Motor Vehicle - Fleet Management Policy

Sutherland Shire Council
Document review and approval
This document has been approved by

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Name Changed from Fleet Management Guidelines to Motor Vehicle - Fleet Management Policy
VEHICLE MANAGEMENT

BACKGROUND
This policy has been developed in order to clarify how motor vehicles (whether owned, leased or hired by Council) are to be allocated, used and managed to best support Council’s various programs and the responsibilities of Council Officers in the use of Council vehicles.

OBJECTIVE
Manage Council’s motor vehicle fleet in an equitable and cost effective manner, providing best value for money whilst ensuring high standards probity.

POLICY STATEMENT
The motor vehicle fleet will be operated in accordance with the Policy based upon the criteria set out in the attached Statement of Procedures which includes –
- Management Responsibilities;
- Vehicle Management and Specifications;
- Conditions of Use of Council Operational Vehicles;
- Private Use of Operational Vehicles; and
- Transitional Arrangements.
VEHICLE MANAGEMENT

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VEHICLE MANAGEMENT

STATEMENT OF PROCEDURES

1 GENERAL

Council’s provides motor vehicles for the primary purpose of having access to an operational vehicle fleet as a resource in the provision of services to the community to achieve Council’s corporate and business plan objectives. The operational needs of Council underpin the fleet strategy including the size and vehicle specification, acquisition, management/maintenance and disposal.

Motor Vehicles attached to Senior Officer Category positions are provided as a condition of employment in terms of remuneration arrangements. These positions will be offered in the first instance a set salary allowance in lieu of an allocated motor vehicle.

The option to allocate a motor vehicle or salary allowance attached to Professional Staff positions will only be provided in the second instance to attract suitable candidates.

Employees in positions categorised as transitional will be allocated with a vehicle having access to full private use outside normal work hours whilst remaining in their substantive position or be provided with a motor vehicle hand back allowance only where it can be demonstrated that the vehicle is not required operationally and is supported by the lessee’s Manager and approved by the Fleet Management Working Group.

Vehicle allocations are categorised and recorded in Council’s human resource staffing register against position numbers.

- Category 1 – Senior Officers
- Category 2 – Professional Staff
- Category 3 – Operational Use
- Category 4 – Transitional Arrangements

Vehicles not allocated to positions are defined as garaged or pool only vehicles

The objective of the policy is to ensure Council’s vehicle fleet is managed to optimise the economic and environmental sustainability of these assets through the application of sound fleet management principles. Council will own, lease or hire vehicles where a clear operational need is established based on levels of service and organisational demand for senior officers and professional staff.

This policy also provides direction for the provision of leasing for private use of vehicles outside Council’s operational requirements where a benefit to Council and an employee can be achieved.

Fleet Unit will provide a selection of vehicles and determine renewal programs based on operational requirements, budget limitations, and whole-of-life financial assumptions in line with Council’s Purchasing Policy principles and appropriate supply and fleet practices. Fleet will also determine and manage maintenance requirements for vehicles.

Vehicle purchasing cost ceiling limits have been established for respective categories to control rising fleet costs and fringe benefit tax liabilities. Council’s Vehicle categories, cost ceiling limits and lease fee calculation methodology will be reviewed and determined periodically by the Directors Committee.

All Council vehicles are deemed to be available for operational use during working hours and made available in their respective local car pool. Allocation of vehicles from car pools will be managed through the Unit Manager in each area.

In the event of an issue arising in relation to vehicles which is not addressed by this policy, a final decision will be made by the General Manager. This policy will be reviewed every 4 years with the Council cycle.
2 MANAGEMENT RESPONSIBILITIES

2.1 EXECUTIVE

- Executive will review information on an annual basis to ensure the number and cost of vehicles is kept to a minimum and within budget.
- The Executive will be responsible for the periodic review and approval vehicle allocation levels, vehicle selection range, vehicle category ceiling limits and lease fee calculation methodology.

2.2 UNIT MANAGERS

- Unit Managers will be responsible for identifying and seeking the approval for the provision of operational vehicles either allocated to positions for “operational use” or allocated to a designated vehicle pool. Requests for additional vehicles will require the approval of the General Manager.
- Unit Manager will be responsible for the periodic review of their Units demands for operational vehicles to ensure they meet the delivery of services in an efficient and cost effective manner.
- Managers are responsible for overseeing the usage, allocations, and general care of vehicles assigned to their unit and to take action to correct departures from this policy.
- Units Managers will be required to ensure that all employee positions with vehicle allocations are nominated on Council’s Staffing Establishment Register and Fleet Management system (Ausfleet). The Unit Manager will notify Personnel and Fleet of all approved changes to their Unit’s allocation of operational vehicles.
- Investigate and sign off on all motor vehicle accident reports.

2.3 PERSONNEL

- Manager of Personnel will determine positions that are categorised as senior officer and professional staff as defined by this policy requiring the allocation of a vehicle as part of salary packaging arrangement.
- Provide advice to payroll of required pay deductions and suspension for staff
- Personnel Unit will be responsible for maintaining up-to-date, accurate records of all employee positions which have vehicle allocations.

2.4 FLEET MANAGEMENT

The Fleet, Stores & Workshops Unit will be responsible for:

- Purchase and disposal of Council’s Vehicles with the view to maximising the resale value or minimising the whole of life cycle cost of vehicles or responding to current budget requirements.
- Development of vehicle specifications and replacement programs based on operational needs, budget, and whole of life financial costs.
- Management of Council’s fleet asset system (Ausfleet).
- Maintain fleet asset management system information required to support corporate reporting requirements
- Ensure Vehicle Selection List and Vehicle Cost & Fee Worksheets for each vehicle type are reviewed annually.
- Inform Directors Committee and Consultative Committee annually on motor vehicle management and composition.
- Monitor the vehicles' condition and take corrective action as required.
- Minimise the environmental impact of Council’s vehicle fleet
- Administration and costing of vehicles including maintenance, registration, insurance, roadside service etc.
- Development and maintenance of motor vehicle procedures and forms.
3 VEHICLE MANAGEMENT AND SPECIFICATIONS

3.1 VEHICLE ALLOCATIONS

All vehicles unless designated as garaged or pool vehicles will be allocated and recorded against position numbers in Council’s human resource Staffing Register in their respective categories as determined by the “Fleet Management Working Group”.

