

**Policy and Guidelines for the Allocation and Use of
Motor Vehicles within the State Service**

Selection of prestige vehicles by executives

- 1 Category A executives can either:
 - (i) at no personal cost, select a vehicle from the lists applicable to Category C or D executives or a compliant vehicle from the general category list, (provided that its WOL cost is below the maximum allowed for Category A executives); or
 - (ii) select a prestige vehicle from the lists applicable to Category A and B executives, and pay the difference between the maximum WOL cost for Category C and the estimated WOL cost of the vehicle they choose (subject to a minimum amount of \$40 per month).
- 2 Category B executives can either:
 - (i) at no personal cost, select a vehicle from the lists applicable to Category C or D executives or a compliant vehicle from the general category list, (provided that its WOL cost is below the maximum allowed for Category B executives); or
 - (ii) select a prestige vehicle from the lists applicable to Category B executives, and pay the difference between the maximum WOL cost for Category C and the estimated WOL cost of the vehicle they choose (subject to a minimum amount of \$40 per month).
- 3 Vehicle upgrades to higher categories are not available for Category C and D executives.
- 4 Vehicle upgrades to higher categories are available for members of Parliament, who choose a vehicle as part of their remuneration arrangements. The rules about these upgrades are available from the Clerk of the relevant House.
- 5 Where permitted by the relevant legislation and Instrument of Appointment, executives may elect to make the relevant personal contribution by way of salary sacrifice.
- 6 The amount of personal contribution by executives selecting a vehicle above the Category C band will be based on the estimated WOL costs applying to the selected vehicle as at 1 July and 1 January each year, subject to a minimum amount.
 - (i) The actual WOL costs of vehicles will vary depending upon a range of factors such as kilometrage, unscheduled maintenance and repairs and changes in interest rates and fuel prices during the year.
 - (ii) The WOL costs are based on an assumed lease term of 24 months or 40 000 km.

**Policy and Guidelines for the Allocation and Use of
Motor Vehicles within the State Service**

- (iii) No adjustments to salary sacrifice amounts will be made to account for actual WOL costs in excess of or less than those applying at 1 July and 1 January each year.
 - (iv) No adjustment will be made to the amount of salary sacrifice to take account of shorter/longer lease terms or higher/lower levels of usage.
 - (v) No allowance is payable to an executive who chooses to select a vehicle from a lower level to that to which they are entitled.
- 7 The Department of Treasury and Finance will advise agencies of the relevant WOL costs and the amount of contribution required for each vehicle available to category A and B executives.
 - 8 Individual agencies are responsible for implementing systems and processes to ensure that the appropriate personal contributions are received where a category A and B executive selects a prestige vehicle.
 - 9 Where salary sacrifice is to be used to make personal contributions, agencies should ensure that the relevant legislation/Instrument of Appointment allows for salary sacrificing in relation to the provision of a motor vehicle for the executive concerned.
 - 10 To ensure that there is an effective salary sacrifice arrangement in place for those executives, the instrument of appointment/contract will need to be amended before the arrangement starts.
 - 11 An example of an amendment to insert relevant clauses into an instrument is attached (Attachment D). It is based on a standard SES instrument and is similar to the provisions used for salary sacrifice for additional superannuation, but the actual amendments that must be made will need to be tailored to suit the instrument/contract of the relevant executive who opts for a prestige vehicle.
 - 12 Where the legislation and, if relevant, any associated instrument of appointment does not allow salary sacrificing for vehicles (eg some Statutory Officers), agencies should ensure that other arrangements are put in place to ensure that the executive contributes the required amount if a prestige vehicle is selected.
 - 13 Individual contributions (whether by way of salary sacrifice or otherwise) are to be retained by the relevant agency for offsetting against vehicle costs.
 - 14 Individual agencies remain responsible for the calculation and payment of the correct amount of Fringe Benefits Tax relating to the provision of vehicles to executives.

**Policy and Guidelines for the Allocation and Use of
Motor Vehicles within the State Service**

- 15 The Secretary, Department of Treasury and Finance reports quarterly to the Secretary, Department of Premier and Cabinet, on all vehicles supplied from the Category A and B lists. Heads of Agency are required to certify annually that the officers concerned have complied with the requirement to make the required personal contribution.