

Mpumalanga Provincial Government



Department of Public, Works Roads and Transport SUBSIDIZED TRANSPORT POLICY

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TABLE OF CONTENTS

Item/ Topic	Pages
Abbreviations and Definitions	3 - 4
1. Introduction	5
2. Objectives	5
3. Regulatory Framework	5
4. Scope of Application	5
5. Policy Statement	6 - 16
6. Roles and Responsibilities	16
7. Monitoring and Evaluation	16
8. Policy Review	16
9. Approval	16
10. Annexure A (Declaration, Part B & Part C)	
11. Annexure B (Scheme A)	
12. Annexure C (Application Part A)	
13. Annexure D (Kgwerano Spreadsheet)	
14. Annexure E (Application Cover Page)	



DEFINITIONS

Assigned official kilometres means the number of official kilometres prescribed for a specific subsidised vehicle;

Capital remuneration means the State's contribution to the capital cost based on the purchase price minus the estimated resale value of a subsidised vehicle, payable in equal monthly instalments for the duration of the selected official utilisation period;

Department means the Department of Public Works, Roads and Transport

Head of Department means the accounting officer of Department Public Works, Roads and Transport

Officer means a Person who has been appointed permanently, notwithstanding that such appointment may be on probation, to a post.

Regulation means a Public Service Regulations, unless otherwise indicated;

Selected official utilisation period means the utilisation period selected by an official, in respect of the utilisation of a subsidised vehicle, subject to approval by the head of the Department

Subsidised motor transport or subsidised vehicle means motor transport which in terms of these instructions is to be utilised by an officer;

Transport officer means the officer appointed by the head of the Department to, inter alia; administer the department's subsidised transport.

Service provider (s) means the private sector company that will provide the finance, maintenance and administration for the Subsidised Transport Scheme within a contract issued by the State;

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

De Novo means from the beginning.



ABBREVIATIONS

BAS	Basic Accounting System
FMS	Financial Management System
MTEF	Medium Term Expenditure Framework
GG	Government Garage
PDI	Pre Delivery inspection
PSCBC	Public Service Commission Bargaining Council
SARS	South African Revenue Services
S&T	Subsistence and Travel Allowances
VAT	Value Added Tax
VESA	Vehicle Security Association of South Africa



1. INTRODUCTION

The Subsidized Motor Transport Scheme is not a service benefit but a work facility, which shall not be construed as a right. The appointed service provider(s) within a contract issued by the State shall do the provision of finance, maintenance, and administration for the Subsidised Motor Transport Scheme.

An official shall qualify for Scheme "A" if he or she travels, for job related purposes, a minimum of 21 000 official kilometres per year, with a minimum of 112 000 official kilometres. (21 000/12 months = 1750 kilometres per month) It is however, the prerogative of the Head of Department to approve excess official kilometres.

At present, a maximum of 30 000 kilometres is allowed based on cost curtailment circular of May 2011.

The combined capital remuneration and maintenance allowances shall be paid to the official as the fixed cost element of the monthly travel allowances and shall be calculated by the Service provider(s). The service provider (s) shall deduct the fixed cost element from the official's salary over the contractual period electronically by way of a stop order via PERSAL.

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 kilometre as prescribed in Annexure "B". Officials are compelled to keep accurate records if they intend claiming tax relief for actual running expenses.

2. OBJECTIVES

- 2.1 To provide work facility for officials
- 2.2 To enable the undertaking of essential and approved official trips where the use of other available transport (GG) is neither practical nor economical
- 2.3 To ensure concession to qualifying officers to participate in the Subsidised Motor Transport Scheme that shall facilitate service delivery.

3. SCOPE OF APPLICATION

The policy shall be applicable to all officials who qualify for the Subsidised Motor Transport Scheme in the Department of Public Works and Transport.

4. REGULATORY FRAMEWORK

- 4.1 The Constitution of the Republic South Africa of 1996
- 4.2 Road Traffic Act, 1989 (Act No. 29 of 1989)
- 4.3 Road Accident Fund Act, 1996 (Act No. 56 of 1996)
- 4.4 Public Service Act, 1994 (Act No. 103 of 1994)
- 4.5 Public Finance Management Act 1999 (Act No 1 of 1999)
- 4.6 National Transport Policy
- 4.7 Treasury Regulations Framework.



