



WALCHA COUNCIL

ADMINISTRATION POLICY

Light Vehicle Fleet Policy

Applicability

Council Staff

Publication Requirement

Internal

Assigned Responsible Officer

Director Corporate & Community

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1. POLICY SUMMARY

This policy provides direction for the provision of Council's light vehicle fleet to meet service commitments to the community, and Council's commitment to achieve its long-term goal of valuing employees as central to Council's operations.

These factors require Council to maintain a light vehicle fleet to meet operational needs, staff contractual arrangements and service delivery to the community. This is achieved by ensuring optimum use of vehicles where possible through management practices which are efficient, cost effective, sustainable, equitable and accountable.

2. POLICY SCOPE

This Policy deals specifically with:

- a) All routine Council operations related to the use of its Light Vehicle Fleet.
- b) The granting of private use of Council vehicles to staff members under the terms of a full Motor Vehicle Leaseback Agreement.

Council will honor agreements with existing and new staff as contained in their contractual agreement. These include vehicle packages for private use and the requirement to comply with the Local Government (State) Award.

3. POLICY OBJECTIVES

The objectives of this Policy is to:

- a) Provide guidance for the cost effective and efficient management of Council's light motor vehicle fleet.
- b) Reinforce Council's commitment to Recruitment and Retention, Reward and Recognition of its skilled labor force.
- c) Enable Council to supply some employees with a valuable benefit while at the same time providing income to offset the cost of maintaining the fleet.

4. POLICY

4.1 Criteria for Granting of Full Vehicle Lease

The leaseback of Council vehicles is considered under the following conditions:

- a) The employee has a minimum classification of Professional Specialist Band 3 (Grade 7) under the Local Government State Award.

OR

- b) The employee is employed under a fixed term contract where the leaseback of a vehicle is an option under the employment agreement.

AND

- c) A business case is approved by the General Manager that warrants private use for the position.



4.2 Private Use

The employee is granted the private use of the motor vehicle during the week, weekend and while on annual leave or other extended periods of paid leave up to 4 weeks (over 4 weeks requires approval by the General Manager). Travel to and from work will not be deemed to be private use for the purposes of this Agreement.

4.3 Private Usage Fuel Costs

Council shall be responsible only for fuel purchased within New South Wales and the Australian Capital Territory. All fuel purchased outside these states will be at the employees' expense (except if for work related purposes – i.e. interstate training, conference).

Private use of the vehicle should not be grossly excessive in accordance with Council's Code of Conduct with respect to misuse of Council vehicles. Excessive private use may necessitate removal of the private use benefit, or additional reimbursement by the staff member to offset the cost to Council.

4.4 Commuter Use

"Commuter Use" refers to use of a Council vehicle by an employee for travel to/from work, where vehicle is also required for the employee to undertake the functions of their role. Council meets all costs. Use of this nature facilitates duty call outs, secure garaging and efficient direct home to work sites, particularly for senior operatives. These vehicles are an added benefit for Council staff whilst Council also benefits through faster callout response and secure garaging.

Commuter Use is restricted to travel between home and work, with no other private use allowed. Commuter Use will generally be restricted to employees living within fifty (50) kilometers of a Depot or as determined by the General Manager. This vehicle will not be available to the employee during any period of annual leave, long service leave or leave without pay. The vehicle may not be retained whilst the employee is absent from work for any cause.

On-Call Staff - This Agreement covers Coordinators/Team Leaders and employees who are on-call, rostered on for weekends and/or Public Holidays, or are routinely required to meet after hours work commitments. Travel to/from home to fulfil work commitments is permitted, with minor deviations permitted due to the inconvenience that may occur due these commitments, with no other private benefit. Council acknowledges that this category of commuter use gives some benefit to an employee, while Council receives operational advantages that support its Customer Service needs and statutory obligations, and also benefits in having a vehicle that is maintained and secured. By not requiring the payment of a fee in this circumstance, Council recognises the relative value of the benefits in Council's favour.