Unit Managers will identify the need for operational vehicles within their Units and seek approval for the allocation of vehicles to positions which require an “operational use” vehicle in accordance with the definition contained within this policy. The Unit Manager will also be responsible for identifying the need for pool only vehicles, seeking approval and budget allocation for any variations to the establishment for such vehicles.

Vehicles allocated to Senior Officer and Professional Staff positions in accordance with their salary packaging arrangements will be nominated by the Manager of Personnel and have access to full private use of the vehicle outside normal work hours.

3.2 VEHICLE SPECIFICATIONS

Council’s vehicle selection availability list (refer to Councils intranet documents – “vehicle selection list”) and category cost ceiling limits (refer to appendix B) will be determined by the Directors committee and reviewed on a periodic basis.

Selection of vehicle type will be based upon the State Government Prequalification scheme for Supply of Motor Vehicles to New South Wales;

Employees with access to full private lease will have the added ability to elect vehicles from the State Government Prequalification scheme above their respective ceiling limit providing the employee bears:

- Total capital costs above the ceiling threshold and
- 100% of the operating costs for the selected vehicle above the ceiling component will be applied to the lease fee calculation.

Operational / Tool of Trade vehicle specifications will be determined by the Manager of Fleet, Stores and Workshops through consultation with the relevant Unit Manager based on operational “Fit for Purpose” requirements.

Fleet Stores & Workshops Management will have discretion to vary vehicle makes, models, colours etc, to reflect best value for money based on estimated ‘whole of life costing’ and operational issues.

3.3 VEHICLE DISPOSAL

Council vehicle disposals will be managed by the Fleet Unit with a view to maximising the resale value or minimising the whole of life cost of vehicles. Council owned vehicles will be disposed through public auction utilising government contracts. Council owned motor vehicles may also be available for direct purchase by employees under special circumstances at the General Managers discretion.

3.4 HIRED VEHICLES

If the need for a motor vehicle for operational use cannot be met by Council’s Pool of vehicles, Unit Managers may approve a request for the hiring of a motor vehicle for a temporary period. All proposals to hire a motor vehicle must be funded by the unit (including any FBT) and arranged via the Fleet Unit. Hired vehicles must not be made available for private use. A No Private Use declaration is to be submitted from all employees using a hire vehicle. Hire vehicles should preferably be garaged.

Vehicles are only to be hired in exceptional circumstances and are only to be used for operational purposes and for direct commuting between work and home. A log book is to be kept detailing all use of each vehicle hired. Upon completion of the hire period the log book is to be forwarded to Fleet Unit.
3.5 FUEL CARD

A fuel card will be provided from Council’s preferred fuel provider for each vehicle with the following conditions:

- The odometer reading must be supplied by the driver when refuelling the vehicles.
- At no time may the fuel card be used to fuel vehicles that are not owned or hired by Council, or for fuelling boats, mowers, equipment, tools etc.
- Fuel cards may be used to purchase fuel and oil within the state of NSW and ACT only, whether on duty or on approved leave. Reimbursement of fuel costs for motor vehicle usage outside NSW and ACT will be made for business purposes only.
- Other products are not to be purchased on the fuel card.
- This will be an audited process and disciplinary action may result from unauthorised use.
- It is recognised that there may be some situations where fuel cannot be purchased from Council’s preferred supplier. In instances like these it is recommended to purchase a small amount of fuel (approximately $10 to $20) that would allow the vehicle to be able to travel to the nearest service station for Council’s preferred supplier. This may be reimbursed upon the approval from the Manager of Fleet Stores & Workshops.

3.6 ACCIDENTS/BREAKDOWNS

If a Council vehicle is involved in any accident, (regardless of how minor they may be considered), the driver must immediately (within 24 hours or next working day) notify the facts to Workshop Administrator Officer & Council’s Insurance Claims Officer. Accident damage is to be reported using the SSC Motor Fleet Claim Form and forwarded to Legal & Insurance. (Claim forms are available from Council’s intranet site)

“Procedures to follow in an Event of a Motor Vehicle Accident” form is located in the glove box compartment of each vehicle and on Compass/Policies and Forms/ Cars

If a Council vehicle breaks down, roadside assistance can be obtained by telephoning the relevant provider (see kit in vehicle glove box).

Application can be made for a replacement vehicle. Provision of a vehicle will be based on availability with operational requirements given priority. Replacement vehicles cannot be guaranteed and will be provided at no additional cost to Council. Council is under no obligation to provide an alternative vehicle for use during repairs and in such circumstances the lessee will be entitled to have their lease fee suspended until the vehicle is repaired and returned to the lessee.

3.7 DAMAGE/DEFECTS

If any damage or defects are noted (regardless of how minor they may be considered) the driver must immediately (within 24 hours or next working day) notify the facts to Fleet’s Workshop Administration Office. Damage is to be reported using the SSC Motor Fleet Claim Form.

3.8 WORK HEALTH AND SAFETY

Council will provide safe well maintained vehicles consistent with Councils corporate approach to ensuring the overall safety and wellbeing of its employees and application of risk minimisation strategies.

This policy is to be read in conjunction with Councils WHS Management System.

