

## Motor Vehicle Fleet Ownership Procedure

*Yarriambiack Shire Council encourages a working environment which promotes gender equality and models non-violent and respectful relationships.*

### 1 Objective

The purpose of this Motor Vehicle Fleet Ownership Procedure is to guide the selection, purchase or leasing, and disposal of Council motor vehicles.

### 2 Responsibility

The responsibilities applicable to this procedure are outlined in the Motor Vehicle Policy. This procedure is to be read in conjunction with the Policy.

### 3 Method

This Procedure applies to all Council motor vehicles.

#### 3.1 Vehicle Specification

##### 3.1.1 Vehicle Selection

The selection of the make and model of motor vehicles to be purchased or leased by Council is based on several factors including the following key requirements:

Operational Suitability – All Council motor vehicles must meet the functional business requirements for which they are intended to be used, in terms of size, performance, cargo carrying capacity, towing and ability to handle all-weather terrain.

Safety - All Council motor vehicles must be selected with consideration to the Australian New Car Assessment Program (ANCAP) safety ratings. Passenger motor vehicles must have a minimum ANCAP safety rating of five and all other motor vehicles must have a minimum ANCAP safety rating of four.

Whole of Life Costing - The cost of the motor vehicle over its whole useful life, including leasing cost, purchase price, operating cost and likely resale value.

Environmental Impact - An assessment of environmental performance is undertaken for vehicles being considered for selection by Council using the [Green Vehicle Guide \(GVG\)](#). The GVG provides information about the environmental performance of motor 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. Preference shall be given to vehicles which have been manufactured to Euro V emissions ([UN Regulation 83/06](#)). The selection of hybrid electric or fully electric motor vehicles is encouraged where appropriate.

Negotiated Contractual Arrangement – where a Council motor vehicle is provided as part of an employment contract, specific requirements of that contract will be honoured when selecting the make and model of that motor vehicle.

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.

Supporting Local - Where possible and in accordance with value for money principles, Council motor vehicles should be purchased from local suppliers (located either within the Yarriambiack Shire, or from neighbouring Shires). This principle supports local communities and Wimmera-Mallee businesses.

##### 3.1.2 Available Vehicles

All Council motor vehicles will be selected from those makes and models listed on the approved Vehicle List published on the [VicFleet website](#). The Chief Executive Officer will approve the deviation from the VicFleet listing if Value for Money can be achieved via other means.

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Where an employee is provided with full private use of a motor vehicle as part of their employment agreement, a list of current vehicles available for selection will be provided to the employee to assist them in the identification of their preferred vehicle.

### 3.1.3 Base Attributes

Unless otherwise approved by the CEO all Council motor vehicles will have the following base attributes:

- White duco
- Automatic transmission
- Four-wheel drive unless the CEO determines that the role primarily using this motor vehicle does not require a four-wheel drive vehicle.
- ANCAP safety rating of four stars or higher
- Second set of keys
- Floor mats
- Front, side and curtain airbags
- Cargo barrier (for wagons and SUVs)
- Stability control
- ANCAP pedestrian rating of 4 stars or higher
- Auto emergency breaking
- Advisory speed alerting technology
- Lane departure warning or lane keep assist
- Seat belt warnings or technology to increase seat belt wearing
- Blind spot warning
- Reversing camera and rear obstacle warning
- In-built satellite navigation or equivalent
- [Shuroo](#) or equivalent
- Fire extinguisher
- Bonnet and headlight protectors
- Tow bar (except where the driver of a full private use motor vehicle requests no tow bar)
- Tinted windows (darkest tint to legal specifications)
- Nudge bars with the ability to have light bars attached.

### 3.1.4 Individual Vehicle Selection

Where an employee is provided with full private use of a motor vehicle as part of their employment agreement that employee shall complete the Motor Vehicle Replacement Form by selecting the make, model and options from the Vicfleet list and have the form approved by the CEO.

Where an employee's preferred motor vehicle involves a make, model or options not included on the Vicfleet Approved Vehicles List, this choice must be approved by the Chief Executive Officer.

Council motor vehicles with full private use allocations are subject to a vehicle purchase price cap based on a percentage of the [luxury car tax \(LCT\) threshold](#) set by the Australian Taxation Office and adjusted annually.

The maximum GST inclusive purchase price for a purchased or leased Council motor vehicle is as follows:

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CEO and Mayor	100% of the LCT (for example, \$69,152 for 2021/2022)
Directors	90% of the LCT
Other full private use	80% of the LCT

For all other Council motor vehicles, the recommended selection of which make, model and options will be made by the Technical Services Officer based on a recommendation from the Director of the area of Council that will be primarily responsible for that motor vehicle. The CEO will sign off on all recommended Council motor vehicle selections.

Council motor vehicles provided for commuter use must meet the requirements of the ATO and be exempt from Fringe Benefit Tax in accordance with the [ATO Fringe Benefit Tax Exempt Motor Vehicle listing](#).

### 3.1.5 Vehicle Identification

Operational and carpool Council motor vehicles (for example, Local Laws, works, and maintenance) are to be fitted with markings, signage or stickers that indicate that the motor vehicle is a Council motor vehicle.

