

MURRAY RIVER COUNCIL

# **LIGHT MOTOR VEHICLE POLICY**

**POL302.V1**

ADOPTED: 12 December 2017



**murray river  
council**

## 1. POLICY SUMMARY

This Policy provides direction to Murray River Council ('Council') employees and Councillors regarding their responsibilities when using Council-owned light motor vehicles ('vehicles'). It also includes the Council's responsibilities to employees allocated private use of Council-owned vehicles.

## 2. POLICY OBJECTIVES

The objectives of this Policy are to:

- ▶ recognise that vehicles are provided primarily to facilitate the efficient delivery of the Council's services;
- ▶ provide vehicles in a consistent and transparent manner to eligible employee positions within the Council;
- ▶ ensure the efficient utilisation of vehicles as they impact on the operational costs of service delivery;
- ▶ ensure that the administration of vehicles to employee positions meets Council, community, audit and legislative requirements; and
- ▶ set standards for all Council vehicles.

## 3. BACKGROUND

Currently, there are two light motor vehicle policies – one for the former Murray Shire Council and one for the former Wakool Shire Council. The disparity between the two policies creates confusion and inequity.

This Policy provides a single Light Motor Vehicle Policy for the Council that eliminates confusion, provides for a more equitable approach and simplifies administration of light motor vehicle arrangements.

## 4. DEFINITIONS

Term	Definition
car pool	A pool of Council vehicles available for business use only.
family member	A person of a Council employee's immediate family, including a spouse, partner or de facto spouse.
Goods and Services Tax (GST)	The broad-based tax on the supply of most goods and services consumed in Australia.

Term	Definition
Leaseback	<p>The Private Use arrangement where a vehicle is purchased by Council for business use and is “leased back” to a Council employee for private use. Leaseback vehicles may be offered to a Council employee 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 a condition of employment for a Council 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 a leaseback vehicle is a condition of an employee’s employment include:</p> <ul style="list-style-type: none"> <li>▪ whether the vehicle was offered as an incentive to attract and/or retain the employee; and</li> <li>▪ the period that the employee has access to a leaseback vehicle.</li> </ul> <p>Leaseback arrangements do not apply to a Council employee where the Private Use of a Council vehicle forms part of their remuneration package.</p>
log book	Used to record details of all trips undertaken by a pool vehicle and all business trips undertaken by a packaged vehicle consistent with the advice of the Australian Taxation Office.
Private Use	<p>A vehicle that forms part of a Council employee’s remuneration package and can be used for both private and Council business purposes. Private usage of the vehicle is available out of business hours and includes periods of Annual Leave, Sick Leave, Long Service Leave and Paid Maternity Leave. Where a period of leave is to exceed four (4) weeks, continued Private Use of the vehicle is at the discretion of the General Manager. Private Use excludes use of the vehicle for commercial activities, car rallies or motor sports. A Council employee intending to use a Council vehicle to travel to South Australia, Queensland, Western Australia, Tasmania and the Northern Territory must obtain the prior approval of the General Manager. If a Council employee wishes to hand back their leaseback vehicle during a period of leave, this should be negotiated with the relevant Director. A Council employee is not entitled to use the vehicle in return for financial reward or reimbursement.</p>
Restricted Private Use	<p>The use of a Council vehicle for non-business purposes. It generally includes the travel to and from a Council employee’s place of residence or usual workplace. Restricted Private Use will be considered where there is a clear operational or financial benefit for the Council, or when an employee is on a call-back or on-call arrangement.</p>
Statutory Method	<p>The usual Fringe Benefits Tax (FBT) method used by Council to assess their FBT liability – this method is based on the Australian Taxation Office-determined percentage rate and the purchase price of the vehicle.</p>

## 5. COUNCIL RESPONSIBILITIES

### 5.1 Maintenance and Repair

Council will be responsible for all expenses in the normal maintenance, repair and servicing of the Council-owned vehicle. Where the required repairs are a result of driver negligence, Council may recover the cost of repair from the driver.

