



1. Title: Executive Remuneration Package – Motor Vehicle

2. Application

- 2.1 Unless otherwise determined by the Public Service Commission Chief Executive, this policy applies to executives or officers engaged under a fixed term contract of employment under section 122 of the *Public Service Act 2008* who are eligible to access a fully maintained government owned motor vehicle for business and private use as part of their remuneration package.

Requests for a government owned motor vehicle for chief executives should have due regard to this policy and procedures (including the current Department of Public Works, QFleet *SES and CEO Vehicle List*). However, such requests will be managed on a case by case basis.

- 2.2 This policy should be read in conjunction with the Policy – *Use of Government Owned Motor Vehicles and Parking of Private Vehicles on Official Premises*

3. Effective Date: 1 December 2008

4. Policy:

This policy provides for the arrangements for executives who are eligible to have a fully maintained government owned motor vehicle as part of their executive remuneration package.

5. Definitions:

“Executive”

means senior executives and officers employed on fixed term contracts of employment who are eligible to access a government owned motor vehicle for business and private use as part of their remuneration package.

“Executive Vehicle Allowance (EVA)”

means the maximum annual allowance determined by the Public Service Commission Chief Executive in consultation with the Department of Public Works (QFleet). The EVA forms part of the executive’s remuneration package.

“Extended leave”

means a continuous period of paid leave being recreation leave, long service leave, sick leave or special leave which exceed eight weeks.

Grossed Up Value (GUV)”

means the total annual value, including any adjustments, that will be deducted from the executive’s remuneration package for the access of a fully maintained government owned motor vehicle for business and private use.

Health or family reasons”

means a reason for using a special government owned motor vehicle for the safe, legal and comfortable transportation of an executive and/or their immediate family. It does not

include lifestyle choices an executive may make, such as towing a caravan or boat or visiting remote locations while on leave.

“Paid leave”

means sick leave, recreation leave, long service leave and special leave where the executive receives remuneration.

“Private use”

means the use of a fully maintained government owned motor vehicle by an executive as part of their remuneration package including:

- travelling to and from the executive’s place of work, after hours use and during periods of paid leave; and
- the vehicle being driven by any responsible licensed person including immediate family (at the executive’s discretion)

Private use does **not** include the executive or any other person conducting private business ventures or commercial activity of any description.

“Remuneration package”

means an executive’s superannuable salary and the executive vehicle allowance (EVA).

6. Executive vehicle eligibility

An executive is eligible to purchase the private use component of a fully maintained government owned motor vehicle in accordance with this policy.

7. Executive vehicle allowance (EVA)

The executive vehicle allowance (EVA) for executives is subject to an annual review as determined by the Commission Chief Executive relative to the executive’s classification level.

8. Parking – government owned motor vehicles

Allocation of official car parking is an agency responsibility.

An executive who accesses a government owned motor vehicle as part of their remuneration package will be provided with an official car park at the expense of the agency. The vehicle will also be available for business use by other employees during normal business hours.

9. Fuel – government owned motor vehicles

9.1 A fuel card is issued for the exclusive use of a specific government owned motor vehicle. The costs are invoiced directly to the executive’s agency.

9.2 Government owned motor vehicles are to be refuelled with the appropriate type and grade of fuel in line with manufacturers’ specifications and government policy including the requirement for government owned motor vehicles to use ethanol blend (E10) fuel where possible. Premium unleaded fuel should not be used unless the manufacturer specifies that it be used exclusively for a particular type of vehicle.

10. Choice of executive motor vehicle

Executives are able to choose a motor vehicle from an approved range of vehicles supplied by QFleet up to the maximum EVA approved for their particular executive classification level.

11. Grossed Up Value of the Executive motor vehicle

- 11.1 A total annual value, the GUV (including any items under section 15.2 below) will be deducted from an executive's remuneration package for access to a fully maintained government owned motor vehicle for business and private use.
- 11.2 The GUV incorporates the -
- Lease costs, as calculated, including fuel, maintenance and operating costs for the vehicle;
 - RACQ membership;
 - Fringe Benefit Tax component, as calculated, for private use; and
 - Other costs as determined by the Public Service Commission Chief Executive and/or QFleet.
- 11.3 Executives who choose a motor vehicle with a GUV that is less than their entitlement will receive the difference as "salary", payable fortnightly in arrears commencing from the delivery date of the government owned motor vehicle to the executive. The difference will be calculated in line with annual adjustments to SES entitlements as determined by the Public Service Commission Chief Executive.
- 11.4 The GUV of a fully maintained government owned motor vehicle will be taken from the date the signed acceptance agreement is received by QFleet.

