



PARKES SHIRE COUNCIL

MOTOR VEHICLE LEASE

POLICY

FEBRUARY 2007

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INTRODUCTION

Council has a fleet of sedans, utilities and station wagons for use by staff to enable them to effectively carry out the duties of their respective positions.

SCOPE

This policy deals specifically with:

- a) The granting of private use of Council vehicles to staff members under the terms of a full Motor Vehicle Leaseback Agreement.
- b) The granting of private use of Council vehicles to staff members under the terms of a limited Motor Vehicle Leaseback Agreement.

OBJECTIVE

To set out conditions and guidelines for the use of Leaseback Vehicles.

POLICY

A. Criteria for Granting of Full Vehicle Leaseback

The full leaseback of Council vehicles is considered under the following conditions:-

1. A Council sedan, utility or station wagon is allocated to the employee for official use
2. The employee has a minimum classification of Professional Specialist Band, Level 3 (Grade 16) under the Local Government State Award

or

The employee is employed under a fixed term contract where the leaseback of a vehicle is an option under the employment agreement
3. The General Manager authorises the provision of the vehicle leaseback
4. The motor vehicle shall remain the property of the Council and shall be available for organisational use whenever required.
5. The Council may from time to time at its discretion replace the motor vehicle with another vehicle considered by it to be necessary and suitable for the purpose and such replacement vehicles shall thenceforth be deemed to be the motor vehicle covered by the leaseback agreement.
6. Any benefit to the employee created by the terms and conditions of this agreement shall be deemed to arise under a separate agreement for full consideration and shall not be construed as a condition of employment.
7. The standard of vehicle provided will be at the discretion of Council. The General Manager may authorise an employee to upgrade the standard of the vehicle at his/her own cost. Subsequent replacement vehicle would be at the higher standard. The employee would not acquire any equity in the vehicle.

Current Arrangements

The following positions under the Professional Specialist Band, Level 3 of the Local Government State Award have been granted private use of Council vehicles under a leaseback agreement:-

- Finance Manager
- Administration Manager
- Information Services Manager
- Senior Development Officer - Building
- Senior Environmental Health and Building Surveyor
- Works Engineer
- Senior Town Planner
- Economic Development Manager
- Natural Resources Manager
- Human Resource Manager
- Manager Assets
- Manager Design

Historically, the following position has been granted private use of a Council vehicle under a leaseback agreement:

- Tourism Manager

To attract and retain staff, designated positions within Council have been nominated as positions that are difficult to recruit. The General Manager has authorised leaseback agreement under this criteria for the following position/s:

- Development Planner

Private Use

The employee is granted the private use of the motor vehicle during the week, weekend and while on annual leave. Travel to and from work will not be deemed to be private use for the purpose of this agreement.

The employee shall be responsible for the cost of all fuel used in the motor vehicle while it is being used for private purposes outside the Shire area in accordance with Council's Motor Vehicle Leaseback Policy but otherwise it shall be fuelled at the cost of the Council.

The employee shall complete a 'Vehicle Usage Log' (Appendix C) to record all journeys outside Parkes Shire area.

Repairs, Servicing, Maintenance

The cost of all repairs, servicing, maintenance, registration and insurance of the vehicle shall be borne by the Council subject to the employee being responsible for insurance claims up to \$200.00 whilst occurring during private use.

The employee shall be responsible for the proper maintenance and care of the motor vehicle including regular cleaning inside and out and ensuring that the normal maintenance items such as petrol, oil, battery, water and the like are checked and attended to at regular intervals and that the motor vehicle is driven regularly, serviced, maintained and cared for as required by Council policies or procedures or as directed from time to time.

Additional Items

The employee shall be responsible for the provision and installation of any additional items of equipment or upgrades above standard. Employees will not acquire any equity in the vehicle through upgrading or the provision of additional equipment.

