

NSW Government Motor Vehicle Operational Guidelines

Document number: 01	Version number: 2.0
Date: 3 June 2016 (Original Release)	24 October 2018

Contact details

Name: Padraig Savage	Position: Director Category Management, Goods & Services
Business Unit: NSW Procurement	Division: Government and Corporate Services
Phone: 02 8522 7904	Email: NSWP_Fleet@finance.nsw.gov.au

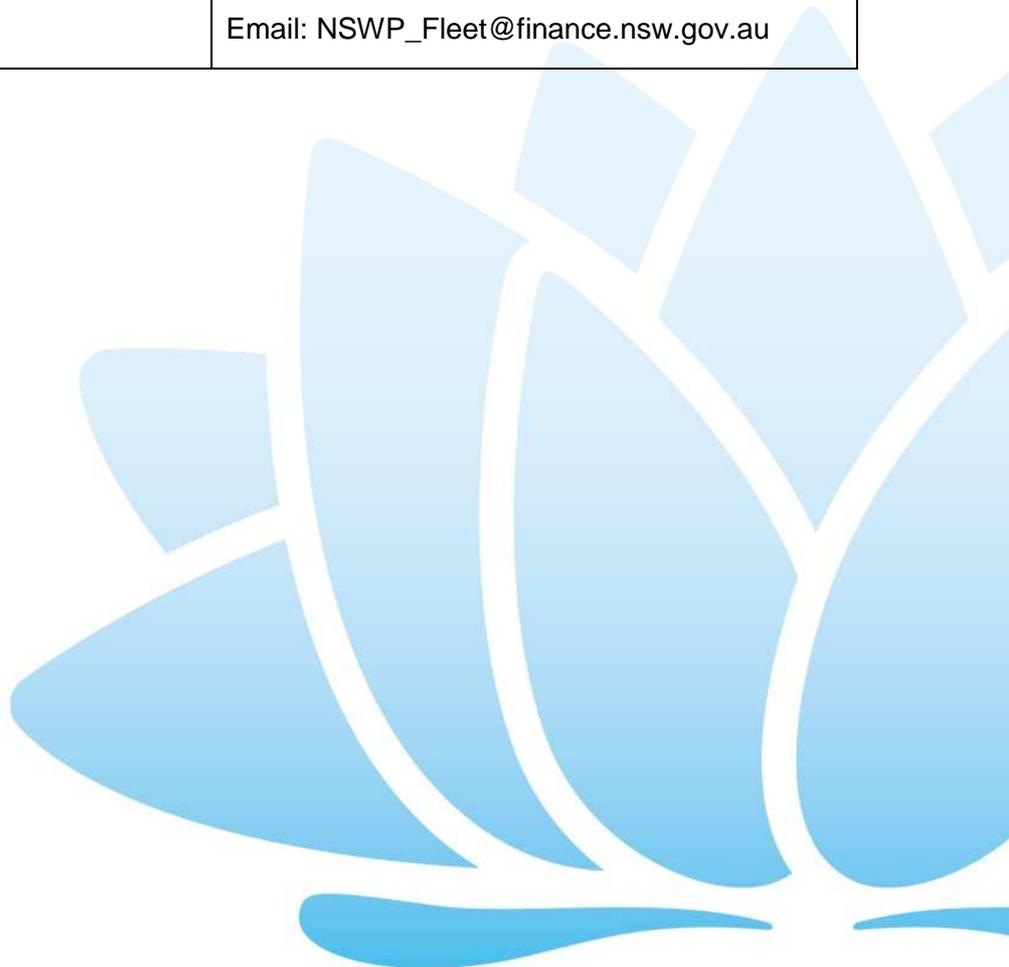


Table of Contents

NSW Government Motor Vehicle Operational Guidelines	1
1. Overview	5
1.1 Context	5
1.2 Governance	6
1.3 Responsibilities	6
1.3.1 NSW Procurement Board	7
1.3.2 Procurement Leadership Group	7
1.3.3 NSW Procurement	7
1.3.4 Category Management Working Group	7
1.3.5 Agency Head	8
1.3.6 Agency Fleet Managers	8
1.3.7 Business Unit Managers	8
1.3.8 Staff	9
1.3.9 NSW Government-appointed Fleet Management Providers	9
2. Fleet Sourcing	10
2.1 Use of government contracts and internal services	10
2.1.1 Insurance	10
2.2 Preference for leasing over purchase / agency owned	10
2.2.1 Guidelines for Pre-Qualification Scheme Approved Vehicle List (AVL)	12
2.2.2 Australasian New Car Assessment Program (ANCAP)	13
2.2.3 Luxury Car Tax	13
2.2.4 Forward Ordering	13
2.2.5 8 cylinder, V configuration engine (V8) vehicles	13
2.2.6 Hybrid/Electric/Petrol (clean energy) Vehicles	14
2.2.7 Heavy Commercial Vehicles	15

2.2.8	Vehicle Accessories	15
2.2.9	Telematics	15
2.2.10	Environmental	16
2.2.11	Maintenance	17
2.2.12	Disposal	17
2.3	Personal Use and Salary Packaging	17
3.	Fleet management	19
3.1	Principles	19
3.1.1	Strategic Asset Management	19
3.1.2	Optimal size and fitness for purpose	20
3.1.3	Annual review	20
3.1.4	Good governance	20
3.1.5	Change management	20
3.2	Agency Fleet Management Plan	20
	Table 1: Elements of the Fleet Management Plan	20
	Table 2: Fleet Management Standards, KPIs and Measures	21
3.2.1	Fleet management tools	22
3.3	Health and Safety, particularly on issues specific to the agency's operations	22
3.3.1	Duty of Care	22
3.3.2	Infringements	23
3.3.3	Driver identification	23
3.3.4	Vehicle accidents	23
3.3.5	No smoking	23
3.3.6	Mobile phone use	24
3.4	Personal use of fleet vehicles and use of employee vehicles for work-related travel	24
3.4.1	Personal use of fleet vehicles	24
3.4.2	Use of employee vehicles for work related travel	25
3.4.3	Parking	25

3.5	Agency's fringe benefit policy and reporting requirements	26
3.5.1	Salary packaging procedure	27
3.5.2	Management to agreed standards and risk tolerances	29
3.5.3	Annual review	29
3.6	Vehicle booking systems, including bookings for car share and rental vehicles	30
3.7	Record keeping	30
3.7.1	Documentation	30
3.7.2	Vehicle running sheets	30
3.7.3	Financial requirements	31
3.8	Obligations/ Compliance	32
3.8.1	Vehicle condition	32
3.8.2	Salary packaged vehicles	32
3.8.3	Use of the lowest cost fuel supplier	32
3.8.4	Reduced use of Premium Fuel	32
4.	Definitions	33
	Motor Vehicle Running Sheet	35
	Vehicle Condition Assessment	37
	Vehicle Return Checklist	38
5.	Document Control	39
5.1	Document Approval	39
5.2	Document Version Control	39
5.3	Review Date	40

1. Overview

1.1 Context

The Motor Vehicle Operational Guidelines (the Guidelines) support the NSW Government Travel and Transport Policy (the Policy), which is a three-tiered policy framework that encompasses whole of government policy, these operational Guidelines, and subsequent agency level policies and procedures to enable the delivery of whole of government benefits in the strategic management of fleet as an asset.

- The Policy is a whole of government approach that provides the broad direction for fleet management, the roles and responsibilities of key office holders and institutions and provides an overarching framework of principles, key performance indicators, risk management and review cycles for the delivery of government objectives.
- The Guidelines provide a whole of government approach to how vehicles are to be used in the work environment, and supports the strategic policy with more functional statements.
- Individual Agency policies provide the most granular level of guidance, specifying requirements relevant to the context of agency operational management of the fleet.

The goals of the Policy are to:

- Recognise that vehicles and agency fleets are a major asset requiring active management to maximise efficiency and minimise the environmental impact of operation;
- Achieve a coordinated approach to meeting financial, environmental and safety objectives and balance central coordination with agency autonomy;
- Drive cultural change towards a focus on management of a strategic asset through staged and progressive change, encouraging behaviour aligned with policy objectives at all levels;
- Deliver an overall reduction in the cost of the fleet;
- Deliver an overall reduction in the environmental impact of the fleet; and
- Recognise that the fleet is a workplace and manage the Work Health and Safety (WHS) legislation associated with workplaces.