5 POLICY STATEMENT

PARTICIPATION IN THE SCHEME

- 5.1 Department of Public Works Roads and Transport participate in a National vehicle Contract RT57.
- 5.2 Where an officer's duties necessitate the official use of a motor vehicle and where the provision of a Subsidised Motor Vehicle is in the interest of the State, the allocation of a vehicle is left to the discretion of the Head of the Department. All reasonable, alternative means of transport are to be considered, taking into consideration the economic implications thereof.

6 THE ADVISORY COMMITTEE

- 6.1 The Head of the Department shall appoint a committee to advise him/her, with regards to the responsibilities and powers conferred upon them under these instructions.
- 6.2 The function of this committee shall be to de novo (from the beginning) evaluate all applications for Subsidised Vehicles based on the departmental Subsidised Motor Transport regulations and to advise and make recommendations to the Head of the Department for approval.
- 6.3 The Head of department or his/her delegate and General Managers shall be responsible for dealing with all appeals from applicants, the Head of department or his/her delegate shall chair the meeting.
- 6.4 The committee shall be, at least, represented by a Chief Financial officer or by his/her delegate and four line Senior Managers one of them shall chair the committee. The term of office for members shall be annual.
- 6.5 The functions of the advisory committee shall at least be, inter alias: -
 - 6.5.1 Verification of the application in terms of job description and the Policy;
 - 6.5.2 Determine the application of the vehicle to suit the job description;
 - 6.5.3 Vet application, utilisation period and kilometres;
 - 6.5.4 Review all applications in the context on previous kilometres travelled and/ or available exception reports from the service provider (s) on utilisation of a previous vehicle; and
 - 6.5.5 Submit a monthly report assessing compliance to this Policy and allocation of Subsidised Vehicles relating to Subsidised Vehicles to the Head of Department.

7 SPECIFIC QUALIFYING CRITERIA

- 7.1 The contracted utilization period and official kilometres are negotiated with the State in consultation with service provider(s).
- 7.2 An official shall qualify for Scheme "A" if he or she travels, for job related purposes, a minimum of 21 000 official kilometres per year, with a minimum of 112 000 official kilometres. (21 000/12 months = 1750 kilometres per month) It is however, the prerogative of the Head of Department to approve excess official kilometres.
- 7.3 An official shall not loan, or permit any person to make use of his/her Subsidised Vehicle for official purposes in his/her absence.
- 7.4 Where an official's duties necessitate the official use of a motor vehicle and where the provision of a Subsidised Vehicle is in the interest of the State, the applicant shall



- complete the Z81 application form (Annexure "A"). This is to ascertain the level of responsibility and scope of work for which the applicant is responsible.
- 7.5 All applicants shall submit the following information in addition to the Z81 application form, which is to be certified by the Head of the Directorate: -
- 7.5.1 A copy of the applicant's identity document, latest salary advice and drivers licence;
 - 7.5.2 A driver suitability permit issued by the Provincial Department of Transport or delegated municipality;
 - 7.5.3 The official kilometre and daily utilisation of a Government and subsidy vehicle for the previous six months; and/or
 - 7.5.4 The kilometre utilisation of a privately owned vehicle for approved official service for the previous six months, with copies of Persal paid fuel claims for said official trips; and/or
 - 7.5.5 In cases where no statistics of official kilometres are available due to the creation of new posts or a new appointment, only the total projected official assigned kilometres that the officer shall undertake per month shall be reflected on the Z81 application form signed by relevant Senior Manager.
- 7.6 All applications for a Subsidised Motor Vehicle shall be evaluated as a new application.

8 APPLICATION FOR A SUBSIDISED MOTOR VEHICLE

- 8.1 An official, who complies with all the specified qualifying criteria and wishes to be provided with a Subsidised Vehicle for the performance of their official duties, shall submit to the department a Z81 application form. The application form shall be signed by the responsible Senior Manager and countersigned by the General Manager.
- 8.2 The service provider(s) shall assess the credit worthiness and affordability of each individual application received to determine whether the official is financed for a purchase of a Subsidized Vehicle under the Scheme.