All other Council motor vehicles shall not be fitted with or display any markings, signage or stickers that indicate the vehicle is a Council motor vehicle.

Council motor vehicles are to be disposed of without any markings, signage or stickers fitted to indicate that the vehicle is a Council motor vehicle.

## 3.2 Vehicle Life Cycle

### 3.2.1 Vehicle Ownership

Where an employee is provided with full private use of a motor vehicle as part of their employment agreement, and chooses to enable this via a novated lease, the owner of the motor vehicle will be the provider of the lease.

All other Council motor vehicles will either be owned outright by Council or leased.

The two main benefits of leasing motor vehicles are:

- a) Cash preservation
- b) Income tax effectiveness

Council operates in a highly liquid cash environment where restricted cash flow is rarely an issue, and it is exempt from paying income tax, therefore there are minimal benefits for Council in leasing motor vehicles.

### 3.2.2 Vehicle Changeover

Council will not use a fixed age or kilometre method for disposing of its motor vehicles, rather it will schedule the renewal of its motor vehicle fleet in accordance with the following principles:

- a) All vehicles will be disposed of prior to the expiration of the manufacturer's warranty period.
- b) Vehicles will be disposed of at a time that aims to minimise the ownership cost (measured as cost of vehicle ownership per day).
- c) The Council budgets available for vehicle leasing, purchase and changeover.
- d) Aim to commence the changeover of all motor vehicles at or before they pass 80,000 kilometres.

### 3.2.3 Vehicle Purchase

Several motor vehicle dealers will be invited to participate in a selective quotation process for the supply of a new motor vehicle. Where Council is changing over a particular vehicle, this quotation will be in two separate parts:

- a) The supply only of a specific make and model of new motor vehicle; and

- b) The supply of a specific make and model of new motor vehicle and the purchase of the motor vehicle (trade-in) that Council wishes to sell.

#### 3.2.4 Vehicle Leasing

A number of motor vehicle leasing providers will be invited to participate in a selective quotation process for the supply of a leased motor vehicle.

#### 3.2.5 Vehicle Disposal

Council motor vehicles will be disposed of via sale or trade-in to licenced motor vehicle dealers, or at an auction conducted by a recognised motor vehicle auction business.

Council motor vehicles may also be disposed of by a public tender process (refer to Procurement Policy and Procurement Management Manual).

As part of a motor vehicle disposal process Council may choose to invite selected licenced motor vehicle dealers to quote on the purchase only of the motor vehicle that Council wishes to dispose of.

Any offered price on a Council motor vehicle being disposed is to be assessed against the [Red Book pricing guide](#), along with the costs associated with selling a vehicle utilising a public auction or tender method, in order to determine the best value for money motor vehicle disposal option.

Disposal of Council motor vehicles directly to staff is prohibited, unless negotiated by the Chief Executive Officer as part of an employee's departure package at the end of their employment with Council.

Council employees, volunteers, contractors and Councillors may only purchase a Council owned motor vehicle through a public auction or tender process.

### 4 Related Policy Documents and References

- a) Motor Vehicle Policy
- b) Motor Vehicle Operating Use Procedure
- c) Motor Vehicle Private Use Procedure
- d) Procurement Policy
- e) Procurement Management Manual
- f) Asset Lifecycle Policy
- g) *Occupational Health and Safety Act 2004*

### 5 Procedure Review Cycle

This procedure is to undertake a review cycle every three years. Council approves for the Chief Executive Officer to make administrative changes to the procedure that does not compromise the intent of the policy and associated procedures.

### 6 Definitions

ANCAP	The Australian New Car Assessment Program (ANCAP) Safety Rating gives consumers consistent information on the level of occupant protection provided by vehicles in serious front and side crashes.
ATO	Australian Taxation Office
CEO	The Chief Executive Officer

Employee	A person employed as a member of Council's staff.
GST	Goods and Services Tax <a href="#">A New Tax System (Goods and Services Tax) Act 1999</a>
Motor Vehicle	A Council motor vehicle is a passenger vehicle and includes sedan, station wagon, utility, people mover, sport utility vehicle (SUV) or any other similar passenger vehicles. (For the purpose of this procedure, the definition of Council motor vehicle does not include plant and equipment such as trucks, tractors, mowers, graders and earth moving equipment.)
Novated Lease	A three-way agreement between the employer, employee and a finance company. The employee leases a vehicle under a standard finance lease agreement, but the employer enters into an additional agreement for the term of the lease to take over the employee's obligation to pay the lease payments, the right to use the vehicle and other obligations under the finance lease.
Passenger Vehicle	In the context of this Policy, a passenger vehicle includes all vehicles whose main purpose is to transport passengers but excludes buses.
Private Use	Includes any non-business travel in a Council motor vehicle, including travel between home and work.

**Council Adopted Procedure**

<b>Policy Adopted:</b>	Ordinary Meeting [date]	Minute Book Page [number]	
<b>Policy Reviewed:</b>	Ordinary Meeting [date]	Minute Book Page [number]	