Example

An executive at the SES 2 level chooses a motor vehicle with a GUV of \$20,000 per annum. The executive will be paid the difference (\$4,500) between the GUV and their entitlement (\$24,500 per annum) as "salary".

- 11.5 The difference taken as salary is not recognised for the calculation of superannuation, annual leave loading or termination payment purposes.
- 11.6 The lease rate will not change during the lease period of the government owned motor vehicle irrespective of any movements in the entitlement or the GUV.
- 11.7 When an executive's motor vehicle is replaced, the GUV and the entitlement will apply on the date the signed acceptance agreement is received by QFleet.

12. Choosing not to use a government owned motor vehicle

- 12.1 Should an executive not wish to access the use of a government motor vehicle as part of their remuneration package, prior agreement of the chief executive must be obtained.
- 12.2 In agreeing to the executive's request to forego the entitlement of a government motor vehicle, the executive is required to satisfy their chief executive how the full duties and responsibilities of the executive's role will be performed without detriment or unnecessary costs to the business operations of the relevant agency.
- 12.3 If the Chief Executive is satisfied that it is reasonable for the executive to forego the use of a government owned motor vehicle, the executive shall receive the relevant vehicle allowance (EVA) as "salary", payable fortnightly in arrears.
- 12.4 The EVA paid as salary to the executive:

- a) is not recognised for the calculation of superannuation, annual leave loading or termination payment purposes; and
- b) will be adjusted as and when the EVA is adjusted.

12.5 Executives who choose not to use a government motor vehicle provided by QFleet and have received prior agreement from their chief executive, are subject to the following conditions.

The executive -

- a) may access government owned motor vehicles from their departmental vehicle fleet for official use only;
- b) may use taxis, public transport or hire vehicles as determined by the chief executive for official use only;
- c) is not permitted to use a government owned motor vehicle to travel to and from work and garage the government owned motor vehicle overnight at their private residence on a regular basis;
- d) will not be eligible for payment of a motor vehicle allowance should the executive use their private vehicle for official business purposes.

In accordance with the Policy - *Use of Government Owned Motor Vehicles and Parking of Private Vehicles on Official Premises*, the chief executive has the discretion to determine whether an executive who elects not to use a government owned motor vehicle as part of their remuneration package, may use an official car park for their private vehicle under conditions determined by the chief executive.

13. Departmental use of executive motor vehicles

An executive's government owned motor vehicle must generally be available for departmental use during normal business hours, except when the executive is on leave.

14. Leave

An executive may use the government owned motor vehicle during any period of paid leave up to eight weeks.

Should the executive be granted paid leave exceeding eight weeks for an extended period, the chief executive must determine the departmental need for the vehicle during the executive's absence.

If the executive does not require the use of a government owned motor vehicle during paid leave exceeding eight weeks for an extended period, the executive is not required to pay the GUV of the motor vehicle but will receive the EVA as salary.

If the executive is granted an extended period of leave without pay, the government owned motor vehicle may be temporarily withdrawn from the executive unless the chief executive determines, in exceptional circumstances, that there is not a departmental need for the vehicle during the executive's absence. If the executive is permitted to use the government owned motor vehicle during extended periods of leave without pay, the executive will be required to continue to pay the relevant full rate of the GUV.

If the executive is paid an EVA in lieu of a government owned motor vehicle, the executive will continue to be paid the full rate of EVA for all periods of leave. However, should the executive be granted leave on half pay, the EVA will be paid at half the rate and in cases of leave without pay, no EVA will be paid.

15. Executives working part-time

- 15.1 Executives who work part-time have a proportionate entitlement to the EVA based on their attendance at work.
- 15.2 Executives who work part-time, may, at the discretion of the chief executive, retain the use of their government owned motor vehicle on the business days they are not scheduled to attend work. In this situation, the executive will continue to contribute the full rate of the GUV of the government owned motor vehicle.

