

**Category:** Financial Management

**Adoption:** CEO

**Date:** May 2017

(Adoption/most recent revision)

**Review period:** Three years

**Responsible Manager:** Executive Manager Business Performance

**CEO Signature**



**Date** 20 June 2017

## **Purpose / Objective:**

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The Purpose of this Policy is to provide a consistent approach to the allocation and administration of motor vehicles to staff allocated the use of a motor vehicle as part of their employment arrangements. This policy also defines the parameters and responsibilities of Council officers in the provision, use, care and maintenance of Council owned vehicles.

## **Scope of this Policy?**

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This policy applies to all Council staff (including authorised persons/contractors and Councillors, who have been assigned a vehicle or are required to use a Council vehicle as part of their employment). This policy also applies to staff that use their private vehicle to undertake Council business.

This policy applies to all vehicles purchased or leased by the Council. It also applies to all employees who drive a Council vehicle, including staff ('Assigned Officers') that are provided with a Council vehicle and to drivers authorised to use a Council vehicle who are not employees of the Council ('Approved Drivers').

## **Background / reasons for Policy:**

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This policy will ensure the appropriate allocation of Council vehicles and provides a framework for the management of Council vehicles where the vehicle is part of an employment agreement.

Provisions relating to motor vehicles for Senior Officers shall be subject to negotiated arrangements within a Senior Officer contract as defined in the Local Government Act 1989 read in conjunction with this policy and incorporating any authorised changes to the policy.

## Policy content:

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Mount Alexander Shire Council operates a fleet of passenger and light commercial vehicles. Council vehicles are provided to enable staff to perform their functions within their area of responsibility.

Council vehicles may be assigned to an officer as part of a Senior Officer contract, annualised salary agreement or other general employment conditions as authorised by the CEO.

### 1. General Conditions

- a. All Council vehicles form part of Council's car pool and must be made available for use by Council Officers on Council business during normal office hours, unless the vehicle is being utilised by the Assigned Officer.
- b. Councillors may on occasion have access to a Council vehicle, where travel support would normally be provided.
- c. Council will pay all operating and maintenance expenses, including the cost of fuel, oil, insurance, registration and any fringe benefits tax.
- d. All vehicles are tools of trade-use vehicles in the first instance.
- e. The allocation of a vehicle to any particular staff member does not automatically mean that a vehicle will be offered or available to future incumbents of that position.
- f. It is the responsibility of the relevant Manager (or delegate) to bring this Policy to the attention of each staff member that reports to them and is likely to have access to a Council vehicle. Where applicable, this Policy will also be discussed as part of the employee's induction program.
- g. Any breaches of this Policy will be dealt with in accordance with Council's disciplinary procedures.
- h. Any Councillor or Council Officer operating a Council vehicle who causes death, injury or property damage through negligence or non-compliance with any federal or state law, local law or Council Policy may be held financially and legally responsible for their actions.
- i. The allocation and / or use of a vehicle shall not be regarded as a condition of employment unless stipulated under an employment contract.

### 2. Types of Vehicle Use

- a. **Pool / Tool of Trade Vehicles**  
Vehicles dedicated to general Council business and not allocated to a particular position or person.

Pool / Tool of Trade vehicles will be available for use by all staff for general day to day use (including overnight use for Council business) and are booked using the SmartFleet system.

b. **Commuter Use Vehicle**

Commuter use is defined as any business travel and private travel to and from work only.

A Commuter use vehicle can only be allocated on the recommendation of the relevant Director and approved by the CEO. The Council vehicle is not available for other private use and must be left at Council for any periods of annual leave, long service leave, periods of unpaid leave such as parental leave, or other absences of more than 5 working days. The sole permitted driver for commuter use is the Assigned Officer.

An employee contribution, consisting of pre and post-tax components, is required for commuter use and will be calculated at 24% of full private use (Appendix A).

It is preferable that Commuter Use vehicles are to be commercial vehicles (utes).

c. **Private Use Vehicle**

Private use of a vehicle is granted to employees either as part of an employment agreement, or may be specifically approved by the CEO as a change of employment conditions. Private use may be approved for business purposes, or as part of an attraction or retention strategy.

