MOTOR VEHICLE (LEASEBACK) POLICY

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MOTOR VEHICLE (LEASEBACK) POLICY

1. Introduction

1.1 The policy establishes Council policy and guidelines for the provision of motor vehicles as a requirement of the position and/or benefit to employees. The Council constantly assesses the cost-benefit implications in maintaining a motor vehicle fleet and the ongoing provision of motor vehicles may therefore change depending upon the circumstances prevailing at the time.

2. Policy Objective

2.1 Through this policy, Council aims to achieve the following outcomes:

- Improve fleet environmental sustainability by promoting the use of low emission, fuel efficient vehicles;
- Manage the risks associated with the fleet.
- Manage the fleet in an equitable and cost effective manner, providing best value for money.
- Provide employee benefits to assist attraction and retention.

3. Policy Statement

3.1 Council is involved in vehicles in the following ways:

(a) primarily as an owner of vehicles to enable employees to carry out their **business** activities

(b) secondarily, as an owner of vehicles to provide employee benefits in line with market conditions.

3.2 The only staff who have entitlement to private use of a Council owned vehicle are staff members who have such an entitlement expressed in their contracts or letters of employment.

3.3 Where there is a business need for vehicles, Council may approve commuter use or private use, in accordance with Section 5.1 of this policy.

3.3.1 Private Use: Use of Council supplied vehicle for private use at all times except when required by Council. Costs defined by this policy or employment agreement. Salary sacrifice arrangements may be available.

3.3.2 Commuter Use: Use of Council required vehicle for travel to and from workplace and principal place of residence. No other private use permitted. Costs are defined by this policy or employment agreement.

3.3.2.1 Council makes available vehicles for commuter use on the basis that the vehicle is critical to the business and direct travel to and from the employee's home and work place.

3.3.2.2 Minor, infrequent and incidental private travel is permitted between the employee's home and office/worksite. No authority for private use is to be inferred and the carriage of any persons at any time, unless directly associated with a work related activity, is the responsibility of the driver. The vehicle must be available for Council and/or pool usage at all times during each day.

3.3.2.3 Council considers any arrangement for commuter use as being mutually beneficial to both Council and the employee. Breaches of these arrangements will be treated seriously. The General Manager may revoke commuter use at any time.

4. Environmental Sustainability

4.1 Council is committed to minimising the environmental impact of the motor vehicle fleet. The vehicle procurement process will wherever practicable include an assessment of all vehicles using the Federal Government's 'Green Vehicle Guide'. Wherever practicable, Council will aim to purchase vehicle models with superior emissions standards and fuel consumption ratings.

5. Entitlement

5.1 Allocation Criteria

5.1.1 Staff positions will be allocated motor vehicles in accordance with the following criteria:

- Group 1 (Executive Group) -Motor vehicles may be provided to these employees on a leaseback basis on agreed employment package terms.

- Group 2 (Full Leaseback)-Motor vehicles may be provided to employees on a full leaseback basis when it may be required to attract and or retain a suitably qualified and experienced employee to perform the duties of the position. A decision regarding the need to offer a vehicle as an inducement will be made subject to a market review and recommendation from the General Manager.

- Group 3 (Commuter Use)-The General Manager has the discretion to allocate a Council vehicle under this category to employees.

  For the purpose of motor vehicle safety outside of normal working hours, and/or for the response to work related events outside of normal working hours, employees will be allowed to drive the Council motor vehicle to and from work. No other usage of the Council motor vehicle, outside of that usage required for Council work, unless specifically authorised by the General Manager, will be permitted.

5.2 Pool Use

5.2.1 Council vehicles will be available as pool vehicles even though private use leaseback may apply. This means that whilst a staff member who has been allocated a vehicle, is at work on a regular week day, the vehicle must be available for use by them or other staff for business purposes. Councils needs take first priority during business hours or for after hours Council duties. Should a vehicle be required after hour/s, consideration will be given to the staff members needs. Staff members who use a pool vehicle will return the vehicle in the same condition as it was found in or better.

5.2.2 Inside the pooling arrangements the responsibility for the safe and legal operation of the vehicle rests with the driver.

5.2.3 In case of an emergency (Displan situation), the LEMO may recall any vehicle *immediately* for Council usage.

5.2.4 Council is to be under no obligation to provide an alternative vehicle where the vehicle allocated is required elsewhere on Council business, under repair or unavailable for any other reason, however Council will endeavour to source a replacement vehicle from its existing fleet.