3.9 VACATED POSITIONS/NEW POSITIONS/RESTRUCTURE

Motor vehicle allocations are recorded against positions. Any change resulting in an increase to vehicle allocations or reallocation must have the endorsement of the General Manager and be supported by the required funding allocation.
Where a position that has a vehicle allocated becomes vacant, the vehicle shall be returned to Fleet, Store and Workshops Unit until the position is filled. Managers are not permitted to reallocate a vehicle for other purposes.

3.10 MOTOR VEHICLE APPLICATION FORMS

There are a number of forms to be used for administrative purposes to manage Council’s motor vehicle fleet. These forms can be found on Council's Intranet; These forms may be amended from time to time to meet operational needs.
4 CONDITIONS OF USE OF COUNCIL VEHICLES

Council employees, unless otherwise precluded under provisions of this policy, are able to use a vehicle for Sutherland Shire Council business in accordance with the provisions of this policy. A vehicle will not be used by an employee unless it has been allocated to them by agreement or through General Pool Use procedures.

4.1 LICENCE REQUIREMENTS

In order to use a Council Vehicle, the driver must possess a current and valid New South Wales driver’s licence relevant for the transmission in use in the vehicle to be driven and the vehicle type being driven. Any and all RMS licence endorsements must be complied with when operating Council vehicles. Employees using Council vehicles must provide a copy for the Fleet Unit and be able to produce a current driver’s licence upon request.

4.2 LICENCE RESTRICTIONS

In the event of an employee having restriction(s) imposed on their licence, it is the responsibility of the individual employee to report such restriction(s) to their Unit Manager, the Manager of Personnel and Manager of Fleet and to abide by such restrictions.

4.3 LICENCE SUSPENSION OR CANCELLATION

Council vehicles are not to be driven by the employee or other nominated drivers, if the driver has had their driver’s licence suspended or cancelled.

4.4 OBLIGATIONS – ALL DRIVERS OF COUNCIL VEHICLES

In the interests of road safety, Council’s public image and Council’s vehicle ownership costs, all drivers are to:

a) comply with all requirements of the Vehicle Management Policy and lease agreements where applicable;

b) only use Council vehicles for Sutherland Shire Council Business, unless the employee has a current lease for private use of an operational vehicle. (Sutherland Shire Council business does not include travel to and from home.)

c) drive the vehicle at all times in a safe, courteous manner and in accordance with the road rules to promote a positive image of Council’s operations. Individual drivers will be personally liable for all fines resulting from breaches of traffic laws and regulations or parking offences and any toll fines or charges relating to the administration costs from the toll road operator for non-payment of the toll from using a toll road whilst being used privately.

d) not operate the vehicle:
   • whilst faculties are impaired by any drug or intoxicating liquor; or
   • with a percentage of alcohol or drugs in their breath, blood or urine in excess of the percentage permitted by the law of the applicable State or Territory;

e) Complete and adhere to driver induction/safety declaration form

f) in all circumstances, turn off the vehicle, remove the keys, secure the windows and lock the vehicle when it is left unattended ensuring that all attractive items are out of sight (ie mobile phones, laptop computers, GPS devices, handbags etc). Where possible, expensive transported items should not be left in vehicles. Where it is not possible to remove items, they should be kept out of sight or under a cover;

g) not drive the vehicle in an abnormal manner nor use it in any way for which it was not designed;

h) not make the vehicle available for transportation of persons or goods for hire or reward; for any unlawful purpose; whilst it is in an unsafe or defective condition; or for any purpose in the pursuit of a private commercial nature, ie a personal business venture;

i) not use the vehicle for any competitive sport or rally; or competition whatsoever, nor shall the vehicle be used in any manner which may contravene the comprehensive insurance policy and result in refusal to honour the insurance cover and/or the vehicle manufacturer’s warranty. Failure to adhere to can result in any and all costs incurred being borne by the allocated driver;
j) keep the vehicle in a clean condition (inside and outside) at all times and remove all rubbish and foodstuffs from its interior;

k) notify the Workshop Administration Officer at Council's Workshop of all defects, damage or accidents to the vehicle as per 3.6 and 3.7;

l) comply with Council's No Smoking Policy by ensuring vehicles are smoke free zones at all times;

m) ensure the vehicle has an adequate level of fuel at all times (minimum of ¼ of a tank);

n) consider other drivers and passengers by not carrying animals or objects within the vehicle that pollute or degenerate the interior beyond what could be considered normal 'wear and tear' and/or use;

o) drivers are to ensure all necessary forms associated with this Policy are completed and submitted for approval in the required timeframes;

p) employees must provide a copy of a current driver’s licence to Fleet before driving a Council vehicle and must provide a copy of any variations or renewals of their licence within 10 working days of the change of details;

q) use motor vehicles carefully, following all statutory regulations and in a manner that will reduce the opportunity for any damage to be sustained; and

r) not attach any sticker, flag or logo to the vehicle for issues/items that are not programs related to Sutherland Shire Council that may give the perception that Council supports the issue/organisation shown on the sticker, flag or logo, eg political parties, current affairs issues.

4.5 RESPONSIBILITY OF DRIVER FOR DAMAGE

Where a Council employee fails to observe any of the conditions of this management policy, Council reserves the right to recover from that employee the cost of any damages (including detailing or cleaning costs) to a Council vehicle caused by that employee.

In the event of a Council vehicle being damaged, or damage being caused by that vehicle to a third party’s property, whilst the driver is under the influence of alcohol or drugs and is subsequently found guilty of the offence, or is driving without authority from Council, or in any manner that voids the insurance policy taken upon the vehicle, then the driver will be liable for the cost of the damage sustained to the Council vehicle and to third party property.

Where a driver of a Council vehicle is repeatedly involved in damage to Council vehicles, and/or third party property, where it is determined that they are the at fault party, Council reserves the right to withdraw use rights of a Council vehicle.

