

## 10.5. Review of Senior Staff Policies

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<b>ATTACHMENTS</b>	1. Senior Staff Policy - Provision of Motor Vehicles [ <b>10.5.1</b> - 6 pages] 2. Senior Staff Concessional Leave Policy [ <b>10.5.2</b> - 2 pages]
<b>CSP LINK</b>	5. Our Civic Leadership 5.2 Strong civic leadership and customer focussed services

### PURPOSE:

The purpose of this report is to review policies relating to Senior Staff, being the Provision of Motor Vehicles to Senior Staff Policy and the Concessional Leave Policy.

### EXECUTIVE SUMMARY:

- Council has recently adopted a new organisational structure consisting of three new senior staffing positions. Recruitment for these positions is currently being finalised.
- There are two policies relevant to the employment of Senior Staff relating to motor vehicle provision and concessional leave.
- A review of Council's Provision of Motor Vehicles to Senior Staff Policy has identified several areas for improvement, including the opportunity to require Senior Staff motor vehicles to be electric vehicles.
- The Draft Motor Vehicle Policy also removes the ability for Senior Staff to have a preferential option to purchase the Council vehicle on cessation of their employment.
- The introduction of electric vehicles into this policy ensures Council is still providing a competitive Senior Staff Employee Value Proposition, while ensuring our environmental targets are supported.
- A review of the Concessional Leave Policy has resulted a change in relation to the circumstances whereby concessional leave lapses.

### RECOMMENDATION:

- 1. THAT** the review of the Provision of Motor Vehicles to Senior Staff and the Concessional Leave Policy be received and noted;
- 2. THAT** Council adopt the revised Provision of Motor Vehicles to Senior Staff and the Concessional Leave Policy as attached.

## Background

Council has recently undertaken a review and restructure of its organisational culture. As part of this process, Council has determined the following positions as Senior Staff Positions under Section 322 of the Local Government Act (the Act):

- General Manager
- Director Corporate Support
- Director Community, Planning and Environment
- Director Open Space and Infrastructure

Given the recent changes, it is timely to review Council policies specific to Senior Staff. The two policies specific to Senior Staff are:

1. Provision of Motor Vehicles to Senior Staff Policy (introduced 24 September 2018)
2. Concessional Leave Policy (introduced 1 January 2015)

### **Review of Provision of Motor Vehicle to Senior Staff Policy (SSMV Policy)**

Senior Staff are employed under the Standard Contracts of Employment. North Sydney's SSMV Policy provides the mechanism under which motor vehicles are made available under these contracts.

Motor vehicles are traditionally a key contributor to the Employee Value Proposition strategy to attract and retain senior staff in Local Government.

A review of the SSMV Policy has resulted in the following key recommended changes:

#### *1. Change to require any Council-owned motor vehicle to be an electric vehicle*

This change has been recommended to ensure Council actively pursues its sustainable transport goal of moving towards 100% electric by 2030.

#### *2. Change to the replacement vehicle term guide from three years to five years, and from 60,000km to 100,000km*

Holding vehicles for an extended time also has a positive impact on sustainability. The extended holding period also acknowledges electric vehicle's have a higher upfront cost and allows this cost to be distributed over a longer period and in line with the term of contracts.

#### *3. Increasing the cost limit of the purchase price of the vehicle to \$80,000 excluding GST for the General Manager and \$75,000 excluding GST for Senior Staff*

The current policy is silent on GST and has a limit of \$75,000 for General Manager and \$65,000 for Senior Staff. The recommended limit recognises the increased capital cost of an electric

vehicle as compared to a standard motor vehicle. Given the recommended extended holding period, the annual capital cost of the vehicle is reduced despite the upfront capital cost.

#### *4. Change to vehicle contribution*

The current policy calculates private contributions based upon either 60% or 80% of the cost of the vehicle dependent upon place of residence. This calculation is not competitive when compared to industry standards. The General Managers contract is based upon 50%. It is proposed that the contribution for all senior staff vehicles be standardised at 50%.