1.2 Governance

In keeping with the Government's commitment to providing improved public services and efficient resource management, it is a responsibility of agency heads to ensure policies and procedures are observed by staff, consultants, contractors and outsourced service providers operating government vehicles.

This document outlines factors that must be addressed in the management of an agency's fleet. Probity, accountability and transparency of procedures must be accorded the highest priority. Audit and regular review processes should be put in place to ensure compliance.

It is strongly recommended these Guidelines be observed by all general government¹; Agencies may adopt the Guidelines in whole or in part when forming their own agency-specific motor vehicle governance. It is also recommended the Guidelines serve as a basis for eligible customers to follow.

In some instances, discretion is afforded within the Guidelines to accommodate the specific business needs of an agency, and agency heads have a responsibility to ensure that clear guidelines are developed that address these needs.

Fleet management is conducted under the oversight of the Expenditure Review Committee of Cabinet, who will receive an annual report from the NSW Procurement Board on the efficiency and effectiveness of the NSW Government Fleet.

The Procurement Board will provide oversight of the delivery of whole of government fleet functions, and will develop, implement and maintain the policy, and support agency implementation of the Policy.

An agency will manage the operation of their fleet and the implementation of whole of government policy with annual strategic reviews and reporting.

Whole of government fleet services are delivered by the NSW Government-appointed panel of Fleet Management Providers (FMPs), who will report to agencies and the Procurement Board via the Procurement Leadership Group and NSW Procurement on fleet performance.

1.3 Responsibilities

All staff will ensure their actions reflect the following:

- **Accountability** – Individual users of government vehicles and managers with decision-making authority over vehicle fleets are responsible for their decisions and

¹ Agencies covered by this document include all those Departments and Declared Authorities listed in Schedule 1 of the Public Sector Employment and Management Act 2002 and all those Departments listed in Schedule 3 of the Public Finance and Audit Act 1983. It also includes all agencies categorised by the Australian Bureau of Statistics as being "General Government" (as published in the Treasurer's annual Budget Statement).

actions and can appropriately account for these decisions and actions when called upon to do so.

- **Transparency** – Vehicle usage and fleet decision-making processes are recorded, open and transparent so that decision making and usage stands up to scrutiny at both an aggregated whole of fleet level and individual vehicle and user level.
- **Integrity** – Decisions made regarding vehicles and fleets are made honestly and objectively, in line with the strategic objectives and operational priorities of the government and consistent with codes of conduct.
- **Stewardship** – Users and managers of government vehicles and fleets make use of and oversee a valuable public resource. The usage and management of these resources is undertaken with the intent to maintain or improve the value of this resource over time.
- **Leadership** – Government sets an example for business and the general public through the operational, environmental, safety, innovation and financial aspects of the management of the Government's vehicle fleet. Managers across government are role models for achieving government objectives and set an example for staff through their decisions and actions.
- **Efficiency** – Users of government vehicles and management across agencies and government as a whole have a responsibility to see that the usage of vehicles and fleets is as efficient as possible to minimise fleet resources and maximise the benefits that accrue to the general public from the use of fleet assets.

Each of the following parties has specific assigned responsibilities under the Policy and these Guidelines:

1.3.1 NSW Procurement Board

- Responsible for developing, implementing and maintaining the Policy.
- Overview of fleet related decisions e.g. procurement, agency annual fleet plans and KPI's.

1.3.2 Procurement Leadership Group

- Oversee and direct fleet related decisions relating to fleet size, procurement arrangements and improvements identified from agencies' annual fleet plans.
- Responsible for developing, implementing and maintaining these Guidelines.

1.3.3 NSW Procurement

- Operational responsibility for the Policy and these Guidelines.

1.3.4 Category Management Working Group

- Coordinate, guide development and changes to these Guidelines.

1.3.5 Agency Head

- Responsible for the size, safety and efficient utilisation of the agency's fleet in line with NSW Government fleet objectives, the Policy and these Guidelines.
- Report regularly to the Procurement Board on the performance of the agency's fleet against performance standards.
- Ensure that vehicles are acquired, managed, maintained and disposed of using whole of NSW government contracts established for these purposes. Any procurement outside of mandated whole of government arrangements must be approved by the agency head. Specifically, the approval of the agency head is required for the acquisition or lease of a vehicle outside the NSW Government Pre-qualification Scheme SCM 653.

1.3.6 Agency Fleet Managers

- Ensure all vehicles are managed appropriately in a fleet management system.
- Ensure vehicles meet minimum time, needs and distance utilisation standards.
- Establish agency-level standards for time, needs and distance utilisation to meet the objectives of the NSW Government Fleet.
- Monitor the agency fleet against performance standards and report regularly to the Secretary.
- Ensure all staff involved in the acquisition and use of vehicles are appropriately trained and are aware of the Policy and these Guidelines.
- Define roles and responsibilities for operational management of the fleet to meet the objectives of the Policy and these Guidelines.
- Ensure that the acquisition, leasing and disposal of vehicles is in line with government requirements.
- Ensure all vehicles are utilised appropriately via a fleet utilisation tool.
- Manage the allocation and utilisation of each vehicle to achieve the objectives the Policy and these Guidelines.
- Support Business Unit Managers to make continuous improvements to find practical and innovative transport solutions to reduce expenses while satisfying business needs.

1.3.7 Business Unit Managers

- Determine the appropriate mode of transport to fulfil business/service requirements and meet the objectives of the Policy and these Guidelines.
- Ensure agency vehicles are available for use and encourage cross-unit sharing of vehicles.
- Ensure the stated need for a vehicle matches its actual use.

- Work with agency Fleet Managers to achieve the objectives of the Policy and these Guidelines.
- Investigate any reported incident or accident in line with WHS Guidelines.

1.3.8 Staff

- Appropriately use vehicles in accordance with the Policy and these Guidelines.
- Support Business Unit Managers and Fleet Managers to meet the goals of the Policy and these Guidelines.
- Report any motor vehicle incident/accident to their Business Unit Manager in line with WHS Guidelines.

1.3.9 NSW Government-appointed Fleet Management Providers

- Provide services to the NSW Government in leasing, fleet management, vehicle acquisition and disposal, fleet maintenance and repairs, fleet utilisation and management tools, data capture and reporting, to meet the objectives of the Policy and these Guidelines.

2. Fleet Sourcing

2.1 Use of government contracts and internal services

Each agency must implement a fleet management system or use a contracted FMP under the NSW Government Contract 300 Fleet Management Providers Panel.

The NSW Government acts through an appointed panel of FMPs to aggregate procurement and management services in order to reduce costs. The government appointed FMPs panel has a mandate to undertake all vehicle procurement and disposal with the exception of emergency and special purpose vehicles. The FMPs will play a key role in whole of government reporting, strategic reviews and benchmarking, and capability development and shared practice. The FMPs will provide a contemporary system for the management of the government fleet.

An agency will use the government contracts and services made available through the appointed FMPs, including use of the system to record, analyse, manage and report on fleet efficiency.

An agency must acquire motor vehicle associated goods and services (e.g. vehicles, fuel, insurances, disposal) through NSW Government contracts where available, as arranged by the Procurement Board, unless a specific exemption is approved by Treasury. If an appropriate vehicle for a specific work-related application is not available through the contract, an agency should seek advice from NSW Procurement on alternative procurement options.

2.1.1 Insurance

An agency must ensure comprehensive motor vehicle insurance is effected, either through the Treasury Managed Fund or in accordance with contract arrangements applicable to vehicles subject to novated leases.

An agency must ensure compulsory third party insurance (CTP) is effected, either with the commercial insurer contracted through NSW Procurement or in accordance with contract arrangements applicable to vehicles subject to novated leases.

2.2 Preference for leasing over purchase / agency owned

In the majority of cases, NSW Government leases vehicles. In circumstances where the service requirement is highly specialised it is recognised that purchasing or owning may provide greater value for money.

Should any vehicles be purchased or owned (not leased) by an agency, these vehicles must be included on the agency's asset register. This extends to any "donated" agency owned vehicles.

