Using Your Own Car

Using your own car for work related purposes presents a number of issues - consider the following and you may decide against it.

Can employees be directed to use their own cars for work?

You cannot be compelled to use a personal vehicle for work unless it was agreed to, by you, as a term of your contract. We suggest that you do not agree unless the employer enters into a deed with you that comprehensively covers you for all losses and costs, and against all claims, arising in any way whatsoever in connection with the use of your car in, or in relation to, your employment. Even then, it is not ideal. This applies equally to school camps.

Are employees covered by their insurance if they crash while driving for work?

Probably not. You’re liable for any excess, and may be excluded from making any claim if the use was for work. In fact, the use of your car for business purposes may invalidate your insurance policy entirely unless you have informed the insurer of the amount of work travel you do, and they have agreed to underwrite that risk. If not, the insurer will be at least entitled to charge a higher premium (retrospectively) and/or to reduce the amount they have to pay on any claim you make. In any case, you need to read your policy very carefully to be sure - each policy is different. At the time of printing, most “major” car insurance companies’ standard policies excluded work use from “private and domestic” use policies.

What are the risks?

There are numerous questions that may arise when using your car at work:

- Are you covered by WorkCover/ Worker’s Compensation?
- What if you have dropped off the students and are on your way home?
- What if you are carrying students, but divert to buy some milk on the way?
- In what scenarios are you covered by TAC/MAIB or WorkCover/ Worker’s Compensation, and are there any gaps in the coverage?
- What about third party property damage?
- What if your driving was fine, but the insurer claims you were at fault for failing to check the brake fluid?
- Are you covered for public liability in every case?
- Who pays if the other person was at fault and can’t be found?
- What about professional liability if you are trusted with the care of the students?

What’s the sensible response?

The answers to the questions above are very complex, and the legal actions to get the answers can be very costly. The IEU strongly suggests that you don’t use your car for work purposes, especially to transport students. Only consider doing so if the school is prepared to give you a comprehensive indemnity to cover all possible costs and losses from any accident and indemnity against all related claims - unlikely, as school’s insurers refuse to indemnify the school where they accept such broad liability. In short, you have a perfectly reasonable and lawful reason to refuse to use your own car for work.

Need more info?

If you need more information on this issue, talk to your rep, call the IEU on 1800 622 889 or check the website: www.ieuvictas.org.au