9 MONTHLY TRAVEL ALLOWANCE

- 9.1 The monthly travel allowances are based on benchmark vehicles listed on National Contract RT57.
- 9.2 If an official exercises the option to purchase a more expensive vehicle other than that which is approved by the Head of the Department, the monthly travel and other allowances shall be limited based on the approved benchmark.
- 9.3 If an official exercises the option to purchase a less expensive vehicle than that which is approved by the Head of the Department, the monthly allowances shall be based on the actual vehicle purchased.
- 9.4 It is the responsibility of all Officials taking part in the Subsidised Motor Transport Scheme to ensure fuel rates claimed monthly are in accordance with National Treasury rates, and as approved by the Head of Department based on approved benchmark.
- 9.5 All subsidized vehicle fuel claims shall be submitted to the Service Provider (Kgwerano Financial Services) on a monthly basis, who will then ensure correct capturing of all fuel claims on Kgwerano spreadsheet (Annexure D)
- 9.5 The monthly travel allowance schedule is split into two distinct parts:



9.5.1 Fixed cost element, which comprises of the capital remuneration (loan instalment amount + interest) calculated by the service provider(s) and the maintenance allowance. The maintenance allowance paid shall vary according to the official's contract and is dependent on the contract period, make, and model and vehicle category approved for the official by the Head of the department.

9.5.2 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 kilometre as prescribed in Annexure "B". The applicable fuel tariff shall be calculated in terms of the prevailing Provincial fuel price issued by the Department of Mineral and Energy from time to time.

9.6 It is the prerogative of a Head of Department and or his/her delegate to pay the first fuel allowance and an S&T advance to an official based on an approved travel plan. All subsequent travel allowances are payable monthly.

10 ALLOCATION REQUIREMENTS

10.1 An official shall be allocated any motor vehicle under National Contract RT57 provided it is identified as a Subsidised Vehicle, taking into consideration the smallest functional vehicle, subject to the approval of the Head of the Department.

10.2 The Head of the Department shall approve a Subsidised Vehicle request taking into consideration the nature of the official duty for which it is required.

10.3 The Scheme shall not make provision for converting private owned vehicles to be taken over as Subsidised Vehicles.

10.4 Service provider(s) shall be responsible for the financing and purchasing of all subsidised vehicles through National Contract RT57. Service provider(s) shall ensure that all vehicle orders are approved by the designated responsibility manager in terms of the MTEF budget allocation of the relevant department before submission of vehicle orders to the National Department of Transport.

10.5 Service provider (s) shall then complete a vehicle order and forward it to the National Department of Transport for audit and approval before the order is placed with the Motor Manufacturer.

10.6 An official shall exercise the option of purchasing a more expensive vehicle other than the benchmark, which has been approved by the Head of the department. Any additional costs relating to the purchase of the more expensive vehicle shall be borne by the official. These additional costs include the difference between the purchase price inclusive of VAT as well as on a monthly basis the difference in the maintenance and capital allowances.

10.7 Since all Subsidised Vehicles are purchased directly from the manufacturers, circumstances shall not permit the change or cancellation of vehicle orders once these orders have been placed with the manufacturer. Therefore, officials shall consider affordability and personal preference of vehicles before the final quotation with the service provider (s) is signed.

11 ADDITIONAL NON-STANDARD FACTORY INSTALLED ACCESSORIES

11.1 Should an officer's work terrain and conditions justify the installation of additional non-standard factory installed accessories, the Head of the Department shall approve the installation thereof as standard vehicle equipment. The benchmark price excludes

approved accessories, pre-delivery services (PDI) and delivery costs. This implies that all approved accessories; pre-delivery services (PDI) and delivery costs can be added to the benchmark price of the vehicle for the purpose of calculating affordability.

- 11.2 Where an officer requests the installation of additional non-standard factory installed accessories and these are not subsidised the official is personally responsible for financing these accessories.
- 11.3 The service provider(s) is contractually obligated to order only additional accessories available on National Contract RT57. Should an official require any additional accessories, it shall be arranged directly by the official with the elected dealership, before taking delivery of the vehicle.
- 11.4 The cost of any additional non-standard equipment for disabled officials shall be borne by the department.