6. Makes and Models of Vehicles

6.1 The overriding requirement is to ensure that the vehicle purchased meets the needs of the position and or section.

6.1.1 In addition to this, Council will endeavour to balance economic, environmental and individual requirements. Except for specialised work vehicles, as a general guide, Council vehicles will be selected using the Federal Government's 'Green Vehicle Guide' and have a preference for diesel powered vehicles.

6.1.2 Wherever practicable, Council will aim to purchase vehicle models with superior emissions standards and fuel consumption ratings. In general, Council cars will be four door passenger sedans/wagons where the make and model will be determined by General Manager. Particular vehicle types will be allocated as per the following table:

Group	Positions	Vehicle Type	Vehicle Price
1	Executive Group	Type 1	Vehicles to be purchased under luxury tax threshold based on gross vehicle value ex GST
2	Line Managers - Operations	Type 2	
	Line Managers - Office	Type 2 or 3	
	Officers of Council	Type 3	
3	Supervisors	Type 4	

6.2 Vehicle Type

Type 1 Vehicle – 4WD, AWD, Sedan, Station Wagon or similar (4 or 6 Cylinder)

Type 2 Vehicle - 4WD, AWD,

Type 3 Vehicle – Sedan, Station Wagon or similar (4 Cylinder),

Type 4 Vehicle – Commercial – Light

6.3 Standard Features

6.3.1 Generally vehicles provided by Council to employees may have, as standard, the following features:

- Window tinting
- ABS Braking
- Cruise control
- Air conditioning
- Bull bar
- Mud flaps
- Fire extinguisher
- First-aid kit
- Spotlights
- Seat covers
- Dash mat
- Floor mats
- UHF Radio

6.4 Vehicle Extras

6.4.1 No modifications are to be made or equipment added to or removed from the vehicle without the prior approval of the General Manager.

6.4.2 The General Manager must approve any extras fitted to the vehicle and they may incur additional leaseback fees.

6.5 Vehicle Replacement

6.5.1 Vehicle replacement will be assessed for cost effective purchase and disposal advantages, excess kilometres, recurrent costs or accident damage. Retention periods may be extended or varied by the General Manager. The decision to replace a vehicle will be taken by the General Manager who will take into account current market trends and other circumstances appropriate to the decision.

7. Fringe Benefits Tax (FBT) and Log Books

7.1 Employees are required to complete all necessary declarations in relation to vehicle usage for FBT purposes, in a timely manner.

7.2 Employees will not be required to maintain log books on a permanent basis. The General Manager may require employees to keep log books for a maximum period of 13 weeks annually in order to monitor the proportions of business and private use.

7.3 Should log books be required for Fringe Benefits Tax or any other legislated purpose they will be implemented so as to comply with the relevant legislation.

8. Leaseback Rates

8.1 The lease-back rates will be reviewed as at the first pay period in April each year, to coincide with the start of the FBT year. In setting the initial fee Council is concerned to ensure that the rate is equitable and reflects the current market cost to Council of private use as part of a salary packaging agreement.

8.4 The private leaseback fee is a salary sacrifice weekly fee and will be deducted from the employee's gross pay.

8.5 The leaseback fee will be adjusted annually in accordance with the provisions of the *Local Government (State) Award 2014* (the Award), Clause 16 Motor Vehicle Leaseback, Paragraph C, Variation of Leaseback Vehicle Arrangements or any future similar award provisions relating to motor vehicle leasing.

8.6 The initial Leaseback rates will be set as per Appendix B.

8.7 If a driver is convicted of driving under the influence of alcohol or other banned drug or substance resulting in an accident involving a Council vehicle the leaseback holder must pay the total cost of repairs and/or restitution arising out of the accident, in the event that Council's insurers deny any insurance claim. Employees may also be subject to disciplinary action.

9. Private Use of Council Vehicle

9.1 For Groups 1 – 2 employees with full private use of vehicles, Council is responsible for all costs – registration, insurance, maintenance, fuel or any other expenditure approved by the General Manager.

9.2 With the exception of the General Manager private use of a Council vehicle is within a radius of 500kms from Brewarrina (This covers a radius to Dubbo). Only the General Manager can grant approval for private travel to areas outside the 500kms. All private use outside this radius will be the employee’s responsibility for all fuel and oil costs.

