

An excess of up to \$500 payable by the Lessee will apply to all 'at fault or deemed at fault' accidents relating to private use in any twelve (12) month period, regardless of the number of vehicles held by the Lessee during that period. This will be assessed by the General Manager on a case by case basis and the excess will be payable by the Lessee in situations where the Lessee is found to be negligent.

Where the driver of a vehicle in an accident has Commuter Use only, and the accident occurred outside the Lessee's lease parameters (eg driving on the weekend), the full cost of repairs will be levied on the Lessee.

Damage to Council vehicles whilst being officially used during bush fires, flood or other dangerous conditions would be deemed to be work related and Council would be liable for any excess.

If the Lessee, or any other person the Lessee allows control of the vehicle other than an authorised officer of Council for Council business, is convicted of a drink driving offence or other drug related offence in association with an accident involving the vehicle, the Lessee will pay the costs of associated

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repairs to the vehicle if Council's insurer refuses liability. The term 'an authorised officer' does not include the Lessee under this clause.

All Lessees are required to fully co-operate with any insurance related incidents or investigations.

The Lessee's personal items in the vehicle are not covered under the Council's insurance policy.

Non Compliance

Should the employee not comply with any of the clauses of this Agreement, the General Manager reserves the right to terminate the Agreement on immediate notice if considered necessary, or by giving fourteen (14) days written notice in other circumstances.

Termination of Lease Back

Upon the employee ceasing to be an employee of Council, or having this Agreement terminated by the General Manager, the vehicle, keys, fuel card (if issued) and any other associated items shall be returned to Council forthwith and all expenses and obligations of the employee shall be paid prior to termination of services. This agreement shall terminate on the employee's last active day of service with Council. Active service shall be deemed to exclude annual, sick or long service leave, accumulated time in lieu, other leave or public holidays following the employee's last day at work.

In addition, should an employee change position within Council, it will remain the General Manager's discretion as to whether a vehicle agreement is offered if the new position does not have a vehicle attached to it.

Lease Back Agreement Variation

Council reserves the right to vary the terms and conditions of this Agreement subject to three (3) months written notice.

4. Maintenance of Motor Vehicle

Vehicles are to be maintained in a condition that reflects Council in a positive manner, ie clean, tidy and well maintained. It is the responsibility of each employee allocated a vehicle to ensure that it is serviced and cleaned regularly in consultation with the employee's Supervisor/Manager and the Director - Engineering Services. It is the employee's responsibility to present the vehicle for service and maintenance upon request by the DES.

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Lack of care of the vehicle by the employee will result in the vehicle being withdrawn. Circumstances that lead to the withdrawal of the vehicle as a result of lack of care shall be enforced through a process of written warnings. The vehicle will be withdrawn at the third written notification. Regular inspection of vehicles will be undertaken, and where a request to clean the vehicle is not acted upon within three (3) days, Council may have the vehicle cleaned and detailed, and the cost may be charged to the employee.

Note – during periods of water restrictions the outside of the vehicle may not be cleaned.

Employees should notify the DES of all defects in the operation of the vehicle within three (3) days of the incident occurring or damage to the vehicle being identified, however minor. This may entail the completion of a damage report.

5. Emergency Repair to Vehicles

Council vehicles should be repaired where possible at Council's workshop. The DES should be contacted as soon as possible and a decision will be made on where the repairs will be carried out.

The Lessee may authorise urgent repairs, including the replacement of parts, where necessary, in accordance with Council's Financial Delegations Policy. Reimbursement will be made to the Lessee on providing original receipts through the Finance Department. Where the breakdown or damage is of such a nature that the vehicle will be out of operation in excess of two (2) days, the Lessee should contact the DES at the earliest opportunity. The DES will then take responsibility for the action required to recover or repair the vehicle in these cases.

6. Traffic & Parking Infringements

An employee or other authorised driver (as defined) fined for any traffic or parking infringements will be responsible for the payment of the fine. If an employee has his/her licence suspended or cancelled, the employee must report this immediately to their supervisor. The employee is not permitted to drive any Council vehicle whilst under such suspension or cancellation.

7. Non Smoking

Council's No Smoking Policy shall be observed at all times. There is strictly no smoking in any Council Vehicle or Plant.

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8. Use of Fuel Card

It is preferable that all vehicles use the Depot fuel bowsers whenever possible.

If a fuel card has been issued, it should be used at all other times when fuelling Council's vehicles, at any service station which accepts the Fuel Card.

The Fuel Card shall only be used for the purchase of fuel (E10, ULP or Diesel) and oil for Council vehicles. No other purchases are permitted on the fuel card.

The use of the Fuel Card for obtaining bonus points (eg Flybuys Points) is prohibited, as Council will be liable for FBT.

Fuel cards must be surrendered to the DES upon termination of employment. Lost cards must be reported immediately to the DES who will facilitate cancellation of the card.

Employees will be reimbursed for normal running expenses incurred in the provision of the vehicle. Original tax invoices are to be provided to the Finance Department for reimbursement. Any significant expenditure or expenditure other than normal running costs must be approved by the General Manager prior to purchase.

9. Driver Conduct

Drivers must use the vehicle in strict compliance with all applicable federal or state laws. Council staff must not drive Council vehicles if affected by drugs or alcohol.

Staff using a Council vehicle must maintain a respectable standard of vehicle cleanliness, eg remove and dispose of rubbish.



Approved Council Meeting 27 July 2016 – Minute No.: 5/16-17

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AGREEMENT FOR PRIVATE USE OF COUNCIL VEHICLE

I,, being an employee of Walcha Council hereby undertake to use a Council Motor Vehicle for private use in accordance with Council Policy and all the terms and conditions detailed above.

Effective from:

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Employee

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General Manager

