



POLICY			
<b>TITLE:</b>	<b>LIGHT VEHICLE FLEET MANAGEMENT</b>	<b>CODE:</b>	<b>ET543</b>
<b>PURPOSE or OBJECTIVE</b>	To establish parameters for the provision and management of light vehicles required for the operational needs of the City and to facilitate the private use, where applicable, of these vehicles by the City's employees and the Mayor.		
<b>REFERENCE DOCUMENTS:</b>	Local Government Act 1995 Local Government (Functions & General) Regulations 1996) Dept of Local Government – Circular No 9-2011		

POLICY
<p><b>The City manages a light vehicle fleet that is adequate for its operational needs, is environmentally responsible, and provides flexibility of choice for its employees.</b></p> <p><b>The type of light vehicle purchased by the City will be in accordance with the City's Light Vehicle Fleet Procedure administered by the CEO, or as defined in an employee's contract of employment.</b></p> <p><b>The purchase and replacement of vehicles owned by the City in its light vehicle fleet must be selected from the <i>State Government Fleet Acquisition List – Department of Treasury and Finance Common Use Arrangement (CUA) 37804.</i></b></p> <p><b>The Mayor is entitled to a City-owned and maintained vehicle for council business and private use in accordance with the conditions of this policy.</b></p>

### 1. Scope

This policy applies to employees who:

- (a) are involved in or are authorised to purchase light vehicles; or
- (b) have the allocation of a City-owned light vehicle for personal and/or private use as a condition of their employment contract; or
- (c) have the option of obtaining a light vehicle under a novated lease as a condition of their employment contract; or
- (d) have the option of cashing out the value of a vehicle provided in their employment contract.

### 2. Definitions

<i>light vehicle</i>	means a 2WD or 4WD passenger or commercial vehicle such as a panel van, single or dual cab utility with a load carrying capacity of up to 2 tonnes or a towing capacity not exceeding 3.5 tonnes
<i>ANCAP</i>	Australian New Car Assessment Program
<i>purchase value</i>	means the GST inclusive purchase cost of a vehicle authorised to be allocated to a City employee or which has been selected under the option of a novated lease, including the cost of optional extras but excluding registration and insurance
<i>contract employees</i>	includes the CEO, Directors and Managers who have the provision of a City funded vehicle for business and private use as a condition of their contract of employment

### 3. Probity

Employees engaged in the procurement of light vehicles must observe the highest standards of probity, with all processes, evaluations and decisions to be transparent and fully documented in accordance with applicable procedures and audit requirements.

### 4. City-owned Light Vehicles – Specifications

- (1) The following specifications will apply to light vehicle purchase selections for the Mayor and CEO:
  - (a) Minimum 4-star ANCAP rating (passenger vehicles);
  - (b) Minimum 3-star ANCAP rating (commercial);
  - (c) CO<sub>2</sub> emissions: not exceeding 245g/km (passenger vehicles);
  - (d) Subject to whole-of-life cost modelling; and

(e) The purchase value must not exceed 95% of the value of the *Non Fuel Efficient Luxury Car Tax* or *Fuel Efficient Luxury Car Tax* values determined annually by the Australian Taxation Office.

(2) The specifications for all other vehicles are at the discretion of the CEO.

#### **5. City-owned Light Vehicles – Annual Remuneration Value**

(1) The annual remuneration value paid to a contract employee will be determined by the CEO following advice from the City's fleet management service advisors. This value is independent of the other components of an employee's annual remuneration package.

(2) There is no ability to exchange any savings in the annual remuneration value of a City-owned vehicle for an equivalent increase in the cash component of the remuneration.

#### **6. City-owned Light Vehicles – Employee Private Use Conditions and Contributions**

(1) The CEO is entitled to full and unconditional private use of a City-owned vehicle.

(2) Directors are entitled to non-contributory private use of a City-owned vehicle subject to any conditions contained in their contracts of employment or as determined by the CEO.

(3) All other officers with conditional private use of a City-owned vehicle are required to make an after-tax contribution, paid fortnightly. The amount of contribution and the conditions of use will be as contained in their contracts of employment or as determined by the CEO.

#### **7. City-owned Light Vehicles – Mayor Private Use Conditions and Contributions**

(1) The Mayor, for the purposes of carrying out the functions of the Mayoral office, is entitled to receive the provision of a fully maintained City-owned vehicle.

(2) A vehicle provided to the Mayor:-

(a) is in lieu of travelling/mileage claims otherwise claimable by the Mayor for his or her private vehicle;

(b) cannot be used for any commercial purpose; and

(c) may be used for personal private purposes, on the basis that the cost of that private use is reimbursed to the City.

(3) The reimbursement to the City of the operational cost of using the vehicle for private use may be by:

(a) keeping a logbook of both official and private use and using this as the basis upon which the costs of private use will be calculated and apportioned; or

(b) paying one-third of the actual or estimated operating costs of the vehicle including registration, insurance, fuel, parts and servicing and depreciation. Note: Depreciation is only applicable where it can be shown that the private use has negatively impacted on the trade value of the vehicle.

(4) The reimbursement under subclause (3) must be a payment made by the Mayor at intervals of not less than 3 months. These payments must not be offset against the fees and allowances owed to the Mayor under the Local Government Act.

#### **8. Novated Lease Vehicles – Conditions**

This clause applies to employees who have been authorised by the Mayor (in the case of the CEO's vehicle) or the CEO to exercise the option of taking up a novated lease in lieu of a City-owned vehicle.

(1) Novated lease agreements may only be made by an agency approved by the CEO.

(2) The provisions, liabilities and administration of a lease agreement will remain the responsibility of the employee for the duration of the lease, regardless whether or not the employee remains in the City's employ during the lease period.

(3) The City will pay the monthly lease payments of a vehicle selected by the CEO up to the maximum purchase value set out in clause 4(1).

(4) At reconciliation any variations in the actual lease costs must be paid by the employee, or reimbursed to the employee as salary, as the case may be.

#### **9. Cash Out Option**

The CEO is authorised to vary an employee's remuneration where the employee declines an offer of the provision of a City-owned vehicle or a vehicle under a novated lease.

## GOVERNANCE REFERENCES

<b>Statutory Compliance</b>	Income Tax Assessment Act 1997 Local Government Act 1995 s.3.58 Local Government (Functions & General) Regulations 1996 – r.30(3) Local Government (Financial Management) Regulations 1996 – r.17A(4), 27(d)
<b>Process Links</b>	1. City of Canning - Light Vehicle Fleet Management - Procedures ( TRIM: D16/33989)

## POLICY ADMINISTRATION

Directorate		Officer Title	Authority to Approve
Infrastructure & Environment		Director Infrastructure & Environment	Council
Version	Decision Reference	Synopsis	Delegation No: 621
1	March 2014	New policy drafted	
2	OCM 15/4/2014 (IE-032-14)	Adopted	
3	OCM 20/8/2015 (IE-054-15)	Revision adopted	
3		New procedures added administratively in Process Links	