Motor Vehicle Usage and Allowance Policy

Strategic Reference	**Leadership** *Priority Area 7: People and Culture* Action 5.7.3 – Foster and maintain a safe, equitable and inclusive workplace that prioritises wellbeing and upholds best-practice safety standards.
File reference	AR20/10746
Responsibility	Roads & Infrastructure Department
Revision Number	7
Effective date	March 2010
Last revised date	October 2026
Minutes reference	304/26, 237/23, 157/20, 115/15, 067/14, 030/13, 053/12
Next review date	October 2029
Applicable Legislation	Work Health and Safety Act 2012
Related Policies	Elected Members Allowances, Benefits & Support Policy Procurement Policy
Related Documents	Asset Management Plans Employee Behavioural Standards Fleet Management Procedure Grey Fleet Procedure Vehicle Allocation Agreement Commuter Use Agreement Annual Driver Declaration Form

1. Purpose

The purpose of this policy is to provide a framework for the allocation, use and management of Council motor vehicles and motor vehicle allowances.

Council recognises that motor vehicles:

- Are essential tools for the delivery of Council services;
- Are significant Council assets that must be managed responsibly;
- May form part of an employee's total remuneration package;
- Support recruitment and retention of suitably qualified employees; and

- Contribute to the efficient and effective delivery of services across the Council district.

The Coorong District Council covers a large geographic area requiring employees to regularly travel significant distances. This policy seeks to ensure vehicle arrangements balance operational requirements, employee needs, financial sustainability and community expectations.

2. Scope

This policy applies to:

- All Council employees
- The Chief Executive officer
- Elected Members (where authorised to use Council vehicles)
- Authorised users of Council vehicles
- Employees receiving a motor vehicle allowance
- Employees authorised to use privately-owned vehicles for Council business

3. Responsibilities

Chief Executive Officer

The Chief Executive Officer is responsible for:

- Approving vehicle allocations and vehicle allowance arrangements
- Determining eligibility for vehicle arrangements
- Ensuring appropriate fleet management systems are maintained
- Varying, suspending or withdrawing vehicle arrangements where appropriate

Managers

Managers are responsible for:

- Ensuring employees comply with this policy and associated procedures
- Monitoring operational vehicle requirements
- Reporting fleet issues and requirements where necessary

Employees

Employees are responsible for:

- Complying with this policy and associated procedures
- Operating vehicles safely and lawfully
- Reporting vehicle incidents, damage and defects

4. Policy Principles

All decisions regarding the allocation, use and replacement of motor vehicles will be guided by the following principles:

4.1 Fit for purpose

Vehicles must be suitable for their intended operational purposes and employee duties.

4.2 Value for money

Council will seek value for money through consideration of:

- Whole-of-life costs
- Fuel efficiency
- Maintenance costs
- Reliability
- Resale value
- Operational requirements
- Environmental impacts

4.3 Safety

The safety of employees, Elected Members and other road users is paramount. Council will seek to provide vehicles with contemporary safety features and a minimum five-star ANCAP safety rating.

4.4 Recruitment and retention

Council recognises that a motor vehicle, commuter use vehicle or motor vehicle allowance may form part of an employee's Total Employment Cost (TEC) package, together with salary, superannuation and other employment benefits, which may assist Council to attract and retain skilled employees.

4.5 Flexibility

Council may provide:

- Pool vehicles;
- Commuter use vehicles;
- Motor vehicle allowances;
- Kilometre reimbursement; or
- Private-use vehicles (as a last resort) (known as Grey Fleet)

depending on operational requirements, remuneration arrangements and value-for-money considerations.

4.6 Procurement Principles

In accordance with Council's Procurement Policy, Council will support environmental performance of its fleet where operationally and financially appropriate.

When procuring vehicles, Council will consider fuel efficiency, emissions, emerging technologies, occupant safety, whole-of-life costs and suitability for operational requirements.

5. Definitions

For the purposes of this policy the following definitions apply:

"ANCAP" refers to the Australasian New Car Assessment Program, which crash tests cars and conducts performance assessments on vehicle safety features and technologies and then publishes star ratings to indicate relative safety performance.

"Commuter use" means a Council vehicle that is allocated to an employee for business purposes, which may only be used to travel between an employee's residence and their normal workplace by the most direct route and are not available for private use. The vehicle forms part of general fleet during work hours.

"Commuter vehicle allowance" means a reduced allowance paid in lieu of a Council-provided vehicle where an employee provides and maintains their own vehicle primarily for travel between their residence and normal workplace.

"Council vehicle" means a Council owned or leased motor vehicle (excluding salary sacrificing arrangements through a salary sacrifice provider or any heavy machinery such as trucks and graders.