The Australian Government has currently resolved that no Fringe Benefits Tax apply to electric vehicles as an incentive for employers to introduce electric vehicles into their fleet and to encourage employee take up of these vehicles.

The draft policy recommends that should FBT be introduced for electric vehicles, that the Executive pay 50% of this expenses and Council pay the remainder 50%.

#### *5. Removal of 'Fuel expenses' clause and introduction of 'Vehicle charging' clause*

With the introduction of electric vehicles to the policy, reference to fuel cards and purchases has been removed and replaced with a clause on electric vehicle charging.

The draft policy provides a charge card for the purposes of charging the electric vehicle at a charge station. The policy also provides for an electric vehicle charging station at Councils administration car park. This charging station is currently being procured within existing budgets.

The draft policy stipulates that home charging installation will be at the Executive's personal expense.

#### *6. Adjustment to 'Full private use vehicle' clause, renamed 'Novated Leasing'*

The current policy includes a clause on novated leasing specific to full private use. This clause is not required as novated leasing for full private use is available broadly to all staff.

The draft policy includes a clause for the instance where an Executive wishes to use their personal vehicle for work purposes in lieu of a council owned vehicle. Under such circumstances, the policy provides an allowance of \$9,000. This is consistent with broader council policy.

#### *7. Removal of 'Purchase on Cessation of Employment' clause*

The current policy provides Executives with a first option to buy the council vehicle should they cease employment with Council.

This clause and option have been removed. It is best practice that all council assets are sold via open market, and that no preference is provided to any one person or group.

## **Review of Provision of Concessional Leave Policy (CL Policy)**

The concessional leave policy was introduced in 2015 to support the health and wellbeing of Senior Staff and provide a transparent way to manage hours worked.

Standard working hours within Local Government are 35 hours per week. Employees at North Sydney Council can work these hours in a flexible way which allows for on average a nine-day fortnight. These conditions do not apply to senior staff.

Senior staff contracts require the staff member to 'work such reasonable hours as are necessary to carry out the duties and functions of the position and the employees obligation under the contract'. There is no requirement for a set day of work or hours of work, it is discretionary and measured based upon performance.

In any given week to work between 40 and 60 hours, noting that from week to week, they will be required to attend evening meetings, and weekend commitments. The Concessional Leave Policy requires Senior Staff to work Monday to Friday unless a concessional leave day is approved and taken. The concessional leave acknowledges the long hours undertaken in the role and supports the wellbeing and productivity of staff. By having a policy, a framework is created for the management of 'reasonable hours' and ensures a documented process in relation attendance.

A review of the CL Policy has resulted in the following recommended changes:

1. The inclusion of the requirement for Senior Staff to work as a minimum Monday to Friday each week unless on leave.

The inclusion of this clause clarifies the expectation that staff will work Monday to Friday as a minimum given the concessional leave provided.

2. The inclusion of a limitation of concessional leave where senior staff have in excess of eight (8) weeks annual leave owing unless otherwise approved in writing by the delegated officer.

The inclusion of this clause ensures that leave is managed to an acceptable level and an excess leave liability doesn't accrue.

### **Consultation requirements**

Consultation has been undertaken with affected staff.

### **Financial/Resource Implications**

There are no financial implications in relation to this report.



# DRAFT PROVISION OF MOTOR VEHICLES TO SENIOR STAFF POLICY

## 1. STATEMENT OF INTENT

This policy details the conditions relating to the provision of private, or part private, use vehicles for Senior Staff.

The policy aims to ensure Council is able to attract and retain quality senior staff while meeting its environmental sustainability objectives.

## 2. ELIGIBILITY

This policy applies to those employees who are classified as Senior Staff under the Local Government Act 1993.