Group transport or remote worksites - Other employees who have a vehicle assigned to them, where Commuter Use by that employee offers either measurable efficiency gains to Council through the usual daily group transport of employees to work sites at the commencement of the working day, or where the employee commences work on a usual daily basis at rural or other work-sites remote from one of Council's Depots. Council acknowledges that this category of commuter use gives some benefit to an employee, while Council receives operational advantages valued substantially in excess of that Commuter Use fee and also benefits in having a vehicle that is maintained and secured. By not requiring the payment of a fee in this circumstance, Council recognises the relative value of the benefits in Council's favour.



4.5 Repairs, Servicing and Maintenance

The cost of all repairs, servicing, maintenance, registration and insurance of the vehicle shall be borne by the Council subject to the employee being responsible for any at fault insurance claims up to \$500 occurring during private use. Serious at fault claims, or traffic infringements, may result in disciplinary action being taken against the staff member due to Code of Conduct breaches.

The employee shall be responsible for the proper maintenance and care of the motor vehicle including regular cleaning inside and out and ensuring that the normal maintenance items such as fuel, oil, battery, water and the like are checked and attended to at regular intervals. The vehicle must be serviced, maintained and cared for as required by the manufacturer and Council policies or procedures or as directed from time to time.

4.6 Vehicle Type

Standard Fleet - A standard fleet vehicle will typically be a 4x4 diesel utility, however final determination will be up to the fleet manager based on business needs. This is to ensure the flexibility and broad application of the vehicles for most ordinary operational requirements. This fleet should be split between a range of vehicle types as required.

Private Use Vehicles With Operational Requirements – A private use vehicle must meet Council operational requirements first, but with consideration for personal use functionality. All Private Use vehicles must be able to comfortably accommodate four adult passengers. It is expected that any non-utility vehicles are still suitable for 'country' driving, with preference for high-riding passenger vehicles with all-wheel-drive (e.g. Mitsubishi Outlander) over low-riding passenger vehicles that may have only 2WD and low-profile tyres.

These vehicles will typically be unmarked (i.e. will not have visible Walcha Council branding) but otherwise should have a focus on practicality and with respect to a suitable corporate image. For example, it would not be suitable to have a vehicle with an obvious focus on performance or sports driving.

4.6.1 Early Change Over of Vehicles

Where an existing vehicle is provided as a condition of employment, the type of vehicle may be altered by agreement prior to the general turnover period of 4 year / 120,000kms with such regard as to:

- The employee's personal circumstances, including family and carer needs; and
- The needs of the workplace, including any genuine operational or safety reason.

4.7 Additional Vehicle Accessories

Due to the broad range of vehicle after-market accessories this Policy acts only as a guide for what additional accessories may or may not be appropriate for Council vehicles.

Common sense with respect to the financial, safety, operational and any personal usage of the vehicle should be exercised in all cases.

This Policy assumes that modern vehicles with up to date features and safety technology will be purchased by Council. As such, all Light Vehicles purchased by Council should have a 5 Star ANCAP safety rating at the time of purchase.

In order of priority, any additional vehicle accessories must:

1. Enhance the safety and protection of the vehicle occupants;



2. Improve the vehicle's operational capabilities and value to Council; and
3. Improve the resale value of the vehicle.

Any accessories that a staff member with Private Use of the vehicle may wish to have installed that do not genuinely meet the aforementioned criteria (e.g. roof racks, sports bars) may do so at their own cost, so long as such accessories do not diminish the aforementioned criteria for the vehicle. These extra accessories become property of Council who will meet the cost of transferring accessories on vehicle changeover.

A break down has been provided of the recommended vehicle accessories on fleet vehicles with operational requirements.

