

Standing Committee on Finance and Public Administration

ANSWER TO QUESTION ON NOTICE

Budget Estimates Hearing – May 2009

Department of Finance and Deregulation

Finance and Deregulation Portfolio

Outcome 2, Program 1

Topic: Australian Government Vehicle Fleet

Question reference number: F16

Type of Question: Hansard, F&PA 44, 27 May 2009

Date set by the committee for the return of answer: 10 July 2009

Number of Pages: 2

Senator Ronaldson asked:

Regarding the vehicles that were identified in that answer that I was talking about – on the government vehicle fleet – where there was an Audi A4, nine Chrysler Voyagers, seven Mazda CX7s, two Subaru Imprezas, eight Volkswagen Golfs and a Peugeot 407, would you provide me with details about the operational need for those fully imported motor vehicles?

Answer:

The Department of Finance and Deregulation (Finance) manages the whole of government Fleet Management Agreement. Finance is responsible for the selection criteria governing fleet pool vehicles. These criteria support Australian vehicle manufacturers. To be eligible for selection, a vehicle must be either: (i) made in Australia; or (ii) imported by an Australian manufacturer and with an engine capacity of 2,000cc or less. An “Australian manufacturer” is defined as a manufacturer which has a local operation in vehicle assembly or component production and satisfies the criteria for registration as a Motor Vehicle Producer or Automotive Component Producer under the *Automotive Competitiveness and Investment Scheme Administration Act 1999*.

Where a compelling need exists that cannot be met by a vehicle sourced from an Australian manufacturer, an agency is able to select a vehicle from another manufacturer. Agencies make these decisions independently of Finance.

These guidelines apply to agencies that operate under the *Financial Management and Accountability Act 1997*. There are no vehicle selection policies applying to agencies that operate under the *Commonwealth Authorities and Companies ACT 1997*.

The Department of Education, Employment and Workplace Relations (DEEWR) is responsible for policy governing the Executive Vehicle Scheme (EVS). On 24 March 2005, DEEWR issued its APS Advice No 2 of 2005. This Advice was most recently updated by Advice No.1 of 2009 of 29 June 2009. This policy effectively mirrors the pool vehicle guidelines issued by Finance with the exception that the EVS guidelines specifically exclude the selection of “sports cars”. These guidelines apply to APS Agencies (including Agency Heads) as defined under the *Public Service Act 1999*.

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Law enforcement agencies operate a broad range of vehicles across a wide variety of operational activities. These agencies may vary from the selection policy in order to meet specific operational requirements. Law enforcement agencies have asked that their agency names not be attributed to specific vehicles listed in the response. Ongoing law enforcement activities may be compromised by the inclusion of this information.

Finance sought information regarding the operational need for each of the vehicles listed in the question. A summary of responses is provided at **Attachment A**.

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ATTACHMENT A

| Agency | Make | Model | Selection Rationale as advised by the relevant agency. |
|--------------------------|-------------|--------------|---|
| Australian Tax Office | Chrysler | Voyager | There is a requirement to have a vehicle capable of carrying seven passengers and the ability when required to remove the rear seats to accommodate stores |
| Defence (Army) | Chrysler | Voyager | There is a requirement to have a vehicle capable of carrying seven passengers and the ability when required to remove the rear seats to accommodate stores |
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| Finance and Deregulation | Chrysler | Voyager | There is a requirement to have a vehicle capable of carrying seven passengers and the ability when required to remove the rear seats to accommodate stores |
| Geoscience Australia | Peugeot | 407 ST HDI | This vehicle was selected in error following an incorrect interpretation of the Commonwealth's vehicle selection policy. It would not have been a cost-effective alternative to terminate the lease early. The vehicle is no longer in the fleet. |
| Infrastructure | Volkswagen | Golf | The subject vehicle was leased in April 2008 at which time the Department was transitioning from an external outsourcer to in-house for the management of EVS vehicles. At that time DEEWR requirements were somewhat unclear, consequently the vehicle was leased primarily on the basis that it complied with the 2 litre engine restriction. |

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| National Health and Medical Research Council | Audi | A4 | At the time that the National Health and Medical Research Council (NHMRC) entered into the lease arrangement for the CEO's vehicle, the EVS Guidelines with regard to vehicle choice was not applied because the vehicle was not provided as an employment benefit. The full (i.e. actual) costs to the NHMRC are deducted from the CEO's remuneration package in accordance with the relevant Remuneration Tribunal Determination. |
| Australian National University | Volkswagen | Golf | There are no centralised vehicle selection policies that apply to Agencies that operate subject to the <i>Commonwealth Authorities and Companies Act 1997</i> (CAC Act). The vehicle was selected on the basis of value for money and its environmental credentials. |
| Australian National University | Volkswagen | Golf | There are no centralised vehicle selection policies that apply to Agencies that operate subject to the <i>Commonwealth Authorities and Companies Act 1997</i> (CAC Act). The vehicle was selected on the basis of value for money and its environmental credentials. |
| Not Available for Publication | Mazda | CX-7 | This vehicle has been chosen to meet the specific operational requirements of the agency. The agency has asked that further information about its purpose not be provided. |
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