

Motor Vehicle Guidelines - Executive Managers

Section 1 - Purpose

(1) These Guidelines cover the costing of a motor vehicle allocated to an executive manager of Charles Sturt University (the University) who has elected to take a fully maintained motor vehicle as part of a total remuneration package or a vehicle purchased under a novated lease scheme.

Class of Vehicle

(2) The level or class allowable under the conditions of the salary package for options (1) and (2) is:

- a. Vice-Chancellor:
 - i. no limit, subject to approval by the Chancellor
- b. Executive Levels 3, 2, 1 and above:
 - i. Holden Statesman.

(3) The value of the motor vehicle component of the salary package for executive managers at Levels 3, 2, 1 and above is based on the value of a Holden Statesman. The actual vehicle allocated to an executive manager is determined by the Executive Director, Finance, based on the most favourable purchase/resale value for the University.

(4) Executive managers at Levels 3, 2, 1 and above who have University-wide administrative responsibility have a University owned motor vehicle assigned to their office for official purposes. These managers may then elect to purchase a private use component of that vehicle under option (1) or (2) below.

(5) Executive managers at Levels 3, 2, 1 and above who do not have a University-wide responsibility and therefore do not have a University owned motor vehicle assigned to their office may still elect to take a fully maintained vehicle as part of a remuneration package but only under option (1) below.

(6) Executive managers may not alter their chosen option during the financial year.

Section 2 - Glossary

(7) Nil.

Section 3 - Policy

(8) Refer to the [Executive Remuneration and Appointment Policy](#).

Section 4 - Procedures

(9) Refer to the [Executive Remuneration and Appointment Procedure](#).

Section 5 - Guidelines

Option 1

Use of a Vehicle

(10) Vehicles offered on this basis are charged for 40% private use and 60% business use. Although executive managers have priority use of the vehicle, it must be made available to other staff between the hours of 9:00am and 5:00pm on week days.

(11) Vehicles purchased under this scheme may be used by executive managers and members of their families holding an Australian driver's licence.

(12) Under no circumstances is smoking permitted in the vehicle.

Selection of a Vehicle

(13) An individual executive manager may select any motor vehicle up to the value of a Holden Statesman sedan, provided the vehicle chosen is on government contract.

(14) If a vehicle of a lesser value is selected, there is a corresponding reduction in the amount charged against the salary package.

(15) For the purpose of calculating the purchase price of a vehicle and the subsequent cost to a package, the list price as published in "Wheels" motor magazine is used.

(16) The vehicle, in which the University retains all equity, is replaced under the prevailing University policy, currently at nine months or 15,000 km.

(17) Executive managers are responsible for managing the vehicle, presenting it for regular maintenance, and complying with legal and insurance requirements should an accident occur.

(18) The vehicle is to be secured each night off the street, preferably in a locked garage.

(19) Executive managers are given the opportunity to purchase from the University the vehicle allocated to them, when it is due for replacement, i.e. when it has been used by the manager for nine months or has covered 15,000 km, or on the retirement of the executive manager. The purchase price is the average of three quotations, obtained by the Transport Office from three independent, licensed motor vehicle dealers.

Kilometre Allowance

(20) The kilometre allowance for each vehicle is 40,000 km per annum, made up of an allowance of 16,000 km for private use and 24,000 km for official use.

(21) The only exception applies to the Vice-Chancellor, where the private component is 8,000 km and the official component 32,000 km.

(22) Travel to and from the University each day is deemed to be private travel.

Keeping of a Motor Vehicle Log Book

(23) There is no necessity to keep a motor vehicle log book unless:

- a. private use is less than 16,000 km per annum component and the individual requests a corresponding reduction

in the amount charged to the package; or

- b. a vehicle travels in excess of 40,000 km per annum and the official component has been greater than 24,000 km. Evidence of this fact is required; otherwise, the package is charged with the kilometres travelled in excess of 40,000.

(24) Where a vehicle travels in excess of 40,000 km per annum and no log sheet has been maintained, each kilometre is deemed to be private use and charged to the package at the rate of 30 cents per kilometre (30 cents is the University's current calculated actual cost per kilometre for running its combined vehicle fleet, and is adjusted on 1 January each year).

Odometer Reading

(25) On 1 July each year, the Executive Director, Finance obtains the odometer reading from each vehicle for the purpose of the above calculations.