### 5.2 Vehicle Replacement

Council will replace light motor vehicles as follows:

- ▶ Vehicles using petrol at 80,000 kilometres
- ▶ Vehicles using diesel at 100,000 kilometres.

It is the responsibility of a Council employee with Private Use or Restricted Private use of a Council-owned vehicle to advise Council's Fleet Manager that the vehicle is due for replacement approximately three (3) months before achieving 80,000/100,000 kilometres. The employee, at this time, must discuss with the relevant Director their preference for the make and model of the replacement vehicle. However, a request for a particular make or model vehicle and the willingness to pay the prescribed amount, as set out in this procedure is not a guarantee of supply. The relevant Director will consider the request against the criteria for vehicle purchasing, as outlined in this Policy. Prior to quotations/tenders being accepted, a new Private Use Vehicle Agreement must be completed, stating the vehicle price and fortnightly repayments (for leaseback vehicles), and signed by the employee.

### **5.3 Optional Vehicle Equipment or Features**

A Council employee with Private Use of a Council-owned vehicle and requesting optional (after market) vehicle equipment or features other than standard equipment listed in section 5.3.7 of this Policy will be responsible for the cost of these.

### **5.4 Mobile Phone Kits**

Where Council provides an employee with a mobile phone and Private Use of a vehicle, the Council will only provide and install mobile phone kits in vehicles that are not capable of Bluetooth connectivity.

### **5.5 Luxury Car Tax**

Council will not purchase vehicles that will incur the Luxury Car Tax under Federal legislation (for 'other vehicles' not 'fuel-efficient vehicles').

### **5.6 Vehicle Selection**

Only vehicle makes and models on the current year NSW Government Fleet Price List will be considered for purchase by Council. The purchase of vehicle models other than those on the current year NSW Government Fleet Price List requires approval by the General Manager on recommendation from the Director Engineering.

### **5.7 Standard of Vehicle**

Council is conscious of the requirements of Workplace Health and Safety (WHS) legislation, as well as issues surrounding the environment and global warming. Council will therefore provide a Private Use vehicle, giving consideration in the following order:

- ▶ Fit for operational requirements
- ▶ Diesel fuelled (preferred)
- ▶ 5 Star ANCAP Rating
- ▶ Resale value
- ▶ Fuel efficiency
- ▶ CO<sub>2</sub> emissions
- ▶ Employee preference

Council will continue to set a yearly budget for Council-owned vehicle replacement based on Council's plant replacement program. Vehicle choice and approval shall be made by the General Manager on recommendation from the Director Engineering. Any variance/excess of the budget shall require a report to and approval of the Council.

The following items will be considered standard equipment for Council-owned vehicles:

- ▶ Power steering
- ▶ Air conditioning
- ▶ Window tinting

- ▶ Mud spats (front and rear)
- ▶ Floor mats
- ▶ Tow bar (only if required for Council operational requirements)
- ▶ Roll bar
- ▶ Shoo roo
- ▶ Satellite Navigation
- ▶ Bluetooth

### 5.8 Vehicle Colour

When selecting a new Council-owned vehicle, consideration must be given to the evidence that lighter colours are more visible and help to reduce the frequency and severity of accidents, operational requirements, public scrutiny and perception, and vehicle resale value.

### 5.9 Purchase Price

The maximum purchase price for Council-owned vehicles with Private Use are as follows:

- ▶ **Category 1** (Mayor and General Manager) – up to a level immediately below the Luxury Car Tax threshold under Federal legislation.
- ▶ **Category 2** (Director) – 85% of Category 1
- ▶ **Category 3** (Other Employees) – 70% of Category 1

The 'average purchase price' for a leaseback vehicle is set at 55% of Category 1.