All passenger and light commercial vehicles, whether leased or owned by an agency, are required to operate under a replacement policy guided by the selection of term and kilometre variables.

Selection of term and kilometre variables for fleets is at the agency discretion, within the parameters as agreed with the Lessor.

Agencies should assess the optimal term and kilometre variables for each type of vehicle whether they are leased or owned. An example might be to replace passenger vehicles at 48 months; light commercial vehicles at 60 months.

Agencies should consider the following factors when reviewing term and kilometre variables (either leased, agency owned or donated agency owned vehicles):

- economic efficiency
- 'whole of life' costing
- vehicle application, intended usage and ease of redeployment within the business
- condition of existing vehicles
- in case of a replacement vehicle review actual usage of the vehicle being replaced
- vehicle manufacturer warranty
- mileage and or age*
- lessor charges to early terminate a contract
- Program or project funding duration. For example: a shorter lease term may be selected based on availability of project funding and may not be financially prudent.

*Agencies are advised to consider the safety implications of ageing purchased, owned or donated vehicles;

- Ageing vehicles may not be fitted with current safety features released in new models by vehicle manufacturers.
- Ageing vehicles may represent a risk on how well vehicles protect the driver and other road users in cases where the vehicle collides including other vehicle occupants, pedestrians, cyclists and motorcyclists.
- Agencies are encouraged to review their purchased or owned vehicles greater than 5 years old against The Used Car Safety Ratings (UCSR) developed by Centre for Road Safety, Transport for NSW.
- The UCSR includes a Buyer's Guide to Used Car Safety Ratings (updated annually) and may assist agencies determine replacement strategies.

http://roadsafety.transport.nsw.gov.au/downloads/buyers_guide_used_car_safety_ratings.html

Standard vehicles must be replaced in accordance with the requirements of the NSW Government Motor Vehicles Scheme SCM0653.

Heavy vehicles and buses must comply with all relevant safety, maintenance and inspection requirements of the NSW Roads and Maritime Services (RMS) and National Heavy Vehicle Regulator (NHVR). Procurement or replacement of heavy vehicles and buses is at agency discretion based on service requirement, funding arrangements and expected vehicle utilisation.

In reviewing transport needs, consideration of the use of public transport including taxis, short-term use of rental cars and car-sharing arrangements should be an integral part of the evaluation and justification process.

Fleet size and composition are to be reviewed annually by the agency head to ensure optimisation against actual transport requirements (optimum fleet size will usually be less than that required to meet peak demand).

Procedures should include appropriate justification of the need for new and replacement vehicles and should encourage selection of the most cost-effective and environmentally-friendly vehicle for the normal transport task.

Replacement decisions are not rollover decisions. Prior to replacing vehicles, an agency is to revisit the business case for the vehicle in light of service requirements.

2.2.1 Guidelines for Pre-Qualification Scheme Approved Vehicle List (AVL)

The approved list of vehicles that may be acquired from the Motor Vehicle Pre-Qualification Scheme is published on NSWBuy. The AVL is guided by the principle that the specified vehicles are selected as being fit-for-purpose government pool vehicles, and best reflects the public perception of what constitutes an appropriate government vehicle fleet.

Guidelines are:

1. AVL will only include base models. Second level variants and base plus safety pack variant will be included where required
2. AVL will not include any sports or performance vehicles to be listed. NSW Government applies the definition used by Roads and Maritime Services (RMS) for restriction of Provisional drivers from driving high performance vehicles. This means no vehicles with a power-to-mass ratio of greater than 130kW per tonne (based on tare mass) are available on the AVL
<http://www.rms.nsw.gov.au/roads/licence/driver/prohibited-vehicle-definitions.html>
3. AVL will not include vehicles that have manufacturer-specified use of premium fuel (98 octane and premium diesel)
4. No manual variants on passenger and light commercial vehicles to be included on the AVL

5. No three door/coupe style vehicles to be included on the AVL.

Rules 2.2.2, 2.2.3 and 2.2.4 below also apply.

Agency Secretary or delegate approval is required to acquire a vehicle that is not included on the AVL (as per 1.3.5 Motor Vehicle Operational Guidelines).

2.2.2 Australasian New Car Assessment Program (ANCAP)

All government fleet vehicles must have a five star ANCAP safety rating for their category, and be fitted with the safety assist technologies below, subject to their availability in the class of vehicle and the vehicle's suitability for its intended role:

- Electronic stability control (ESC)
- Lane support systems (LSS)
- Autonomous emergency braking (AEB)
- Reverse Collision Avoidance Systems, such as cameras and/or monitors.

ANCAP adopted Euro NCAP assessment protocols at the start of 2018. For vehicles assessed prior to 2018, the ANCAP rating should have a date-stamp no older than 2015 wherever possible.

The CMWG will monitor the changing safety assessment program and make recommendation as needed. Exemptions to this Policy are as follows:

- NSW Police wherein a vehicle is 100% dedicated to a specialised operational police duty.

Helpful information regarding the changes to ANCAP can be found here:

- <https://www.ancap.com.au/frequently-asked-questions>
- <http://www.ancap.com.au/>

2.2.3 Luxury Car Tax

Vehicles that exceed the *luxury car tax threshold* as set by the Australian Taxation Office (ATO) may not be procured. Exemptions can only be authorised by the agency head based on a strong business case and clearly articulated operational need.

2.2.4 Forward Ordering

NSW Procurement's aggregated buy program collates the NSW Government Agency motor vehicle forward orders and runs a competitive process with manufacturers every 9 months seeking additional discounts above contract pricing. NSW Procurement then notifies Agency Fleet Managers of the vehicles offering the best value for money. In light of the extra value, Agencies should purchase accepted offers in each category.

2.2.5 8 cylinder, V configuration engine (V8) vehicles

In light of expensive fuel and running costs and increased greenhouse gas emission levels, V8 powered vehicles (with the exception of emergency vehicles) are not available.

under contract. This includes vehicles obtained under novated lease arrangements. An agency is to refuse to sign novation documents for V8 or high performance (6 cylinder, turbo charged) vehicles. An “emergency vehicle” is defined as:

- A fully operational vehicle used for an ambulance service, a fire fighting service or a police service; and
- Which is visibly marked on its exterior for that use; and
- Which is fitted with:
 - a flashing warning light; and
 - a horn, bell or alarm that can give audible warning of the approach or position of the car by making sounds with different amplitude, tones or frequencies on a regular time cycle; and
- Its primary purpose is for use as an emergency vehicle.

Exemptions to this Policy are as follows:

- NSW Police wherein a vehicle is 100% dedicated to a specialised operational police duty;
- NSW Department of Premier and Cabinet in circumstances identified by the agency head, having regard to roles and responsibilities, and factors of time, distance and safety.
- NSW Office of Environment & Heritage vehicles used for fire-fighting purposes under the Rural Fires Act 1997.

Any request for a V8 powered vehicle required for operational purposes must be in accordance with the above and authorised by the agency head.

2.2.6 Hybrid/Electric/Petrol (clean energy) Vehicles

The use of Hybrid/Electric/ clean-energy vehicles is part of NSWG strategy to reduce emissions from the fleet.

Currently there are six hybrid vehicles included in the Approved Vehicle List (AVL) that should be considered by Agencies. They are Mitsubishi Outlander PHEV, Nissan Pathfinder, Toyota Corolla, Toyota Camry Hybrid, Toyota Prius, Toyota Prius C and Toyota Prius V.

The high cost of electric vehicles and lack of charging infrastructure at present means that they are not best value for money. However, this is an emerging market and competition will drive prices down over the coming years.

Agencies are encouraged to ensure infrastructure for charging is installed into new and refurbished government buildings.

2.2.7 Heavy Commercial Vehicles

Where there is an operational need backed by a business case, an agency may request to either lease or purchase outright heavy or non-standard commercial vehicles (over one tonne capacity) through the FMP or NSW Government Leasing Facility.

Commercial vehicles of seven tonnes or greater capacity may be retained until the end of their useful economic life. The condition, running costs and use of such vehicles should be reviewed annually.