## 3. DEFINITIONS

- 3.1. **Approving Authority** – in the case of the General Manager, the approving authority is the Mayor. In the case of all other senior staff, the approving authority is the General Manager.
- 3.2. **Cost of Ownership** – the full cost of ownership calculated by Council using its standard method for calculation of leaseback vehicles and plant hire including cost of depreciation, insurance, registration, maintenance and running costs.
- 3.3. **Executive:** for the purpose of this policy, “Executive” refers to those who are employed as Senior Staff.
- 3.4. **FBT** is Fringe Benefits Tax.
- 3.5. **Fitted accessories/options** are those which, if removed, leave a permanent change to the vehicle.
- 3.6. **Senior Staff** are those classified as Senior Staff under the *Local Government Act 1993*, employed under contract and not covered by the Local Government Award.
- 3.7. **TRP** is Total Remuneration Package as defined and stipulated in the Executive’s Contract of Employment.

## **4. PROVISIONS – COUNCIL VEHICLE FOR WORK AND PRIVATE USE**

### **4.1. Vehicle Entitlement**

Executives may elect, as part of their TRP, to be provided with a fully maintained and serviced Council-owned electric motor vehicle for work and private use. All vehicles will be purchased by Council in accordance with Council's Procurement Policy following approval.

When a newly-appointed Executive commences in a position designated as Senior Staff and desires a vehicle, Council may elect to provide a suitable vehicle from within the existing fleet until such time as that vehicle is replaced.

### **4.2. Ownership of the Vehicle**

4.2.1. The vehicle will always remain the property of Council until disposed of by Council.

4.2.2. The vehicle will be registered for business-use and insured in the name of Council.

### **4.3. Use of Vehicle**

4.3.1. Vehicles may be used for North Sydney Council business every-day use, private use of the Executive, and only for the purpose for which they were designed.

4.3.2. Unless approved otherwise, the vehicle must be available for work use when the Executive and their vehicle is at work. The vehicle may be used by other employees for work purposes when not required by the Executive at the discretion of the Executive.

4.3.3. Private use by the Executive includes use during approved leave.

4.3.4. Vehicles may not be used for illegal activities, rallies, racing, commercial use or be sublet.

### **4.4. New Vehicles**

4.4.1. A new or replacement vehicle will be provided in accordance with Council's vehicle replacement/turnover schedule - generally within five years or 100,000km.

4.4.2. The standard of vehicle is to be fit for purpose and appropriate for a Local Government Executive. Generally, the cost to Council of a vehicle for the General Manager is not to exceed \$80,000 excluding GST and other Senior Staff \$75,000 excluding GST.

4.4.3. The vehicle will have emergency on-road breakdown service coverage.

#### 4.5. **Vehicle Maintenance**

Council will provide, maintain and service the vehicle and meet all running costs associated with the vehicle, including car washing expenses. The Executive, in liaison with the Fleet Manager, is responsible for ensuring that all servicing is undertaken as stipulated by the log-book. The Fleet Manager is responsible for arranging maintenances and managing associated costs.

#### 4.6. **Vehicle contribution**

4.6.1. The value of motor vehicle benefits to be included within the Executive's total remuneration is to be 50% of the following motor vehicle costs:

- Estimated annual capital consumption to be calculated on the basis of purchase price less estimated sale price divided over a five-year ownership period;
- Annualised vehicle inspection fees;
- Servicing and general repair costs;
- Insurance expenses;
- Registration expense

4.6.2. It is noted that from 1 July 2022, employers do not pay FBT on eligible electric cars and associated expenses. Fringe Benefits will therefore not apply to vehicle contributions.

4.6.3. Should the current FBT exemption be abolished by the Australian Government, an amount equalling 50% of the FBT will be added to the vehicle contribution to be taken from the Executive's TRP.

#### 4.7. **Vehicle charging**

4.7.1. Executives will be issued with a charge card for electric charging stations. The charge card will also be available to use for car washes.

4.7.2. A charging station will be made available at Council's administration car park for the purposes of charging.

4.7.3. The installation of charging facilities at the Executive's place of residence or private property will not be reimbursed by Council and will be at the personal cost of the Executive.

#### 4.8. **Payroll Deductions and Adjustments**

Council will provide the Executive with the anticipated annualised cost of the private use and FBT which will be deducted from the Executive's TRP in periodic payments. Actual FBT will be reconciled annually and may result in a reimbursement or additional deduction.