4.7.1 Standard Fleet Vehicles (Commuter Use)

These are the most common vehicles in the fleet. These vehicles must be flexible and suitable for a broad range of applications whilst being cost effective for Council to purchase and operate. These vehicles shall generally come standard with the following items:

- Seat Covers
- Flashing lights
- Tray-back*
- Tow bar
- 4x4 or AWD capability
- All-Terrain tyres
- Long range 2-way radio
- Mobile phone booster
- Suspension upgrade (Grader Crew vehicles only)
- Bullbar (Grader Crew and Workshop/Callout vehicles only)
- Lightbar / Spotlights (Grader Crew and Workshop/Callout vehicles only)
- Front end winch (Workshop/Callout vehicles only)

*The metal tray-back may be purchased directly from the manufacturer or from an after-market retailer.

Additional consideration should be given for some vehicles to carry toolbox canopies and other storage facilities or any other accessories necessary to perform their duties safely and effectively e.g. Team Leader, Urban Works and Water & Sewer Coordinator vehicles may require extra covered storage capacity.

4.7.2 Private Use Vehicles

These vehicles will typically be assigned to a specific staff member who has the option for Private Use as part of their position. The operational demand of these vehicles will vary depending on the position, with accessories tailored to suit and only installed at Council's cost if deemed beneficial for operational use. For example, flashing lights may be fitted to the vehicle of a Works Engineer.

4.7.3 Other Accessories

Other non-operational accessories may be purchased for private use vehicles but will generally be at the cost of the staff member. However, accessories may be purchased by Council for personal or family needs at the



discretion of the Executive on a case by case basis under the provision of this Policy aiming to improve the safety of the vehicle and to attract and retain skilled members of staff.

4.8 Leaseback Payments

In consideration of the Council agreeing to make the light vehicles available to the employee for private purposes in accordance with the terms and conditions of the Policy the employee hereby agrees to pay the Council the agreed lease payment each week for as long as the Agreement shall continue and authorises the deduction of such sum from the employee's regular salary commencing on the first pay date after the date of the signed Agreement. The leaseback fee shall be inclusive of private fuel costs in accordance with the Agreement.

This fee shall be subject to a CPI adjustment from 1 July each year and annually thereafter and shall not exceed more than 10% increase or the percentage movement in the index figure published by the Australian Bureau of Statistics.

4.9 Fringe Benefit Tax (FBT)

Council will pay FBT costs associated with this agreement. Should the FBT law change, Council reserves the right to alter this agreement after notification to leaseback holders.

Each leaseback holder will be required upon request to provide Council with a twelve (12) week log book of vehicle use. This allows the Council the opportunity to choose the most appropriate valuation method for leaseback purposes. Council can request that a log book be completed at any time however, a new log book is required every five (5) years for FBT purposes.

If the FBT value reaches \$2,000 Council is required by law to gross up that amount and report it on employee's annual Payment Summary. The amount does not form part of taxable income but is used in the means testing of Centrelink Benefits, Medicare Levy Surcharges and Family Tax Benefit calculations.

The leaseback holder shall make every effort to minimize the FBT liability in respect of the agreement and shall provide upon request all information required by Council to lawfully discharge its FBT obligations in relation to this agreement.

4.10 Leave Arrangements

Travel to and from work will not be deemed to be private use for the purpose of this Policy and the Agreement. Private use of the motor vehicle whilst on long service leave, sick leave or other extended periods of paid leave will be limited to a period of three months. An extension of this period may be granted by the General Manager in accordance with Section 15c of the Local Government (State) Award 2020. Private use of the motor vehicle will not be available during periods of unpaid leave.

Where the leaseback vehicle has been returned to Council for a period of continuous leave of greater than one week, then the weekly lease payments should not be deducted from the employee's salary during their absence.

4.11 Breaches of Policy

A serious breach of the requirements to account for the cost of all private fuel usage in accordance with Council's policy, including unreasonable private use, will result in the termination of the leaseback agreement, subject to notice being granted of unsatisfactory conduct and the application of Clause 31, Grievance and Disputes Procedure.



The motor vehicle shall not be used under any circumstances in any car rally or any other form of competition or for commercial purposes or otherwise contrary to the terms of Council's insurance policy for the motor vehicle.