The replacement criteria for non-standard vehicles are to be aimed at achieving the best long-term return on investment for each vehicle type. Appropriate economic analysis should be regularly undertaken to determine when nonstandard passenger and light commercial vehicles above one tonne but less than seven tonne capacity should be replaced.

2.2.8 Vehicle Accessories

Government motor vehicles must not include non-essential accessories. All non-essential accessories require a strong business case that is substantiated by a service need and business outcome. An individual may salary package a motor vehicle with non-standard accessories via a novated lease.

Essential accessories are deemed as required (by the agency) depending on the role. For example: cargo barriers in wagons; rural vehicles and ShuRoo's, fog lights, bonnet and light protectors. Essential accessories may also be dictated by non-role specific factors such as WHS policy and Scheme conditions for NSW Government vehicles. Examples include ABS, window tint, airbags etc.

Non-essential accessories are deemed as not required (by the agency). They are not mandated under WHS policies and other Scheme conditions for NSW Government vehicles.

Genuine accessories are made by the vehicle manufacturer. Most manufacturers will only honour the warranty if genuine accessories are used.

Non-standard accessories are available and offered by the vehicle manufacturer at an additional charge. For example: bike rack, towbar etc.

Click here for [Scheme Conditions for NSW Government Vehicles: Motor Vehicle Prequalification Scheme \(SCM0653\)](#)

2.2.9 Telematics

The use of telematics is encouraged where it can be established that it supports strategic business outcomes which may include:

- Improving Workplace Health and Safety

- Improving asset management by location
- Improving driver behaviour and decreasing consumable costs, or
- Increasing efficiency by automated capture of vehicle usage data to replace manual logbook data entry. An agency should ensure that any telematics solution is in accordance with ATO requirements for Fringe Benefit Tax (FBT) purposes.

Agencies should be aware of the Workplace Surveillance Act. Refer to Part 2, Section 10 and Section 13.

<https://www.legislation.nsw.gov.au/#/view/act/2005/47>

A comprehensive communications plan is also suggested, including such things as providing staff with adequate prior notice, information on the intranet, information in the Agency Motor Vehicle Policy, inclusion in the induction process and articles for staff newsletters.

Agencies requiring telematics may consult their Fleet Management Provider for assistance.

2.2.10 Environmental

Environmental impacts of vehicles are considered in the procurement process of the NSW Government's Motor Vehicles Scheme SCM0653. The scheme has CO2 grams per kilometre criteria, whereby only vehicles under a predefined limit are included on the scheme and available for purchase by government.

In the management of motor vehicle fleets, an agency must consider the government's commitment to environmental issues and the priorities outlined in *Action for Air* concerning better transport choices and making vehicles "cleaner."

An agency should ensure officers are aware of government policies promoting the use of public transport and encouraging carpooling/car share arrangements.

Fuel consumption is one of the major expenses in operating a motor vehicle and managing fuel costs should be taken into account when optimising the size, composition and operation of the vehicle fleet and improving driver behaviour.

All public service staff, and executive officers who drive government-provided vehicles as part of their remuneration packages, will be required to use E10 blends (or other alternative fuels) where this is practicable, available and cost-effective.

Vehicles managed by a FMP will be issued with fuel cards specifically providing for the consumption of E10. Self-managed agencies should obtain fuel cards directly from suppliers on the contract.

(Note that E10 may not be suitable for all government vehicles, and should not be used if the manufacturer has stated that it will void vehicle warranties or damage the vehicle in any way.)

2.2.11 Maintenance

Vehicle maintenance should be undertaken according to the manufacturer's recommendations to ensure optimum fuel efficiency, emission performance and return on investment.

Staff should be made aware of the need to optimise fuel efficiency and emission performance by ensuring tyres are maintained at recommended pressures, wheels are correctly aligned, fuel tanks are not over-filled, vehicles are not used to carry unnecessary loads, and that good driving habits are observed.

2.2.12 Disposal

At the conclusion of the lease period, vehicles are to be returned to the NSW Government-appointed FMP for sale. Prior to sale, vehicles are to be rectified using the [NSW Government Vehicle Condition Assessment document](#) in order to maximise resale value. An agency will manage the condition of their fleet to limit wear and tear consistent with service requirements of the Master Operating Lease Agreement.

Regulation 32 of the NSW Road Transport (Vehicle Registration) Regulation 2007 requires that all registered vehicles offered for sale at auction have a current Roads and Maritime Services (RMS) Safety Inspection Report ("pink slip"). Vehicles sold at auction without a pink slip must be sold as unregistered.

NSW Government owned vehicles are to be sold registered. In some exceptional cases there may be a need to sell a vehicle unregistered. Approval of the agency head is required to sell an unregistered vehicle.

An agency is required to dispose of owned or leased vehicles in accordance with the [NSW Government contract](#) or the requirements of the leasing facility. This includes compliance with any instructions relating to the condition of vehicles at time of sale.

Any vehicle disposed as an insurance write-off may be subject to a registration rebate.

2.3 Personal Use and Salary Packaging

Access to salary packaging of a vehicle through a novated lease is the preferred option, rather than the use of a government owned or leased vehicles. Any private use of a government-owned or leased vehicle must have accurate cost recovery from the driver.

Agency heads must ensure that the inclusion of vehicles packaged on a business/private basis is considered in accordance with and supports the agency's fleet management plan. Business/private vehicles must be integrated as, and form part of, the agency's fleet during normal business hours. An agency negotiating an award or workplace agreement that proposes to include a motor vehicle component must consult with your Agency HR department, as all additions to fleet require Secretary level approval before negotiations commence.

Any business/private salary packaging of a motor vehicle must be calculated using the statutory fraction method for calculating the Fringe Benefit Tax (FBT) liability and using rates (standing charges and running costs) issued annually in the executive and non-executive salary packaging motor vehicle charges and guidelines, available on ProcurePoint. Reconciliation can be completed using the lowest cost method in accordance with ATO Guidelines.

As a guide, agencies may consider imposing a minimum 20% threshold on vehicle selection, where a Senior Executive Officer chooses to salary sacrifice a vehicle. The percentage represents the minimum contribution when evaluating the private/personal payment ratio. For example: Where the SES Officer is contributing 5% private salary sacrifice they are not entitled to select a higher specification vehicle and must take the vehicle as assigned by the Fleet Manager. If an SES Officer is contributing above the minimum 20% threshold then the Officer may select any vehicle from the scheme.

3. Fleet management

Fleet management of agency fleets is mandatory and may be undertaken in-house or by a NSW Government-contracted FMP. Fleet management is effected by implementation of a fleet management system of consolidated records, processes and reporting. The essential components of a fleet management system are:

- A lease/asset management system (purchasing information, lease details, sales records). This should include a unique identification for each vehicle
- Records of servicing and repairs
- Records of fuel cards issued and cancelled, including a system of automatically cancelling cards when vehicles are sold. The processes followed need to be consistent with Treasurer's Direction 89/2
- Records of eTags
- Commissioning (registration, CTP, Roadside Assist) details
- Lease management that ensures an agency avoids leasing penalties and that delivery of new vehicles is aligned with the disposal of old vehicles
- Ensuring that input tax credits for recouping the Goods and Services Tax (GST) feed into the agency's business activity statement (BAS)
- Reporting (financials, utilisation, overdue services, fuel, FBT, running costs, value of reportable fringe benefits provided to employees). It also needs to take into account any requirements of the *Sustainability Policy for NSW Government*

3.1 Principles

The principles guiding management of the NSW Government Fleet are:

3.1.1 Strategic Asset Management

- To ensure value for money through strategic asset management by embracing a strategic asset management approach to the provision and management of fleet
- The management of fleet resources impacts the efficiency and effectiveness of an agency and the NSW Government as a whole. The capital/leasing and operational costs of fleet, garaging, parking and management are significant commitments of public resources. Consistent with other assets, an agency is to establish policies and procedures and to actively manage their fleets in direct support of government and agency goals and priorities, in order to achieve benefits at both an agency and whole of government level.

3.1.2 Optimal size and fitness for purpose

- To ensure optimal size and fitness for purpose by managing the fleet to operational requirements, matching fleet procurement and management to operational requirements, and ensuring the fleet provides a safe workplace by selecting the appropriate vehicle for the work to be conducted and ensuring that drivers are familiar with the operation of the vehicles they utilise.