4.6 TRAFFIC AND PARKING INFRINGEMENTS

Individual drivers, either during the course of business or private use, will be personally liable for all fines and charges resulting from breaches of traffic laws and regulations, road toll and parking offences. The responsible driver will be determined from vehicle usage information contained within Council’s Fleet Management Information System.

All Penalty Notices from the Office of State Revenue will be transferred to the responsible driver by way of Statutory Declaration. This will be managed by Legal and Insurance. The responsible driver will be contacted by Legal and Insurance to provide the details for the Statutory Declaration with sufficient time for the Statutory Declaration to be submitted before the due date.

If a fine or charge is incurred outside of business use and the driver believes he/she is not responsible for the offence then he/she must identify the driver who had the use of the vehicle at the time the fine or charge was incurred, otherwise the liability will be with the driver.

If a parking or traffic infringement fine is incurred while on business use and the driver believes he/she is not responsible for the offence then he/she must notify Legal and Insurance and assist with identifying who had use of the vehicle at the time the fine or charge was incurred otherwise the allocated driver maybe held liable for the fine.

Any further charges that may occur as a result of not providing the information before the due date will be the responsibility of the driver, where sufficient notice was given for the Statutory Declaration to be completed before the due date.
4.7 TOLL ROADS

When travelling on Toll Roads in the performance of Council business, Council drivers are responsible for arranging payment which can be reimbursed through petty cash in relation to toll charges. Council will not provide E-Tags for private usage of Council Motor Vehicles. Toll Road usage fees will not be reimbursed for private trips.

4.8 NON COMPLIANCE

Failure of the employee to abide by any or all of the conditions in this policy may result in the provision of a motor vehicle being reviewed and possible exclusion of the employee from the use of a vehicle under this policy and application of Council's Counselling and Disciplinary Policy as required.

Non-compliance and/or exclusion will be determined by the General Manager.
5 PRIVATE USE OF COUNCIL VEHICLES

A vehicle allocated to a position may be approved for private use to the substantive employee appointed to that position in accordance with this policy.

5.1 RESTRICTED PRIVATE USE VEHICLES (TAKE HOME) – TO AND FROM WORK USE ONLY

An FBT Exempt vehicle allocated to a position may be leased for Restricted Private Use in accordance with this policy to an employee appointed to that position:

- where the vehicle is allocated to enable the prompt response to emergency ‘call out’ work outside of Council’s normal business hours; or
- where it is clear that there are sound ‘operational’ reasons for the vehicle being garaged at the employees’ home.

The type of vehicle allocated in this category will be an FBT Exempt vehicle, as defined by the Australian Tax Office for FBT purposes. Conditions of use for these vehicles will be restricted to ensure that FBT is not payable. Any FBT incurred due to failure to comply with usage requirements will be charged to the employee.

No private use other than to and from work is allowed.
The vehicle is to be available for operational use whenever required either during or outside business hours. The vehicle must be returned to the workplace during periods of leave.
The employee will be required to sign a lease for Restricted Private Use (TAKE HOME) – To and From Work Only (Attachment 2).
Vehicle renewal and allocation will be based on operational and whole-of-life financial considerations.

Conditions of use for Restricted Private Use – To and From Work Only vehicles are as follows:
- The vehicle is available only for private travel from home to work and from work to home by the most direct (shortest) route within a 20 kilometre distance from Council’s Bath Rd Depot and the employees primary place of residence
- The vehicle must be made available for use by other employees through car pool arrangements (if any) during working hours and during all periods of leave (annual, LSL, sick, flex). For periods of sick leave, the vehicle must be made available for Council use and may be collected by Council and returned to Council.
- The vehicle must be identified with Council’s logo.
- Other than in emergency situations, the only person authorised to drive the vehicle whilst on restricted private use is the relevant officer assigned to the vehicle.
- Council vehicles are not to be used under any circumstances for other private purposes.
- Lease charges will not apply.

5.2 FULL PRIVATE USE

Vehicles allocated to category 1 & 2 positions have full private as part of the employee’s conditions of employment.

5.2.1 General Lessee Requirements
Each employee who leases a vehicle for private use shall comply with all requirements of this policy and their lease agreement, and shall:

a) The leased vehicle must be made available at all times for the primary purpose of Council business use during normal operating hours for Council officers to access in the performance of their duties. The leased vehicle will be made available to other staff through a locally coordinated car pool arrangement managed by the respective Unit Manager.

b) inform the local Car Pool administrator of work hours on arrival to the workplace and book their vehicle out at the end of their workday;

c) Ensure that a Vehicle Log Sheet is kept when other drivers operate the vehicle

d) at their own expense and in their own time, wash and clean the vehicle weekly, both inside and out, and provide overnight security by garaging the vehicle where possible off the road onto private property, and under cover;
e) ensure that the vehicle is serviced and repaired in accordance with the manufacturer’s warranty and service schedule. All servicing will be conducted by Council’s Workshop staff and Workshop staff will coordinate service bookings;
f) provide odometer readings in the prescribed manner for vehicle management purposes;
g) check/inspect on a weekly basis the engine oil, water/coolant, lights and tyre pressure of the vehicle;
h) ensure Council’s identification sticker is displayed on the vehicle at all times, on the bottom left hand side of the front windscreens. These should not be removed under any circumstances;
i) Agree that costs incurred as a result of abnormal wear & tear will be the direct responsibility of the driver/lessee. The process for verifying neglect/non fair wear will be resolved by Council’s Consultative Committee.
j) Monitor vehicle kilometre distance usage in line with elected package arrangement. Accept payment responsibility relating to applied penalties for excess annual kilometres.

5.2.2 Lease Fees

Council provides an endorsed selection list of vehicles available to the lessee with the added ability for the lessee to elect an annual kilometre usage package. The vehicle selection list details the applied lease fees for each vehicle type and usage package option.