The motor vehicles may only be driven by the employee or partner of the employee, an authorized officer or servant of the Council, another person if the employee or authorized officer is a passenger in the vehicle, with the exception that another licenced driver may drive the motor vehicle in an emergency. All drivers must hold a current drivers licence.

4.12 Internal Audit of Agreements

Council will be auditing these arrangements on an ongoing basis to assess compliance with the lease conditions. In particular, private usage and fuel usage will be monitored and the leaseback holder may be requested to provide evidence to support the amounts expended and unreasonable usage.

4.13 Termination of the Agreement

Vehicles not provided as a condition of employment in accordance with the Local Government (State) Award 2020

This agreement may be terminated by either party upon twelve (12) months' written notice to the other or otherwise:

- By the Council without notice upon the employee committing a serious breach of this agreement or upon the employee's service with the Council being terminated for any reason; and
- By the employee on seven (7) days' notice given to the Council.

NOTE: This is over and above B(ii) of Section 16 of the Local Government (State) Award 2020.

Vehicles deemed to be provided as a condition of employment in accordance with the Local Government (State) Award 2020

Unless otherwise provided in the Award, where a Council and an employee enter into a lease-back vehicle arrangement and the employee is entitled to a leaseback vehicle as a condition of employment, the arrangement may only be terminated by agreement.

5. SECTION 16 Motor Vehicle Leaseback Local Government (State) Award 2020

General

The parties to this Award recognize that leaseback vehicles may be provided to employees as a condition of employment (eg: as an incentive for accepting employment) or as a discretionary benefit that is not a condition of employment.

A leaseback vehicle will be considered to be a condition of employment for an employee unless it was clearly identified that it was not being provided on such a basis at the time that it was provided.

Factors to consider when determining whether the leaseback vehicle is a condition of an employee's employment include:

- *Whether the vehicle was offered as an incentive to attract and/or retain the employee; and*



- *The period that the employee has had access to a leaseback vehicle.*

Variations to Leaseback Arrangements – proposals to vary leaseback vehicle arrangements including the formula for calculating the leaseback vehicle fee shall be referred to Council's Consultative Committee in accordance with Clause 28 of this Award.

Variations to Leaseback Fees – A Council shall not increase the leaseback vehicle fee an employee is required to pay in any one year by more than ten (10) per cent or the percentage movement in the index figure published by the Australian Bureau of Statistics for Eight Capitals, private motoring sub-group (Cat No 6401.0), whichever is greater. This subclause shall not apply where the leaseback vehicle fees is adjusted to reflect changes in the type of vehicle being used (including changes in vehicle options, the class, model or make of vehicle).

Variations in hours of Work and/or extend Periods of Absence – Where an employee's hours of work change significantly or the employee is absent on approved leave for an extended period, the Council and the employee shall discuss whether the employee will be allowed to retain possession of the vehicle and/or whether the leaseback vehicle fee is to be adjusted. In the event that the leaseback vehicle fee is to be adjusted, subclause (v) above shall not apply. In the absence of agreement, Clause 31 Grievance and Disputes Procedure, shall apply.

See section in policy regarding private use of vehicles for further guidance on the allowances with respect to extensive private use during periods of leave.

6. REPORTING AND RELATED DOCUMENTATION

Full Motor Vehicle Leaseback Agreement – Appendix A

A Motor Vehicle Leaseback Agreement is to be completed by all employees before commencement of a full leaseback arrangement. A copy of the Agreement is attached to this policy as Appendix A.

Category, Range and Employee Contribution for Vehicles to be provided – Appendix B

Provides a listing of category and range of vehicles for different position levels within the organization including employee payment.

Vehicle Retention – Appendix C

FURTHER INFORMATION

Further information on leaseback vehicles may be obtained by contacting the Manager Corporate & Finance.



