



Executive and non-executive salary packaging motor vehicle charges 2017-2018

This guide provides the charges to be used when calculating salary packages for the use of a government owned motor vehicle.

All remuneration packages should be costed using the below charges and include the parking space levy (where applicable), fringe benefits tax and either the vehicle's standard operating lease or equivalent depreciation and interest.

Agency owned vehicles used in salary sacrifice arrangements must have a lease calculation obtained from your fleet management supplier for an equivalent make/model and term based on kilometres to be travelled.

APPENDIX 1 – Charges for executive and non-executive motor vehicle packages

Lease Costs	
Purchase Price of vehicle	\$ cost of vehicle including GST and all accessories for business or private use.
Lease Payment	\$ payment payable each month in respect of the vehicle lease (or calculated lease payment in respect of agency owned vehicles).

Running Costs (fuel; tyres; servicing and repairs)			
Vehicle Category	Item	Cost (cents per km)	Comment/Example
Passenger	Hybrid	10.5	Hybrid: Toyota Prius, Toyota Prius C, Toyota Prius V, Toyota Corolla Hybrid
	Light	14.5	Light: Yaris; Rio S; Accent; Barina
	Small	16.5	Small: Corolla; i30; Cerato; Lancer; Astra; Elantra
	Medium	17.5	Medium: Camry (no Hybrid); Sonata; Optima; i40
	Large–standard	18.0	Large Standard: Commodore; Aurion
	Large–LPG	17	Large LPG: Falcon Egas; Commodore Dual Fuel
	Large-Performance	33	Large Performance: V8 or Ford Large turbo
	Upper Large	25.5	Upper large- Executive: Hyundai Genesis
	People Mover	22.5	People Mover: Tarago, Carnival S

Sports Utility Vehicle	Small	17	Trax; ASX; ix35; Dualis; XV; Tiguan
	Medium	18	Kuga; Captiva5; Sportage; Outlander; XTrail; Forester; Rav4;
	Large	21.5	Territory; Prado; Tribeca; Kluger; Pajero; Captiva7; Santa Fe; Sorento; ; Pathfinder; Outback; MU-X
	Upper Large	23.5	Patrol
Commercial	Utility	19.0	Commodore; Falcon (2 seaters)
	Crew / Dual Cab	19.0	Hilux; Triton; Rodeo; Navara; Colarado; D-MAX; Ranger; Amarok

(continued over)

APPENDIX 1 (continued)

Standing Costs			
<i>Element</i>	<i>Item</i>	<i>Cost</i>	<i>Comment/Example</i>
Comprehensive Insurance (includes GST)			
	Passenger	759	See Running Cost list above
	SUV/Commercial	645	See Running Cost list above
Compulsory Third Party Insurance (includes GST)			
	Sydney	546	Greater metropolitan area
	Wollongong	442	“ “ “
	Newcastle/Cent Cst	350	“ “ “
	Country	302	
Registration fee including Tare Weight Tax (GST Exempt)			
	Up to 975kg	400	Yaris 1.3
	976 – 1154kg	446	Fiesta; Corolla; Barina;
	1155 – 1504kg	527	Camry; Cruze; Forester; Prius;
	1505 – 2504kg	761	Commodore; Falcon; Aurion ; Outback; Pajero; Landcruiser etc
NRMA membership (includes GST)			
	Joining Fee	0	Only applied in first year – rarely used
	Annual fee	45	
	Fee for Service	0	Mostly used in calculation for NSW Govt
Taxation			
Parking Tax (as issued by the OSR at 1 st July each year)			
From 1 st July 2014	Category 1	\$2350	Sydney; North Sydney; Milsons Point
	Category 2	\$840	Parramatta; Chatswood; Bondi Junction; St Leonards
FBT Factors	Gross up factor	1.8868	
	Top tax rate	47%	
Statutory Factor	No km limit	20% (0.20)	For packages established after 10 May 2011 at 7:30pm.

APPENDIX 2: Notes on motor vehicle packages 2017–2018

Changes in charges from the previous guide

Running Costs

This year has seen some minor changes to the Running Costs. Fuel, Maintenance and tyre costs were supplied by the fleet management providers based on their extensive lease books and experience. The figures in Appendix 1 reflect these changes.