12 OFFICIAL UTILISATION PERIOD

- 12.1. The official utilisation period for a Subsidised Vehicle shall be for a minimum period of 32 months and a maximum period of 48 months. The official shall complete the contracted utilisation period that has been negotiated per individual contract with the service provider (s).

Period	70% average official kilometres per month	30% average private kilometres per month	Average official & private kilometres per month
32	3500 KM	1500 KM	5000 KM
36	3111 KM	1333 KM	4444 KM
42	2666 KM	1143 KM	3809 KM
48	2333 KM	1000 KM	3333 KM

- 12.2 The official shall complete the contracted utilisation period as well as official kilometres that has been negotiated and agreed per individual contract with the department and service provider (s).
- 12.3 The average annual thresholds relating to mileage shall require an official to travel a minimum of at least 70% official and 30% private mileage, based on the total kilometres travelled and is subject to the conditions set out in paragraph 12.1.
- 12.4 The 70% official and 30% private mileage is based on the following principle which is intended to provide a guide for Responsibility Managers to effectively manage the utilisation of a Subsidised Vehicle.

Formula for calculation of the 70% official and 30% private mileage:

70% official kilometres = cost to the State / total cost X 100

30% private kilometres = cost to official / total cost X 100



13 OFFICIAL LEAVING THE EMPLOYMENT OF THE STATE

- 13.1 Shall an official not meet the contractual official kilometres when leaving the employment of the State, service provider(s) shall be obliged to raise all additional penalties to the individual which are:
- 13.1.1 Early finances termination charges in consultation with the State;
 - 13.1.2 A higher interest rate, and
 - 13.1.3 The outstanding settlement value of the vehicle.

14 MAINTENANCE PLAN

- 14.1 To ensure that a Subsidised Vehicle remains in good condition, it is imperative that the vehicle is serviced in accordance with the manufacturers guideline as set out in the service manual and the kilometres shall be regarded as private (for officials account).
- 14.2 A maintenance plan, shall be limited to the number of kilometres of a vehicle, as prescribed by the manufacturers guideline as set out in the service manual and shall be administered by the service provider(s). The maintenance plan is intended to cover all expenses related to the maintenance as prescribed by the manufacturer's guideline as set out in the service manual for normal wear and tear of a vehicle.
- 14.3 The maintenance contract shall exclude the following:
- 14.3.1 Damage arising from abuse of vehicles;
 - 14.3.2 Accident damage; and
 - 14.3.3 Glass windscreens
- 14.4 The maintenance plan limits the replacement of tyres to 8 tyres (two sets) for category "A" and "D" vehicles. For Category "B" and "C" vehicles, tyres are limited to 10 (two and a half sets).

15 LOG SHEETS

- 15.1 It is necessary that all official trips be authorised. A travel plan shall be prepared pre-facto and then be approved by the Responsibility Manager before an official trip is undertaken with a Subsidised Vehicle. (Annexure "F")
- 15.2 A log sheet, form Z79 (Annexure "E"), is to be completed in triplicate by the official. The log sheet is to reflect all distances covered, both official and private. The original Z79 shall be directed to the departmental transport officer on or before the seventh of each month. Please note that the log sheet shall be completed from the 1st of a month to the 31st of that specific month, in terms of Annexure "B" as amended from time to time.
- 15.3 It is the responsibility of the Head of Department to verify the utilisation of the vehicle and to ensure that all entries thereon are accurate and legible. A log sheet summary is to be completed by the Departmental transport officer who shall submit it to the service provider(s).
- 15.4 The following signatures shall appear on the Z79 and shall be strictly controlled:
- 15.4.1 Signature of Official;
The signature is that of the official in whose name the Subsidised Vehicle is registered.
 - 15.4.2 Signature of the Head of the Directorate or his/ her delegate;



This certification implies that the kilometre distance on the log sheet corresponds with the kilometre distance on the odometer of the vehicle and that the vehicle is still in good condition and services and has been completed as per the maintenance contract.

- 15.4.3 Signature of the Directorate/Departmental Responsibly Manager;
This certification implies that the log sheets have been checked to ensure that trips which have been indicated as official (as per the monthly travel plan) and are in fact official and that it has been approved by them or their delegated officer and all official trips undertaken were necessary and in the interests of the State.