Appendix A – Motor Vehicle Full Leaseback Agreement

AGREEMENT made this day of 20 BETWEEN WALCHA COUNCIL (thereinafter referred to as 'the Council') of the one part and (hereinafter referred to as 'the employee') of the other part. WHEREAS the Council being the owner of certain motor vehicles used by certain employees in the course of their employment has by resolution dated the day of 20 , resolved to offer the employees private use of the motor vehicles owned by the Council subject to terms and conditions AND WHEREAS the employee desires to accept the offer of the Council in respect of motor vehicle registration plate number ('the motor vehicle') NOW IT IS HEREBY AGREED as follows:

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, other than a novated lease vehicle is at work on a regular work 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 hours consideration will be given to the Staff members needs.
2. The Council may from time to time at its discretion, and with the agreement of the employee, replace the motor vehicle with another vehicle considered by it and the employee to be necessary and suitable for the purpose and such replacement vehicles shall thenceforth be deemed to be the motor vehicle covered by this Agreement.
3. The employee shall be responsible for the provision and installation of any additional items of equipment or upgrades above operational needs as noted in Paragraph 4.7, that are requested by the employee and are not required to enable them to specifically carry out their duties. Employees will not acquire any equity in the vehicle through upgrading or the provision of additional equipment. A vehicle cannot be upgraded if the relevant Director is of the opinion that the functionality of the selected vehicle is not suitable for its principal purpose as a vehicle that can be used as a fleet vehicle for performing the business purposes of Walcha Council.
4. The employee shall be responsible for the proper maintenance and care of the motor vehicle including regular cleaning inside and out and ensuring that the normal maintenance items such as petrol, oil, battery, water and the like are checked and attended to at regular intervals and that the motor vehicle is driven regularly, serviced, maintained and cared for as required by the vehicle manufacturer and Council policies or procedures or as directed from time to time.
5. The cost of all repairs, servicing, maintenance, registration and insurance of the vehicle shall be borne by the Council subject to the employee being responsible for insurance claims up to \$500 whilst occurring during private use.
6. An employee convicted of drink driving or an offence leading to licence suspension or loss in association with an accident involving a Council vehicle, will be required to pay the cost of associated repairs in the event that Council insurers disclaim responsibilities on the grounds of such conviction, suspension or loss.
7. The employee is granted the private use of the motor vehicle during the week, weekend and while on annual leave or other extended period of paid leave. Travel to and from work will not be deemed to be private use for the purpose of this Agreement. Private use of the motor vehicle whilst on long service leave, sick leave or other extended periods of paid leave will be limited to a period of three months. An extension of this period may be granted by the General Manager in accordance with Section 16c of the Local Government (State) Award 2020. Private use of the motor vehicle will not be available during periods of unpaid leave.
8. The Council shall be responsible for fuel purchased for private purposes within the States of New South Wales and the Australian Capital Territory. If the vehicle is being used for private purposes outside these States it shall be a cost to the employee and will represent a debt due to Council if purchased on a Council VISA Card.
9. A serious breach of the requirements to account for the cost of all private fuel usage in accordance with Council's policy, including unreasonable private use, will result in the termination of the leaseback agreement subject to notice being granted of unsatisfactory conduct and the application of Clause 31, Grievance and Disputes Procedures.
10. The motor vehicle shall not be used under any circumstances in any car rally or any other form of competition or for commercial purposes or otherwise contrary to the terms of Council's insurance policy for the motor vehicle.
11. The motor vehicles may only be driven by the employee, an authorized officer or servant of the Council or partner of the employee, another person if the employee or authorized officer is a passenger in the vehicle, with the



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exception that another licenced driver may drive the motor vehicle in an emergency. All drivers must hold a current drivers licence.

