



DEPARTMENT OF TRANSPORT  
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TO: ALL HEADS OF DEPARTMENTS  
ALL MTAC MEMBERS  
ALL DEPARTMENTAL TRANSPORT OFFICERS

27 MAY 2004

MTS CIRCULAR NO 25 OF 2004

REVIEW OF SUBSIDISED MOTOR VEHICLE ALLOCATION POLICY

1. As you are aware, a Subsidised Vehicle Allocation Policy was developed by the Department of Transport and ratified by the Motor Transport Advisory Committee (MTAC). The aim of the vehicle allocation policy is to guide Departments on the allocation of subsidised vehicles and to ensure that uniform criteria are used in the allocation of vehicles in the Province of KwaZulu-Natal.
2. Officials, due to the nature of the duties which they are required to perform, qualify for specific categories of vehicles, as per the attached Allocation Policy (see Annexure A). It must be emphasised that only the smallest and least expensive vehicle, which is considered functionally suitable for the specific job requirements, should be allocated. The choice of subsidised vehicle, and all additional items, is limited to the vehicles listed on the Annual State vehicle contract (RT 77).
3. For example, based on the above an official who is a Senior Admin Officer can qualify for a 4X2 double cab due to the nature of his/her job functions whilst a Deputy Director due to his/her job functions shall only qualify for a 1600 sedan. Also, in cases where officials, as a personal preference, apply for a bigger or more expensive vehicle than that which they functionally qualify for, allowances will be based on the vehicle, and price, for which they qualify. In these instances, the financial service provider may, at its discretion, request a deposit and/ or suitable guarantees to be furnished by the official concerned.
4. It should be further noted that officials are not necessarily remunerated according to the actual engine capacity of the vehicle which they are making use of, but rather at the rates applicable to the vehicle, which is considered functionally suitable to do the task. Also, if a vehicle, which is used, is of a smaller engine capacity than that considered to be functionally suitable for the task, the official will then be remunerated at the tariffs applicable to the smaller vehicle. Hence, it must be reiterated that the allocation of subsidised vehicles is not based on rank but rather on job functions.
5. However, in perusing the Subsidised Vehicle Allocation Policy, the mention of rank/grading is misleading and the provision of a subsidised vehicle could be interpreted as being determined by rank. Furthermore, paragraph five of the Subsidised Motor Transport policy issued by National Department of Transport stipulates that, "The provision of a subsidised vehicle to an officer is deemed a work facility, which enables them to undertake essential and approved official journeys in those cases where the use of other available transport is neither practical nor economical. The concession to qualifying officers to participate in the Subsidised Motor Transport Scheme is not a service benefit, but a work facility, which cannot be construed as a right."

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6. Taking cognizance of the above, it has become imperative that the Subsidised Vehicle Allocation Policy be reviewed. This office is conducting extensive research whilst reviewing the policy. In the interim, the current policy attached hereto as Annexure A must be utilised. You will immediately be informed of developments as and when they occur.

A handwritten signature in black ink, appearing to be 'R. All', written over a horizontal line.

**For Head: Transport**

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PROVINCE OF KWAZULU-NATAL

SUBSIDISED VEHICLE ALLOCATION POLICY

1.) GENERAL CONDITIONS AND CRITERIA

**SUBSIDISED VEHICLES**

A1.1) The object of this policy is to guide Departments on the allocation of subsidised vehicles and to ensure that uniform criteria are used in the allocation of vehicles in the Province of Kwazulu-Natal.

A1.2) It must be clear that the concession to participate in the subsidised motor transport scheme is not a service benefit, but a work facility, which should not be construed as a right. The provision of a subsidised vehicle should be approved only in cases where the officials' duties necessitate the permanent and regular use of a motor vehicle and where the provision will be in the best interest of the Province.

A1.3) The official is required to travel a minimum of 21000 and a maximum of 29000 official kilometers per annum and is to remain in the scheme for a period of between 32 to 48 months. In cases where an official is required to travel in excess of 29000 official kilometers per annum, the Department concerned should endeavour to provide an official vehicle.

A1.4) All applications are subject to credit approval by the financial service provider.

A1.5) The stipulated benchmark price, as amended from time to time and determined by National Department of Transport will apply as per the date of the invoice.

A1.6) Any adjustment to benchmark prices, allowances paid or vehicles which officials qualify for will not be in retrospect.

A1.7) It must be emphasised that only the smallest and least expensive vehicle, which is considered functionally suitable for the specific job requirements, should be allocated. The choice of subsidised vehicle, and all additional items, is limited to the vehicles listed on the annual vehicle contract (RT 77), or as otherwise indicated in the Subsidised Vehicle Policy.

