

POL-02	WIDE BAY GROUP TRAINING SCHEME LTD	Issued: 12/05
Scheduled Review Date: 12/08	MOTOR VEHICLE POLICY	Approved: 11/05 By: General Manager
Reviewed: 12/07 By: Ron Wynn	Policy Area: CORPORATE	Amended: 14/01/08

1. Purpose of the Policy:

To set the policy on the use of WBGT motor vehicles.

2. Scope:

All vehicles except those that are part of a formal salary package where a value is assigned, such as for the General Manager (GM).

3. Principles:

- WBGT should achieve value for money but should not place current financial position above future financial position. The residual / resale value of the vehicle, fringe benefit tax impacts, lease term, QFleet purchase pricing and operating costs must be considered in making the decision. As a guide the average price of a car shall be not more than a new base model 6 cylinder Holden. Nothing in this policy precludes the outright purchase of a vehicle by WBGT.
- Where practicable a 4 cylinder vehicle should be utilized especially where most of the driving is in urbanized areas. However a 6 cylinder is preferable where long distance driving is common.
- The workplace needs of WBGT should be paramount. However where possible the alignment of staff needs and workplace needs should be considered unless it violates cost or other considerations.
- No particular make or model of vehicle has preference.
- Kilometers travelled should be kept to a reasonable annual amount
- FBT costs to both WBGT and employees should be minimized where practicable.
- Fuel consumption should be minimised.
- Safety should be a consideration.
- The vehicle should convey a message in accordance with the WBGT mission. Therefore luxury and sporting models are not considered appropriate.

- The use of WBGT vehicles is a privilege not a right and may be withdrawn for non-compliance with this policy, abuse/neglect of the vehicle or excessive mileage/accidents.

4. Purchase:

The Administration Manager at Hervey Bay is responsible for the purchase, repair and sale of all vehicles. This includes arranging for quotations, insurance, fuel cards, registration, transfer of phone kits and lease contracts.

5. Disposal:

Vehicles will be sold in the manner that best suits operational considerations and to maximize value. As a minimum, prices will be sought from at least two vehicle dealers. Tenders may be sought from employees, the general public or other parties.

In order to minimise the potential loss in value of a protracted process, the disposal process should commence when the vehicle is within 3 months or 5,000km of disposal date.

6. Maintenance:

Whilst scheduled maintenance and servicing must be coordinated through the Administration Manager at Hervey Bay, employees are responsible for notifying when a service is due.

Employees are also responsible for the exterior and internal cleaning of the vehicle which is to be undertaken at staff expense unless the Manager Field Operations approves otherwise.

The employee is to ensure the vehicle is operated in accordance with the manufacturer's instructions, the vehicle is to be kept in a safe operating condition with simple checks such as battery, window washer, oil levels and tyre pressure carried out regularly i.e. at least fortnightly. No modifications to the vehicle are permitted without prior approval of the GM.

7. Private Use:

7.1 General:- Employees can be assigned limited private use as an offset for extended hours or travel, provided this is confirmed in writing by the GM. Private use is a privilege which and can be withdrawn by the GM should the employee breach this policy, be suspended due to disciplinary action or absent on extended leave other than annual leave.

The employee does not have a claim to the use of a particular vehicle. In order to preserve the resale value of the vehicle or for operational reasons vehicles may be rotated amongst staff without prior notice. It is the responsibility of the staff member to ensure that the car is clean inside and out at their own expense prior to transferring the vehicle.

7.2 Home Garaging and non-annual leave private use:- Private use of a WBGT vehicle is restricted to time outside of work hours and includes travel from home to work (home garaging). Private use is not available for leave without pay, workcover absences or extended periods of sick leave greater than 5 working days.

For Employees engaged before 1 November 2005: Private use is normally restricted to 120km road radius of the office at which the employee is based. Trips longer than this distance requires written (email) approval from the Manager Field Operations or GM.

The employee is responsible for fuel costs for private usage. There is no annual kilometer limit on the private use but it is expected that it is reasonable and less than work kilometers.

Should an existing employee chose to relocate to a residence which is substantially more distant than their current address then a fresh arrangement with a 10,000 private kilometer limit per year may apply at the discretion of the General Manager.

For Employees engaged after 1 November 2005: WBGT will pay for fuel and maintenance for a maximum of 10,000 private kms per year which cannot be 'banked'. This will be pro-rata for part-time employees e.g. if employed 4 days then 80% of 10,000km equals a maximum of 8,000kms per year. Should an employee resign or change positions, the kilometer allowance will be applied pro-rata.

Private use is restricted to 120km road radius of the office at which the employee is based. Trips longer than this distance requires written (email) approval from the Manager Field operations or GM and the employee is responsible for fuel costs.