The CEO can withdraw private use entitlements at any time due to retirement, resignation or breaches of this policy and related motor vehicle procedures. In other cases where private use is withdrawn, three months notice will be given to the employee of the change.

An employee contribution, consisting of pre and post-tax components, is required for private use per Appendix A.

An officer allocated a private use vehicle will be able to use the vehicle for all forms of paid leave. Where an officer is on personal leave involving half pay, the full amount of the employee's vehicle contribution must be paid for the full period of the leave. If leave without pay of more than 10 days is taken the Assigned Officer must return their vehicle to the pool for the period of that leave. For leave without pay of up to 10 days, the Assigned Officer may retain the vehicle but is still required to make the normal financial contribution, as if they were still being paid.

Private use of a vehicle is available to all Manager level staff and above, or other staff subject to approval by the CEO. Private-use vehicles will be available to staff in full-time employment and part-time (above 0.6 FTE). A 6% loading will apply to the private contribution payable for each 0.1 FTE not employed.

When a vehicle is allocated to an Assigned Officer with private use, the Assigned Officer is to be the primary driver of the vehicle. The Assigned Officer may however, allow the allocated vehicle to be driven unsupervised by members of their immediate family (spouse / partner and children). With the exception of Councillors or Council employees, other persons (other than immediate family) may only drive a Council vehicle when the Assigned Officer is in the car. All drivers must hold a current and valid driver's licence or learners permit.

For private use vehicles, learner's permit drivers may only use a council vehicle in the presence of the Assigned Officer or members of their immediate family (spouse / partner and children). In the event of an accident or incident involving a learner

driver the Assigned Officer may be liable for any additional excess charges or repairs.

d. **Interstate Travel**

Private use vehicles may travel within Victoria, South Australia and NSW. If it is proposed to travel outside these States approval must be obtained in advance by the relevant Director for business use or the CEO for private use.

### 3. Vehicle Purchasing

Vehicles are considered for purchase based on a number of factors including the following key requirements:

a. **Operational Suitability**

Vehicles must meet the functional business requirements for which they are to be used, in terms of size, performance, cargo, towing, terrain and customer recognition.

b. **Safety**

All vehicles will be purchased with consideration to the Australian New Car Assessment Program (ANCAP) Safety ratings performance. Light commercial vehicles must have an ANCAP safety rating of 4 or higher, Passenger vehicles must have an ANCAP safety rating of 5. Light coloured vehicles are encouraged on the basis of both safety and bodywork maintenance costs.

c. **Whole of Life Costing**

The cost of the vehicle over its whole useful life, including purchase price, operating cost and likely resale value, is considered.

d. **Environmental Impact**

An assessment of environmental performance is undertaken for vehicles being considered for purchase using the Green Vehicle Guide (GVG). The GVG provides information about the environmental performance of new passenger and light commercial vehicles sold in Australia. Information provided by the GVG includes CO2 emissions, fuel lifecycle emissions, fuel consumption, energy consumption, air pollution standard and annual fuel costs.

e. **Negotiated Contractual Arrangement**

In accordance with the staff members Contractual Arrangement.

f. **Fleet Diversity**

The Council fleet composition must remain sufficiently diverse to spread financial risk associated with resale values but should also ensure consistency of vehicle type between users.

## 4. Definitions

### **Assigned Officer**

An officer assigned a vehicle for private or commuter use.

### **Approved Driver**

An officer assigned a vehicle for private or commuter use.

### **ANCAP Safety Rating**

The Australian New Car Assessment Program (ANCAP) gives consumers consistent information on the level of occupant protection provided by vehicles in serious front and side crashes. It is recognised by both Federal and State Governments as providing the most consistent crash safety data available.

### **Immediate Family**

A spouse (including a former spouse, a de facto and a former de facto spouse) of the employee. A de facto spouse, in relation to a person, means a person of either the same or opposite sex to the first mentioned person who lives with the first mentioned person as the partner of that person on a bona fide domestic basis although not legally married to that person; and

A child or an adult (including an adopted child, a step child or an ex-nuptial child), parent, grandparent, grandchild, or sibling of the employee or spouse of the employee.