9.3 In respect of absence on any type of leave in excess of six (6) weeks in a 12 month period, Group 2 employees are required to obtain specific approval from the General Manager in writing, where the employee requires having use of the vehicle for that extended period. Instances relating to maternity and / or paternity leave will be dealt with on a case-by case basis.

9.4 Any form of Leave Without Pay - any period of more than one (1) week taken by employees from the Council, the motor vehicle is to be retained in the Pool for general Council use, (unless otherwise approved by the General Manager in writing). During this period of more than one (1) week, leaseback payments will be suspended for the staff member taking Leave Without Pay.

9.5 When a leaseback agreement is entered into by an employee, the employee is agreeing to pay the leaseback fee for the entire period that they are entitled to a leaseback vehicle. The employee will be expected to continue payments for the vehicle whilst on leave of any type, unless by mutual agreement, the vehicle can be allocated to someone else within the section or it becomes a pool vehicle whereupon the leaseback fee will be suspended. Another employee may be given use of the leaseback vehicle during this period of leave, however they will be responsible for leaseback payments during this time.

10. General Conditions

10.1 Maintenance of Motor Vehicle

10.1.1 Vehicles are to be maintained in a condition that portrays Council in a positive manner i.e. clean, tidy and well maintained. It is the responsibility of each employee allocated a vehicle to ensure that it is serviced and cleaned regularly and checked for unreasonable wear and tear. Each vehicle may be required to be presented for inspection and assessment from time to time. Lack of care of the vehicle by the employee may result in council instigating a disciplinary inquiry with potential disciplinary outcomes.

10.1.2 Circumstances, which lead to the withdrawal of the Motor Vehicle as a result of lack of care, shall be enforced through a process of written warnings. Regular inspection of vehicles will be undertaken, and where a request to clean a vehicle is not acted upon within three (3) working days, Council may have the vehicle cleaned and detailed, with the cost being charged to the employee. Unreasonable wear and tear which cannot be claimed on insurance may be charged at cost to the employee.

10.1.3 If the vehicle is presented at vehicle changeover time in an unsatisfactory condition, the employee will be required to pay the costs of having the vehicle cleaned.

10.1.4 The Council will provide repair costs, maintenance, registration and insurance of the vehicle and NRMA/Holden wise or similar membership.

10.1.5 The employee shall be responsible for ensuring that services and maintenance are carried out to the manufacturer's specification.

10.2 Unacceptable Uses:

10.2.1 The vehicle shall not be used for:

- Rally car or Competitive events;
- Hunting or shooting;

- 4 wheel drive recreational driving (bush bashing);
- Smoking (including passengers);
- Transporting of animals other than household pet as approved by General Manager (unless in the course of duties or emergency); or
- Any commercial purpose or activity where the employee derives an income which is not related to the employee's employment with Council.

10.3 Traffic Penalties

10.3.1 All drivers of Council vehicles are subject to the law and as there is no excuse for breaking the law, any fines, eg speeding, parking, careless driving or any other breach of the law, will be the responsibility of the driver of the vehicle.

10.3.2 If you are convicted of an offence and have your license revoked/suspended, notification must be given to your Manager / Supervisor immediately.

10.4 Accidents/Collisions Reporting

10.4.1 All accidents, collisions, incidental damage, scrapes or bumps must be reported to the Fleet Manager as soon as practicable and an incident report completed.

10.4.2 Council will not meet the cost of the insurance excess where the employee has clearly acted in a dangerous and reckless manner, disregarded Council policy and procedures, acted outside relevant State laws, or used the vehicle in any manner deemed inappropriate or dangerous. Where this is the case the Council will require payment of the insurance excess from the employee.

10.4.3 Should the employee authorise a driver under 25 years of age other than another Council employee, to drive the vehicle and the vehicle is involved in an accident then the employee shall pay to Council any excess not met by the Council's insurance company due to the driver's age.

10.4.4 In the event of an accident, the employee to whom the vehicle is allocated must report the accident to his/ her managers, take photo's and fill in the necessary paper work for the insurance requirements. The Accident, Incident Investigation Procedure must be followed including the completion of an Incident Report. The employee may also require a drug & alcohol test as per the Drug and Alcohol Policy.

10.5. Insurance

10.5.1 Council will provide comprehensive insurance cover for the vehicle whilst the vehicle is used for either Council business or private use.

10.5.2 The insurance policy does not provide cover for the loss of personal possessions or equipment damaged, lost or stolen from the Council vehicle. The cost of any loss or damage to personal property from the vehicle is to be borne by the employee.