#### 4.9. **Parking**

Council will provide parking at its expense (including FBT if applicable) in reasonable proximity to the Executive's place of work to facilitate the efficient work use of the Council-owned vehicle by the Executive and other employees.

#### 4.10. **Accidents**

The Executive shall immediately report the full details of any accident causing damage to the vehicle, or to any other persons, vehicle or property.

#### 4.11. **Work Health and Safety (WHS)**

4.11.1. Employees have a duty of care and an obligation under the WHS Act to report (to the Fleet Manager) any problem with the vehicle that may impair safety.

4.11.2. Council will provide and meet the costs of any modifications or accessories essential to ensuring compliance with WHS requirements.

### 5. **NOVATED LEASING**

5.1. Executives may elect to enter a novated lease to hold personal ownership of their vehicle with an approved provider. Such an arrangement shall be undertaken through an agreement to be approved in accordance with Council's novated leasing procedures. Under such an arrangement, the Executive bears the full cost from their remuneration package.

5.2. Should the Executive elect to enter into a Novated Lease arrangement and use their novated vehicle for business purposes, an allowance of \$9,000 shall be granted in addition to the TRP value agreed on appointment with Council. The purpose of this allowance is to recompense the Executive for business use of their novated vehicle.

### 6. **BREACHES**

6.1. Any breaches of the provisions of this policy may lead to the Executive's entitlement to the provision of a vehicle being revoked by the Approving Authority.

### 7. **POLICY VARIATIONS AND APPROVALS**

7.1. This policy may be reviewed periodically. Executives will be subject to eligibility/entitlement provisions in accordance with policy conditions as varied from time.

7.2. Interpretation, approvals and discretion within this Policy is at the absolute discretion of the Approving Authority.



## 8. IMPLEMENTATION

- 8.1. This policy will apply to any Senior Staff employment contracts entered subsequent to the adoption of the policy and to the provision of any new or replacement vehicle provided to Executives employed under contracts that commenced prior to the Policy's adoption.

## 9. RESPONSIBILITY/ACCOUNTABILITY

- 9.1. **Council** is responsible for:

- 9.1.1. Raising a purchase order to purchase the approved vehicle when the written approval/ acceptance have been received by the relevant Council officer.
- 9.1.2. Registering and insuring the vehicle.
- 9.1.3. Meeting the costs of servicing (including labour, parts and materials) at approved dealerships.
- 9.1.4. Council will endeavor to provide a replacement vehicle during periods of extended service or repair.
- 9.1.5. Providing a fuel card with the vehicle to be used for the purchase of appropriate fuel, oil and other fluids for this vehicle only.
- 9.1.6. Paying for all repairs including labour, paint and other materials where damage has occurred whilst the vehicle was being used in a manner and for purposes for which the manufacturer designed it.
- 9.1.7. When a vehicle is returned to Council, examining the vehicle to ensure that:
  - it is clean (both externally and internally);
  - all accident damage has been reported; and
  - all fitted accessories and options are present.

- 9.2. The **Executive who is leasing a vehicle** is responsible for:

- 9.2.1. Accepting the vehicle that he/she agreed.
- 9.2.2. Agreeing to only permit appropriately-licensed persons to drive the vehicle.
- 9.2.3. Paying to Council the agreed private use contribution by way of a standing regular salary deduction, which will commence on the first available pay period after receiving the vehicle.
- 9.2.4. Agreeing to maintain the vehicle in accordance with the manufacturer's recommendations, ensuring that all servicing is

undertaken as stipulated by the log-book, and for making arrangements through the Fleet Manager.