- 15.5 The service provider(s) shall submit exception reports on odometer and log sheet records to the Head of Department for investigation and appropriate action in terms of the Public Service Regulations and compliance to this Policy.

- 15.6 Shall the vehicle not have been used at all during the month, or only private distances have been covered during the month, the log sheet is nevertheless to be completed with the reasons as to why the vehicle has not been officially used, endorsed thereon, and the log sheet is to be submitted to the Departmental transport officer. Copies of the log sheets are, in all cases, to be retained by the Department for reference purposes.

- 15.7 The service provider(s) shall be responsible for managing reports on the fuel allowances for kilometres travelled, per official, per department. The reports shall be distributed and discussed monthly with the relevant Departments.

16 SPECIAL CONDITIONS WITH REGARD TO TITLE DEED

- 16.1 The Subsidised Vehicle although registered in the official's name only takes transfer of the title deed from the service provider(s) when the:
16.2 Full amount of the purchase price has been repaid by the official; and
16.3 Selected official utilisation period has elapsed.
16.3 The service provider(s) shall determine the outstanding balance.

17 CONTROL MEASURES

- 17.1 It is the duty of the official to exercise due care and diligence with regard to the custody and maintenance of the vehicle. The vehicle is to be available for inspection by authorised persons.

18 RISK MANAGEMENT

Risk Manager(s) in each Province/National Department shall be responsible for the following:

- 18.1 To implement risk management measures and directives issued by the Minister of Transport.
18.2 Manage all risk associated with the Subsidised Motor Transport Scheme.
18.3 Analyse all identified risk areas and make recommendations to eliminate or reduce risks
18.4 Provide a performance audit function to measure contract compliance of service provider(s) and State
18.5 Analyse all exception reports and implement appropriate operational actions to reduce or eliminate these identified exceptions.

19 PRIVATE USE



- 19.1 Private kilometres undertaken at the official's cost, shall be reflected in the log book. It shall also be noted that according to the SARS the distance travelled between home and work in a Subsidised Vehicle is deemed private kilometres.
- 19.2 However, should any discrepancies arise from the interpretation of private kilometres, it is the prerogative of each Head of Department or his/her delegate to adjudicate the circumstance of the claim and take a final resolution. [Refer to Public service regulation, 1999 and PSCBC Resolution 3 of 1999, i.e. collective agreement on remunerative allowances and benefits].

20 USE OF GOVERNMENT WORKSHOPS AND STORES NOT PERMITTED

- 20.1 An official provided with a Subsidised Vehicle shall not under any circumstances utilise the services of any Government Garage, or Government owned workshops, or of any Government stores and Government contracts, for the maintenance and operation of the Subsidised Vehicle.

21 FINES ADMINISTRATION

The official is responsible for payment of all traffic fines incurred.

22 RULES AND REGULATIONS

- 22.1 These provisions, which are applicable to Subsidised Motor Transport, bind the official participating within the scheme.
- 22.2 Failure to comply with the provisions and, or instructions issued in respect of Subsidised Transport, shall 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 Subsidised Motor Transport shall be enforced as sanctions to a disciplinary process.

23 TAX ON MONTHLY TRAVEL ALLOWANCE

Section 8(1) of the Income Tax Act, 1962 (Act No. 58 of 1962), provides that an amount received as an allowance for travelling expenses on business, which has not been so expended, shall be included on the recipient's taxable income. Where no record is kept of the use of the motor vehicle for business purposes, a distance of 14 000 kilometres is deemed to be travelled for private purposes. The total number of kilometres shall in such case be limited to 32 000 kilometres, which has the effect that only 18 000 kilometres shall be deemed to be travelled for business purposes.

24 WITHDRAWAL

24.1 Normal Withdrawal

Ownership of the vehicle shall transfer to the individual subject to the conditions as set out in Paragraphs 12 & 13 in the National Transport Policy for Subsidized Transport.

The official shall complete the contracted utilisation period that has been negotiated per individual contract with the service provider (s). Further, the official has to complete the official mileage as agreed with the State, subject to the conditions set out in paragraph 8 in



the National Transport Policy for Subsidized Transport. The average annual thresholds relating to mileage shall require an official to travel a minimum of at least 70% official and 30% private mileage, based on the total kilometres travelled and is subject to the conditions set out in paragraph 22.

