

Subject **LEASE BACK OF COUNCIL VEHICLES**

Description: This policy describes the manner in which employees are to use Council vehicles.

Objectives: To ensure that motor vehicles are used in the most cost effective manner for Council.

PART 1 - POLICY

1. Council will provide motor vehicles to employees who require vehicles to carry out their duties.
2. Where Council provides motor vehicles to an employee, that employee may exercise an option to have authorised private use of their vehicle.
3. Private use of a vehicle is defined as that use of the vehicle for other than Council duties. Council duties include driving from place of residence to place of work.

4. Private use of the vehicle may be at one of the following five levels of activity:

Level 1

Garaging (locally): Garaging Only- Uralla Township.

Level 2

Garaging (long distance): Garaging Only- Long Distance (within 30 kilometre radius of Uralla).

Level 3

Limited Private Use: Restricted to the area of the Uralla Shire Council and radius of 30 kilometres of Uralla whenever the vehicle is not required for work purposes.

Level 4

**Unlimited Private Use
Within 1,000klms:** Not being taken further than 1,000kilometres from Uralla Shire when on private use when not required for work purposes.

Level 5

Unlimited Private Use: Not restricted whenever the vehicle is not required for work purposes.

5. That employee is to provide fuel and oil for private use.
 6. The charge for the relevant level of private use of the motor vehicle will be set annually in Council's Revenue Policy.
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7. Council will determine its level of excess for its insurance purposes. If an employee is involved in an accident while using the vehicle for private purposes, he/she shall be responsible for an “excess” at the normal level of private car insurance excess. Such normal level of private car insurance to be established annually and advised to employees with private use rights.
8. In the event of an employee being involved in an accident or incident while driving a Council vehicle and is convicted of a driving offence, he/she shall be responsible for the cost of any associated repairs or third party claims in the event of Council’s insurer disclaiming responsibility.
9. Council may rotate the use of vehicles, with the objective of ensuring that otherwise low mileage vehicles travel sufficient distances to reduce the level of Fringe Benefit Tax percentages for calculation of tax payable.
10. A Council vehicle may not be used for private purposes unless and until a formal agreement has been signed by both parties.
11. The General Manager shall ensure that a register of private use, and level of use permitted, be maintained.

PART 2 - EXEMPTIONS

Nil

PART 3 - CRITERIA

Nil

PART 4 - OTHER MATTERS

Nil

Review: This policy is to be reviewed as determined or every four (4) years in accordance with Section 165, Local Government Act, 1993.

Resolution No: **265/97; Reviewed September 2000: 412/00; Revised March 05: 94/05; Revised September 2009: 419/09; Adopted without Change August 2013 (249/13).**

AGREEMENT FOR PRIVATE USE OF COUNCIL'S VEHICLE

I, being an employee of Uralla Shire Council hereby undertake to use a Council motor vehicle for private use commencing on in accordance with the Council Policy on Vehicles and the terms and conditions detailed hereunder:

GENERAL CONDITIONS:

1. The employee authorises the deduction of the weekly amount as resolved by Council each year from his/her payroll as payment to Council for the private use of the vehicle.
 2. The Employee is to provide, at his/her own expense, fuel, oil, etc. used for private purposes.
 3. Employees entering into the agreement for private use of a vehicle are responsible for:
 - washing and cleaning the vehicle
 - checking of running items at regular intervals
 - security
 - notification of any defects to the vehicle
 - ensuring that regular servicing is carried out.
 4. The fees applicable to this arrangement are subject to annual review as set by the Revenue Policy.
 5. Council is to be responsible for maintenance, insurance, registration on the vehicle and for providing fuel, oil, etc. for use on Council business.
 6. Council does not guarantee to replace a vehicle which is "off the road" due to breakdown or accident. The ownership cost component of the fee shall continue to be paid by the employee while the vehicle is "off the road" due to breakdown or accident resulting from private use of the vehicle.
 7. The employee will not use or permit the vehicle to be used in any car rally or competition or for the purpose of teaching a learner driver or for any commercial purpose.
 8. Council will determine its level of excess for its insurance. If an employee is involved in an accident while using the vehicle for private purposes he/she shall be responsible for an excess at the normal level of private car insurance excess. Such normal level of private car insurance excess is to be established annually and advised to employees with private use rights.
 9. If an employee is involved in an accident while using the vehicle for private purposes and is convicted of a driving offence, he/she shall be responsible for the cost of any associated repairs or third party claims in the event that Council's Insurers disclaim responsibility.
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10. At the discretion of Council, an employee convicted of driving under the influence or failing to comply with the conditions of use or misusing the leased vehicle may be removed from the Private Use Scheme.
11. An employee who is disqualified from holding a driver's licence for any reason will be removed from the Private Use Scheme.
12. The right to private use of the vehicle applies only whilst an employee of Council and shall be forfeited as at the date of termination of employment.
13. Staff may decline the arrangement at any time.
14. Vehicles must be housed within Uralla Shire Council area or at their place of residence while the employee is on duty.
15. Participating employees are to keep logbooks recording details of:
 - (a) odometer reading as at 31 March each year;
 - (b) odometer reading as at date of sale of vehicle;
 - (c) all usage including details for FBT requirements i.e. place of residence to place of work use;
 - (d) all fuel and other receipts for private usage expenses.
16. Vehicles may only be exchanged if the primary purpose is for the benefit of Council.

SPECIFIC CONDITIONS: (Delete and initial (by all parties) as necessary for agreed level of Private Use Activity)

- **Level 5:** Private use shall be limited to the participating employee and his spouse. This clause may be varied in an emergency situation or in a situation where the participating employee is incapable of safely driving the vehicle either due to sickness or some other reason.
 - **Level 4 and Level 5:** Subject to Council's work requirements, allowable private use includes use during the week, weekends, public holidays and rostered days off, normal annual leave (not exceeding 4 weeks in any 12-month period), and sick leave for periods not exceeding five (5) days. Private use may be allowed for longer periods of leave by agreement between the parties.
 - **Level 4:** Private use shall be limited to the participating employee and his spouse. This clause may be varied in an emergency situation or in a situation where the participating employee is incapable of safely driving the vehicle either due to sickness or some other reason. Restricted to not being taken further than 1,000 kilometres from Uralla Shire when on private use.
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- **Level 3:** Private use shall be limited to the participating employee. Restricted to the area of the Uralla Shire Council and radius of 30 kilometres of Uralla whenever the vehicle is not required for work purposes.
- **Level 2:** Private use shall be limited to the participating employee. Restricted to driving to and from work, and at a distance of no more than 30 kilometres.
- **Level 1:** Garaging only – Uralla Township.
- Extras may only be fitted to the vehicle with the approval of Council and at the expense of the employee. Any damage resulting to the vehicle from the subsequent removal of the extras shall be restored at the employee's expense to the satisfaction of Council. No credit will be given for any extras fitted by the employee.
- **Other specific conditions:** as necessary to be attached separately with agreed terms and conditions signed off by all parties involved.

This Agreement made this

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Employee **General Manager** **Mayor**