### 5.10 Leaseback Contribution

A Council employee with Private Use of a Council-owned vehicle shall make a fortnightly leaseback contribution toward the private use. A 'standard' leaseback contribution will be set by Council based on the 'average purchase price' for a leaseback vehicle. Where the purchase price of a leaseback vehicle is higher or lower than the 'average purchase price', the fortnightly contribution will be adjusted accordingly. The minimum leaseback contribution shall not be less than 90% of the 'standard' leaseback contribution.

### 5.11 Vehicle Type

A Council employee with Private Use of a Council-owned vehicle shall only have access to the following vehicle types:

Type	Sub-Type	Definition
<b>Passenger Car</b>	Small	Any passenger vehicle with a 4 cylinder engine generally with an engine capacity over 1500cc and with a body shape which is similar to the second smallest variant available from the major vehicle suppliers in Australia.
	Medium	Any passenger vehicle with a 4 or 6 cylinder engine generally with an engine capacity under 3000cc and with a body shape considered to be in the mid-range of the Australian market.
	Large	Any passenger vehicle with a 6-8 cylinder engine generally with an engine capacity 3000cc and over and which has a body shape considered in the "family" size range of vehicles which is similar to the second largest variant available from the major vehicle suppliers in Australia.

Type	Sub-Type	Definition
Passenger SUV	Small	Any SUV vehicle with a 4 cylinder engine generally with an engine capacity of approximately 2 litres.
	Medium	Any SUV vehicle with a 4-cylinder engine generally with an engine capacity under 3000cc and with a body shape which is similar to the smallest variant available from the major vehicle suppliers in Australia.
	Large	Any SUV vehicle with a 4 or 6 cylinder engine and generally with an engine capacity 3000cc and over and with a body shape which is similar to the second sized variant available from the major vehicle suppliers in Australia.
Utility	Standard	Any commercial vehicle which is a two-wheeled drive two seater utility based on the large passenger vehicle with fixed sided carrying area.
	PU/CrewCab 4X2	Any commercial vehicle which is two wheeled drive of cab, extra cab or dual or crew cab (5 seat) design with fixed sided or chassis rail and generally with no identifiable passenger variant.
	PU/CrewCab 4X4	Any commercial vehicle which is four wheeled drive of cab, extra cab or dual or crew cab (5 seat) design with fixed sided or chassis rail and generally with no identifiable passenger variant.

## 6. EMPLOYEE RESPONSIBILITIES

### 6.1 General

A Council employee assigned a Council-owned vehicle shall:

- ▶ Enter into a Private Use Vehicle Agreement to comply with this Policy and authorise payroll deductions of predetermined monetary payments for that private use.
- ▶ Be a holder of a current driver's licence endorsed to drive the class of vehicle being used. Council vehicles must not be driven by holders of P-Plate and L-Plate licences.
- ▶ Be responsible for ensuring proper and adequate care, usage and maintenance of the vehicle.
- ▶ Store the vehicle in a secured space at the employee's principal place of residence, preferably off-street or in on-street parking areas, with keys removed and doors locked. Council does not take any responsibility for personal items stolen from Council vehicles.
- ▶ Ensure that the vehicle is appropriately maintained. Council will not be responsible for providing a replacement vehicle during maintenance and repairs of the vehicle where it is no longer roadworthy due to an employee's negligence, or any fines for driving an unroadworthy vehicle.
- ▶ Ensure that the vehicle is maintained in a clean and tidy condition. Failure to keep a Council-owned vehicle in a clean and tidy condition may result in the suspension or termination of the Private Use Vehicle Agreement to provide the vehicle.
- ▶ Maintain a logbook consistent with the Australian Taxation Office (ATO) requirements.

## **6.2 Alcohol and/or Drug Use When Driving**

The *NSW Road Traffic Act* specify limits of blood alcohol content when driving a vehicle. A Council employee shall not breach these limits by the consumption of alcohol and/or drugs in excess of the legal limits. Council employees operating a vehicle under the influence of intoxicating liquor and/or the effects of drugs and involved in an accident and are found to be at fault, Council's insurance company may either invalidate the insurance cover or take recovery action against the employee for the damage incurred. This shall be the sole responsibility of the employee who will meet the costs of such damage from their own resources. Council employees may also be subject to disciplinary action under Council's Staff Performance Management/Disciplinary Policy (POL507).