Lease fees are calculated based on a 60/40 split for the full cost recovery of the vehicle with Council paying the larger portion representing the business use component of vehicles total usage.

Lease fees will be applied based on the vehicle allocated to the position (unless varied by lessee option, clause 5.2.3) in line with the Vehicle Cost and Fees Worksheets for the specific make and model variant of the vehicle and leaseholders elected annual kilometre usage package.

Where the lessee exceeds the elected kilometre distance package by greater than 1,000 km, a cents per kilometre penalty will apply unless they are able to substantiate via a log book that the excess kilometres resulted from greater than 60% business in a submission to the employees respective Director for consideration. These adjustments will be reconciled and employees advised of payment required at the conclusion of each FBT year.

Vehicle selection list and lease fees will be reviewed annually with any new charges applied on 1 January each year. Proposed Schedule of Lease Fees and worksheets for each vehicle will be presented to the Consultative Committee and employees prior to 1 October each year.

Lessees can choose to pay their lease fees as a deduction from after tax income on a weekly basis, or use a combination of salary sacrifice (pre tax deduction) and after tax deductions, where available. The portion of the lease fee that can be salary sacrificed will be set at the amount of the lease fee that exceeds Council’s Fringe Benefit Tax liability as disclosed in the annual Vehicle Cost and Fees Worksheets.

FBT will be calculated using the statutory method unless reasonable evidence can be provided to indicate that calculation using the operational cost method would be more favourable to Council.

5.2.3 Lessees Option for Vehicle Selection

An employee allocated to a position with access to full private use of a vehicle is entitled to select a vehicle with a capital cost value above the positions category ceiling limit. Should an employee request such a variation, the additional costs must be fully funded by the employee including

- Total capital costs above the ceiling threshold and
- 100% of the operating costs for the selected vehicle above the ceiling component will be applied to the lease fee calculation.

Vehicle selection must be restricted to those vehicles available through the State Governments Prequalified Scheme for the supply of Motor Vehicle.
5.2.4 Charges for Damage
Where Fleet Management determine that a driver was at fault where damage was caused in relation to the use of a Council vehicle outside of the driver’s work hours (where such damage was to the Council vehicle, another vehicle or property, or both), the driver will be required to pay for the damage/repair up to an amount of $250.

5.2.5 Part-Time Employment
An employee who is employed for less than seven (7) hours per day, four (4) days per week on a permanent basis is not eligible for a leased vehicle.

A vehicle may be allocated to an employee as a condition of employment who is employed for a minimum of seven (7) hours per day, four (4) days per week on a permanent basis. An increased lease fee will be calculated on the basis of the additional private use gained from only attending the workplace for four (4) days.

The vehicle must be made available for operational use during the performance of the employee’s normal duties at their place of work. For the purpose of this clause, ‘place of work’ does not include working from an employee’s residence.

5.2.6 Use of Council Vehicle by Other Drivers
All other drivers approved to use Council operational vehicles will comply with the requirements of this policy.
Any immediate family member, provided they hold a current driver’s licence (including provisional licence holders), may operate the vehicle at any time, for personal use, without the lessee in attendance. The lessee’s immediate family who hold a Learner Driver’s Licence is permitted to drive the vehicle provided the lessee is in attendance. (Refer to definitions within this policy)

5.2.7 Use of a Council Vehicle While on Leave
For employees with a lease for private use the vehicle will be available for periods of leave of up to a cumulative figure of six (6) weeks in any one leave duration. Subject to availability and operational requirements, the General Manager may approve a lessee’s request to extend this provision; although an increased lease fee based full cost recovery will be applied beyond the 6 weeks to the lease rate.

Private use of Council’s vehicle will not be available for any periods of leave leading up to the resignation date.

For employees who are leasing a vehicle, lease payment rates will apply at all times when the employee retains private use of the vehicle. Lessees can choose to return the vehicle to the Fleet Unit while on leave (seven (7) consecutive days minimum) and the lease payments will not apply for that period of leave, provided appropriate notification is received and the vehicle is returned to the Fleet Administrator Officer at the workshop prior to the period of leave, so that it can be made available for general car pool use.

5.2.8 Use of a Council Vehicle while on Parental/Long Service Leave
Where an employee has a lease for private use of an operational vehicle and is on Parental/Long Service leave he/she will have an option to extend the period of ‘use of a Council vehicle while on leave’ on a full cost recovery basis. Full recovery basis will come into effect once the six week cumulative period of normal lease rates has been expired. For the period of leave in addition to the normal period of leave as per 5.2.7 the employee will, if they elect to continue their private use of the vehicle, pay 100% of the cost of the vehicle as calculated in the Vehicle Cost and Fees Worksheets for the period of leave. Where there is a change to lease fees during the period of leave the lease fee will be updated with any change to the lease fees. The upper limit for Long Service Leave use of a Council Vehicle is three months.

Full cost recovery will be based on selected kilometres usage package (annualised, unless otherwise negotiated), 100% of the vehicles full operating costs. Any FBT attributable to the period will be met by the employee. All lease fees (unless otherwise agreed by the General Manager) will be paid in full from deductions apportioned to any periods of paid leave.
5.2.9 Use by an Employee who is Resigning/Changing Positions
The right to allocate use of a Council vehicle only applies while the lessee holds his/her present
position. Should the lessee change positions, the right to use that Council vehicle will be forfeited.

A lessee with lease for private use will surrender the vehicle to Council upon termination of
employment or upon cessation of the lease agreement.

5.2.10 Vehicle Exchange
Lessees may temporarily ‘swap’ their vehicle for short periods of time (three to five days maximum)
with that of another lessee. For any extended period beyond 5 days the lessee is required to advise
fleet to record the exchange.