7.3 Annual leave:- All employees may take a vehicle on annual leave but the employee must pay for operating costs including fuel, repairs and the excess on insurance in the event of an accident. If an employee wishes to take a vehicle more than 1000kms road distance return, then prior and written approval must be sought from the General Manager.

7.4 Non-employees:- No non-employee aged under 25 years is permitted to drive WBGT vehicles. Failure to comply with this instruction may result in disciplinary action and a claim for reimbursement of any damage, insurance excess (between \$500 and \$1700) or other costs against the relevant employee. In relation to non-employees aged over 25 years, the primary driver of the vehicle should be the WBGT employee.

The use of a WBGT vehicle is restricted to the immediate family i.e. spouse, partner and eligible children. It is not available for use by friends or the extended family.

7.5 Other:- A WBGT vehicle may not be used for the purposes of earning private income or facilitating the aims of another organization or individual at any time. The use of the WBGT vehicle for such purposes is a serious disciplinary offence which may result in dismissal.

Should a vehicle be unavailable for a period due to servicing or repairs, WBGT is not obligated to supply a replacement vehicle for private use.

Should a vehicle suffer repeated damage requiring repairs or insurances claims then WBGT retains the discretion to withdraw access to its vehicles for non-work travel.

8. Use of Vehicles:

- No pets or animals in the cabin of vehicles.

- No smoking by either the driver or passengers. Should this direction not be complied with then the cost of cleaning the vehicle plus any loss on expected resale value will be invoiced to the employee in addition to any other penalty that may be imposed.
- Employees to keep it in a clean condition inside and out. It is to be clean when handed over to another staff member or for disposal.
- WBGT log books are to be entered for every trip with the private and work usage clearly recorded.
- Magnetic signage to be displayed at all times during work hours and affixed to the rear door of sedans at the centre-line. Other advertising of a semi-permanent nature (i.e. fixed) such as decals may be applied at WBGT discretion.
- No stickers or other unauthorised attachment or advertising may be affixed to the vehicle.
- Vehicles to be parked so as to minimise damage or theft at all times.
- Fuel must be obtained from either petrol outlets using the corporate card provided with the vehicle. Only standard unleaded fuel not premium unleaded is to be purchased.

9. Fringe Benefits Tax:

The FBT year runs from 1 April until 31 March each year and operates as a tax on employers not employees. Therefore WBGT pays the tax on the private use benefit to employees such as travel to and from work. In 2004/05 FBT payments made by WBGT amounted to \$35,000 after the rebate for being a non-profit organisation. Any payments by employees for private use where docketts have been supplied to the Accountant will be deducted from FBT calculations for individuals.

Whilst the employee does not pay the tax, the employee will still be affected as the value of the car usages is added to an individual's gross income which affects Medicare and Centrelink payments.

10. Safety:

White is the preferred colour for safety. Vehicles with dark colours tend to blend into the road surface are not to be purchased.

Vehicles will have post-factory window tinting at purchase.

11. Driver's Personal Liability:

Insurance does not protect the driver against claims for injury or damage to property if the driver operates the vehicle whilst under the influence of drugs or intoxicating liquor, is not currently licensed to operate the vehicle or is not authorised to drive the vehicle e.g. a non-employee aged under 25 years. Claims under such circumstances will usually have to be met by the driver. Disciplinary action including dismissal may also result.

It is the responsibility of the employee to notify of any changes to the employees legal status, such as the loss of license.

Drivers are required to comply with the law including the use of mobile phones and are personally liable for any fines or traffic infringements including speeding camera fines.

12. Alternative Arrangements:

12.1 Novated Leases:

WBGT may consider novated lease arrangements or the payment of mileage allowance for the use of a private vehicle but such options are dependant upon a case by case analysis as to whether the arrangement is beneficial to both parties. Prior and written WBGT approval is required to enter a novated lease or mileage allowance arrangement and independent financial advice from a qualified accountant must be sought as part of the process.

13. Age Premium Excess:

As at 2008, the insurance excess for drivers aged under 21 years is \$1300 and aged under 25 is \$850 and the excess for drivers over 25 is \$350. WBGT policy is that no employee or other driver aged under 21 years is to drive a WBGT vehicle for work or private purposes, except in circumstances of dire emergency, without the prior approval of the GM.

14. Exemptions:

No exemptions to this policy without the written approval of the GM.

“TERMS OF USE” AGREEMENT

I, _____, employee of the Wide Bay Group Training Scheme Ltd, have read and understand the terms and conditions for company motor vehicle use as outlined in the above “Motor Vehicle” policy.

Signed: _____

Date _____