## **6.3 Smoke Free Environment**

Smoking is **prohibited** in all Council-owned vehicles and items of plant.

## **6.4 Servicing and Breakdown Arrangements**

Council-owned vehicles shall be serviced in accordance with the manufacturers requirements, which are detailed in the owner's handbook supplied with the vehicle. The responsibility for ensuring that the vehicle is serviced at the appropriate interval rests with the designated driver of the vehicle. When a Council-owned vehicle requires a service or any unusual symptoms arise in the running of the vehicle, eg. tyre wear, steering problems, poor brakes, lack of performance or any other mechanical problems, drivers should notify Council's Fleet Manager immediately, where arrangements will be made for the appropriate servicing or maintenance of the vehicle to be carried out. Council will meet the cost of servicing, maintenance, insurance, and registration of the vehicle, unless driver negligence is determined.

## **6.5 Car Pool**

There are a number of Council-owned vehicles available for business use. These pool cars should be the first vehicles booked for business use by a Council employee without a designated Private Use vehicle. Where one of these pool cars is unavailable, designated Private Use vehicles that are covered under this Policy (excluding the Mayoral and General Manager's vehicle) are to be made available during working hours for business use. Car pool vehicles required during normal working hours must be booked out prior to usage and also detailed in log books or running sheets. Where a vehicle is required overnight and a pool car is not available, the employee may negotiate with their Director to supply another vehicle or alternative travel arrangements.

## **6.6 Traffic Penalties**

All drivers of Council-owned vehicles are subject to 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. Licence infringements and licence suspensions must be reported immediately to an employee's Director. Disciplinary action may be taken against a Council employee found in control of a vehicle without a current licence or with their current licence under suspension. Council employees will be responsible for all fines associated with driving without a current licence. In the event of extenuating circumstances with parking fines, a Council employee should notify their Director, who may refer the matter for adjudication of payment responsibility. If a Council employee is convicted of an offence and have his/her licence revoked/suspended, notification must be given to the employee's Director immediately.

## **6.7 First Aid Kit**

Where a First Aid Kit is allocated to a Council-owned vehicle they should be left in the vehicle at all times. Personnel, who use a first aid kit for any reason, should immediately contact Council's Fleet Manager to advise that the First Aid Kit needs to be replenished.

## **6.8 Car Rallies and Motor Sports**

A Council-owned vehicle must not be used in a car rally, time trial, or any other similar motor sport event that is inconsistent with the normal intended use of the vehicle.

## **6.9 Commercial Activities**

A Council-owned vehicle must not be used for unauthorised commercial purposes. Use of a Council-owned vehicle shall be consistent with the purpose for which Council acquired the vehicle or for related activities within the terms and conditions of a Council employee's employment contract or remuneration package. Vehicles shall not be used or employed for any commercial purpose outside of a Council employee's employment contract, without the expressed permission of the General Manager.

## **6.10 Council Visual Identity**

A fixed Council logo sticker identifies that a vehicle belongs to the Council. Where a Council logo is affixed to a Council-owned vehicle, the driver will ensure that it is maintained at all times. The logo sticker should not be removed from the vehicle, unless being sold. For Council-owned vehicles with Private Use, whereby the vehicle has no fixed Council logo, the vehicle will be issued with a magnetic logo and should be visible on the vehicle when on Council business. If there is a concern that the magnetic logo may be stolen from the vehicle, the issue is to be raised with the Council employee's Director.

## **6.11 Council Image**

Council vehicles may be recognisable within the community, therefore, it is expected that good driving habits and courtesy to other drivers on the road be a matter of course for Council operated vehicles.

## **6.12 Vehicle Inspection**

Council vehicles are to be made available for inspection by the Workshop/Fleet Manager and/or Manager Engineering Operations and/or Director Engineering when requested.