Lease fee

Lease fees are now to be obtained from your Fleet Management provider. The figure provided will reflect the actual costs incurred by agencies leasing vehicles. **No package should be calculated with an agency determined lease fee.** The final lease fee will not be confirmed until closer to the vehicles delivery. This is due to the request for quote (RFQ) process undertaken by NSW Procurement. The RFQ process delivers highly competitive lease fees.

For agency owned vehicles, a lease calculation must be obtained from your fleet management supplier for an equivalent make/model and term based on kilometres to be travelled annually so charges remain consistent across government. The lease payment figure must include GST.

Standing Costs

CTP insurance

NSW Government CTP's are provided by contract to the NSW Government and the prices in Appendix 1 reflect the contract figures. The newly awarded CTP contract has seen some reductions in costs, particularly in regional areas.

Registration

Rego costs have increased slightly from last year. This is due to weight tax increases.

Insurance

These charges are provided by icare and reflect claims history and future liabilities. They have also decreased since last year.

Gross-up rates for FBT

Regardless of whether the benefits provided are type 1 or type 2, only the lower gross-up rate is used for reporting on employees' payment summaries.

Type 2: Lower gross-up rate

This rate is used if the benefit provider is not entitled to claim GST credits.

FBT year	FBT rate	Type 2 gross-up rate
Ending 31 March 2015	47%	1.8868
Ending 31 March 2016 and 31 March 2017	49%	1.9608
Ending 31 March 2018	47%	1.8868

Type 1: higher gross-up rate

This rate is used if the benefit provider is not entitled to claim GST credits.

FBT year	FBT rate	Type 1 gross-up rate
Ending 31 March 2015	47%	2.0802
Ending 31 March 2016 and 31 March 2017	49%	2.1463
Ending 31 March 2018	47%	2.0802

Parking Space Levy

Parking Space Levy fees apply from 1 July each year. These are advised by a separate Circular, details can be found here <http://www.osr.nsw.gov.au/taxes/psl>

The current rates are:

Category	District	Rate
Category 1	City of Sydney North Sydney and Milsons Point business districts	\$2,350
Category 2	Bondi Junction Chatswood Parramatta St Leonards	\$840

The Parking Space Levy **is not** the cost of the parking space, but a levy on parking spaces in CBD locations. There is no proportioning of the levy (e.g. by business/private split). The only proportioning that would occur is at a reconciliation of a package where the officer has not held the spot for the entire FBT year. There are no exemptions for the Parking Space Levy.

APPENDIX 3: Components in calculating a package

Purchase Price and FBT

The purchase price is the invoiced value of the vehicle including all accessories and options whether used for business or private use. Accessories are those generally purchased from a dealer or third party as options or aftermarket fittings (eg towbar, driving lights etc). Leased vehicles will have all the accessories included in the capital cost. For agency owned vehicles, which are subsequently salary sacrificed, the accessories must be added into the purchase price for the calculation of the package and FBT. The Australian Tax Office advises that any accessory added after the vehicle is purchased must be added into the capital cost of the vehicle.

The NSW Government uses Type 2 - Lower gross-up rate for FBT when charged for salary packaging arrangements in all Government agencies will use the lower gross up rate. Under this arrangement the employee bears the GST inclusive cost of relevant expenses, but is charged FBT at the lower rate. As such GST is included on those items not exempt from the payment of GST.

Lease Payments

The lease payment is a calculated fee incorporating the components of purchase price, residual value, interest rates, the lease term and estimated distance the vehicle will travel. The lease payment also includes GST. This figure is provided by a Lessor under Contract 333.

Running Costs

The running costs on the vehicle are calculated to include the cost of fuel, servicing, general maintenance such as oil and tyres, and minor repairs (non-insurance). These figures have been supplied by fleet management experts with access to data to support the true running costs of each vehicle category.

The vehicle categories in Appendix 1 are consistent with Australian Bureau of Statistics reporting categories for motor vehicles and the industry standards. As such the Sports Utility Vehicle (SUV) category is included and consolidates the 4WD and AWD. Vehicles categorised as commercial, which are salary sacrificed, are not exempt from the payment of FBT under the *FBT Assessment Act 1986*. As such they are to be treated in the same way as passenger vehicles and costed accordingly.