10.5.3 An excess of up to the Council's current excess will be payable by the employee for any at fault or deemed at fault insurance claim occurring while the vehicle is being used for private use.

10.5.4 Any person who has in excess of three (3) vehicle insurance claims, irrespective of at fault or not, shall have their vehicle entitlement reviewed by the General Manager which may lead to the termination of the agreement.

10.5.5 Vehicles should not be driven where the warning on a prescribed medication indicates against driving in accordance with the drugs labelling or the driver is adversely affected by any drug taken.

10.6 Use of Fuel Cards

10.6.1 Council will supply all applicable vehicles with a fuel card(s).

10.6.2 The Fuel Card shall be used at all times when fuelling Council's vehicles, at our authorised Service Stations. Employees are requested to fuel their vehicles to a full tank each time the Cards are used. The pin number and speedometer reading is to be given to the service station operator at the time of fuelling. This practice is compulsory as it assists in vehicle management.

10.6.3 Other Purchases: The Fuel Cards shall only be used for the purchase of fuel for Council vehicles, as well as oil and other transmission fluids if required. No other purchases are permitted on the Fuel Card.

10.6.4 The use of these Cards for obtaining bonus points (i.e. Fly buys Points) is prohibited, as Council will be liable for Fringe Benefits Tax.

10.6.5 Card Cancellation: Fuel Cards must be surrendered to the Fleet Manager upon termination of employment. Lost Cards must be reported immediately to the Fleet Manager who will facilitate the cancellation of the Cards.

10.7 General Conditions

10.7.1 Any employee allocated a Council vehicle under this Policy will be required to abide by the following:

- The vehicle may only be driven by the following people:
  - An employee of Council holding an appropriate current Driver's Licence;
  - The spouse / partner or immediate family of the employee, provided they hold a current driver's licence;
  - In emergency circumstances, any licensed driver authorised by the Council employee.
- The vehicle will not be driven by Learner 'L' drivers
- In terms of driver fatigue it is the responsibility of the driver of any Council vehicle to ensure they take appropriate steps to combat the effects of fatigue due to extended driving periods (i.e. regular rest stops).
- Council vehicles are to be secured when unattended by the employee to whom that vehicle has been allocated by locking the Council vehicle and, wherever possible, keeping it in a garage.
- Where first aid kits are allocated they should be left in the vehicle at all times. Personnel, who use a first aid kit for any reason, should immediately contact their supervisor that the first aid kit needs to be replenished.

11. Termination

11.1 Non-compliance with the terms and conditions of this agreement may preclude the employee from further use of the vehicle.

11.2 Abuse or misuse of the vehicle or Fuel Cards will lead to appropriate disciplinary action being taken.

11.3 The employee may terminate this agreement by giving six weeks written notice to the General Manager.

11.4 Council may terminate this agreement by giving 12 months written notice of its intention to do so in accordance with the Award.

Appendix A: Motor Vehicle (Leaseback) Agreement

Parties to the Agreement

Brewarrina Shire Council

The Officer being:

COUNCIL PARTICIPANT

Name: .....

Address: .....

.....

Position: .....

Motor Vehicle Group: …… Type: ……

Commencement of Operation

The agreement shall commence on ……..

OTHER REGULAR DRIVERS

Name	Relationship	Licence No.

Execution of the Agreement
The parties agree to the terms and conditions of the attached Motor Vehicle (Leaseback) Policy.

The employee in signing this agreement acknowledges that Council reserves the right on an annual basis to vary the cost to employees of Private and Commuter Use agreements.

N.B. In case of an emergency (EMPLAN situation), any vehicle may be recalled *immediately* for Council usage.

Signed: ..... Employee

Signed: ..... General Manager

Date: ..... Approved

Appendix B: Leaseback Rates

The Leaseback fee will be adjusted annually as per the Local Government (State) Award 2014, Clause 16 Motor Vehicle Leaseback, Paragraph C, Variation of Leaseback Vehicle Arrangements.

Leaseback rates will be initially set at $100.00 per week from the employee gross pre-tax salary for the vehicle categories 1 & 2. The agreed leaseback rates will be those charged to the employee (regardless of the actual costs) for the duration that the vehicle is held, with the exception of indexation as referred to in Section 8.

Leaseback rates will be set at nil for any vehicle in Group 3 (take home vehicle only).