Private Usage Fuel Costs

Under the Motor Vehicle Leaseback Agreement the employee is responsible for the cost of all fuel used in the vehicle for private use outside the Shire boundaries. Private usage costs are calculated as follows:

1. All employees are issued with a fuel card provided by Council's fuel distributor.
2. All fuel for the vehicle to be purchased with the fuel card
3. Current odometer reading to be supplied with each fuel purchase transaction to enable a vehicle cost and fuel usage analysis to be performed.
4. Private Vehicle Usage Log to be completed to record all journeys outside the Parkes Shire boundaries.
5. Private fuel costs will be invoiced to employees based on a formula of :

$$\text{Invoice Costs} = \text{KM} \times \text{AC} \times \text{CFP}$$

Where: KM = Kilometres of private travel
 AC = Average fuel consumption
 CFP = Contract fuel price per litre

Lease Back Payments

In consideration of the Council agreeing to make the motor vehicle available to the employee for private purposes in accordance with the terms and conditions of this agreement the employee hereby agrees to pay the Council the agreed lease payment each week for as long as this agreement shall continue and authorises the deduction of such sum from the employee's regular salary commencing on the first pay date after the date of the attached agreement **PROVIDED THAT** the said sum of \$54.12 per week (effective 1/7/05) shall be subject to annual CPI adjustment.

Lease payments under the attached agreement will be subject to the Goods and Services Tax.

Leave Arrangements

Where the Senior Staff member is absent for a period in excess of four weeks, and the Director determines that the employee's lease back vehicle is required to remain within the Council's pool during the employee's absence, that the weekly lease payments should not be deducted from the employee's salary during their absence.

Breaches of Policy

Any breach of the requirements to account for the cost of all private fuel usage in accordance with Council's policy will result in the termination of the leaseback agreement.

The motor vehicle shall not be used under any circumstances in any car rally or any other form of competition or for commercial purposes or otherwise contrary to the terms of Council's insurance policy for the motor vehicle.

The motor vehicles may only be driven by the employee or partner of the employee, an authorised officer or servant of the Council, another person if the employee or authorised officer is a passenger in the vehicle, with the exception that another licensed driver may drive the motor vehicle in an emergency. All drivers must hold a current drivers licence

Termination of Agreement

This agreement may be terminated by either party upon twelve (12) months' written notice to the other or otherwise:

- By the Council without notice upon the employee committing a serious breach of this agreement or upon the employee's service with the Council being terminated for any reason; and
- By the employee on seven (7) days' notice given to the Council.

B. Criteria for Granting of Limited Vehicle Leaseback

The limited leaseback of Council vehicles is considered under the following conditions:-

1. A Council vehicle is allocated to the employee position for official business use as part of their duties
2. The employee has a minimum classification of Grade 11 under the Local Government State Award

or

The employee is employed under a fixed term contract where the leaseback of a vehicle is an option under the employment agreement.
3. The General Manager authorises the provision of the vehicle leaseback
4. The motor vehicle shall remain the property of the Council and shall be available for organisational use whenever required.
5. The Council may from time to time at its discretion replace the motor vehicle with another vehicle considered by it to be necessary and suitable for the purpose and such replacement vehicles shall thenceforth be deemed to be the motor vehicle covered by the leaseback agreement.
6. Any benefit to the employee created by the terms and conditions of this agreement shall be deemed to arise under a separate agreement for full consideration and shall not be construed as a condition of employment.

Current Arrangements

The following Grade 11 positions and above under the Parkes Shire Council salary system are issued with a work vehicle and would qualify for private use of a Council vehicle under a limited leaseback agreement:

Grade 11	Grade 12	Grade 13	Grade 14	Grade 15
Water Supply Forman Facility & Emergency Management Officer	Parks and Garden Supervisor	Road Safety & Injury Prevention Officer Rural Works Supervisor Works Supervisor	Family Day Care Coordinator Urban Works Supervisor	

Private Use

The employee is granted the private use of the motor vehicle during the week, weekend and public holidays. Travel to and from work will not be deemed to be private use for the purpose of this Agreement.

Private use of the Council vehicle is restricted to travel within 120km from the employee's residence.

All fuel used in the vehicle will be at the cost of the Council.

