

5.1 MOTOR VEHICLE POLICY

1 PRINCIPLE

Vehicle travel costs for a person in ministry, whether in a metropolitan or a rural placement, need to be based on equitable and fair remunerations. For this to occur basic assumptions need to be established. Calculations by the Royal Automobile Club in WA (RAC) underpin most of the calculations in this policy although there are points at which the church differs in how the criteria is applied. (Refer RAC Website: <http://rac.com.au/go/community-and-information/motoring-advice/car-facts/vehicle-operating-costs>)

2 CALCULATION CRITERIA

All calculations are based on a medium sized car using Unleaded Petrol. It is assumed that this vehicle will travel 15,000 km per year and will be privately owned for a period of 5 years.

Vehicle costs are broken down into four main areas: Depreciation, Loan Costs, Fixed or Stationary Costs and Running Costs.

2a DEPRECIATION

The RAC states that the biggest single running cost on a vehicle is depreciation which accounts for 40-50% of the running costs. If the vehicle is owned for less than five years this cost is higher. It is noted that this is a significant problem for Ministers in rural placements travelling long distances in short time frames. Whereas the RAC bases its calculations on the vehicle being privately owned, Ministers have the advantage of being able to use a fleet discount and claim stamp duty exemption and concessions on licensing. (Refer to Policy Document 5.3) The Ministerial Benefits Committee reviews this figure on an annual basis. It is based on the RAC figure plus a 10% loading to allow for the fact that many Ministers will change their vehicle earlier due to higher distances travelled.

2b LOAN COSTS

Ministers are paid an allowance for motor vehicle depreciation each month that goes to their Minister's Co-operative Loan Fund account. The depreciation monies placed in this fund earn interest and the availability of a low interest loan balances out the majority of loan costs. There are also tax offset benefits in this system that are not available to private owners. For this reason, whereas the RAC factor in loan costs in their calculations the Uniting Church does not.

2c FIXED COSTS

RAC figures have been used in calculating these costs. They include:

- a The cost per annum of registering a vehicle in Western Australia including Vehicle Licensing fee, Compulsory Third Party Injury Insurance; A recording fee; GST on Third Party Insurance, Stamp Duty on Third Party Insurance.
- b Comprehensive Insurance Costs (per annum) using RACWA comprehensive car insurance premiums and the following parameters:
 - (i) no claim bonus of 55% with bonus protection
 - (ii) private use
- c Club Membership of basic RACWA Roadside Care.

2d RUNNING COSTS

The running costs are calculated as 10% of the published ULP price (including the regional variations) plus the maintenance costs (expressed as cents per kilometre for a vehicle travelling 15,000 km per year).

The RAC maintenance costs have a 10% loading applied to the tyre, service and repair costs to reflect the additional costs for those in a rural placement. Fuel costs are calculated on the basis of a vehicle using ULP and returning a fuel consumption of 10.0litres/100km. WA Fuel Watch prices are used as the basis for determining fuel prices, adjusted each six (6) months, 1 June and 1 December and applied from the following 1 July and 1 January. A table showing regional variations is published by the Synod each July and January.

3 ALLOWANCES FOR REIMBURSEMENT

3a VEHICLE DEPRECIATION ALLOWANCE

This amount is paid monthly by a congregation/placement to the Synod, generally into the Minister's Benefits Account and then transferred into a Co-operative Loan Account for the Minister. It is then available to the Minister when they want to purchase a motor vehicle or for significant repair work on their current vehicle.

3b FIXED COSTS PAYMENT

This amount is paid monthly by a congregation/placement to the Synod, generally into the Minister's Benefits Account and then may be used by the minister under the rules governing the Minister's Benefits Account.

3c TRAVEL ALLOWANCE

This is a reimbursement of the running costs. This amount is paid monthly by a congregation/placement to the Synod, generally into the Minister's Benefits Account and then may be used by the Minister under the rules governing the Minister's Benefits Account. The Minister must provide reasonable documentation (for example: a travel log) to justify the claims being made.

4 PART-TIME PLACEMENTS & LONG TERM SUPPLY

Those in part time placements and long term supply (more than 6 months) may negotiate with their placement whether they receive payment as a combination of the Allowances for Reimbursement or whether they use the Lay Travel Policy rates (Policy 16.1). The final decision for this rests with the placement or congregation. (If a congregation it is through the Church Council).

5 VEHICLES PROVIDED BY THE SYNOD

Special provisions exist for Ministers and others in Presbytery or Synod placements. They may be provided with a fully maintained motor vehicle and are bound by the terms and conditions of the Uniting Church in Western Australia Motor Vehicle Policy. They do not receive any other motor vehicle provisions or entitlements if they operate under this system.

6 POINTS TO NOTE

6a Travel Costs are paid up to a maximum of 40,000 km. After this distance the vehicle should be provided by the placement and the minister will reimburse the placement for private use at the running cost rate.

- 6b** If the vehicle is owned outright there is a rule of thumb which says that the larger the vehicle the more expensive it is to run in all areas of cost.
- 6c** Differential stipends for those living in rural areas also contain a component that reflects the higher running costs incurred by rural Ministers. This additional support has not been factored into these calculations.
- 6d** Travel on Synod/Presbytery business. Ministers who are on committees or boards and who do travel at a specific request of the Synod or Presbytery may claim for their travel. However as the fixed costs are met by the placement only running costs may be claimed. Due to the taxation implications these payments will **only be made to the placement body**, which will then add them to the overall travel allowance that is paid to the minister. ([Refer Form 5.1A](#))
- 6e** These are the recommended travel rates as set by the Uniting Church in WA. If placements believe that they are inappropriate they may pay at a rate above this.

REFERENCES

1. Royal Automobile Club of Western Australia website
2. Government of Western Australia Fuel Watch website
3. Motor Vehicle Expenses Claim Form for those in Placement (Form 5.1A)
4. Lay/Volunteers Travel Policy (Policy 16.1)
5. Uniting Church in Western Australia Vehicle Costs Work Sheets