3.1.3 Annual review

- To ensure sustained efficiency through regular strategic review of the fleet and agency fleet Policy on an annual basis.

3.1.4 Good governance

- To ensure accountability through good governance, paying particular attention to having clear roles and responsibilities and delegated and informed decision making on fleet decisions.

3.1.5 Change management

- To ensure changes in attitudes, decisions and behaviour are consistent with the goals of the Policy, and that changes occur in alignment with other relevant policies, and are supported by induction, communication and education.

3.2 Agency Fleet Management Plan

The Fleet Management Plan should clearly articulate the relationship between the services delivered and fleet requirements, and distinguish between direct service delivery, service enablement, corporate requirements and community obligations.

Agency Fleet Management Plans and commissioning of fleet resources will reflect the considerations in table 3.2.1: Elements of the Fleet Management Plan.

Table 1: Elements of the Fleet Management Plan

Fleet Element	Guidance
Size	The Fleet Management Plan should demonstrate the number of vehicles required to meet the service requirement, given distribution of service delivery and alternatives.
Composition	The Fleet Management Plan should demonstrate the relationship between service requirements and vehicles selected.

Fleet Element	Guidance
Selection	The Fleet Management Plan should limit selection to vehicles available on government contracts, with standard features, except where there is a business case for alternatives.
Utilisation	The Fleet Management Plan should manage vehicles through pooling and sharing with other agencies to reduce the total number of vehicles required, and to optimise utilisation in relation to lease terms.
Location	The Fleet Management Plan should ensure vehicles are located based on service requirements, and consider sharing with co-located agencies where practical.
Accessories	The NSW Government in general acquires base model vehicles for pool or general fleet. In instances where non-standard vehicle accessories are necessary for operational purposes, an agency may set procedures for authorisation of additional expenditure.

Fleet resources for a financial year will be managed to a set of performance standards and benchmarks shown in Table 3.2.2: Fleet Management Standards, KPIs and Measures. These standards include:

- Strategic asset management (SA);
- Optimal Size (OS); and
- Fit for Purpose (FFP).

Table 2: Fleet Management Standards, KPIs and Measures

Standard	Goal	Main KPI	Subset KPI	Measure
SA	Reduced cost	Fleet Size	Fleet size by category	Number
SA	Reduced cost	Leased vehicles to owned vehicles	Leased vehicles to owned vehicles by category	Number
SA	Reduced cost	Fleet operating costs	Cost per vehicle category	Total and average

Standard	Goal	Main KPI	Subset KPI	Measure
OS	Improved utilisation	Utilisation with lease or policy term kilometres	Metropolitan /Regional split by category	% within 80 – 110%
OS	Improved utilisation	Number of vehicles available in booking system		Percentage of total fleet size
FFP	Environmental sustainability	CO2 grams per kilometre		Average number
FFP	Safer workplace	ANCAP rating		Average number
FFP	Safer workplace	Claims per vehicles insured		Number
FFP	Safer workplace	Cause of claims		Top 10

3.2.1 Fleet management tools

An agency should implement enabling technology for vehicle allocation, utilisation management and reporting to achieve greater efficiency and effectiveness of the fleet, including a vehicle booking system.

3.3 Health and Safety, particularly on issues specific to the agency's operations

3.3.1 Duty of Care

Employers have a primary duty of care to provide and supervise a safe system of work under the *Work Health and Safety Act 2011*. This includes an obligation for agencies to maintain plant and systems of work that are safe and without risk to health. A vehicle used for business is considered to be a workplace. An agency must also provide employees with the information, instruction, training and supervision necessary to ensure their health and safety.

Agency heads have a responsibility to both ensure that employees using motor vehicles for work-related purposes are properly licensed and to require employees to observe safe driving practices.

Vehicles are to be maintained in accordance with the manufacturer's requirements and must at all times comply with relevant road transport legislation.

3.3.2 Infringements

The driver in control of the vehicle at the time of any offence must promptly pay for all traffic and parking infringements. If penalty notifications or reminders are issued in an agency's name, the driver's details must be obtained from vehicle running sheets, and the Statutory Declaration provided on the reverse side of the fine should be promptly completed and returned to the State Debt Recovery Office. The fine will then be reissued in the nominated driver's name. This should ensure that the driver of the vehicle and not the agency is fined.

3.3.3 Driver identification

An agency should take appropriate steps to record the identity of a driver of a vehicle at any time. The use of vehicle running sheets meets this requirement. In the case of vehicles packaged on a private/business basis, the absence of running sheets or other appropriate measures to record business use of such vehicles will make the officer who has packaged the vehicle liable for any financial and/or points penalties imposed.

3.3.4 Vehicle accidents

A driver involved in an accident is required to stop and render assistance, regardless of whether on official business or not. The driver must:

- Stop at the scene;
- Attempt to make the scene as safe as possible;
- Render assistance to any person injured;
- Arrange emergency services as required;
- Exchange vehicle and licence information with the other driver(s); and
- Not admit liability.

The police must be called to the scene of the accident where any of the following occurs:

- A person is injured or killed; or
- Any of the drivers involved in the accident fail to stop after the accident; or
- Any of the drivers involved in the accident appear to be under the influence of alcohol or drugs.

The Police Advice Line for reporting an accident is 131 444.

3.3.5 No smoking

Smoking is not permitted in government vehicles.

3.3.6 Mobile phone use

Drivers must not use mobile telephones unless a hands-free device is fitted. It is illegal for a driver to use a mobile telephone when driving unless a hands-free device is being used.

3.4 Personal use of fleet vehicles and use of employee vehicles for work-related travel

3.4.1 Personal use of fleet vehicles

Personal use of a vehicle in an agency fleet is not permitted unless such use is authorised by the agency head or otherwise provided for under an industrial award, enterprise agreement or other government policy, such as the Public Service Senior Executives' salary packaging.

“Personal use” includes the carriage of non-government passengers and/or non-business passengers. It also generally includes travel to and from the usual workplace.

Where an officer is authorised to garage a vehicle at his/her residence, the travel between the officer's home and the usual workplace is usually classified as private travel i.e. commuting. Garaging is usually authorised because the agency lacks suitable secure parking or because it is essential that the employee has immediate access to a vehicle in order to perform his/her duties.

The agency head is responsible for developing an internal policy that clearly defines the situations in which limited personal use of an agency vehicle is permitted. These situations would normally be restricted to:

- The garaging of an agency vehicle at the private residence of an officer (either on a regular basis or when an officer is either commencing or returning from a field trip)
- Limited private use, such as dropping family members off at school on the way to work (provided extra travel is not involved), may be permitted
- Transporting non-government personnel between work locations when such personnel are assisting the agency in its normal business activities
- In exceptional cases, permitting an officer on an extended field trip to be accompanied by family members. If such cases involve children, the officer concerned will be responsible for meeting the cost of providing and installing in the vehicle any necessary child restraints. The officer involved should indemnify the agency against any possible public liability claims arising as a result of the presence of the family members in the vehicle.

Under no circumstances should agency vehicles be used to transport hitchhikers.

3.4.2 Use of employee vehicles for work related travel

The agency head is responsible for developing an internal policy that clearly defines the situations which may impact employee's using private vehicles on official business.

Agencies may consider reviewing *the NSW Government Travel and Transport Policy (the Policy)* for additional information on the use of personal vehicles (including novated leases) for work-related travel.

3.4.3 Parking

The cost of the parking space used by an agency fleet vehicle that is packaged on a private/business basis is an expense borne by the agency. This is because the vehicle is to be available for business use during the normal business hours in which it is parked on business premises. However, officers will remain responsible for meeting the cost of the Parking Space Levy (where applicable).

Users of privately owned, novated lease or 100% agency salary packaged vehicles are not entitled to a parking space on government leased or owned premises (see Principle 12 in Premier's Memorandum 2012-20). In cases approved before this Memorandum, where parking has been allocated and approved by the agency head, the agency will recover the full cost of the allocated parking from post-tax salary. The agency head has some discretion, where strongly supported by a business need and for a strictly limited non-extendible period, to waive the payment on a case by case basis taking into account disability, hardship, safety and/or other operational matters.