Repairs, Servicing, Maintenance

The cost of all repairs, servicing, maintenance, registration and insurance of the vehicle shall be borne by the Council subject to the employee being responsible for insurance claims up to \$200.00 whilst occurring during private use.

The employee shall be responsible for the proper maintenance and care of the motor vehicle including regular cleaning inside and out and ensuring that the normal maintenance items such as petrol, oil, battery, water and the like are checked and attended to at regular intervals and that the motor vehicle is driven regularly, serviced, maintained and cared for as required by Council policies or procedures or as directed from time to time.

Lease Back Payments

In consideration of the Council agreeing to make the motor vehicle available to the employee for private purposes in accordance with the terms and conditions of this agreement the employee hereby agrees to pay the Council the agreed lease payment each week for as long as this agreement shall continue and authorises the deduction of such sum from the employee's regular salary commencing on the first pay date after the date of the attached agreement **PROVIDED THAT** the said sum of \$25.00 per week (effective 1/7/06) shall be subject to annual CPI adjustment.

Lease payments under the attached agreement will be subject to the Goods and Services Tax.

Leave Arrangements

The vehicle **will not** be available for private use during periods when the employee is absent on leave for more than one (1) week and the vehicle would then remain within the Council's pool. The

weekly lease payments would not be deducted from the employee's wages during their absence of more than one (1) week.

Breaches of Policy

The motor vehicle shall not be used under any circumstances in any car rally or any other form of competition or for commercial purposes or otherwise contrary to the terms of Council's insurance policy for the motor vehicle.

The motor vehicles may only be driven by the employee or partner of the employee, an authorised officer or servant of the Council, another person if the employee or authorised officer is a passenger in the vehicle with the exception that another licensed driver may drive the motor vehicle in an emergency.

Termination of Agreement

This Agreement may be terminated by either party upon twelve (12) months' written notice to the other or otherwise:

- By the Council without notice upon the employee committing a serious breach of this agreement or upon the employee's service with the Council being terminated for any reason; and
- By the employee on seven (7) days' notice given to the Council.

REPORTING AND RELATED DOCUMENTATION

Appendix A – Full Motor Vehicle Leaseback Agreement

A Motor Vehicle Leaseback Agreement is to be completed by all employees before commencement of a full leaseback arrangement. A copy of the agreement is attached to this policy (Appendix A).

Appendix B – Limited Motor Vehicle Leaseback Agreement

A Motor Vehicle leaseback agreement is to be completed by all employees before commencement of a limited leaseback arrangement. A copy of the agreement is attached to this policy (Appendix B).

Appendix C – Private Vehicle Usage Log

A Private Vehicle Usage Log (Appendix C) is to be submitted at the end of each month to the Debtors Clerk. The cost will then be calculated based on the formula outlined in this policy and raised against the employee's debtor account.

Appendix D – FBT Vehicle Log

At the commencement of the Agreement, the FBT Vehicle Log (Appendix D) must be completed for a continuous period of 12 weeks and returned to the Finance Officer. This will determine the business/private use percentage for FBT purposes and will remain current for a period of 5 years unless there is a significant change in circumstances

If the FBT taxable value reaches \$1,000.00 in any one financial year the amount is grossed up and will form part of taxable income. This amount will appear on group certificates. *(Note: this is for reporting purposes only and employees will not be required to pay tax on this amount)*

FURTHER INFORMATION

Further information on leaseback of motor vehicles maybe obtained by contacting the Director of Corporate Services.