"Council staff/employee" includes employees (full time, part time and casual) and authorised persons/contractors who have been assigned a vehicle or are required to use a Council vehicle in the course of undertaking their Council duties.

"Motor vehicle allowance" means an allowance paid in lieu of a Council-provided vehicle where an employee provides and maintains their own vehicle for Council business and work-related travel.

"Pool vehicles" means a vehicle available for casual use by Council employees, Elected Members and authorised users.

"Private use" means use of a Council vehicle allocated for personal purposes in accordance with an approved employment arrangement.

"Vehicle Allocation Agreement" means a written agreement between Council and an employee setting out the conditions, responsibilities and obligations associated with the allocation of a Council vehicle for private and commuter use.

6. Vehicle Categories

6.1 Pool Vehicles

Pool vehicles are provided primarily for Council business purposes. These vehicles remain Council assets and may be used by authorised employees and Elected Members in accordance with Council procedures.

6.2 Commuter Use Vehicles

The Chief Executive Officer may approve a commuter use vehicle where operational efficiencies or business requirements justify such an arrangement.

Examples may include employees who:

- Regularly commence work in the field;
- Respond to emergencies or after hours call outs; or
- Travel extensively across the district

Commuter use vehicles are not available for private use. The Chief Executive Officer is the only Council representative that may approve other arrangements. This approval is required prior to other arrangements being undertaken.

6.2.1 Conditions of Commuter Use

Employees approved for commuter use of a Council vehicle must enter into a Vehicle Allocation Agreement and comply with all associated conditions.

The employee to whom the vehicle is allocated is the only person authorised to use the vehicle for commuting purposes, unless otherwise authorised by the Chief Executive Officer.

Employees approved for commuter use must ensure the vehicle is parked securely when kept at their residence and, where reasonably practicable, parked off-street.

Commuter use vehicles remain Council assets and may be reviewed, varied, suspended or withdrawn by the Chief Executive Officer where operational, organisational or compliance requirements change.

Operational requirements relating to commuter use vehicles are contained within the Fleet Management Procedure.

6.3 Private Use Vehicles

Private use vehicles may be provided:

- As part of an employment agreement;
- As part of a remuneration package; or
- Where approved by the Chief Executive Officer

Employees approved for private use of a Council vehicle must enter into and comply with a Vehicle Allocation Agreement.

Employees allocated a private use Council vehicle are responsible for ensuring that any person authorised to drive the vehicle under the Vehicle Allocation Agreement holds a current and valid driver's licence and complies with all Council requirements, applicable road laws and vehicle conditions of use.

The Vehicle Allocation Agreement will specify the conditions of use, authorised drivers, reporting requirements and any other conditions determined by Council.

Private use vehicles remain Council assets at all times and must be operated in accordance with Council policies, procedures and legislative requirements.

6.3.1 Conditions of Private Use

The Chief Executive Officer may review, vary, suspend or withdraw a private use vehicle arrangement where operational, organisational or employment requirements change.

Employees allocated a private-use vehicle must ensure the vehicle is parked securely when not in use. Where reasonably practicable, vehicles should be garaged or parked off-street at the employee's residence to minimise the risk of theft, damage or vandalism.

Operational requirements relating to private use vehicles are contained within the Fleet Management Procedure.

6.4 Motor Vehicle Allowance

Council may determine that a motor vehicle allowance provides a more flexible and cost-effective alternative to supplying a Council vehicle.

A motor vehicle allowance may be provided:

- In accordance with an employment contract;
- As part of a remuneration package; or
- Where approved by the Chief Executive Officer

Where a motor vehicle allowance requires an employee to provide a privately-owned vehicle for Council business, the employee must ensure they comply with the Grey Fleet Procedure and Annual Driver Declaration requirements.

Eligible employees who are entitled to a motor vehicle allowance will receive a fortnightly allowance, payable in arrears on a pro-rata basis. No employee is entitled to receive the annual allowance as a lump sum payment.

Allowance amounts and eligibility will be determined by the Chief Executive Officer, having regard to operational requirements, remuneration arrangements, market conditions, Fringe Benefits Tax implications and budget considerations.

The Internal Motor Vehicle Allowance Schedule will be reviewed annually as part of Council's budget process. Allowance rates will apply from the first pay period in July to the last pay period in June and may be adjusted annually in line with the Consumer Price Index (CPI) or other factors determined by the Chief Executive Officer.

Payment of a motor vehicle allowance does not create an entitlement to a Council supplied vehicle.

Employees receiving a motor vehicle allowance are not entitled to claim kilometre reimbursement for travel ordinarily covered by the motor vehicle allowance.

Where business travel exceeds the travel ordinarily covered by the motor vehicle allowance, reimbursement may be claimed in accordance with the employee's employment contract and at the applicable Australian Taxation Office (ATO) rate, subject to approval by the Chief Executive Officer or delegate and the submission of supporting documentation.