## **6.13 Accident/Collision Reporting**

All accidents or collisions to a Council-owned vehicle must be reported to Council's officer responsible for insurance, as soon as possible. Incidental damage, eg. scratches, scrapes, minor dents and cracked windscreens should be reported as soon as practicable for rectification. Council will not meet the cost of the insurance excess on a Council-owned vehicle 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, Council will require payment of the insurance excess by the employee.

## **6.14 Toll Roads**

Council-owned vehicles shall be issued with a road toll tag for business use, when required. A Council employee with Private Use of a Council-owned vehicle will be responsible for all costs incurred on toll roads whilst the vehicle is being used for private purposes.

## **6.15 Fuel Purchasing**

All Council-owned vehicles will be issued with a fuel card, authorised for fuel and top-up oils only. Only those products for which the fuel card is authorised may be purchased. Drivers must ensure that the correct odometer reading is given to the attendant at the time of purchase. All particulars on the fuel tax invoice must be checked to ensure that registration number, date, odometer reading, fuel type, litres purchased and dollar value



are all legible and correct. The tax invoice must be forwarded to Council's Accounts Payable department at the end of each fortnight. If fuel for a Council-owned vehicle has been purchased using personal cash or credit, sufficient details to substantiate any reimbursement will be required by Council. Reimbursement will be made by forwarding a completed claim form and the original tax invoice/receipts to the Accounts Payable department.

All drivers of a Council-owned vehicle in control of the fuel card for the vehicle are to ensure the fuel card is kept in the glove box of the appropriate vehicle at all times. At vehicle change over, the fuel card will be transferred to the new vehicle unless the registration plates are changed. In this event, the fuel card must be returned to Council's Fleet Manager for renewal or disposal.

A Council employee with Private Use of a Council-owned vehicle intending to use a Council vehicle to travel to South Australia, Queensland, Western Australia, Tasmania and the Northern Territory during Annual Leave will be responsible for the cost of fuel purchases when refuelling in these states.

#### **6.16 Vehicle Changeover**

A Council employee with Private Use of a Council-owned vehicle will be required to follow the procedures outlined in Clause 5.2 when a vehicle is due for replacement.

#### **6.17 Vehicle Handback**

A Council employee with Private Use of a Council-owned vehicle may decide to hand back the private use of the vehicle to Council at any time if their circumstances change. Council will also give consideration as to the vehicle being returned and the future requirements of that vehicle.

### **7. LEGISLATION, TERMINOLOGY AND REFERENCES**

- ▶ Fringe Benefits Tax (FBT), as defined and applied by the Australian Taxation Office (ATO)
- ▶ Road Transport (Driver Licencing) Regulation 2017
- ▶ Road Rules 2014
- ▶ Local Government (State) Award 2017

### **8. IMPLEMENTATION AND DELEGATION**

This Policy applies to all Council employees and Councillors driving Council-owned vehicles. A copy of this Policy will be provided to all employees and Councillors.

### **9. EVALUATION AND REVIEW**

It is the responsibility of the Manager Engineering Operations to monitor the adequacy of this policy and recommend appropriate changes. This policy will be formally reviewed every three (3) years or as needed, whichever comes first.

### **10. ASSOCIATED DOCUMENTS**

- ▶ Murray River Council Model Code of Conduct for Local Councils in NSW (POL100)

## DOCUMENT CONTROL

Version No.	Details	Date	Resolution No.
1	Initial Issue – <i>On 12 May 2016, the Premier of NSW, The Hon Mike Baird MP, made the Local Government (Council Amalgamations) Proclamation 2016 under the Local Government Act 1993, whereby Murray Shire Council and Wakool Shire Council were amalgamated to constitute the new area to be known as Murray River Council, effective immediately.</i>	12 Dec 2017	071217

*Council reserves the right to review, vary or revoke this policy at any time  
This Policy is scheduled for review in December 2020*