

Gerard Hayes
 Secretary
 Health Services Union
 Level 2, 109 Pitt Street
 Sydney NSW 2000

Our ref: H24/113066
 26 November 2024

Email: gerard.hayes@hsu.asn.au

Private use of Motor Vehicles

Dear Gerard

I am writing to you about proposed changes to the charges for the private use of motor vehicles provided for in NSW Health Information Bulletin 2015_013 *Motor Vehicle – Award Employees – Charges for Private Use* (‘current rates’) as required by NSW Health Policy Directive 2023_030 *NSW Health Vehicle Procurement and Use* (‘charging policy’).

Since 2008, the charges have been based on the Senior Executive running costs for a large standard vehicle. The current rates were last changed in 2015 as outlined in IB 2015_013.

A review of the current charges has identified that the rates are no longer appropriate and no longer satisfy their intended use with associated FBT liability across the State. The Australian Taxation Office (ATO) transitioned from using the non-rotary engine rate methodology for vehicles expenses from 1 July 2015 which further supports that current rates are outdated.

To ensure rates are in line with current running and standing costs, together with the introduction of separate charges for electric vehicles, new rates are proposed from 1 January 2025.

The new rates set out below are based on the cost price of the vehicle and the private use percentage elected by the employee, together with an estimated running cost of common vehicle within the various cost price group. The running costs are aligned to NSW Treasury’s guidance on Salary Packaging Motor Vehicle Costs for 2023-24.

Internal combustion engine vehicles:

Cost of Motor Vehicle	Estimated Private Use Percentage			
	Less than 25%	25% to 50%	50% to 75%	More than 75%
Less than \$30,000	1,484	2,967	4,451	5,934
\$30,000 to \$50,000	3,018	6,036	9,054	12,072
More than \$50,000	5,348	10,696	16,044	21,392

Electric vehicles:

Cost of Motor Vehicle	Estimated Private Use Percentage			
	Less than 25%	25% to 50%	50% to 75%	More than 75%
Less than \$50,000	3,838	7,677	11,515	15,354
\$50,000 to \$60,000	4,260	8,520	12,780	17,039
More than \$60,000	4,951	9,901	14,852	19,803

Running costs are based on NSW Treasury Salary Packaging Motor Vehicle Costs Guide for 2023-24. Estimated lease costs of common vehicles within the various cost price groups, and new electric vehicle groups were provided by NSW Health fleet provider to provide current indication of the market.

Workplace Relations will be in contact shortly to arrange a consultative meeting with Health unions.

Should you have any enquiries regarding the policy, please contact Anita Wilkins, Principal Advisor, Taxation & Superannuation at anita.wilkins@health.nsw.gov.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Alfa D'Amato', written in a cursive style.

Adjunct Professor Alfa D'Amato
**Deputy Secretary, Financial Services and Asset Management
and Chief Financial Officer, NSW Health**

19/11/2024