

## Motor Vehicle Private Use 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 Private Use Procedure is to guide the use of Council motor vehicles where staff have been assigned private use as part of an employment agreement. Private use may be approved for business purposes, or as part of a talent attraction or retention strategy.

### 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 any person who has been assigned private use of a Council motor vehicle as part of an employment agreement.

#### 3.1 General Conditions

##### 3.1.1 Purpose of Private Use

The offer of private use of a Council motor vehicle is an important tool in attracting and retaining senior Council staff. Employees who are assigned full private use of a Council motor vehicle as part of their employment agreement are required to make a salary contribution towards the private use of the Council motor vehicle.

##### 3.1.2 Availability

Private use of a Council motor vehicle will generally be offered as part of an employment agreement for all Managers, Directors and the Chief Executive Officer so long as those officers are working a minimum of 0.8 full time equivalent hours. The CEO may also offer private use of a Council motor vehicle (in particular commuter use) to other staff as part of their employment agreement on a case-by-case basis.

#### 3.2 Vehicle Specification

##### 3.2.1 Vehicle Ownership

Each employee who is offered full private use of a Council motor vehicle as part of their employment agreement will be offered the option of a novated lease or a Council owned or leased vehicle.

Where an employee chooses a novated lease, Council will provide the novated leasing service as part of a recruitment and retention program. As the vehicle will be leased directly by the staff member, the Motor Vehicle Private Use Procedure will not be applicable, as Council will not have ownership or lease of the vehicle.

Where an employee chooses a Council owned or leased vehicle, the employee's personal preferences for selecting the vehicle make and model will be taken into account where possible and consistent with Council's Motor Vehicle Fleet Ownership Use Procedure.

##### 3.2.2 Vehicle Selection

Employees who are assigned full private use of a Council motor vehicle as part of their employment agreement can select from the list of vehicles provided in the Motor Vehicle Fleet Ownership Procedure. The vehicle will be purchased with the base attributes listed in that procedure.

Any variation to the base attributes needs to be agreed to by the Chief Executive Officer.

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### 3.2.3 Private Use Features

All Council motor vehicles are purchased with base attributes. Where additional features are selected to meet a private need alone, the employee will fund these costs through increased contributions as per the employee contribution formula.

Removable non-business-related accessories must be paid for by the employee, including fitting, maintenance and removal costs (if applicable).

Council will pay the costs where vehicle modifications are required in order to allocate the vehicle to a driver with a disability.

## 3.3 Vehicle Use

### 3.3.1 Permitted Drivers

When a Council motor vehicle is allocated to an Assigned Officer with full 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 an immediate family member on an incidental basis.

For full private use Council motor vehicles, learner's permit drivers may only use the Council motor vehicle in the presence of the Assigned Officer or an immediate family member.

### 3.3.2 Licence Requirements

Every Approved Driver who drives a Council motor vehicle must be the current holder of an appropriate driver's licence to drive a motor vehicle in the State of Victoria (including a learner permit where the learner driver is accompanied by fully licenced driver).

In the event of a suspension, cancellation or forfeiture of a driver's licence, or any charge in relation to a driving offence, the employee is to immediately notify their Director. The nature of the offence may mean forfeiture of the vehicle and may place the employee's employment in jeopardy given the inherent requirements of the role.

### 3.3.3 Commercial Use

A Council motor vehicle cannot be used for private income generating purposes. For example, where the assigned officer is part-owner of a commercial enterprise (such as a farm), the council motor vehicle cannot be used for any activity relating to that commercial enterprise.

### 3.3.4 Vehicle Security

Every Council motor vehicle must be securely parked and garaged whenever possible or at least parked, as a minimum, behind the Assigned Officer's fence line.

Any damage to the motor vehicle must be reported to the Manager Corporate Services as soon as practicable.

### 3.3.5 Operating Expenses

Council will pay all operating and maintenance expenses, including but not limited to the cost of fuel, oil, insurance, registration and any fringe benefits tax.

### 3.3.6 Geographic Use Restrictions

Council motor vehicles may be used for business use in any State or Territory of Australia.

Any private use travel outside Victoria, South Australia, Australian Capital Territory, and New South Wales in a Council motor vehicle must be approved by the CEO prior to the travel being undertaken.

### 3.3.7 Towing

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A council motor vehicle is permitted to tow registered vehicles such as caravans, boats and trailers, where the towed vehicle is being used for private use activities by the assigned driver.

### 3.3.8 Employee Leave

An employee with full private use of a Council motor vehicle will be able to use the vehicle for all forms of paid leave, up to three months continuous leave. It is at the discretion of the CEO if the motor vehicle can be utilised for periods greater than three continuous months, or for more than five months in a 12-month period.

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. For leave without pay of up to ten days, the Assigned Officer may retain the vehicle but is still required to make the normal financial contribution.

If leave without pay of more than ten days is taken, the Assigned Officer must return their vehicle to Council for reallocation for the period of that leave. The employee will not be required to make the employee contribution required under their employment agreement for this period.