Parking Space Levy

The Parking Space Levy is a charge on non-residential parking spaces within business districts specified by the *Parking Space Levy Act 2009*. The rate is indexed to the Consumer Price Index and updated from 1 July each year. The Parking Space Levy is not the parking space cost but a levy on top of the parking space cost.

Officers who have access to a parking space are required to meet the cost of the Parking Space Levy where it applies. The following points should be noted:

- In those business districts where a Parking Space Levy applies, the levy can be met by executives or other eligible officers on a salary sacrifice basis provided the arrangement is made prospectively. This means the sacrifice should be arranged before the officer uses a parking space for personal advantage
- Should exceptional circumstances arise wherein a non-executive officer is provided with the use of a parking space that gives rise to a personal liability for the Parking Space Levy, payment by the officer should be made from post-tax salary. This payment can be treated as an employee contribution for the purpose of reducing the FBT taxable value in situations where a non-executive has a packaged vehicle

- The Parking Space Levy is exempt from the Goods and Services Tax (GST). This means the employee should not pay GST on the amount of the levy even where it is treated as an employee contribution for the purpose of calculating the FBT taxable value
- The Parking Space Levy must be paid by the employee in all cases and cannot be waived by the agency head.

3.5 Agency's fringe benefit policy and reporting requirements

Fringe Benefit Tax (FBT) is payable by employers on the total taxable value of fringe benefits provided to their employees. The agency head must apply a policy that complies with Australian Taxation Office Fringe Benefit legislation to all agency vehicles that are packaged on a private/business basis. This allows for either:

- Logbooks/running sheets to be maintained for all business journeys undertaken throughout the entire year (continuous logbook); and/or
- Logbooks/running sheets to be maintained for all business journeys undertaken during a representative 12-week period in each year.

The agency head can determine when a representative 12-week period is to be logged. This can vary between individual officers. A new representative period should be logged where the business/private usage changes by more than 10%. That is, an increase or decrease of 10% in the business use of a car is considered to be a major change in the pattern of use of the car.

Odometer records must be kept year to year. If these records indicate a 10% difference in kilometres from previous years, this is taken to mean a 10% variation in business use unless the officer demonstrates otherwise. Consistent with ATO Guidelines, once this 12 week period establishes the business use percentage, then the calculated business use can be applied for a maximum 5 year period. The other 4 years are designated as non-logbook years.

However, if the private use percentage calculated using the 12 week representative period method is less than 80% of the expected total distance/usage, a new 12 week representative period must be logged the following year. This restriction is intended to ensure employers do not end up paying an excessive proportion of a vehicle's operating costs.

It is compulsory to maintain an odometer record (opening and closing - odometer and date records for the FBT year) to calculate the FBT liability.

Private Days for FBT purposes

Private days are each day that the car is parked at or near the employee's home. Private days need to be counted on a midnight to midnight basis with a particular calendar day being counted no more than once.

- If the car is home garaged overnight one night during the week, counts as 2 private days.
- If the car is home garaged a number of consecutive nights (possibly by different drivers), the first night home garaged counts as 2 private days and the subsequent nights garaged count as 1 additional private day.
- Saturday and Sunday are to be counted as 2 additional private days when the car is home garaged over the weekend (i.e. Friday-Monday would be 4 private days).

Days home garaged need to be counted irrespective of whether the car was used to travel business or private kilometres or even if the car was home garaged but not actually used that day.

Reportable Fringe Benefits Amount (RFBA)

The grossed-up taxable value of most fringe benefits provided to an employee during an FBT year are required to be reported on that employee's annual payment summary for the financial year in which the FBT year ends. Car benefits are a reportable benefit.

The grossed-up taxable value is only reported if the employee's individual fringe benefits amount (IFBA) is more than \$2,000. The IFBA is the employee's total aggregate taxable value of all reportable fringe benefits for that year.

The amount reported is called the employee's reportable fringe benefits amount.

Even though a RFBA is included on your payment summary and is shown on your tax return, it is not included in your assessable income. It is however, included in a number of income tests related to:

- Medicare levy surcharge
- deduction for personal superannuation contributions
- government super co-contribution
- tax offset for eligible spouse superannuation contributions
- Higher Education Contribution Scheme (HECS) and Higher Education Loan Programme (HELP) repayments
- child support obligations, and
- entitlement to certain income-tested government benefits.

Employees should further seek advice from their accountant or the ATO.

3.5.1 Salary packaging procedure

The following procedures are to be followed when calculating and reconciling a NSW Government private/business packaged vehicle:

Package calculation

- At the start of the FBT year or at commencement of the package, the officer who is packaging the vehicle must nominate an estimated proportion of private/business usage and an estimated total distance that the vehicle is expected to travel during the FBT year. If no figure is nominated, 100% private is applied.
- The initial cost to the officer's package is calculated using the estimated figures. Costs are contained in the executive and non-executive salary packaging motor vehicle charges and guidelines, available on ProcurePoint, and are updated annually. FBT will be calculated/estimated using the Statutory Method.
- The agency head is to put in place a consistent policy that allows officers to either adopt the continuous logbook method or 12 week representative logbook period for calculation of private/business use in a package calculation. The logbook method is to be nominated at the commencement of each FBT year.
- A 12 week logbook calculation can be retained for 5 years provided:
 - Independent telematics data can verify the usage; or
 - The private usage percentage is 80% or more of the total usage; and
 - Provided there is not a variation of 10% or more in calculated usage. Where the private use percentage is less than 80%, or there is a variation of 10% or more in usage, a new representative period should be logged.
- The agency head can request that an officer log a new continuous 12 week period. This can occur when the agency head considers that the original 12 week period does not accurately reflect the officer's use of the vehicle. A random audit could be conducted annually on a selection of packages where the 12 week log-book method has been used.

Package reconciliation – Continuous logbook/running sheet method

- Continuous period running sheets are used to record the actual business use for the full year to determine the actual private/business split percentage (calculated at the end of the FBT year). This is based on the actual distance travelled and the level of business use.
- Where the continuous logbook is used, reconciliation of the package occurs at the end of the FBT year. Following this reconciliation, the costs to the officer's package are adjusted to reflect the difference in estimated and actual usage of the vehicle. That is, the officer's estimated package costs are recalculated based on the actual distance travelled during the year and the private/business level determined from the running sheets

Package reconciliation – 12 week representative period method

- The private/business split percentage obtained from a 12 week representative period is used to determine the officer's estimated package costs.
- At the end of the FBT year, the estimated package costs are recalculated to determine any difference between the actual distance travelled during the year and

the estimated private/business split determined in the representative 12 week review period.

- Where the actual distance travelled varies by more than 10% from the estimated usage, a new 12 week representative logbook must be completed for the new FBT year.

Package reconciliation – No running sheets

- An officer who has packaged a vehicle on a private/business basis and does not maintain running sheets under one of the above two options is to have their motor vehicle package cost calculated and reconciled on a 100% private basis. The officer must provide an odometer record (opening and closing - odometer and dates records for the FBT year) to calculate the FBT liability in clause 3.4 and to reconcile the package.

Package reconciliation – FBT method

- The FBT liability to the officer can be calculated at the end of the FBT year based on either the Statutory Method or Operating Cost Method. The method that provides the lowest FBT amount can be used.

3.5.2 Management to agreed standards and risk tolerances

An agency and the NSW Government-appointed FMP will collect, analyse and report key performance indicators for fleet size, composition, utilisation, condition and other attributes to enable ongoing efficient management of the resource and to comply with taxation and other regulatory requirements. Pool vehicles will be managed through a booking system to enable visibility, management and reporting.

3.5.3 Annual review

A critical element of strategic asset management is strategic performance review and policy evaluation.

Agency performance

An agency will undertake a strategic review of their vehicle fleets on at least an annual basis. The annual review will focus on cost, efficiency, operating costs and capex spend trends, and whole of life cost trend analysis. The review will capture operational fleet requirements and fleet size and composition, performance, emissions levels, opportunities to reduce operations kilometres driven, options for increased use of pooling, and recommendations for future action. The review, completed using a standard template, will be endorsed by the Chief Financial Officer, reported internally to the Secretary and Executive, and provided to the Procurement Board. Agency executives will consider reports and recommendations from their constituent agencies and set direction for fleet management consistent with this Policy.

