



## GLEN INNES SEVERN COUNCIL

### Motor Vehicle Leaseback Policy

<b>RESOLUTION NUMBER:</b>	<b>14.08/20</b> 18.04/18 12.05/15 11.04/13 15.03/11 27.11/05	<b>MEETING:</b>	<b>27 August 2020</b> 26 April 2018 28 May 2015 18 April 2013 24 March 2011 17 November 2005
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Glen Innes Severn Council recognises that it will be required to purchase and maintain an extensive vehicle fleet for the provision of services to the community. Council is committed to maintaining its vehicle fleet in an economically, socially and environmentally responsible manner.

Council is also committed to achieving its long term vision to become an 'Employer of Choice' and recognises that the modern labour market is highly competitive and that, in order to attract and retain skilled staff in key positions, Council must provide a range of appropriate incentives.

The Motor Vehicle Leaseback Policy is intended to address these issues by establishing standards and guidelines for the provision of private use of motor vehicles to staff members under a leaseback arrangement.

### AIMS

The aims of the Glen Innes Severn Council Motor Vehicle Leaseback Policy are to:

- assist Council to meet its strategic objective to become an 'Employer of Choice';
- enable Council to remain competitive with other employers in attracting and retaining skilled staff;
- enable Council to provide employees with a valuable benefit while at the same time providing some income to offset the cost of maintaining Council's vehicle fleet; and
- provide clear and consistent guidelines for the efficient and effective operation of Council's Motor Vehicle Leaseback scheme.

### RELATED LEGISLATION AND REFERENCES

This Policy should be read in conjunction with the:

- Glen Innes Severn Council Motor Vehicle Leaseback Agreement and Terms and Conditions;
- Glen Innes Severn Council Plant and Fleet Policy;
- Glen Innes Severn Council Code of Conduct for Staff;
- Local Government (State) Award 2017.

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Related Documents: Motor Vehicle Leaseback Agreement			

## SAFETY RATING

Council will only provide vehicles under this Policy that have an appropriate safety rating, as specified in Council's Plant and Fleet Policy.

## GREEN RATING

Council is committed to minimising the environmental impact of its motor vehicle fleet. Accordingly, Council will only provide vehicles under this Policy that have an appropriately high environmental rating, as specified in Council's Plant and Fleet Policy.

## LEASEBACK VEHICLE CATEGORIES

Council will provide eligible employees with the option to participate in the leaseback and private use of a motor vehicle in accordance with the following categories.

### Category 1

This category applies to the General Manager, who will be provided with the option of a leaseback vehicle in accordance with this Policy and Council's Motor Vehicle Leaseback Agreement.

The type of vehicle supplied to employees in this category will be in accordance with Council's Plant and Fleet Policy, up to a maximum value of \$60,000 (ex GST).

### Category 2

This category applies to the Directors, who will be provided with the option of a leaseback vehicle in accordance with this Policy and Council's Motor Vehicle Leaseback Agreement.

The type of vehicle supplied to employees in this category will be in accordance with Council's Plant and Fleet Policy, up to a maximum value of \$50,000 (ex GST).

### Category 3

This category applies to Managers and professional / specialist staff employed under Band 3 or Band 4 of the Local Government (State) Award, where the vehicle is provided as a condition of employment and was negotiated as part of the remuneration package for the position, either at the time of employment or a later date.

The General Manager will determine what positions attract a leaseback motor vehicle in this category, taking into account labour market forces, skills shortages, inability to fill critical positions and other relevant factors.

The type of vehicle supplied to employees in this category will be in accordance with Council's Plant and Fleet Policy, up to a maximum value of \$40,000 (ex GST).

### Category 4

This category applies to employees who require the use of a vehicle for operational purposes on a continuous daily basis during work hours, as an integral part of the positions they occupy. In such cases, the leaseback agreement is offered as a discretionary benefit that is not a condition of employment.

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The relevant Director will determine what employees will have the option of a leaseback vehicle in this category.

Employees in this category will have the option of leasing the vehicle that has been purchased to carry out the operational requirements of the position, in accordance with Council's Plant and Fleet Policy.

### **VEHICLE ACCESSORIES**

All vehicles provided under Leaseback Vehicle Categories 1, 2 and 3 of this Policy may be fitted with the following standard accessories, where available and where they contribute to the safety and protection of the vehicle and / or driver:

- Floor mats (front and rear);
- Mudflaps (front and rear);
- Air conditioning;
- Anti-lock braking system (ABS);
- Cruise Control;
- Metallic or pearl paint.