MOTOR VEHICLE LEASEBACK AGREEMENT

AGREEMENT made this xx day of xxxxxxx, Two Thousand and Two **BETWEEN THE COUNCIL OF THE SHIRE OF PARKES** (hereinafter referred to as “the Council”) of the one part and xxxxxxxxxx (hereinafter referred to as “the employee”) of the other part. **WHEREAS** the Council being the owner of certain motor vehicles used by certain employees in the course of their employment has by resolution dated the xxxx day of xxxxxx Two Thousand and xxxxxxx, resolved to offer the employees private use of the motor vehicles owned by the Council subject to terms and conditions **AND WHEREAS** the employee desires to accept the offer of the Council in respect of motor vehicle registered No.xxxxxxx (“the motor vehicle”) **NOW IT IS HEREBY AGREED** as follows:-

1. The motor vehicle shall remain the property of the Council and shall be available for organisational use whenever required.
2. The Council may from time to time at its discretion replace the motor vehicle with another vehicle considered by it to be necessary and suitable for the purpose and such replacement vehicles shall thenceforth be deemed to be the motor vehicle covered by this Agreement.
3. The employee shall be responsible for the provision and installation of any additional items of equipment or upgrades above standard. Employees will not acquire any equity in the vehicle through upgrading or the provision of additional equipment.
4. The employee shall be responsible for the proper maintenance and care of the motor vehicle including regular cleaning inside and out and ensuring that the normal maintenance items such as petrol, oil, battery, water and the like are checked and attended to at regular intervals and that the motor vehicle is driven regularly, serviced, maintained and cared for as required by Council policies or procedures or as directed from time to time.
5. The cost of all repairs, servicing, maintenance, registration and insurance of the vehicle shall be borne by the Council subject to the employee being responsible for insurance claims up to \$200.00 whilst occurring during private use.
6. An employee convicted of drink-driving or an offence leading to license suspension or loss in association with an accident involving a Council vehicle, will be required to pay the cost of associated repairs in the event that Council's insurers disclaim responsibilities on the grounds of such conviction, suspension or loss.
7. The employee is granted the private use of the motor vehicle during the week, weekend and while on annual leave. Travel to and from work will not be deemed to be private use for the purpose of this Agreement. Private use of the motor vehicle whilst on long service leave or extended sick leave will be limited to a period of three months. An extension of this period may be granted by the General Manager. Private use of the motor vehicle will not be available during periods of unpaid leave.
8. The employee shall be responsible for the cost of all fuel used in the motor vehicle while it is being used for private purposes outside the Shire area in accordance with Council's Motor Vehicle Leaseback Policy but otherwise it shall be fuelled at the cost of the Council.
9. The employee shall complete a “Vehicle Usage Log” to record all journeys outside Parkes Shire area.
10. Any breach of the requirements to account for the cost of all private fuel usage in accordance with Council's Policy will result in the termination of the Leaseback Agreement.
11. The motor vehicle shall not be used under any circumstances in any car rally or any other form of competition or for commercial purposes or otherwise contrary to the terms of Council's insurance policy for the motor vehicle.

12. The motor vehicles may only be driven by the employee, an authorised officer or servant of the Council or partner of the employee, another person if the employee or authorised officer is a passenger in the vehicle, with the exception that another licensed driver may drive the motor vehicle in an emergency. All drivers must hold a current drivers licence.
13. In consideration of the Council agreeing to make the motor vehicle available to the employee for private purposes in accordance with the terms and conditions of this Agreement the employee hereby agrees to pay the Council the agreed lease payment each week for as long as this Agreement shall continue and authorises the deduction of such sum from the employee's regular salary commencing on the first pay date after the date of this Agreement **PROVIDED THAT** the said sum of \$51.31 per week (effective 1/7/06) subject to annual CPI adjustments.
 - a) Lease payments under this Agreement will be subject to the Goods and Services Tax.
14. This Agreement may be terminated by either party upon twelve (12) months' written notice to the other or otherwise:-
 - a) By the Council without notice upon the employee committing a serious breach of this Agreement or upon the employee's service with the Council being terminated for any reason; and
 - b) By the employee on seven (7) days' notice given to the Council.
15. Any benefit to the employee created by the terms and conditions of this Agreement shall be deemed to arise under a separate Agreement for full consideration and shall not be construed as a condition of employment.
16. If in consequence of the provisions of any Act of Parliament proclamation rule regulation rule of law award or agreement now existing or which may hereafter be enacted or come into force:-
 - a) Any provision of this Agreement whether expressed or implied; or
 - b) Any transaction between the parties evidenced or contemplated by this Agreement; or
 - c) Any act, matter or thing done or omitted to be done by either party hereto;

would at the date hereof or at any time hereafter but for the provisions of this clause be illegal, void or unenforceable then this agreement shall be construed in all respects as if such provision, transaction, act, matter or thing as aforesaid in so far and to the extent only as it shall be illegal, void or unenforceable was not and had never been included herein.