5.2.11 Vehicle Accessories
The only accessories permitted to be fitted to a Council passenger vehicle are window tinting, tow bar
packs and roof racks. Employees with a private use component may request these accessories to be
fitted to a Council vehicle at replacement time and this provision will attract an additional charge to the
employee which can be paid as a one off contribution or as a payroll deduction over 26 weeks.

Employees can have tow bars fitted and subsequently removed, to Council vehicles at their own
cost and in their own time, but must supply invoice documentation of fitting for Council
records. These employee fitted tow bars remain the property of the employee.

5.2.12 Car Fringe Benefit
A car fringe benefit arises where a car owned or leased by Sutherland Shire Council is made
available for private use. A car is taken to be made available for private use by an employee on
any day the car:
• is actually used for private purposes by the employee or associate (spouse, family member
  or friend);
• is not at Sutherland Shire Council’s premises and the employee is allowed to use the vehicle
  for private purposes; or
• is garaged at the employee’s home regardless of whether the employee has permission to
  use it privately.

As a general rule, travel to and from work is private use of a vehicle. Fringe Benefits Tax is paid by
Sutherland Shire Council. However, if an employee receives a fringe benefit with a total taxable value
of more than $2,000 in an FBT year (1 April to 31 March) the grossed up value of the benefit must be
reported on the employee’s payment summary for the corresponding income year. This is called the
employee’s reportable benefits. The reportable benefits total is not included in the employee’s
assessable income (or taxable) income, however, the total will be used to calculate a number of
income tests relating to government benefits and obligations.

5.2.13 Non-Compliance
Failure of the employee to abide by any or all of the conditions in this policy or the lease may
result in the provision of a motor vehicle being reviewed and possible exclusion of the employee
from the lease scheme under this policy. Non-compliance and/or exclusion will be determined by the
General Manager.

5.2.14 Termination of Lease
Where the employee is entitled to a leaseback vehicle as a condition of employment (expressly stated
in letter of appointment) the arrangement may only be terminated by agreement.

Where the leaseback vehicle is not a condition of employment, Council will give six months written
notice of the termination of the Agreement.

Where a vehicle Agreement was entered into prior to 1 November 2010 and it has not been expressly
stated whether it is, or is not, a condition of employment, the provision of 12 months notice to
terminate the Agreement will apply.

The lease arrangements will also terminate where the employee resigns from the position or is
appointed to another position or instances such as loss of licence, serious breach of the vehicle
leaseback Agreement or in cases of demotion.
5.2.15 Keys
The vehicle will be supplied with two sets of keys. One set of keys will be kept securely by Council at the work area that the vehicle is located for the intended purpose of access for car pool provisions. Any additional or replacement sets of keys that are required by the lease holder will be ordered at the expense of the lease holder.
6 TRANSITIONAL ARRANGEMENTS

It is recognised that there may be a number of positions within Council that have motor vehicle allocations which do not meet the requirements of this Policy. Such anomalies will be reviewed with variations to allocations being made at the earliest opportunity taking into account contractual obligations and best value based on whole of life costs.

Accordingly, a Fleet Management Working Group will be established to review current allocations and determine the most appropriate transitional arrangements, and the timeframe to accommodate these changes. The management working party is to review and make recommendations to the Directors Committee, and consult with the Consultative Committee. It is to consist of the Manager of Personnel, Manager of Engineering Operations Group, Senior Financial Accountant and the Manager Fleet Stores & Workshops.

6.1 Pre-existing Transitional Arrangements
A Vehicle allocated to transitional positions category 4 may be leased to the substantive employee appointed to that position for private use outside of their work hours in accordance with this policy.
DEFINITIONS

Agreement means the Lease Agreement signed by the employee.

Car Pool Council has local pooling system in place which recognises that vehicles are shared resources available for use by all Council staff in accordance with the operational procedure of each car pool. There are recognised designated areas where vehicles are to be based during working hours.

Driver is defined as any person who drives a Council vehicle.

Call Out is defined as an event when designated and rostered out of hours staff respond to an emergency.

Employee is defined as an Employee of Sutherland Shire Council.

Executive refers to positions of the General Manager and Directors

Family Member Any immediate family member, provided they hold a current driver’s licence (including provisional licence holders), may operate the vehicle at any time, for personal use, without the lessee in attendance. The lessee’s immediate family who hold a Learner Driver’s Licence is permitted to drive the vehicle provided the lessee is in attendance.

The definition for 'immediate family member' is therefore:

1. a spouse of the employee; or
2. a de facto spouse, who, in relation to a person, is a person of the opposite sex to the first mentioned person who lives with the first mentioned person as the husband or wife of that person on a bonafide domestic basis although not legally married to that person, or
3. a child or an adult child (including an adopted child, a step child, foster child or an ex nuptial child), parent (including a foster parent, step parent and legal guardian), parents of spouse, grandparent, grandchild or sibling (including half, foster and step sibling) of the employee or spouse or de facto spouse of the employee; or
4. a same sex partner who lives with the employee as the de facto partner of that employee on a bona fide domestic basis.

Any legally recognised licensed driver may drive the vehicle provided the lessee is a passenger in the vehicle at the time.

Pool Use Vehicle is a vehicle designated to be made available during work hours for Car Pool use.

Fringe Benefits Tax a fringe benefit is a ‘payment’ to an employee, but in a different form to salary and wages. The terms ‘benefit’ and ‘fringe benefit’ have broad meanings for FBT purposes. With regard to this policy, a ‘benefit’ or ‘fringe benefit’ will be characterised by the employer providing the use of a work vehicle for private purposes. Refer to section 9 for more detail.

Fleet Unit refers to abbreviation of the Fleet, Stores and Workshops Unit

Lessee who has a duly signed lease agreement and is the person to whom the vehicle is allocated.

Licence refers to a recognised NSW Driver’s Licence and includes Learners, P1 and P2 drivers (relevant for the vehicle class and transmission in use in the vehicle.