Standing Costs

CTP is applicable and paid based on the agency garaging address of the vehicle and not the private officer's address.

For vehicles leased after July 4th 2016, the initial registration fee is not included in the lease fee. For vehicles funded by Treasury the initial registration fee is included in the lease fee for that year. Agencies should use the following formula to remove the registration fee from the lease fee. When the adjusted lease fee is used in package calculations, the officer should be

charged the full registration fee in the package as listed in this document. **This is the recommended approach.**

$$\text{Adjusted Lease Fee} = \frac{\text{Capital cost of vehicle} \times \text{Treasury lease fee}}{\text{Capital cost of vehicle} + \frac{(\text{Days of Rego to CED} \times \text{Sal Sac Rego Charge})}{365}}$$

Days of rego to Common expiry date (CED) = (CED - Purchase Date or Lease Common Expiry Date) + 1

Roadside Assistance

Roadside assistance membership is applied to packages where an agency has a specific account with a provider and pays the annual fee for the car to be covered. If an agency has elected to have a "Fee for Service" arrangement, no cost is payable by the officer. Where a manufacturer has a roadside assist as part of the vehicle cost, no fee is to be charged. Most vehicle packages will be costed as Fee for Service.

Parking Levy

Transport for NSW revises the Parking Space Levy (PSL) annually for parking spaces in central business districts. The levy commences on 1 July annually and is collected by the Office of State Revenue.

The PSL is one of a number of NSW Government strategies to help reduce congestion in key business districts throughout Sydney. The aim of the PSL is to discourage car use in central business districts, as well as attracting customers to public transport by funding around \$100 million of improvements to essential infrastructure each year, such as commuter car parks and interchanges.

Parking Space Levy Review:

The NSW Government has commenced a review of the Parking Space Levy Act 2009 to determine whether the policy objectives of the Act remain valid and whether the terms of the Act remain appropriate for securing those objectives. Additionally, the Parking Space Regulation 2009 needs to be reviewed, as it is due for statutory repeal under the Subordinate Legislation Act 1989. If any changes to the way the PSL is calculated, NSW Procurement will update this document and advise Cluster Fleet Managers and contacts.

Taxation

The NSW Government has previously determined it will use the lower gross up rate in vehicle salary packaging arrangements. The Statutory Factor is used in the Statutory Method calculation for FBT and is used in estimating package costs. Agencies (the employers) will be required to pay FBT to the ATO using the applicable FBT gross-up rate, generally the Type 1 rate and retain any ITC, if available. The RFB figure placed on the officer's payment summary will be calculated using the higher Gross up rate.

Reconciliation Calculation

The Salary Packaging calculator has a reconciliation sheet which can calculate on Statutory Factor or Operating Costs. If Operating Costs are known then they can be input and the lower rate will be used in the calculation. A minimum number of costs need to be entered for the operating costs calculation to be performed.

An officer may hold two or more vehicles packages over the year, all vehicle packages must be calculated separately and then the total reconciliation determined by joining the final figures.

Reconciliation

Vehicle packages are to be reconciled as at 31 March (end of FBT year). Reconciliation requires the package to be recalculated based on closing FBT year information and reconciliation against the estimate provided to the officer. There may be further recovery from the officer or monies returned depending upon the outcome of the reconciliation.

When the package is reconciled, the FBT liability can be calculated using the Statutory Method or the Operating Cost method. The method that provides the lowest FBT amount payable can be used. The Operating Cost method should only be used when a valid log book has been maintained by the officer.

All reconciliation payments **must be made before the end of the financial year** and the RFB amount recorded on the officers' payment summary.

Pooled car benefit

Since 1 April 2007, pooled car fringe benefits, if exempt, do not need to be reported on the employee's payment summary. A pooled or shared car is one provided by an employer for the private use of two or more employees.