16. Special executive motor vehicles

- 16.1 Generally, if no executive motor vehicle from the approved QFleet range is acceptable or a suitable alternative is unavailable for the executive's official needs or does not suit limited family, safety and/or health requirements, then the executive should forego the government owned motor vehicle and receive the EVA as salary.
- 16.2 In limited situations however, an executive may request a special vehicle (e.g. 4WD or people mover) outside the range approved by QFleet to meet the official needs of the executive. The private needs of an executive including specific family, safety and/or health requirements may be considered but should not form the primary reason for a special government owned motor vehicle.
- 16.3 Requests are considered subject to the following conditions:
- there is no other alternative vehicle from the approved QFleet range, including options of reasonable adjustment, that is suitable for the business needs of the executive;
 - where an executive has a **frequent** official need for a special vehicle (e.g. 4WD) and a suitable "pool" vehicle is not available, the matter will be considered on its merits by the chief executive of the agency;
 - where an executive requests a special vehicle for specific safety, health and/or family reasons, the matter will be considered on its merits by the chief executive of the agency;
 - should agreement not be achieved on a suitable special government owned motor vehicle, the executive will forego the government owned motor vehicle and be paid the relevant rate of EVA.
- 16.4 Where an executive is supplied with a special vehicle primarily for business purposes, the GUV should not exceed the entitlement for the executive's classification. If this requirement cannot be achieved, the additional amount above the entitlement will be met by the agency.
- 16.5 Where an executive has only an occasional official need for a special vehicle (e.g. 4WD), the executive should use a "pool" vehicle for that particular official travel or if one is not available, the agency should hire an appropriate vehicle from QFleet or an approved vehicle hire company.

17. Executive vehicle accessories

- 17.1 The executive may request the following approved vehicle options and accessories as part of the official order.

Options and Accessories

Cargo safety barriers	Window tinting	Tow bar (standard)	Electronic Stability Control	Weather shields
Rear parking sensors	Mud flaps	Floor mats	Bluetooth phone connection	Roof racks (standard)

- 17.2 Where leather trim, DVD player or GPS navigation are not standard items on a vehicle requested by an executive, these may be included providing these options are available through the manufacturer and the cost is within the executive's EVA.
- 17.3 The GUV will be adjusted to incorporate the extra costs for items selection under Section 15.2 and this adjusted GUV is the amount that will be deducted from the executive's remuneration package.
- 17.4 The vehicle lease cost to the agency will incorporate the costs for items selected under Sections 15.1 and 15.2.
- 17.5 Executives must decide vehicle accessory and/or options at the time the order is placed unless agreed by the chief executive and QFleet in special circumstances.
- 17.6 Approved accessories nominated by the executive must only be fitted by QFleet approved fitters.
- 17.7 A request for any option or accessory (not listed above) required primarily for business purposes must be approved by the relevant chief executive. A copy of this approval is to be provided to QFleet at the time of ordering the vehicle.
- 17.8 Accessories and options from the approved range must be determined on each occasion for subsequent replacement vehicles.
- 17.9 The additional cost of approved accessories and options outlined under Section 17.7 will not be included in the executive's GUV calculation but will be met by the agency.
- 17.10 Vehicles are the property of the government and no alterations, including unauthorised signage or stickers can be made to the vehicle without the written approval of QFleet.

18. Comprehensive Motor Vehicle insurance

- 18.1 Executive motor vehicles are comprehensively insured against theft and damage. Any excess on the policy is paid by the executive's employing agency not the executive.
- 18.2 Costs for insurance claims where coverage is void are passed on to agencies which may in turn pass this cost on to the executive.

19. Care of executive motor vehicles

- 19.1 The executive is responsible for the security, safe home garaging and maintaining the government owned motor vehicle in a clean and tidy condition.

20. Accidents and breakdowns

- 20.1 RACQ membership is included as part of the lease costs.
- 20.2 If an executive's vehicle is unavailable through accident or mechanical breakdown, a replacement vehicle may be available for hire from QFleet. These vehicles are provided

only at the discretion of the chief executive and the costs associated with the hire are to be met by the executive's agency.

- 20.3 The executive will still continue to make fortnightly payments of the GUV at the rate originally determined.

21. Driving and other offences

- 21.1 The executive (or driver authorised by the executive) will be responsible for any penalties, traffic offences and/or payment of fines associated with both official and private use of the executive's vehicle.
- 21.2 Should an executive's driver's licence be suspended, the executive will continue to make fortnightly payments of the GUV for the government owned motor vehicle until the executive no longer has access to the vehicle or the vehicle is reassigned by the department (whichever is the sooner). From this date, the executive will receive the EVA as "salary" at the current rate.

22. Vehicle replacement

- 22.1 Executive motor vehicles will be replaced at the end of the agreed lease period and in accordance with government policy unless otherwise determined by QFleet.