Operational Use means the circumstances under which a vehicle is allocated to a position. As a guide the following criteria are provided:

- The functions of the position cannot be carried out without a vehicle.
- The functions of the position could not be efficiently carried out through the use of a car pool vehicle.
- The vehicle is required to regularly (on a daily basis) transport people and materials to job sites remote from the normal place of work.
- There is a clear justification that the functions of the position will be enhanced and thereby be able to be carried out more cost effectively with a motor vehicle allocated to it.
- In exercising the functions of the position, there are clear statutory requirements that cannot be met without a permanent vehicle allocated to it.
- Group Managers, Senior Managers, Managers and Senior contract staff allocated vehicles are deemed operational for the specific purpose of availability for car pool use.
- Vehicles allocated to Executive positions are not defined as operational.

**Passenger Vehicle** is a vehicle intended for the purpose of primarily transporting people as compared to a work/trade vehicle.

**Private Use** refers to use of a vehicle for non-business purposes including travel to work from home and from the work to home.

**Partner** the partner of the lessee who permanently resides with the lessee on a bona fide domestic basis and includes a spouse, de facto spouse or same sex partner.

**Fleet Management Working Group** refers to a group that reviews and makes recommendations to the Directors Committee on Fleet Management matters, consisting of the Manager of Personnel, Manager of Engineering Operations Group, Senior Financial Accountant and the Manager Fleet Stores & Workshops.

**Senior Officers** refers to senior level positions within Council of Executive (General Manager and Directors), Group Managers, Senior Manager, Contracted Managers and Senior Contract Staff.

**Professional Staff** refers to positions held with a minimum of tertiary degree qualification requiring the allocation of a motor vehicle or an allowance as an employment incentive based on current market demand requirements.

**Transitional Positions** refers to positions where the provision of a motor vehicle with access to full private lease will be maintained or have the option to be considered for a hand back allowance in lieu of the vehicle until the position has been vacated by present incumbent with default position of Category 3 (Operational Use) being applied with no access to full private lease and no access to a vehicle allowance.

**Vehicle** is a motor vehicle that may be legally driven by a person holding a ‘C’ class motor vehicle driver’s licence and includes:
- Sedans
- Station wagons
- Utilities, 2WD and 4WD
- Vans
- SUV Wagons 2WD and 4WD

**Vehicle Cost Ceiling Limits** refers to the maximum allowable capital purchase value of vehicles (exclusive of gst) which is applied to each category or position.

**Whole of Life Costing** the consideration of all costs, outgoings and residuals incurred on a vehicle over its lifetime when making informed financial decisions regarding a motor vehicle.
## Appendix – A

### Staff Position Categories and Vehicle Capital Purchase Cost (Exclusive of GST) Ceiling Limits

**Effective 1 January 2015**

<table>
<thead>
<tr>
<th>Category 1</th>
<th>Senior Officers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td># Vehicle allocated for Full Private Lease / Option for Vehicle Allowance</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Executives</th>
<th>Group Managers</th>
<th>Managers on Contract</th>
<th>Senior Staff on Contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vehicle Capital Purchase Cost Ceiling Limits</td>
<td>GM Discretion</td>
<td>$43,000</td>
<td>$35,000</td>
<td>$35,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category 2</th>
<th>Professional Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Vehicle Capital Cost Ceiling</strong> - $26,000</td>
</tr>
</tbody>
</table>

|           | # Vehicle allocated in the second instance to positions for Full Private Lease / Option for Vehicle Allowance where market testing demands this provision |
|-----------| Note: The provision and access to a Vehicle Allowance (Handback Allowance) will only be considered where it can be demonstrated that the vehicle is clearly not required operationally and is supported by the lessee’s Manager and approved by the Fleet Management Working Group. |

<table>
<thead>
<tr>
<th>Category 3</th>
<th>Operational – Restricted provision Take-home or Garaged</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td># Full Lease or Vehicle Allowance <strong>not available</strong> to positions nominated in this category.</td>
</tr>
<tr>
<td></td>
<td># Restricted access to take home based on approval process and non fbt applicable vehicles.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Transitional Category</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Category 4 (Transitional)</th>
<th>All General Leaseholders with existing vehicle allocation with positions that revert to category Cat 3 once vacated by present incumbent.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Vehicle Capital Cost Ceiling</strong> - $26,000</td>
</tr>
</tbody>
</table>

|           | # Provision of a vehicle will be maintained on current lease type until the position has been vacated by present incumbent with default position of Cat 3 being applied or made surplus dependant on operational demands. |
|-----------| Note: The provision and access to a Vehicle Allowance (Handback Allowance) will only be considered in this category where it can be demonstrated that the vehicle is clearly not required operationally (identified as surplus) and is supported by the lessee’s Manager and approved by the Fleet Management Working Group. |
Appendix – B

Vehicle Allowance (Handback Allowance) rates by Position Category

Effective 1 January 2015

<table>
<thead>
<tr>
<th>Position Categories (refer to Councils Staffing Register)</th>
<th>Annual Allowance Provision – Pre Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category 1</td>
<td>Senior Officers</td>
</tr>
<tr>
<td>Category 2</td>
<td>Professional Staff</td>
</tr>
<tr>
<td>Category 4</td>
<td>Transitional Positions</td>
</tr>
</tbody>
</table>

Note: The provision and access to a Vehicle Allowance (Handback Allowance) will only be considered where it can be demonstrated that the vehicle is not required operationally and is supported by the lessee’s Manager and approved by the Fleet Management Working Group.
Appendix – C

Lease Fee Model Example with Calculation Explanation.

Effective 1 January 2015

The current lease fee calculation / methodology seeks to capture the vehicle costs over the term of Council ownership (whether purchased outright or leased), and split these "Whole of Life" costs on an adopted percentage basis (currently 60/40) between the employee (driver) and the organisation. Specific vehicles under each category contained in the adopted vehicle selection list have the following criteria / cost parameters that are considered as part of the lease fee calculation.

