



POLICY ON SUBSIDIZED MOTOR VEHICLES

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SCHEME A

Definitions: *In these instructions, unless the context otherwise indicates:-*

"Assigned official kilometers" means the number of official kilometers prescribed specific for subsidized vehicle;

"Capital Remuneration" means the state's contribution to the capital cost based on the purchase price minus the estimated resale value of a subsidized vehicle, payable in equal monthly installments for the duration of the selected official utilization period;

"Department" means the Department of Culture, Sport and Recreation Mpumalanga Province;

"Head of the Department" means the Head: Culture, Sport and Recreation referred to in the Public Service Act, 1994 (Proclamation No.103 of 1994 chapter 3), and unless otherwise indicated, an officer to whom they delegated their powers in terms of these instructions"

"Official" means a person who has been appointed permanently, notwithstanding that such appointment may be on probation, to a post contemplated in section 8(1) (a), and include a person contemplated in section 8 (1) (b) or 8 (3)(c);(1). A person who has been appointed on contract in terms of section 8(1)(c) (ii) of the Public Service Act, 1994; and :-

"Regulation" means a Public Service Regulation, unless otherwise indicated;

"Selected official utilization period" means the utilization period selected by an official, in respect of the utilization of a subsidized vehicle, subject to approval of Head: Culture, Sport and Recreation to inter alia, administer the department's Subsidized vehicle.

"Service providers" means the private sector company (ies) that will provide the finance, maintenance and administration for subsidized Transport scheme within a contract issued by the state.

"Responsible manager" means the supervisor /manager of the applicant and /or Programmer Manager responsible for the budget if it is not the same person;

"Benchmark price" means the set capital amount per category of the vehicle for purchase purposes as amended by the National Department of Transport quarterly.

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1. PREAMBLE

1.1 Circular No.5 of 2003 issued by the National Department of Transport

Makes a provision for the acquisition and supply of subsidized motor vehicles to qualifying employees as a working tool.

- 1.2 In terms of this circular, each department is required to have a Transport Committee that will make recommendations to the Head: Culture, Sport and Recreation as to who qualifies to be provided with a subsidized vehicle.
- 1.3 The Transport Committee that will make recommendations to the Head: Culture, Sport and Recreation as to who qualifies to be provided with a subsidized vehicle. The transport committee will then process the recommended application for final approval by the Head: Culture, Sport and Recreation.
- 1.4 A subsidized vehicle provided in terms of this Scheme is a working tool, and not a service benefit or condition of employment.

2. SPECIFIC QUALIFYING CRITERIA

- 2.1 An officer will qualify for Scheme "A" if he /she travels, for job related purposes, a minimum of 21,000km i.e. (1,750kmx12 pm) and not exceeding 30,000km i.e. (2,500kmx12pm) official kilometers per annum. It is however, the prerogative of the Head: Culture, Sport and Recreation to approve official kilometers in excess of 30000km which is (2,500kmx12pm) kilometers.
- 2.2 When an official's duties necessitate the official use of a motor vehicle and where the provision of a subsidized vehicle is in the interest of the state, the applicant must complete the Z81 application form. This is to ascertain the level of a responsibility and the scope of work for which the applicant is responsible.
- 2.3 The following information on the Z81 application form, certified by the Head of the directorate must be furnished:
 - 2.3.1 Official kilometers and utilization of a government owned vehicle for the previous, six (6) months and /or
 - 2.3.2 Official must have travelled 10,500km(1,750kmx6 month) for official purposes during the previous six (6) and,
 - 2.3.3 Projected official kilometers for the contract period should not be seasonal in nature.
- 2.4 All applicants must submit the following information in addition to the Z81 application form, which is to be certified by the head of the directorate:-
 - 2.5.1 A copy of the applicant's identification document.
 - 2.5.2 A copy of the latest salary advice- not older than 3 months.

- 2.5.3 A copy of valid driver's license.
- 2.5.4 In case of person with disability, the nominated driver must have a valid driver's license.
- 2.5.5 Full job description and work plan of the applicant plus supervisor's motivation.
- 2.5.6 Proof of official kilometers and utilization of a private vehicle or pool vehicle for approved official duties for the previous six month.
- 2.6 An employee's permanent appointment must have been confirmed.
- 2.6 Every application for a subsidized vehicle must be evaluated as a new application.