Any claim for reimbursement must be supported by a record of business travel, including the date, purpose of travel, locations travelled to and from, and kilometres travelled.

Approved reimbursements will be paid at the applicable ATO rate through Council's payroll process.

6.5 Vehicle Arrangements Do Not Create Ongoing Entitlements

Unless expressly provided for within an employment agreement, the provision of a Council vehicle, commuter use arrangement, private use arrangement or vehicle allowance does not create an ongoing entitlement.

Council may review, vary, suspend or withdraw any vehicle arrangement where organisational, operational, financial or employment circumstances change.

7. Eligibility and Approval

The Chief Executive Officer may determine whether a position is eligible for:

- A motor vehicle allowance;
- A commuter use vehicle;
- A private use vehicle; or
- Access to a pool vehicle

In making this determination, consideration may be given to:

- Operational requirements;
- Travel demands;
- Recruitment and retention considerations;
- Market competitiveness;
- Whole-of-life costs;
- Fringe Benefits Tax implications;
- Budget considerations;
- Employment agreements;
- Emergency management responsibilities;
- After hours response requirements;
- Business continuity requirements; and
- Geographic location of duties

The Chief Executive Officer may take into consideration emergency management responsibilities, after hours response requirements and business continuity obligations when determining vehicle arrangements.

8. Grey Fleet (Privately Owned Vehicles)

Council acknowledges that employees may be required, from time to time, to use privately owned vehicles in the course of undertaking authorised Council business. Council-owned vehicles are to be utilised in the first instance.

If a Council-owned vehicle is not available, other options will be sought.

When the use of a privately owned vehicle is approved for Council business purposes, employees must comply with Council's Grey Fleet Procedure and any associated requirements.

Employees using privately owned vehicles for Council business must:

- Hold a current and valid driver's licence
- Ensure the vehicle is registered and maintained in a safe and roadworthy condition (servicing and maintenance to take place in accordance with manufacturer recommendations)
- Maintain comprehensive insurance for the activities being undertaken
- Obtain the required approvals before undertaking business travel
- Comply with Council's work health and safety obligations and safe driving requirements

Reimbursement for approved Grey Fleet travel will be in accordance with Council procedures and any applicable industrial instrument.

The Chief Executive Officer may revoke approval for the use of privately owned vehicles where an employee does not comply with Council requirements.

9. Driver Responsibilities

All drivers of Council vehicles must:

- Hold a current and valid driver's licence
- Comply with road traffic legislation
- Operate vehicles safely and responsibly
- Take reasonable care for Council assets
- Comply with Council policies, procedures and vehicle agreement

Detailed operational requirement are contained within the Fleet Management Procedure.

9.1 Familiarisation with vehicle operation

Drivers must familiarise themselves with the manufacturers operating instructions, safety requirements and any vehicle specific operating procedures applicable to the vehicle they are authorised to operate. Drivers must ensure vehicles are operated in accordance with manufacturer recommendations and safe driving practice. Safety features within the vehicle must not be turned off.

9.2 Fuel efficiency and environmental responsibility

Employees are expected to operate Council vehicles in a manner that promotes fuel efficiency, reduces unnecessary fuel consumption and minimises environmental impacts. This includes maintaining appropriate tyre pressures, avoiding unnecessary loads where practicable and exercising efficient driving practices.

9.3 Vehicle monitoring systems

Council may utilise vehicle tracking, telematics, GPS, dashcam or similar systems to support:

- Fleet management
- Employee safety
- Operational efficiency
- Asset protection
- Incident investigation
- Compliance monitoring

Information collected may be used in accordance with applicable legislation and Council policies.

10. Alcohol, Drugs, Medication & Fatigue

Council vehicles must not be operated by any person who:

- Is under the influence of alcohol
- Is under the influence of illegal drugs

Any breach will result in disciplinary action.

Further, Council vehicles must not be operated by any person who:

- Is impaired by medication

- Is experiencing fatigue to the extent their ability to drive safely may be affected

Any breach may result in disciplinary action.

The use of alcohol and illicit drugs is also addressed in other internal policies and procedures, which should be read in conjunction with this policy.

11. Smoking, Vaping & Animals

Smoking and vaping are not permitted in Council vehicles.

Animals are not permitted in Council vehicles unless:

- Required for an approved operational purpose; or
- Required as an approved assistance animal

12. Traffic Offences

Drivers are responsible for any traffic, parking or other infringement penalties incurred while operating a Council vehicle.

Council will not be responsible for penalties arising from unlawful or unauthorised vehicle use and reserves the right to recover any associated costs from the responsible driver in accordance with applicable legislation and industrial obligations.