An agency will incorporate fleet savings in their procurement savings report to the Fiscal Effectiveness Office of Treasury, with a copy also provided to the Procurement Board.

Appointed FMP performance

The FMP will report regularly on their performance as a service provider, and on the performance of the managed fleet. This reporting will capture efficiency, effectiveness, customer satisfaction and supplier engagement. Reports will be provided to the Procurement Board.

Procurement Board role

The Procurement Board will consider all reports and recommendations, and review the Policy and performance standard settings. The Procurement Board will set direction for fleet management consistent with policy and report to the Expenditure Review Committee.

3.6 Vehicle booking systems, including bookings for car share and rental vehicles

In some situations the need for/use of fleet can now be replaced by electronic solutions (webinars, teleconferencing, etc.), sharing and partnering arrangements. Similarly, as service delivery profiles change, fleet requirements may change. Agency management of fleet resources needs to continually consider fleet alternatives and changes in service direction.

3.7 Record keeping

3.7.1 Documentation

In those situations in which discretion on a policy item has been given to accommodate the business needs of an agency, care should be taken to ensure that all documentation is clear, concise and not open to misinterpretation.

3.7.2 Vehicle running sheets

Running sheets must be kept for all journeys undertaken in agency vehicles (apart from those vehicles packaged under a private/business arrangement as outlined in Section 3.5). A sample running sheet is appended to these Guidelines. The following table indicates trip code examples.

Business Km Codes:	Private Km Codes
<ol style="list-style-type: none">1. business trip during working day (not home garaged overnight).2. work/office – home overnight – meeting/field work – work/office * (only applies to infrequent use of car for this purpose)3. work/office – meeting/field work – home overnight – work/office * (only applies to infrequent use of car for this purpose)	<ol style="list-style-type: none">8. private trip, which includes:<ul style="list-style-type: none">• work/office – home overnight – work/office• work/office – home overnight – work/office on-call

<ol style="list-style-type: none"> 4. work/office – home overnight – business trip – home overnight – work/office (only applies to infrequent use of car for this purpose) 5. work/office – home – work/office travel when on-call AND required to transport bulky-heavy equipment used regularly to perform duties 6. home – incident – home travel when in response to being called-out from home 7. other business kms 	<ul style="list-style-type: none"> • work/office – home overnight – work/office travel to provide secure overnight garaging of vehicle • other private kms
---	--

Conditions apply to codes 2 and 3:

- Employee has regular place of employment;
- Alternative destination, i.e. meeting or field work, is not a regular place of employment; and
- Employee performs substantial duties at alternative destination. Picking up mail, newspapers will not qualify as business travel.
- Ad-hoc use, if garaging 24/7 any travel between home and work is private.

3.7.3 Financial requirements

Consistent with accrual accounting requirements, Treasurer’s Directions and Total Asset Management (TAM), an agency is required to maintain asset registers for owned vehicles.

Consistent with TAM, an agency is accountable for minimising the whole of life cost of assets, and therefore should maintain appropriate management information systems for this purpose.

The value of motor vehicle benefits must be included as a reportable fringe benefit on the employee’s PAYG payment summary.

Leased motor vehicles must be accounted for in accordance with Australian Accounting Standard AAS17 “Accounting for Leases.” In particular, motor vehicles leased via the NSW Government motor vehicle leasing facility constitute operating leases and must be accounted for as such under AAS17.

Purchased motor vehicles must be depreciated over their estimated total useful life in accordance with AAS4 “Depreciation of Non-Current Assets” subject to materiality.

A fundamental element of the Treasury Managed Fund is the adoption of risk management practices by a participating agency. An agency is responsible for the development of programs that best fit their exposures.

3.8 Obligations/ Compliance

3.8.1 Vehicle condition

All NSW Government fleet vehicles must be kept in a clean condition, internally and externally, and be properly maintained. The FMP shall report to the agency head cases in which vehicles are returned at the end of the lease period in an unsatisfactory or unclean state.

3.8.2 Salary packaged vehicles

All salary sacrifice deductions continue when the officer is on leave. The salary package is an ongoing commitment and leave should be factored into the business/private nomination by the officer at establishment of each package. All adjustments to usage are done at reconciliation. However, when an officer has exclusive use of a business/private vehicle during any period of leave greater than three consecutive months, they should be charged at the rate for a 100% private vehicle. This will alleviate any possible large charges owed by the officer at reconciliation of the package.

Alternatively where the officer chooses to leave the vehicle in the agency pool, the officer's payroll deductions for the vehicle are not to be ceased. If this period is for more than three consecutive months, the package can be ceased and recommenced when the officer returns from their extended leave. Each package should then be treated individually.

If an officer who has a packaged vehicle is involved in an accident, they are required to continue paying all deductions until the vehicle has been assessed and officially deemed to be 'written off'. The current policy with TMF does cover costs for a rental car in the event of an accident.

3.8.3 Use of the lowest cost fuel supplier

Drivers are required to use the demonstrated lowest cost fuel supplier.

As of December 2017, Caltex is the lowest cost fuel supplier.

3.8.4 Reduced use of Premium Fuel

Whenever use of premium fuel is not expressly required by the car manufacturer, NSW Government users of fleet fuel cards (contract C370) are to use the least expensive fuel product that suits the vehicle across all fuel types. E.g. use Unleaded Petrol 91 (ULP 91) or E10 (where allowed) rather than Premium Unleaded 95 or 98 (PULP 95 or PULP 98).

4. Definitions

The following definitions are used in this document:

Term	Definition
agency head	An agency head describes the person holding the highest level of delegation within an agency, and includes Secretaries and Chief Executive Officers. The term 'agency head' includes a delegate of the agency head.
agency fleet	The mixture of motor vehicles, including those packaged for business/private use, that are required to meet the business needs of the agency.
agency vehicle	A vehicle that forms part of an agency fleet.
continuous logbook period	A logbook is kept over the entire FBT year or over the period in the FBT year when the car is held.
Fleet Management Provider or FMP	A contracted fleet provider under NSW Government Contract 300.
Fleet Manager	An Agency officer role.
Fringe Benefit Tax or FBT	The tax levied on benefits obtained by employees in respect of their employment.
garaging	Refers to situations in which an employee is permitted to take a government vehicle home to park in his/her garage or carport.
Goods and Services Tax or GST	The broad-based tax (currently 10 percent) on the supply of most goods and services consumed in Australia.
government vehicle	Any passenger, light commercial and commercial vehicle including plant owned or leased by an agency. This includes those vehicles defined as being in the agency fleet plus those vehicles acquired under the government leasing facility and packaged on a 100 percent private basis. It excludes vehicles acquired by individuals through a novated lease.
logbooks/running sheets	A book containing the running sheets which log all trip details undertaken by a pool vehicle and all business trips undertaken by a packaged vehicle consistent with ATO policy.
novated lease	A three-way agreement between an employer, employee and finance company for a 100 percent private use vehicle acquired privately by an executive or officer in a leasing arrangement that is the subject of an approved deed of novation that enables the vehicle to form part of a remuneration packaging arrangement.
odometer record	A record of the opening and closing kilometres and dates for the FBT year used to determine the annual kilometres for FBT purposes.

Term	Definition
operating method	This method uses a formula to calculate the taxable value of a car fringe benefit by using all of the operating costs for the car such as leasing costs, registration and insurance costs, fuel, maintenance, repairs (excluding smash repairs) etc., and applying a business private percentage of use.
packaged vehicle	A vehicle that forms part of a remuneration package (either as part of a total remuneration package, by way of salary sacrifice, or in accordance with award provisions).
parking space levy	The charge payable under the Parking Service Levy Act 1992 for parking within specified business districts.
personal use	The use of an agency vehicle for a non-business purpose. It generally includes travel to and from the usual workplace.
pool vehicle	A general business use vehicle that comprises part of an agency fleet.
private/business	A reference to a vehicle packaged as part of a remuneration package on a split basis for both private and business use. Such a vehicle forms part of an agency's fleet.
record keeping	The system of keeping logbook records for a continuous or 12- week period, and odometer records of the total distance travelled and period held in the FBT year the logbook records are maintained.
running sheets	A log of all trip details undertaken by a pool vehicle and all business trips undertaken by a packaged vehicle consistent with ATO policy.
Statutory method	A formula that uses the total annual percentage of kilometre use to calculate the FBT.
12-week representative logbook period	A period of at least 12 weeks in which a vehicle is used for average or typical business use, and taking into account all relevant matters and any variations in the pattern of business use throughout the year due to occurrences such as holidays or seasonal factors. It should not be a period chosen because of maximum business use but be reflective of the actual business and private use of the vehicle.