3. MONTHLY TRAVEL ALLOWANCE

- 3.1 The monthly travel allowances are based on the Departmental benchmarks that are aligned to the benchmarks listed on the National Contract RT57. See Annexure 1. e.g(1.4 is between 1251-1550, 1.6 is between 1551-1750, 2.0 is between 1951-2150 and 2.2-2.5 is between 2151-2500)
- 3.2 If an official exercises the option to purchase a more expensive vehicle other than the one approved by the Head: Culture, Sport and Recreation, monthly travel allowance will be paid based on the approved benchmark.
- 3.3 If an official exercise the option to purchase a less expensive vehicle than that which is approved by Head: Culture, Sport and Recreation, the monthly allowance will be based on the vehicle purchased.
- 3.4 The travel allowance is payable monthly in arrears through the payroll system.
- 4 The combined capital remuneration and the maintenance allowances will be paid to the official as the fixed cost element of the monthly travel allowances and will be calculated by the Service provider(s).The service provider (s) will deducts the fixed cost element from the officials salary over the contractual period electronically by way of a stop order on PERSAL.
- 4.1 The fuel allowance constitutes the variable cost element of the monthly travel allowance and is calculated according to the actual official mileage completed per month multiplied by the fuel allowance tariffs in cents per kilometer.
- 4.2 The cost of any additional non- standard equipment for an official with disability officials must be borne by the department.
- 4.3 Officials are compelled to keep accurate records if they claiming tax relief for actual running expenses.
- 3.9 Private use, undertaken at the officials cost, should be reflected in the logbook.
- 3.10 The actual distance traveled between home and work in a subsidized vehicle

is deemed private mileage, however, in other instances official distance from home to intended destination return home can be recorded as official depending on the geographic demarcation of the destination to travel to and the arrival time to reach a particular destination.

- 3.11 Distance from home to approved dealership merchant for routine maintenance of subsidized motor vehicle will be recorded as official, and such distances must be projected and approved prior undertaking the trip.

4. TRIP AUTHORIZATION AND LOG SHEETS

- 4.1 All official trips must be authorized by the responsible manager before an official trip is undertaken.
- 4.2 Furthermore, trip authorization should be obtained prior to the trip being undertaken in respect of kilometers travelled to funerals attended on behalf of the department and other official departmental events.
- 4.3 A monthly Log sheet must be submitted on or before 15th of each month, signed by the supervisor / manager and to be accompanied by the approved itinerary.

5. INSURANCE

- 5.1 The state shall bear the full cost of the insurance on the behalf of the official for the vehicle approved by the Head: Culture, Sport and Recreation.
- 5.2 The payment of excess in the event of an insurance claim shall be in case of claim arising from the official use of the vehicle, the state will reimburse the official on proof of validity of that claim and in case of the claim arising from the private use of the vehicle, and the excess must be borne by the official.
- 5.3 After the contract period, the official must insure the vehicle at own cost until official kilometers have been completed.
- 5.4 The liability of the state in respect of the insurance premiums is limited to the total premium payable in respect of the vehicle, which was deemed to be the smallest and cheapest vehicle, suitable for the functional duties of the official.
- 5.5 All additional costs will be incurred by the official.

6. UTILIZATION PERIOD

- 6.1 The official utilization period for a subsidized vehicle shall be for a minimum period of 32 months and maximum period of 48 months.
- 6.2 Furthermore, the official must complete the official mileage of 160,000km as per the contract with the State.

- 6.3 The average annual thresholds relating to mileage would require an official to travel a minimum of at least 70% official and 30% private mileage, based on the total kilometers travelled.

7. EMERGENCY SERVICES VEHICLES

All subsidized vehicles used for emergency vehicles, must be clearly branded with the designated logo / decals as approved by the Province.

8. TYPES OF VEHICLES TO BE ALLOCATED

- 8.1. The type and size of vehicles to be allocated is determined by the following: -

8.1.1 The number of passengers to be transported on regular basis,

8.1.2 The nature of the equipment to be transported on a regular basis,

8.1.3 And affordability.

8.2 Benchmark Categories of vehicles

8.2.1 LDV-maximum engine capacity of 2.5 and not exceeding the benchmark prices

8.2.2 Set by National Department Transport.

8.2.3 SEDANS- maximum engine capacity of 1.6 and not exceeding an amount of Benchmark prices set by National Department of Transport.

8.3 Officials who wish to have vehicles in excess of the above limits must note that their capital remuneration, maintenance allowances as well as fuel allowances will be paid according to the benchmark as indicated in paragraphs (a) and (b).

8.4 Officials who have outstanding subsidized eg. outstanding kilometers and financial debt or capital remuneration debt with the Department will not qualify for another subsidized vehicle.

8.5. WITHDRAWAL

NORMAL WITHDRAWAL

Ownership of the vehicle shall transfer to the official subject to the following conditions:

8.5.1 The official must complete the contracted utilization period that was negotiated per individual contract with the service provider(s) and

8.5.2 The full amount of the purchase price has been repaid by the official.

PREMATURE WITHDRAWAL

- 8.5.3 If for any reason, such as dismissal, retirement, ill health, death, resignation, retrenchment, change of job content or where an official is transferred to a post where a subsidized vehicle is not justified, the monthly travel allowance and insurance will be terminated.
- 8.5.4 The state will not be liable for any allowances after the date of termination of a contract. This implies that the official is liable for the full outstanding debt from the date of withdrawal.
- 8.5.5 The Head: Culture, Sport and Recreation must advise the service provider(s) in writing of the date of termination within 48 hours of notification thereof.
- 8.5.6 Officials will under no circumstances be allowed to withdraw from a contract unless a minimum of 32 months has been completed e.g. a vehicle that has completed 33 months but still owes some official assigned kilometers to be travelled do not qualify to be withdrawn until such kilometer are been settled.