Council may fit additional accessories if they are required for safety or operational reasons.

Category 4 vehicles will be provided with accessories in accordance with Council's Plant and Fleet Policy.

### **LEASEBACK CONTRIBUTION PAYMENTS**

- The base leaseback contribution payment for full private use of a vehicle is \$130.30 per week.

#### **Additional Charge for Extraordinary Private Use**

Employees whose place of residence is more than 100 kilometres from their usual place of work shall be subject to an additional charge on their leaseback payments.

This additional charge will also apply to employees who change their place of residence from a location that is within 100 kilometres of their usual place of work to a location outside of this distance.

The additional charge rate shall be \$67.80 per week. This charge will be reduced to \$32.50 per week for employees who have a leaseback vehicle that uses no more than 6 litres of fuel per 100 km (highway cycle), according to the Federal Government's 'Green Vehicle Guide'.

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## Review of Leaseback Contribution Payments

The leaseback contribution will be reviewed annually by the General Manager and may be increased on 1 July each year, at the discretion of the General Manager. Employees with a leaseback arrangement will be given at least two (2) months' notice of any payment variation.

In accordance with the Local Government (State) Award 2017, such increase in any one (1) year shall not be more than ten (10) percent or the percentage movement on the index figure published by the Australian Bureau of Statistics for Eight Capitals, private motoring sub-group (Cat No 6401.0), whichever is the greater.

## SALARY SACRIFICE ARRANGEMENTS

Council and the employees may agree to enter into salary sacrifice arrangements for the payment of leaseback contributions under this Policy. In accordance with the Local Government (State) Award 2017, the amount to be salary sacrificed for leaseback of a vehicle is that part of the leaseback fee that exceeds Council's Fringe Benefits Tax (FBT) liability.

## FRINGE BENEFITS TAX (FBT)

Council will pay any FBT liability that might arise from the private use of vehicles provided under this Policy.

## VEHICLE LEASEBACK TERMS AND CONDITIONS

Employees who accept private use of a vehicle under a leaseback agreement must sign a copy of Council's **Motor Vehicle Leaseback Agreement and Terms and Conditions** before private use is granted.

## APPLICABILITY

This Policy applies to all staff members issued with private use of a vehicle under a Motor Vehicle Leaseback Agreement.

## IMPLEMENTATION / COMMUNICATION

This Policy will be communicated to all new employees that are affected by it as part of their induction. Revised versions of the Policy that contain significant changes will be communicated to all affected staff by Human Resources staff.

New versions that only contain minor or inconsequential changes will be distributed to managers for highlighting at team meetings.

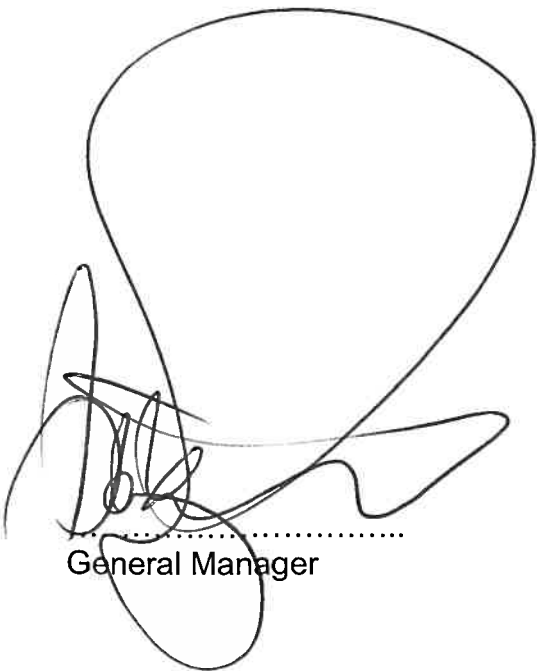
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**VARIATION**

This Motor Vehicle Leaseback Policy shall be reviewed every three (3) years, or earlier if deemed necessary, to ensure that it meets the requirements of legislation and the needs of Council.

The term of this policy does not expire on the review date, but shall continue in force until superseded, rescinded or varied either by legislation or a new resolution of Council.

In accordance with the Local Government (State) Award, proposed variations to this Policy or Council's Motor Vehicle Leaseback Agreement and Terms and Conditions will be referred to Council's Staff Consultative Committee.



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General Manager

15/9/20  
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Date

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