### **Pool / Tool of Trade Vehicle**

A pool / tool of trade vehicle is any car which is made available for any authorised employee to drive on Council business during normal working hours and overnight use for Council business.

### **Private Use**

Includes any non-business travel in a vehicle, including travel between home and work.

### **Vehicle**

In the context of this policy, a vehicle includes all passenger and commercial vehicles.

## **Responsibilities:**

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### **Chief Executive Officer**

- Authorise allocation of vehicles with full private or Commuter use to Assigned Officers.
- Approve any other persons nominated by a Director for use of a Council vehicle in accordance with this policy.
- Authorise any travel outside Victoria, South Australia and New South Wales in a Council vehicle for private usage.
- Discretion to withdraw the allocation of a Council vehicle for breaches of this policy.

### **Directors**

- Authorise 'tools of trade' use of a Council vehicle, with no private usage.
- Authorise temporary reallocation of a Council vehicle due to leave or other reasons.
- Consult the fleet manager regarding any proposed changes to use, allocation or any other requested changes including modifications.

### **Manager Financial Services**

- Administer the policy and responsible for its interpretation and application.
- Calculate and recommend the annual contribution for private and commuter use to be authorised by the CEO on a regular basis.

- Calculate and recommend the business unit contributions as part of the Annual Budget process.
- Authorise the purchase, and trade-in of Motor Vehicles within allocated annual budget.

## **Procurement Co-ordinator**

- Manage the acquisition and disposal of vehicles in accordance with this policy.
- Manage the fleet in accordance with the Motor Vehicle Procedures.

## **Managers / Supervisors**

- Monitor the usage and condition of all Council vehicles for staff use.
- Ensure that employees operate Council vehicles in accordance with this policy.

## **Staff allocated a Council vehicle**

- Maintain the vehicle's roadworthiness by arranging regular services in accordance with Council's service arrangements, the servicing schedule described in the vehicle manual/handbook, and the repair of any faults.
- Ensure the vehicle is kept clean internally and externally.
- Should drive the allocated vehicle to and from work each day. Where there are instances this is not possible, ensure that SmartFleet is updated and any bookings reallocated to an alternative vehicle.
- Make the vehicle available to other staff to undertake Council business during working hours.
- Commuter use vehicles are for pool/tool of trade use during business hours and travel to/from home only by the assigned driver.
- Make an employee contribution to offset the costs of any private or commuter use of the vehicle.

## **All Staff using or allocated a Council vehicle**

- All drivers of Council vehicles must hold a current driver's licence.
- Operate the vehicle within manufacturer instructions.
- Secure the vehicle when not in use.
- Adhere to all legal requirements relating to driving including but not limited to: adherence to speed limits, the proper use of mobile telephones, wearing of seat belts and not driving whilst impaired, (when blood alcohol level exceeds the limits prescribed by law, or when impaired by drugs).
- Notify the appropriate Manager/Supervisor if their licence is cancelled or suspended.
- Any road traffic and/or parking fines/infringements are the responsibility of the offending driver.
- The fuel card which is assigned to each vehicle must not be used to purchase fuel for any other vehicle. The fuel card must be kept in the vehicle at all times.
- Have an obligation to ensure vehicles remain clean and tidy, and have at least ¼ tank of fuel at all times.

## **Related Policies and Procedures:**

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Motor Vehicle Procedures

Staff Code of Conduct

Bus Hire Agreements – Internal and External

## **Relevant Legislation:**

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Victorian Local Authorities Award 2001

Bus Safety Act 2009

## Appendix A

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Appendix A can be updated by the CEO, without requiring readoption of the policy.

### **Private Use Employee Contributions**

An employee contribution, consisting of pre and post-tax components, is required for private use. The current annual contribution is \$7,000 pre-tax and \$3,000 post-tax, to be paid fortnightly. A 6% loading will apply to the private contribution payable for each 0.1 FTE not employed.

### **Commuter Use Contributions**

An employee contribution, consisting of pre and post-tax components, is required for commuter use and will be calculated at 24% of full private use.