Costing of a Motor Vehicle

(26) The motor vehicle is costed against the pre-tax salary of an executive manager. The cost components are the Fringe Benefits tax which is based on the number of kilometres the vehicle travels in the tax year, a "per kilometre" running cost, foregone interest and a share of the profit or loss on sale. The Fringe Benefits tax calculation is based on the statutory formula method.

Option 2

Use of a Vehicle

(27) Vehicles are offered on the basis that the executive manager pays from his/her after-tax salary all private kilometres for the past month, at the current "per kilometre" rate, as shown on the official invoice and based on the daily log sheet details.

(28) Although the executive manager has private use of the vehicle, it must be available to other staff between the hours of 9:00am and 5:00pm on week days.

(29) Vehicles purchased under this scheme may be used by executive managers and members of their families holding an Australian driver's licence.

(30) Under no circumstances is smoking permitted in the vehicle.

Selection of a Vehicle

(31) An executive manager may select any motor vehicle up to the value of a Holden Statesman vehicle, provided the vehicle chosen is on government contract. The vehicle, in which the University retains all equity, is replaced under the prevailing University policy, currently at nine months or 15,000 km.

(32) Executive managers are responsible for managing the vehicle, presenting it for regular maintenance, and complying with legal and insurance requirements should an accident occur.

(33) The vehicle is to be secured each night off the street, preferably in a locked garage.

(34) Executive managers are given the opportunity to purchase from the University the vehicle allocated to them, when it is due for replacement, i.e. when it has been used by the manager for nine months or has covered 15,000 km, or on the retirement of the executive manager. The purchase price is the average of three quotations, obtained by the Transport Office from three independent, licensed motor vehicle dealers.

Keeping of a Motor Vehicle Log Book

(35) A log book must be maintained at all times. All details of official and private use of the vehicle must be recorded on the log sheet.

(36) On the last day of each month, the executive manager forwards a copy of the log sheet to the Executive Director, Finance. An official invoice will then be raised for the private use component of the kilometres travelled.

(37) The invoice cost is to be met from the executive manager's after-tax earnings. (The current rate per kilometre for private use of the vehicle is 30 cents per kilometre. This rate is adjusted annually in line with the Fringe Benefits tax legislation and University's motor running costs.)

Odometer Reading

(38) On 1 July each year, the Executive Director, Finance obtains the odometer reading from each vehicle for the purpose of the above calculations.

Costing of Motor Vehicle

(39) The invoice for the cost of the motor vehicle is to be met from the executive manager's post tax earnings. The cost of the motor vehicle will be costed on the basis of the log sheet kept by the executive manager.

(40) An official invoice will be raised each month and the private kilometres travelled will be charged at the rate of 30 cents per kilometre. This rate will be reviewed annually in line with fringe benefits tax legislation and University motor vehicle running costs.

(41) The fringe benefits tax liability for the private use component of the motor vehicle is based on the total number of kilometres the vehicle travels in the year ended 31 March and is based on the statutory formula method.

(42) If the calculated annual fringe benefits tax amount exceeds the total amount paid by the executive manager from after tax earnings, the executive manager's package will be charged with the excess.

Vehicles Purchased Under a Novated Lease Arrangement

General

(43) Under the terms of the flexible salary package, the option to select a motor vehicle purchased under a novated lease arrangement and paid for from pre-tax dollars is now available to all executive managers and other employees.

Selection of a Vehicle

(44) There is no limit to the type of vehicle selected.

Use of a Vehicle

(45) The vehicle may be used for unlimited private use by the employee and for limited official use.

(46) The official use is limited to inter campus travel authorised on an official travel order of the University and properly authorised by a delegated officer.

(47) The reimbursement is made at the prevailing rate for use of a private vehicle (currently 30 cents per kilometre).

Keeping of a Motor Vehicle Log Book

(48) The University does not require a log book to be kept. However, the employee electing to purchase a vehicle under this option must keep a log sheet for their personal taxation records.

Odometer Reading

(49) The odometer reading is required on the last day of each month.

Costing of a Motor Vehicle

(50) All costs associated with the lease and running of the motor vehicle are met from the pre-tax salary of the employee, based on an agreed monthly deduction. At least once each year, the agreed deduction is reviewed in line with a comparison of actual costs against the budget.

(51) At the end of the lease period (usually three years), the employee may purchase the vehicle for an agreed, written down amount.

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