The Department shall advise the Head of Department and the official participating in the Subsidised Motor Transport Scheme of normal withdrawal of a Subsidised Vehicle at least 3 months before termination of the contract.

24.2 Premature withdrawal

- 24.2.1 If for any reason, such as dismissal, retirement, ill health, death, resignation, retrenchment, or where an official is transferred a post where a Subsidised Vehicle is not justified, the monthly travel allowances and insurance shall terminate.
- 24.2.2 The State shall 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 on the date of withdrawal
- 24.2.3 The Head of Department shall advise the service provider(s), in writing, of the date of termination within 48 hours of notification thereof.
- 24.2.4 A Subsidised Vehicle exceeding the number of kilometres, as prescribed by the manufacturers guideline as set out in the service manual and the maintenance contract, can be prematurely withdrawn, subject to the threshold requiring an official to travel a minimum of at least 70% official mileage, based on the total kilometres travelled.

25 TRANSFERS BETWEEN PROVINCES AND DEPARTMENTS

Shall an official transfer from one Department to another or from one Provincial Administration to another, the service provider(s) shall be notified immediately by the Departmental transport officer and the official concerned. The service provider(s) shall then be responsible for transferring the official's account to a regional office closest to the place of transfer.

26 INSURANCE

- 26.1 In view of the fact that the State and the service provider(s) have an interest in the vehicle for the period that it is used within official service, the State shall, subject to the provisions of paragraph 26.e of Circular 5 of 2003. National policy on subsidised transport bears the full cost of the insurance on the behalf of the official for the vehicle approved by the Head of Department.
- 26.2 The payment of excess in the event of an insurance claim shall be, in the case of a claim arising from the official use of the vehicle, the State shall reimburse the official on proof of validity of that claim and in the case of the claim arising from the private use of the vehicle, the excess shall borne by the official. Therefore, it is advisable that each Department shall budget for insurance premiums on Subsidised Vehicles.
- 26.3 Consequently, any reimbursements of an excess payment in respect of a claim resulting from the official use of the vehicle are credited to the State and any reimbursement of an excess payment in respect of a claim resulting from the private use of the vehicle be paid to the official.

27 INCREASED EXCESS PAYMENTS



Excess payments shall be increased by the insurer, as part of the loss control and risk management program that is managed by the insurer on behalf of the State. The amount, by which such increased excess payment shall exceed the standard excess payment, shall in all instances be for the account of the official, regardless of whether the claim originated during official or private use of the vehicle.

28 THE VEHICLE IS TO BE INSURED

- 28.1 Before an official takes delivery of the Subsidised Vehicle, the Department and the service provider(s) are to ensure that the vehicle is insured in terms of the contract arranged from time to time by the State. The insurance policy which is to be obtained in an official's name, is to be renewed annually, on or before the expiry date, without decreasing the benefits or cover and is to be kept in force for the full duration of the period that the vehicle is used for official service.
- 28.2 The National Department/Provincial Administration shall pay insurance premiums annually, to the insurance service provider on the 31st March of each year electronically via BAS, FMS or PERSAL. In terms of the financial regulations, all payments shall be made within 30 days of invoice date to prevent financial misconduct.

29 INSURANCE COVER

- 29.1 The policy which is to be taken out and kept in force is to embrace the following cover:
- 29.1.1 Comprehensive motor insurance covering all the normal risks not covered by the Road Accident Fund Act, 1996 (Act 56 of 1996).
 - 29.1.2 Loss or damage caused by, or in connection with, civil commotion, labour riots, strikes and/or mutiny.
 - 29.1.3 Loss or damages caused by or in connection with hail, fire and/or natural disasters.
 - 29.1.4 Loss or damage caused by or in connection with war, civil war and/or martial law.
 - 29.1.5 Loss or damage caused by or in connection with politically inspired uprising, riots and terrorism, in respect of vehicles used within the Republic of South Africa, or a foreign country.
 - 29.1.6 The State shall be liable for claims by authorised official passengers against the official driver in respect of personal injuries not covered by the abovementioned paragraph 26.e of Circular 5 of 2003, National policy on subsidised transport.
 - 29.1.7 Additional insurance cover:
 - 29.1.7.1 The liability of the State in respect of the insurance premium is limited to the total premium payable in respect of the vehicle, which was in terms of paragraph 10.e of Circular 5 of 2003, National policy on subsidised transport deemed to be the smallest and cheapest vehicle, suitable for the functional duties of the officer. If the insurance premium of the vehicle is higher as a result of –
 - 29.1.7.2 The official's personal preferences for another type, larger, or more expensive vehicle;
 - 29.1.7.3 The official's request that the vehicle be insured at a higher value;
 - 29.1.7.4 Additional cover requested by the official in respect of additional