Criteria

Purchase Price of the vehicle (including GST for FBT purposes)
Accessories fitted to the vehicle as standard (included in the overall calculation)
Accessories fitted to the vehicle as request by the employee (paid for directly by the employee over a period during the early stages of the lease)
Depending on the km package chosen by the employee the term of the lease will be either 2, 3 or 4 years.

Cost Parameters

A cost of capital (or opportunity cost) is calculated on an indicative interest rate based on the purchase price to show what Council could have earned if it had invested the money rather than purchasing a vehicle.
Fuel is calculated at 3 levels depending on the km package chosen from a unit price excluding GST (using the average fuel price over the preceding 6 months):
Up to 20,000 km the fuel consumption is based on the Urban rate
Between 20,000 and 30,000 km the fuel consumption is based on the Combined rate
Between 30,000 and 40,000 km the fuel consumption is based on the Extra Urban rate
A residual figure (%) based sourced from Red Book to calculate a loss in value (or depreciation) of the vehicle annualised over the term
Registration & CTP are charged as per statutory requirements
Road side servicing is included (NRMA rate)
Comprehensive insurance is calculated at a nominal rate (1.1%) of the purchase price as Council is self-insured.
A flat management fee is charged to cover administration (including staff time, overheads and disposal costs etc)

All of the above is entered to reach a "Base" lease fee excluding FBT implications.

The FBT component is calculated on the GST inclusive purchase price at a flat rate of 20% regardless of the km's driven (this is then grossed up and the current FBT rate is applied). This amount is offset by the GST inclusive base lease fee (from above). Any calculated tax payable is then split 60/40 and added to the base lease fee to arrive at the Lease Fee applicable to the employee.
### Appendix C continued - Example Lease Fee Calculation Template - Toyota Camry - 25,000 km package

#### Vehicle Cost & Fees Worksheet

<table>
<thead>
<tr>
<th>VEHICLE</th>
<th>MID SEDAN</th>
<th>Cylinders</th>
<th>4</th>
<th>Term</th>
<th>3</th>
<th>Total Kms</th>
<th>75,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAPITAL INVESTMENT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estimated vehicle costs:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase Price (incl GST)</td>
<td>$25,400.10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accessories (Paint, Weathershield, Mats &amp; Mudguards)</td>
<td>$600.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GST</td>
<td>$2,363.65</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL (Ex GST)</td>
<td>$23,636.45</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### VEHICLE PARAMETERS

<table>
<thead>
<tr>
<th>Target Kilometres</th>
<th>25,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Use Rate</td>
<td>40%</td>
</tr>
<tr>
<td>Council Use Rate</td>
<td>60%</td>
</tr>
<tr>
<td>FBT Rate</td>
<td>20.0%</td>
</tr>
<tr>
<td>Fuel Rate ($ per litre)</td>
<td>1.22 Excluding GST</td>
</tr>
<tr>
<td>Residual % (Avg)</td>
<td>49.8%</td>
</tr>
<tr>
<td>Interest Rate</td>
<td>4.6% Council’s Av Inv Int</td>
</tr>
<tr>
<td>Loss in value p.a</td>
<td>16.7%</td>
</tr>
<tr>
<td>Capital Limit</td>
<td>$25,000</td>
</tr>
</tbody>
</table>

#### ANNUAL VEHICLE COST (Excluding GST)

<table>
<thead>
<tr>
<th>100%</th>
<th>60%</th>
<th>40%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of capital (interest on cost)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest on Cost of vehicle</td>
<td>1,077.82</td>
<td>1,077.82</td>
</tr>
<tr>
<td>Loss in value p.a</td>
<td>3,954.93</td>
<td>5032.76</td>
</tr>
<tr>
<td>Registration</td>
<td>500.00</td>
<td>500.00</td>
</tr>
<tr>
<td>CTP Insurance</td>
<td>484.00</td>
<td>484.00</td>
</tr>
<tr>
<td>Comprehensive Insurance (1.1% of Purchase Price)</td>
<td>260.00</td>
<td>260.00</td>
</tr>
<tr>
<td>Check Fuel Calc matches target</td>
<td>85.00</td>
<td>85.00</td>
</tr>
<tr>
<td>Roadside Service</td>
<td>403.00</td>
<td>1732.00</td>
</tr>
</tbody>
</table>

**TOTAL Cost of vehicle**

<table>
<thead>
<tr>
<th>100%</th>
<th>60%</th>
<th>40%</th>
</tr>
</thead>
<tbody>
<tr>
<td>$10,601.16</td>
<td>$10,601.16</td>
<td>$10,601.16</td>
</tr>
</tbody>
</table>

#### EMPLOYEE COMPONENT OF COST

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Lease Payment based on running costs + Post Tax (Including GST)</td>
<td>$4,664.07</td>
</tr>
<tr>
<td>Fringe Benefits Tax (FBT) p.a.</td>
<td>$4,992.46</td>
</tr>
<tr>
<td>Net FBT Payable p.a.</td>
<td>$328.39</td>
</tr>
<tr>
<td>Employee’s Share of FBT p.a. (Including GST)</td>
<td>$144.49</td>
</tr>
</tbody>
</table>

#### NET VEHICLE COST

<table>
<thead>
<tr>
<th>Weekly Cost</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$84.07</td>
<td></td>
</tr>
<tr>
<td>GST</td>
<td>$8.41</td>
</tr>
<tr>
<td>Total Employee Cost (without salary sacrifice)</td>
<td>$92.47</td>
</tr>
</tbody>
</table>

Fuel Savings based on 25,000 km’s
Surplus / (Deficit) (197.04) Residual FBT 197.04