13. Accidents, Damage & Theft

Accidents, damage, theft and incidents must be reported in accordance with Council procedures.

14. Vehicle Maintenance

Employees must take reasonable care of vehicles and comply with Council procedures relating to inspections, maintenance and servicing.

15. Fringe Benefits Tax

Vehicle arrangements may attract Fringe Benefits Tax (FBT).

Council will manage FBT obligations in accordance with taxation legislation. Employees must provide any information reasonably required for Council's FBT reporting obligations.

16. Vehicle Procurement

Vehicle procurement must be undertaken in accordance with:

- Procurement Policy
- Asset Management Plans
- Budget considerations
- Value-for-money principles

Vehicle selection should give consideration to:

- Safety
- Environmental impacts
- Operational requirements
- Whole-of-life cost
- Reliability
- Fuel efficiency

In the event that the trade-in figure returns an estimate in the low range of the current Red Book value, the Chief Executive Officer may sell the vehicle as per Council's Disposal of Council Land and Other Assets Policy.

All quotations shall be assessed on the basis of value for money. Council is transparent and accountable when dealing with ratepayer funds, and as such binds itself to procurement based on value for money.

16.1 Vehicle accessories and modifications

Employees must not modify, alter or install accessories to a Council vehicle without prior approval from the relevant Director or Chief Executive Officer.

Vehicle accessories, modifications and specialised equipment must be approved by the relevant Director or Chief Executive Officer and must be supported by a demonstrated operational requirement. Consideration must be given to safety, cost, operational effectiveness and whole-of-life asset impacts.

There are two categories of accessories:

Standard accessories

- Air conditioning
- Automatic transmission (passenger vehicles)
- Window tinting (with UV reduction rating)
- Cargo barriers on wagons/4WDs
- Car mats
- Running boards
- Bluetooth

Extra accessories – *(where it is considered to be required for the intended use of Council)*

- Tow bar
- Roo/bull bar
- Roof racks
- Canopies
- Driving lights

17. Mayoral and Elected Member Use

(in accordance with Elected Members Allowances, Benefits & Support Policy)

Mayoral use

The Mayor will have access to a suitable pool vehicle for attending a function or activity on the business of Council. The Mayor shall arrange with the Chief Executive Officer for the use of the pool vehicle and will be given priority of its use.

Elected Members' use

Elected Members may have access to a suitable vehicle for attending a function or activity on the business of Council. An Elected Member wishing to use a pool vehicle must submit a request to the Chief Executive Officer at least two (2) days prior to anticipated use, expect in exceptional circumstances as determined between the Elected Member, Mayor and Chief Executive Officer.

18. Chief Executive Officer Authority

The Chief Executive Officer may approve, vary, suspend or withdraw:

- Vehicle allocations
- Commuter use arrangements
- Private use arrangements
- Motor vehicle allowances
- Vehicle replacement schedules
- The reallocation of vehicles across the fleet to achieve operational efficiency, effective utilisation of Council assets and value-for-money outcomes

In exercising the authority, the Chief Executive Officer may have regard to operational requirements, budget considerations, organisational policies, recruitment and retention needs and employment agreements.

19. Delegations

The Chief Executive Officer may establish procedures and administrative processes necessary to implement this policy.

The Chief Executive Officer is authorised to determine, review and amend vehicle allowances, vehicle classifications and eligibility arrangements from time to time, having regard to operational requirements, market conditions, budget considerations, recruitment and retention needs, employment agreements and Council's remuneration framework.

20. Availability/Accessibility

This policy is available for inspection at Council's offices during normal business hours and Council's website and will be emailed to interested parties on request (please lodge request in writing via email to council@coorong.sa.gov.au).

21. Document History

This policy will be reviewed at least every three (3) years or more frequently if legislation or Council requires.

Version	Adopted	Minute No	Description of change(s)
1	21 February 2012	053/12	New policy
2	19 February 2013	030/13	Cyclical review
3	15 April 2014	067/14	Cyclical review
4	23 June 2015	115/15	Cyclical review
5	21 July 2020	157/20	Cyclical review
6	19 September 2023	237/23	Definitions inserted Clause 4 – Use of Council Vehicle – sub-clauses refined where relevant and new Fringe Benefits Tax sub-clause inserted Table 1 updated to reflect annual incremental increase of allowance since July 2020 and to set a baseline for ensuing three year period
7	20 October 2026	304/26	Majority of policy re-written to incorporate: • Motor vehicle allowance requirements/eligibility • Grey fleet • Vehicle maintenance requirements • Fringe Benefits Tax • Mayoral and Elected Members' use Excerpts of former policy channelled into inward facing procedure and/or accompanying vehicle allocation agreement