A1.8) In cases where officials, as a personal preference, apply for a bigger or more expensive vehicle than that which they functionally qualify for, allowances will be based on the vehicle, and price, for which they qualify. In these instances, the financial service provider may, at its discretion, request a deposit and/ or suitable guarantees be furnished by the official concerned.

A1.9) It is to be noted that officials are not necessarily remunerated according to the actual engine capacity of the vehicle which they are making use of, but rather at the rates applicable to the vehicle, which is considered functionally suitable to do the task. It is further to be noted that if a vehicle which is used is of a smaller engine capacity than that considered to be functionally suitable for the task, the official will then be remunerated at the tariffs applicable to the smaller vehicle.

A1.10) The maintenance allowance will be paid to the individual on a monthly basis, together with the fuel allowance, based on the actual kilometers traveled.

A1.11) The individual will be responsible for all maintenance costs incurred on the vehicle.

A1.12) The State will be responsible for the logsheet administration.

**SCHEME B (PRIVATE ON OFFICIAL)**

B1.1) Officials, who utilise their privately owned motor vehicles, for official purposes, who travel between 6000 and 20999 kilometres annually, who do not qualify for a subsidised vehicle under scheme C, may be considered for participation in this scheme.

## 2.) ALLOCATION POLICY

2.1) Certain officials, due to the nature of the duties, which they are required to perform, qualify for specific categories of vehicles, as listed below:

Rank/Grading	Vehicle Permitted	Restrictions/ Comments
Road Traffic Inspectorate	Sedan up to 1850cm <sup>3</sup> And LDV up to 2500 cm <sup>3</sup>	As per MTAC meeting on 31 July 2001
Field Engineer Senior/Principal Artisan Superintendents Head of District: Agriculture	1800 Mini-bus/MPV	High percentage of distance is travelled on gravel roads Extra ground clearance is required Where bulky equipment is to be conveyed 1800 Mini-bus/MPV rates to apply
Road Superintendents Regional Engineers Regional Engineer, Assistant Field Technicians District Superintendents Technicians Materials (Supervisory)	Double Cab 2x4 LDV	Complete with canopy, bin mat, tow bar and Diff-lock Dependant on nature of terrain to be traversed The need to carry more than one passenger Allowances to be limited, to a maximum, to those of an LDV with engine capacity of 2500cm <sup>3</sup> Detailed motivation to be supplied to the Head of Department
Senior Roads Works Foreman Principal Auxiliary Services Officer Mechanic-in-charge Artisan Foreman: Group B Field Officer: Traditional Affairs	Light Delivery Vehicle up to 2150cm <sup>3</sup>	Complete with canopy and bin mat As per MTAC 29 January 2002.
Technicians Technicians Materials (Production) Maintenance Methods Instructor Travelling Artisan Superintendent Chief Auxiliary Officer Senior Roads works Instructor Agricultural Scientists	1800 Mini-Bus/ MPV  Light Delivery Vehicle up to 2150cm <sup>3</sup>	High percentage of distance is traveled on gravel roads. Extra ground clearance required. 1800 Mini-Bus MPV rates to apply Where bulky equipment is to be conveyed 1800 Mini-bus/MPV rates to apply Complete with canopy and bin mat As per MTAC 29 January 2002.
Supervisory "field" officials for the Department of Works-only	Light Delivery Vehicle up to 2250cm <sup>3</sup>	Only if Diff-Lock is to be fitted. As per MTAC 29 January 2002.
Surveyor Infrastructure Development Technicians	2200 Mini-bus/MPV  Double Cab 2x4 LDV	Complete with diff-lock and tow bar due to necessity to pull a trailer with extra equipment  Dependant on nature of terrain to be traversed Detailed motivation to be supplied to the Head of Department. Complete with canopy, bin mat, tow bar and Diff-lock Allowance to be limited to that of an LDV with engine capacity of 2500cm <sup>3</sup>
Officials with admin related duties	Sedan up to 1750 cm <sup>3</sup>	Officials who mainly travel on tar roads

2.2) Any deviations from this policy are to be approved by MTAC prior to the application being processed.

2.3) All applications for 4X4 vehicles are to be submitted to MTAC for approval. These applications are to be fully motivated and supported by the Head of Department.

2.4) All officials doing mainly administrative type duties (inspectors, trainers etc.) who qualify for a subsidised vehicle, in terms of the General Conditions and Criteria, should be provided with a 4-door sedan or hatch with an engine capacity of up to 1750 cubic centimeters.

2.5) Disabled officials, who have a private vehicle, should be encouraged to utilise their private vehicle for official purposes. Where a disabled person is by the nature of their duties required to travel a minimum of 15 000km per year, consideration should be given to allocating a subsidised vehicle. Under such circumstances, the cost of special conversions to the vehicle should be added to the benchmark amount and the official should receive full subsidy on this amount. In these instances the vehicle should be taken over a period of 48 months.