- 29.1.7.5 non-standard accessories;
Cover requested by the official in order that an excess payment need not be made in case of a claim

30 PAYMENT OF PREMIUMS

30.1 How they are to be paid:

- 30.1.1 The first annual/ pro rata insurance premium shall be paid to the service provider(s) before the official takes delivery of the vehicle. Thereafter, the Department pays the annual renewal insurance premiums, to the service provider(s) via electronic bank transfer within 30 days of invoice date.
- 30.1.2 Before payment of the initial or renewal premium, the Department is to ensure that the official has paid any additional premium for which the official is solely responsible.

31 OFFICIAL CLAIMS

- 31.1 The official shall deal directly with their Transport Officers and the insurers with regard to any claims lodged in terms of the policy. Excess payments are to be dealt in accordance with the provisions of Circular 5 of 2003, National policy on subsidised transport. The official shall maintain a proper file of correspondence between himself/herself and the Insurers for record purposes.
- 31.2 The Insurers shall pay directly to the official, any compensation due to the insured, in terms of the policy, subject to the provisions of the endorsement "Agreement". Compensation paid to the service provider(s) by the Insurers is to be remitted to the official, except in respect of the total loss of the vehicle, in which case any outstanding portion of the loan shall first be deducted thereof.

32 GARAGING AND PARKING

32.1 Normal garaging

The cost of overnight garaging of Subsidised Vehicles is to be borne by the official.

32.2 Ad hoc parking

Where an official has made use of ad hoc parking whilst on official duty, the actual expenditure incurred by him/her, the Department shall bear the cost thereof on receipt of proof of payment.

33 REGISTRATION AND LICENSING

The service provider(s) shall be the title-holder and shall be responsible for the registration of the Subsidised Vehicle. On receipt of the particulars necessary for the licensing of the Subsidised Vehicle, the official shall ensure that the vehicle is licensed at the Local Licensing Authority. The cost of the registration and licensing is to be borne by the official.



34 RELIEF TRANSPORT

Any official provided with a Subsidised Vehicle shall not utilise a vehicle provided by the State(GG) and should an official's duties temporarily change rendering his or her current Subsidised Vehicle unsuitable for a specific duty, the following process shall apply: -

- 34.1 A written request shall be directed to the Head of the Department;
- 34.2 The Head of the Department shall approve a request and allow an official to make use of a Government vehicle provided that a special task or function shall be executed and that the task or function cannot be executed in the official's Subsidised Vehicle. This approval is subject to:
- 34.2.1 The vehicle instalment shall still be paid by the official; and
 - 34.2.2 No official kilometres that are undertaken by the relief vehicle are to be credited, against the Subsidised Vehicle.

35 ROLES AND RESPONSIBILITIES

- 35.1 The Head of the Department is the accounting for the policy and shall ensure adherence thereto.
- 35.2 The Chief Finance Officer is responsible for the implementation of the policy.
- 35.3 The Senior Manager: Government Motor Transport is responsible for the implementation and enforcement of the policy.
- 35.4 The accounting officers are responsible for the appropriate execution and implementation of the policy.
- 35.5 All officials in the Department shall be aware of the policy and proper execute their duties in line with the implementation of the policy.

36 MONITORING AND EVALUATION

The Fleet Management section shall monitor and evaluate the implementation of the policy.

37 POLICY REVEIEW

The policy shall be reviewed to factor in changes in legal frameworks, organizational development, political and economic trends, and envisaged outputs by the Medium Term Expenditure Framework as well as the outcomes of monitoring and evaluation.

38 APPROVAL

Approved



KM MOHASEDI
HEAD OF DEPARTMENT

DATE: 2012/5/28