- 9.2.5. Producing the vehicle on demand.
- 9.2.6. Using and driving the vehicle only in a manner and for purposes for which the vehicle was designed.
- 9.2.7. Ensuring the vehicle is not being used, or driven in, racing (organised or social), drag racing, burnouts and doughnuts, or any other inappropriate use.
- 9.2.8. Agreeing that he/she will not fit any accessories to the vehicle or modify the vehicle in any way without prior consent.
- 9.2.9. Using the charge card provided by Council or Council charging facilities wherever possible and agrees to the terms and conditions of use of the charge card as stated in Council's Purchasing Card Policy, available in Council's electronic management system.
- 9.2.10. Keeping the vehicle in a clean and tidy condition at all times.
- 9.2.11. Keeping appropriate records of the drivers of the vehicle.
- 9.2.12. Being solely responsible for the settlement of any penalty notices or fines associated with the vehicle.
- 9.2.13. Reporting – immediately – to Council's Fleet Manager and Risk Manager the full details of any accident or incident causing damage to the vehicle another vehicle, any property or any person/s.
- 9.2.14. Returning the vehicle to Council in a clean and serviceable condition and in a reasonable time-frame when directed.
- 9.2.15. If leaving Council's employment, returning the vehicle on or before his/her last day of work unless otherwise agreed or the vehicle is purchased in accordance with 4.11.

## 10. VARIATION

Council reserves the right to vary or revoke this policy.

Version	Date Approved	Approved by	Next Review Date
1	24/9/2018	Council	5 years
2	5/6/2023		



## DRAFT SENIOR STAFF CONCESSIONAL LEAVE POLICY

[REF]

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**Policy Owner:** Human Resources

**Direction:** 5. Our Civic Leadership

### 1. STATEMENT OF INTENT

The objectives of this policy are to recognise the hours of work required to be worked by Senior Contract Staff and to provide work life balance and a healthy environment.

Senior staff contracts require the staff member to 'work such reasonable hours as are necessary to carry out the duties and functions of the position and the employees obligation under the contract'. There is no requirement for a set day of work or hours of work, it is discretionary and measured based upon performance.

It is acknowledged that to fulfil the responsibilities of these positions, hours are regularly worked outside the core business hours of Council. Frequently Senior Contract Staff are often required and expected to attend meetings in the evenings after 6.00 pm (other than Council meetings) and events on a Saturday and Sunday.

In this situation it is therefore appropriate that a framework to ensure hours worked are reasonable by stipulating minimum days of work, being Monday to Friday and providing for additional paid leave to ensure hours remain reasonable.

It is noted that Senior Contract Staff do not receive overtime, time off in lieu or have access to flexi time. Council indoor staff work 35 hours a week with access to flexi time where they can accumulate up to two flexi days off per month.

### 2. ELIGIBILITY

This is a policy for the General Manager and Senior Staff as categorised within the Local Government Act Section 332.

### 3. PROVISIONS

Senior Staff will undertake the responsibilities of their position as a minimum from Monday to Friday each week, unless taking leave.

Senior Staff are entitled to take 10 days paid concessional leave, each calendar year.

Concessional leave must be used within a 12-month period, to be used at no more than two days in any given month.

**Senior Staff Concessional Leave Policy**

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Concessional leave may be utilised alongside other types of leave.

Any Concessional Leave untaken at the end of the calendar year will expire unless otherwise approved in writing by the delegated officer.

Senior Staff will not be eligible for Concessional leave where annual leave balances are in excess of eight (8) weeks unless otherwise approved in writing by the delegated officer.

An approved leave form will be submitted to payroll identifying leave as Senior Staff Concessional leave.

**Relationship with Senior Staff Contracts**

This Policy will be read and interpreted wholly in conjunction with the Senior Staff Contract terms and conditions.

**4. RELATED POLICIES/DOCUMENTS/LEGISLATION**

- Senior Staff Contract

**5 VERSION HISTORY**

<b>Version</b>	<b>Release Date</b>	<b>Author / Approved by</b>	<b>Reason for Change/Adopted</b>	<b>Review Date</b>
1.0	1/1/2015	MANEX		
1.1	16/2/2016	MANEX	Review – Endorsed at Governance Committee	
2.0	24/9/2020	Manager Human Resources	Review	Every 2 years, or as required.
3.0				