12. In consideration of the Council agreeing to make the motor vehicle available to the employee for private purposes in accordance with the terms and conditions of this Agreement the employee hereby agrees to pay the Council the agreed lease payment each week for as long as this Agreement shall continue and authorizes the deduction of such sum from the employee's regular salary commencing on the first pay date after the date of this Agreement. The leaseback fee shall be inclusive of private fuel costs in accordance with this leaseback agreement. This fee shall be subject to a CPI adjustment from 1 April and annually thereafter.
13. Under this Agreement where a vehicle is not provided as a condition of employment, the agreement may be terminated by either party upon twelve (12) months' written notice to the other or otherwise:
 - a) By the Council without notice upon the employee committing a serious breach of this Agreement or upon the employee's service with the Council being terminated for any reason; and
 - b) By the employee on seven (7) days' notice given to the Council.

Termination is subject to an investigation in accordance with Clauses 31 & 32 of the Award.

14. Where a Council and an employee enter into a leaseback vehicle arrangement and the employee is entitled to a leaseback vehicle as a condition of employment, the arrangement may only be terminated by agreement, unless otherwise provided in the Award.
15. If in consequence of the provisions of any Act of Parliament proclamation rule, regulation rule, rule of law, award or agreement now existing or which may hereafter be enacted or come into force:
 - a) Any provision of this Agreement whether express or implied; or
 - b) Any transaction between the parties evidenced or contemplated by this Agreement; or
 - c) Any act, matter or thing done or omitted to be done by either party hereto;

Would be the date hereof or at any time hereafter but for the provisions of this clause be illegal, void or unenforceable then this Agreement shall be construed in all respects as if such provision, transaction, act, matter or thing as aforesaid in so far and to the extent only as it shall be illegal, void or enforceable was not and had never been included herein.

IN WITNESS WHEREOF the parties hereto have executed these presents on the day and year first hereinbefore written:

SIGNED by the Mayor and General Manager)
On the day of 20.....)
Pursuant to a resolution passed on the)
Day of 20.....)

.....
Mayor of Walcha
.....
General Manager

SIGNED on theday of)
20..... by the said EMPLOYEE (name in full))
.....)

.....
Employee / Staff Member



Appendix B – Category and Price Range of Vehicles

Category	Purchase Price Guide	Private User Contribution
Standard Fleet	Up to \$40,000	NA – Commuter Use only
Personal Use – Specialist	Up to \$40,000	Up to \$150 per week calculated to ensure no FBT is payable based on the statutory method
Personal Use – Manager	Up to \$45,000	Up to \$186 per week calculated to ensure no FBT is payable based on the statutory method
Personal Use – Director	Up to \$50,000	Part of employment package. A vehicle allowance paid to the employee can be negotiated with the General Manager if a leaseback vehicle is not requested.
Personal Use - GM	Up to \$55,000	Part of employment package. A vehicle allowance paid to the employee can be negotiated with the Mayor if a leaseback vehicle is not requested.

Note:

- 'Personal Use' includes vehicles that have operational requirements to meet as well as being appropriate private use vehicles. For example, some staff will require 4x4 vehicles to meet Council operational expectations of the vehicle, therefore extra allowance should be made therefore to ensure that an appropriate private use 4x4 vehicle can be purchased in such cases.
- These figures may be adjusted from time to time to ensure that equivalent vehicles can be purchased on changeover.
- These costs are based on stock vehicle costs excluding GST.
- These costs are inclusive of any fleet discounts.
- These costs are exclusive any additional accessories.
- See Light Fleet CBA document for a detailed analysis on vehicle costs and turnover periods

Appendix C – Vehicle Retention

Category	Kilometres
Standard Fleet	120,000 km or 4 years, whichever comes first
Personal Use	120,000 km or 4 years, whichever comes first

Note:

- These figures may be changed from time to time based on current market conditions. Market testing to be assessed every six (6) months to forecast optimal resale value.
- Ongoing assessment of each vehicle should take place to ensure Council is receiving best value for money and recovering costs on all fleet vehicles.
- Vehicles must be sold prior to warranty expiring.
- See Light Fleet CBA document for a detailed analysis on vehicle costs and turnover periods
- Pool vehicles that incur minor or infrequent use are to be retained for 5 years and are to be a reallocated vehicle within the fleet.