



CSI NEWS RELEASE:

Motor Vehicle Benefits Remain Popular In Australia

Friday 13th May 2005: Motor vehicle benefits remain a leading benefit item amongst Australian employees and, where received, form a significant part of the total remuneration package offered by Australian organisations, according to a new report.

CSI – The Remuneration Specialists' recently released *Motor Vehicle Policy Report 2005* presents policy details from 148 Australian organisations and indicates that motor vehicle benefits are the most common benefit item provided to employees in Australia following company contributions to superannuation, which are compulsory, and annual leave loading payments, which are typically low in value.

The report also reveals that motor vehicle benefits are often the most expensive benefit item within employees' salary packages. Annual car allowances are valued between \$13,697 and \$29,756 based on the job family and the job level at which employees are located within organisations.

Annual average values of novated leases and fully maintained vehicles range from \$12,080 - \$28,407 (exclusive of Fringe Benefits Tax) depending on the job family and job level employees are at within organisations. These annual values equate to vehicles with purchase prices ranging from \$32,500 to \$92,500.

CSI's comprehensive analysis of market trends indicates that the most common motor vehicle benefits policies for employees who require a vehicle to perform their job (tool-of-trade) relate to fully maintained vehicles and car allowances. Forty-three per cent of organisations have

these policies. In addition, policies detailing the option for employees to obtain tool-of-trade vehicles through novated leasing occur within thirty per cent of organisations.

Where perquisite motor vehicle benefits are provided to employees, the prevalence of policies amongst Australian organisations is quite different. The most popular mechanism for providing perquisite motor vehicles is novated leasing (seventy per cent of organisations).

Further to this, close to forty per cent of organisations have policies regarding the provision of car allowances and fully maintained vehicles to employees that receive perquisite motor vehicle benefits.

"Motor vehicles are embedded in Australia's history and culture. It is therefore not surprising that they continue to be an integral part of the offerings made by organisations to employees," said Paul Wright, CSI's Business Development Manager.

"The statistics in our motor vehicle policy report clearly show the continuing relevance and importance of motor vehicle benefits to both Australian organisations and Australian employees."

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Note: CSi is a specialist remuneration consultancy that provides advice to assist organisations with strategic and operational remuneration activities. With a reputation for excellence and integrity, CSi assists organisations with setting remuneration strategy, designing remuneration policies, sourcing and utilising market remuneration data, and providing training in remuneration management theory and practice.

Details of the Report:

- 148 organisations responded to CSi's questionnaire outlining motor vehicle policy in Australia.
- Organisations represent a range of industries within the broad categories of IT Vendors; Telecommunications & other Hi-Tech Organisations; Banking, Finance & Insurance; and Miscellaneous (including: Manufacturing; Transport & Shipping and Consulting Engineering).

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