APPENDIX 4: Motor Vehicle Salary Package Calculator

Agencies have the option of using their own spreadsheet or database to calculate packages. An electronic calculator is available from NSW Procurement. The calculator (example below) is provided to identify the formulas and method of calculation to be used in determining a package cost and to maintain consistency across agencies. The spreadsheet calculator is available from NSW Procurement upon request to: nswp_fleet@finance.nsw.gov.au



2017-18 Motor Vehicle Salary Sacrifice Package Calculator

PACKAGE CALCULATION

OFFICER DETAILS		Enter Details
Officer Name:	John	
Staff/payroll number:	123456	
Position:	Manager	
Section:	Policy	

VEHICLE DETAILS		Enter Details
Vehicle Description:	Toyota Aurion	
Fleet Number:	789123	
Registration Number:	AA 11BB	
Vehicle LEASED or OWNED: #	LEASED	
Purchase Price (ex GST): #	\$40,000.00	
Lease or Depn Payment (ex GST): #	\$500.00	

(Lease/Depn # is mandatory even if "OWNED")

PACKAGE DETAILS		Enter or Select from lists
Regn or Delivery Date of Vehicle: #	1-Apr-17	
CED Date of Agency (registration): #	30-Jun-17	
Package Start Date: #	1-Apr-17	
Package Stop Date:(see Reconciliation)		
Estimated Total Kms (bus + priv): #	26000	
Private Use percentage: #	100%	
Running Cost Vehicle Category: #	Medium: Camry (non hybrid); i40; Liberty; Passat; Mondeo; Kizashi	
Comprehensive Insurance: #	Passenger	
CTP: #	Sydney	
Registration: #	1505 - 2504 kg	
NRMA: #	Fee for Service	
Amount for Parking Space Levy: #	Cat 1: Sydney / North Sydney / Milsoms Point (to 30/6/17)	

Item	Cost Component	Amount	Formula	Full Cost	Formula	Cost officer
A	Purchase Price	\$40,000				
B	Purchase Price with GST	\$44,000				
C	Lease/Depn Payment (as adjusted)	\$500				
D	Lease Payment with GST	\$550				
E	Private Use factor	100%				
F	Annual Lease expense		$D \times E$	\$6,600	$F \times E$	\$6,600
G	Running Cost per Kilometre	#N/A				
H	Annual Kilometres	26000				
J	Annual Running Cost expense		$G \times H$	#N/A	$J \times E$	#N/A
K	Comprehensive Insurance	\$759				
L	CTP	\$546				
M	Registration (for full yr)	\$761				
N	NRMA	\$0				
P	Annual Standing Cost expense		$[K \text{ to } N]$	\$2,066	$P \times E$	\$2,066
Q	Subtotal		$F + J + P$	#N/A	$Q \times E$	#N/A
R1	Annual Parking Space Levy	\$2,350	R1	\$2,350		\$2,350
R2						
R3	Subtotal			\$2,350		\$2,350
S	Statutory Factor	0.20				
T	FBT Gross Up factor	1.8868				
U	FBT rate	0.47				
V	FBT expense		$B \times S \times T \times U$	\$7,804	V	\$7,804
W	Grand total		$Q + R3 + V$	#N/A	$[Q \times E] + R3 + V$	#N/A

DECLARATION	
I, John Manager, acknowledge and accept that:	
*these quoted charges are an estimate only and are subject to change based on the actual costs when the vehicle is acquired	
*the final reconciliation of the package will be based on the actual kms travelled in the FBT year which may result in an adjustment (+/-) which will be returned to me or recovered from me within the financial year.	
*I agree to abide by the terms and conditions of the NSW Gov Motor Vehicle Policy and Agency directions on the use of motor vehicles.	
*failure to submit log books each month will result in all kilometres travelled as being recorded as private kms in accordance with tax law.	
Signed	date

MV Car Expense	
Monthly Deduction Amt:	#N/A
Fortnightly Deduction Amt	#N/A
Fortnightly Amt (10 day ft)	#N/A

Parking Levy	
Monthly Deduction Amt:	\$195.83
Fortnightly Deduction Amt	\$90.38
Fortnightly Amt (10 day ft)	\$90.08

FBT	
Monthly Deduction Amt:	\$650.32
Fortnightly Deduction Amt	\$300.16
Fortnightly Amt (10 day ft)	\$299.12

Total	
Monthly Deduction Amt:	#N/A
Fortnightly Deduction Amt	#N/A
Fortnightly Amt (10 day ft)	#N/A