IN WITNESS WHEREOF the parties hereto have executed these presents on the day and year first hereinbefore written.

The Common Seal of The Council of)	
The Shire of Parkes was hereunto affixed)
this xxxxx day of xxxxxxxx 20xx in)	MAYOR Date
pursuance of a resolution passed)	
on the xxxxxxxx day of xxxxx 20xx)
)	GENERAL MANAGER Date
 SIGNED by the said)	
Employee - xxxxxxxxxxxxxxxx)
		EMPLOYEE Date

LIMITED MOTOR VEHICLE LEASEBACK AGREEMENT

AGREEMENT made this xx day of xxxxxxx, Two Thousand and Two **BETWEEN THE COUNCIL OF THE SHIRE OF PARKES** (hereinafter referred to as "the Council") of the one part and xxxxxxxxxx (hereinafter referred to as "the employee") of the other part. **WHEREAS** the Council being the owner of certain motor vehicles used by certain employees in the course of their employment has by resolution dated the xxxx day of xxxxxx Two Thousand and xxxxxxx, resolved to offer the employees limited private use of the motor vehicles owned by the Council subject to terms and conditions **AND WHEREAS** the employee desires to accept the offer of the Council in respect of motor vehicle registered No.xxxxxxx ("the motor vehicle") **NOW IT IS HEREBY AGREED** as follows:-

1. The motor vehicle shall remain the property of the Council and shall be available for organisational use whenever required.
2. The Council may from time to time at its discretion replace the motor vehicle with another vehicle considered by it to be necessary and suitable for the purpose and such replacement vehicles shall thenceforth be deemed to be the motor vehicle covered by this Agreement.
3. The employee shall be responsible for the proper maintenance and care of the motor vehicle including regular cleaning inside and out and ensuring that the normal maintenance items such as petrol, oil, battery, water and the like are checked and attended to at regular intervals and that the motor vehicle is driven regularly, serviced, maintained and cared for as required by Council policies or procedures or as directed from time to time.
4. The cost of all repairs, servicing, maintenance, registration and insurance of the vehicle shall be borne by the Council subject to the employee being responsible for insurance claims up to \$200.00 whilst occurring during private use.
5. An employee convicted of drink-driving or an offence leading to license suspension or loss in association with an accident involving a Council vehicle, will be required to pay the cost of associated repairs in the event that Council's insurers disclaim responsibilities on the grounds of such conviction, suspension or loss.
6. The employee is granted the private use of the motor vehicle during the week, weekend and public holidays. Travel to and from work will not be deemed to be private use for the purpose of this Agreement. Private use of the Council Vehicle is restricted to travel within 120 kms from the employee's residence.
7. The vehicle will be fuelled at the cost of the Council.
8. The motor vehicle shall not be used under any circumstances in any car rally or any other form of competition or for commercial purposes or otherwise contrary to the terms of Council's insurance policy for the motor vehicle.
9. The motor vehicles may only be driven by the employee or partner of the employee, another person if the employee is a passenger in the vehicle with the exception that another licensed driver may drive the motor vehicle in an emergency. All drivers must hold a current drivers licence.
10. In consideration of the Council agreeing to make the motor vehicle available to the employee for private purposes in accordance with the terms and conditions of this Agreement the employee hereby agrees to pay the Council the agreed lease payment each week for as long as this Agreement shall continue and authorises the deduction of such sum from the employee's regular salary commencing on the first pay date after the date of this Agreement **PROVIDED THAT** the said sum of \$25.00 per week (effective 1/7/06) will be subject to annual CPI adjustments.
 - a) Lease payments under this Agreement will be subject to the Goods and Services Tax.