LOCATION

MONTH

Motor Vehicle Running Sheet

Driver Instructions

Please start a new sheet for the beginning of a new month

A separate entry is required for each trip. If multiple stop journey, separate entries are to be made for each leg of the trip where intermediate stops are greater than 30 minutes

Date	Time		Destination	Purpose of journey (as detailed on request form) <i>please print</i>	Odometer end of Trip	Trip Kms	Trip code*	Driver's name <i>please print</i>	Driver's signature	OFFICE USE ONLY		
	Start	End	Town/Suburb							Bus. kms	Pri. kms	FBT Occ
			b/f:		b/f:							
						TOTALS						

* Trip codes are:

1	6
2	7
3	8
4	9
5	10

Authorisation Detail

I certify that this sheet has been completed in accordance with agency requirements.

Designated officer: _____ Date: / /

Position: _____ Telephone: _____

12-hr clock	Midnight	1.00am	2.00am	3.00am	4.00am	5.00am	6.00am	7.00am	8.00am	9.00am	10.00am	11.00am	Midday	1.00pm	2.00pm	3.00pm	4.00pm	5.00pm	6.00pm	7.00pm	8.00pm	9.00pm	10.00pm	11.00pm
24-hr clock	0000	0100	0200	0300	0400	0500	0600	0700	0800	0900	1000	1100	1200	1300	1400	1500	1600	1700	1800	1900	2000	2100	2200	2300

Vehicle Condition Assessment

Three broad definitions are used to classify a vehicle's (or part vehicle's) condition; fair wear and tear, unfair wear and tear and unacceptable damage.

The condition of a vehicle is taken into consideration by prospective buyers at the time of sale and allowances are generally made for conditions that reflect normal usage. However, the level of wear and tear or damage will impact the potential sale value of the vehicle and vehicles in good to excellent condition will attract a higher sale price.

Fair Wear and Tear

Fair wear and tear occurs when normal usage causes deterioration to a vehicle. The level of fair wear and tear is consistent with the age of the vehicle and the kilometres it has travelled.

Fair wear and tear is not to be confused with damage which occurs as a result of a specific event or series of events such as collision, harsh treatment, negligent acts or omissions.

For example it would be expected that a passenger vehicle of four years of age would have minor scuffing or light scratches on the paint work, fading of the vehicle trim or seat covers and tyre wear. Similarly, commercial vehicles would be expected to show levels of deterioration commensurate with the use they were designed to perform.

Unfair Wear and Tear

Unfair wear and tear occurs when abnormal usage or neglect causes the quality of a vehicle to become unacceptable. The problem is compounded when the user fails to take action to rectify the vehicle's condition to a level consistent with the vehicle's age.

Poor maintenance and cleaning, the non-repair of major scratches and panel damage or general misuse of the vehicle will lead to unfair wear and tear.

Unacceptable Damage

The non-repair of damage resulting from a vehicle accident may be referred to as unacceptable damage.

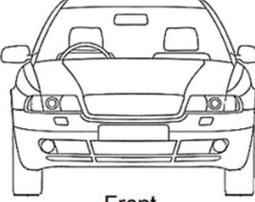
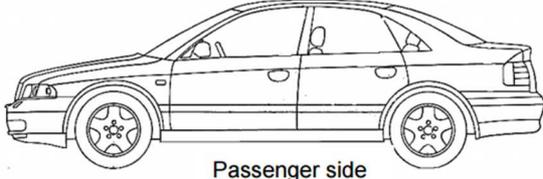
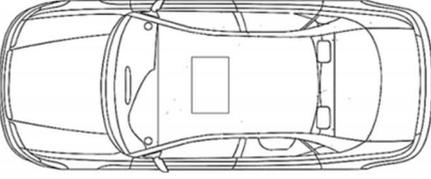
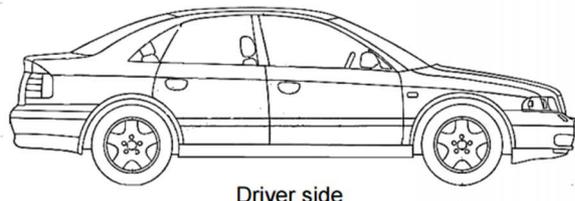
Vehicle Return Checklist

Please use this checklist when returning a vehicle and ensure compliance with the terms and conditions of the leasing arrangement.

Prior to the return of a vehicle:

- the vehicle must be cleaned, well maintained (fully serviced) and presented in a roadworthy condition, registered with all options and accessories fitted at the time of purchase intact.
- all repair work to address unfair wear and tear and /or damage must be completed.

Fair wear and tear consistent with the age of the vehicle and kilometres travelled should be marked on this form as a record and agreement on the condition of the vehicle, between the Agency and Transport Company, prior to return of the vehicle.

Agency Name			
Registration Number		Odometer Reading	
Make / Model			
Removed from Vehicle	Personal items <input type="checkbox"/>	Log sheets <input type="checkbox"/>	Fuel cards <input type="checkbox"/> First aid kit <input type="checkbox"/>
Included in Vehicle	2 sets keys <input type="checkbox"/>	eTag <input type="checkbox"/>	Service log book <input type="checkbox"/> Spare wheel <input type="checkbox"/> Jack & tools <input type="checkbox"/> Lessors vehicle return documents <input type="checkbox"/> Auction advice form <input type="checkbox"/>
Comments			
Condition Key	 scrape  scratch  minor dent  other (note in comments)		
<div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;">  Front </div> <div style="text-align: center;">  Back </div> <div style="text-align: center;">  Passenger side </div> </div> <div style="display: flex; justify-content: space-around; align-items: flex-end; margin-top: 20px;"> <div style="text-align: center;">  Top view </div> <div style="text-align: center;">  Driver side </div> </div>			
Agency Representative		Transport Company Representative / Driver	
Name		Name	
Phone		Phone	
Signature		Signature	
Date		Date	

5. Document Control

5.1 Document Approval

Name & Position	Signature	Date
Chair, Procurement Leadership Group (PLG)	Ratified at PLG meeting	03.07.2016
Tony Richie, Executive Director Government Services		11/01/2017

5.2 Document Version Control

Version	Status	Date	Prepared by	Comments
1.0	Draft	05/05/2016	Deborah Clifford	
1.1	Final	03/06/2016	David Staples	Incorporating comments from Business Units and CMWG
1.2	Final	23/11/2016	Deborah Clifford	Clarifying roles
1.3	Final	06/12/2016	Kim Witkowski	Incorporating comments from CMWG
1.4	Final	16/12/2016	Deborah Clifford	Updating exemptions
1.6	Final	11/01/2017	Deborah Clifford	Added wording regarding use of lowest cost fuel supplier. Added guidelines of the approved list of vehicles
1.7	Final	21/03/2017	Kim Witkowski	Updated wording to remove DFSI Circulars and include references to the executive and non-executive salary packaging motor vehicle charges and guidelines.
1.8	Final	05/03/2018	Kim Witkowski	Updated wording and additional inclusions from CMWG.

2.0	Final	02/10/2018	Deborah Clifford	Updated wording regarding safety standards as requested by Centre for Road Safety
2.1	Final	25/10/2018	Kim Witkowski	Updated wording Section 2.2 incorporating comments from CMWG members.

5.3 Review Date

These Guidelines will be reviewed in February 2019.

It may be reviewed earlier in response to post-implementation feedback from Business Units.

NSW Procurement | Department of Finance, Services and Innovation

Address: Level 11, McKell Building, 2-24 Rawson Street, Sydney NSW 2000

Phone: 02 9372 8877 | TTY: 1300 301 181