9. PROHIBITED ACTIONS

- 9.1 Any official provided with a subsidized vehicle may not utilize a Government owned vehicle.
- 9.2 In the instances where a special task cannot be executed with the official subsidized vehicle the Head of Directorate/Responsible Manager must give permission/approval subject to submission of an application to that effect. No official kilometers undertaken by the relief vehicle are to be credited, against the Subsidized Vehicle.
- 9.3 An official provided with a subsidized vehicle must not under any circumstances utilized the services of any government garage, or government –owned workshop, or of any government stores and government contracts, for the maintenance and operation of the subsidized vehicle.
- 9.4 An official must not loan, or permit any person to make use of his/her subsidized vehicle for official purpose.
- 9.5 The Scheme does not make provision for existing Government-owned vehicle to be taken over as subsidized vehicle.
- 9.6 Any applicant undergoing disciplinary hearing, application will be recommended subject to legal opinion.
- 9.7 Official are not allowed to utilize the subsidized vehicle for income generated activities until the contractual obligations have been completed.

10. SANCTIONS

- 10.1 These provision, which are applicable to Subsidized Motor Transport bind the official participating within the scheme.

- 10.2 Failure to comply with the provision and, or instructions issued in respect of Subsidized Motor Transport, will render the offending official liable to disciplinary action in terms of the Public Service Regulations. In certain cases, the repossession or withdrawal of the concession in respect of the use of Subsidized Motor Transport must be enforced.

11. GENERAL

11.1.1 RESPONSIBILITIES OF THE RESPONSIBLE MANAGER

- 11.1.2 To endorse the motivation of the applicant or in the case where the job does not require a subsidized vehicle to decline the application.
- 11.1.2 To ensure that there are no pending disciplinary action against the applicant before forwarding the application to the Transport Office.
- 11.1.3 To motivate in detail should a vehicle different from the Departmental benchmark is required.
- 11.1.4 To confirm official kilometers claimed on the log sheet.

11.2 RESPONSIBILITY OF THE TRANSPORT MANAGER

- 11.2.1 To check compliance of application documents in terms of applicable policy prescripts.
- 11.2.2 To compile log sheet summary and to submit to Service Provider(s).
- 11.2.3 To conduct inspections with a view to check whether log sheets correspond with the kilometer distance on the odometer of the vehicle.
- 11.2.4 To liaise with Service Providers on behalf of the Department.

11.3 RESPONSIBILITIES OF THE TRANSPORT COMMITTEE

- 11.3.1 To evaluate all applications based on regulations and Legislative prescripts.
- 11.3.2 To advice and make recommendations to the Head: Culture, Sport and Recreation.

11.4 RESPONSIBILITIES OF THE HEAD: CULTURE, SPORT AND RECREATION

- 11.4.1 To appoint the Departmental Transport Committee.
- 11.4.2 To approve recommended applications for subsidized motor vehicle
- 11.4.3 To determine departmental benchmarks.
- 11.4.4 To adjudicate on discrepancies regarding interpretation of private mileage.
- 11.4.5 Manage all risks associated with the subsidized Motor Transport Scheme.
- 11.4.6 Develop and approve departmental policies.

SCHEME B

12. SPECIFIC QUALIFYING CRITERIA

- 12.1 Scheme B is an option whereby officials are allowed to utilize their own private vehicle for both private and official related purpose on the provision that the official travels between 6000km's and 21000km official kilometer per year and does not qualify for a Subsidized Vehicle under Scheme A
- 12.2 The official will be remunerated on the prescribed kilometer rated for actual business kilometer traveled that appears under „private on official“ as prescribed by the Department of Public Works, Roads & Transport.
- 12.3 The state shall not contribute towards insurance and maintenance of the vehicle utilized.
- 12.4 No Scheme „B“ vehicle shall be supplied through the National contract RT 57

13. APPLICABILITY AND IMPLEMENTATION OF THE POLICY

This policy is applicable to all employees of the Department of Culture, Sport and Recreation. The conditions thereof will be binding with effect from the date of approval by the Head: Culture, Sport and Recreation.

14. REPEAL

This policy will be reviewed every three years, or whenever a need arise, consultative session will be conducted prior to approval. This policy supersedes all other departmental policies governing provisioning of subsidized motor vehicles existed before this date.

15. APPROVAL



MR. GS NTOMBELA

HEAD: CULTURE, SPORT AND RECREATION

DATE 01/04/2018