If an employee with full private use of a Council motor vehicle is on paid leave and returns the vehicle to Council during a period of paid leave, they will not be required to make the employee contribution required under their employment agreement for that period of paid leave.

A Council motor vehicle provided to an employee for commuter use is not available for private use other than travel between home to work and must be returned to Council for any periods of annual leave, long service leave, planned personal leave, periods of unpaid leave such as parental leave, or other absences of more than five working days. The only permitted driver of a Council motor vehicle with commuter use privileges is the Assigned Officer.

### 3.3.9 Acting Arrangements

If an employee is engaged on an acting basis to a position which attracts a Council motor vehicle, then an employee who doesn't otherwise have an assigned Council motor vehicle may, at the discretion of the CEO, be assigned a Council motor vehicle under the terms of this Procedure. The CEO will consider the availability of Council motor vehicles and the length of the period of the acting role when exercising this discretion.

Employee's acting in another position who already have an assigned Council motor vehicle would retain the same rights and obligations applicable to their existing Council motor vehicle.

### 3.3.10 Termination of Private Use

The CEO can withdraw private use entitlements at any time due to retirement, resignation or breaches of this Policy and related motor vehicle procedures.

## 3.4 Employee Contribution

### 3.4.1 Contribution Categories

Every Council employee who is provided with a Council motor vehicle with full private use as part of their employment agreement, shall make a contribution towards the cost of the provision of the Council motor vehicle.

This contribution will be made via a pre-tax deduction from the employee's salary through Council's payroll system.

Council employees who are provided with a Council motor vehicle with commuter use only as part of their employment agreement, are not required to make a contribution towards the cost of the provision of the Council motor vehicle.

### 3.4.2 Contribution Calculation

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The base amount that an employee will contribute towards the private use of a Council motor vehicle will be calculated as follows:

$$\$C = \$V * 30\% \times F / 10$$

Where:

C = Employee contribution per annum

V = The base value of the motor vehicle for Fringe Benefits Tax purposes (ie the GST inclusive cost of purchasing the motor vehicle excluding stamp duty and registration costs)

F = Fuel consumption per 100 kilometres travelled (as per [Green Vehicle Guide Home](#) - combined travel litres per 100 kilometres). Where a motor vehicle is not powered by an internal combustion engine, the default value of F will be five.

The employee contribution formula creates an incentive for employees with full private use of a Council motor vehicle to select motor vehicles with:

- a) A lower purchase cost.
- b) A lower fuel consumption.
- c) Powered by renewable energy.
- d) A reduction in greenhouse gas emissions.
- e) A lower fringe benefits tax liability.

Part time employees working less than 0.80 full-time equivalent are not eligible for private use of a Council motor vehicle.

For the purpose of this clause employees on 50/52 or 48/52 arrangements are not considered to be part time employees.

Employees with a Working from Home Arrangement in place allowing more than 0.5 full-time equivalent Working from Home are not eligible for private use of a Council motor vehicle. The CEO will honour agreements made with current employees that were previously on Senior Officer Contracts and have moved to Senior Executive Officer Contracts in the 2021 -2022 period.

### 3.4.3 Fringe Benefits Tax

All fringe benefits tax attributable to employees having full private use of a Council owned or leased motor vehicle will be paid for by Council.

Where an employee has a motor vehicle subject to a novated lease, the fringe benefits tax will be paid by the employee via pre-tax and post-tax deductions from their fortnightly salary.

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](#).

Vehicles utilised for Maternal Child Health (MCH) Services are not deemed commuter use vehicles. At times the MCH nurse(s) may have to utilise the Council owned vehicle, by taking it home to attend home visits the next day in a timely manner. The use of the MCH nurse vehicle will be at the discretion and approval of the Director.

## 4 Related Policy Documents and References

- a) Motor Vehicle Policy
- b) Motor Vehicle Operating Use Procedure
- c) Motor Vehicle Fleet Ownership 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

Approved Driver	An assigned officer's partner or child, or any person who normally resides in the assigned officer's household or any other person approved by the Chief Executive Officer.
ATO	Australian Taxation Office
Assigned Officer	An employee or Councillor whose position attracts a Council motor vehicle and who has been granted either full private use or commuter use of a Council motor vehicle.
Business Use	The purposes of providing employees with transport during a business day or after hours on Council business.
CEO	The Chief Executive Officer
Commuter Use	Where a Council motor vehicle has been provided to an employee where it is an expectation that the employee is required to start and/or finish at various locations and it is deemed beneficial for council business efficiency for the vehicle to be garaged at the employee's residence. Usage of the vehicle outside of travel between home and the employee's place of work is not permitted. During periods of planned leave of more than one day the Council motor vehicle is to be returned to Council for use by other staff.
Employee	A person employed as a member of Council's staff.
Fringe Benefit Tax	<a href="https://www.ato.gov.au/fringe-benefits-tax/">Fringe benefits tax (FBT)   Australian Taxation Office (ato.gov.au)</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.
Partner	A person who lives with the Assigned Officer on a bona fide domestic basis (whether married or not).

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	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]	

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