


# ***CR 2024/68 - Navman Wireless Australia Pty Limited - use of FTC Manager for fuel tax credits***

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## Class Ruling

# Navman Wireless Australia Pty Limited – use of FTC Manager for fuel tax credits

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### **📌 Relying on this Ruling**

This publication is a public ruling for the purposes of the *Taxation Administration Act 1953*.

If this Ruling applies to you, and you correctly rely on it, we will apply the law to you in the way set out in this Ruling. That is, you will not pay any more tax or penalties or interest in respect of the matters covered by this Ruling.

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### **What this Ruling is about**

1. This Ruling sets out when the Fleet Summary Report and GPS Data Report generated from the FTC Manager telematics and technology product (FTC Manager Product) can be used as a record (but not the only record) for record-keeping purposes for fuel tax credit purposes.
2. This Ruling is based on the scheme outlined in paragraphs 18 to 56 of this Ruling and does not rule on whether particular roads are public roads for the purposes of the *Fuel Tax Act 2006*. Furthermore, this Ruling does not:
  - extend to determining entitlement to claim and calculation of fuel tax credits
  - extend to determining whether the road user charge is correctly applied in the apportionment methodology
  - rule on whether the methodology or processes used to determine location, the nature of the activity taking place at that location or other inputs (such as fuel consumption rates) are correct
  - address the assessability of fuel tax credits for income tax purposes.
3. Full details of the FTC Manager Product are set out in paragraphs 20 to 56 of this Ruling.
4. All legislative references in this Ruling are to the *Taxation Administration Act 1953*, unless otherwise indicated.

**Note:** By issuing this Ruling, the Australian Taxation Office is not endorsing the FTC Manager Product. Potential purchasers or users must form their own view about the product.

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### Who this Ruling applies to

5. This Ruling applies to you as an FTC Manager client of Navman Wireless Australia Pty Limited (also known as Teletrac Navman) that:

- is registered for goods and services tax
- is an FTC Data level client and is not covered by paragraph 5 of Product Ruling PR 2024/18 *Navman Wireless Australia Pty Limited and FTC Manager – FTC Self Claim level clients*, and
- generates and uses the Fleet Summary Report and GPS Data Report.

### When this Ruling applies

6. This Ruling applies to taxable fuel acquired on or after 1 July 2024 to 30 June 2026.

## Ruling

7. Subsection 382-5(1) of Schedule 1 provides that an entity must keep records that record and explain all transactions and other acts it engages in that are relevant to an entitlement to a fuel tax credit.

8. An entity must retain those records for at least 5 years after the completion of the transactions or acts to which they relate.

9. Subsection 382-5(8) of Schedule 1 provides that the records must be in English, or easily translated into English, and enable an entitlement under an indirect tax law, that is fuel tax, to be ascertained.

10. The FTC Manager Product is a telematics technology-based reporting tool which generates 3 reports:

- the Fleet Summary Report, which shows configuration details for a fleet
- the GPS Data Report, which reports on kilometres travelled on and off public roads, idle time off public roads and auxiliary equipment operating hours (if applicable), and
- the FTC Claim Report, which is only available to FTC Self Claim level clients covered by paragraph 5 of PR 2024/18.

11. All references to 'the Reports' in this Ruling are to the Fleet Summary Report and the GPS Data Report only.

12. The GPS Data Report for a selected period shows:

- vehicle
- registration
- first trip
- last trip
- type of vehicle
- make and model
- auxiliary equipment

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- off-road travel kilometres
- off-road travel percentage
- on-road travel kilometres
- on-road travel percentage
- off-road idle hours
- on-road idle hours
- auxiliary equipment hours, and
- power take-off (PTO) off-road idle hours.

13. The Reports are produced in English and allow the clients to export information for a specific period into portable document format (PDF) and comma-separated values (CSV) (Excel file format).

14. Provided the Reports are retained for 5 years, or in accordance with the specific requirements under section 382-5 of Schedule 1, they can be used as a record for record-keeping purposes in respect of fuel tax credit claims.

15. Each of the Reports is a document that satisfies a record for the purposes of subsection 382-5(8) of Schedule 1.

16. However, the Reports will not be the only record required to be produced or retained for fuel tax credit purposes. Other evidence or reports could include:

- data input information reports, reports showing accuracy of fuel consumption rates used for vehicles and other inputs, fuel acquisition records (such as tax invoices)
- documentation to verify that environmental criteria has been satisfied
- documentation on the use of fuel (supporting evidence demonstrating the information from the FTC Manager Product) and calculations of credits will be required.

17. In addition, source data records will need to be retained where applicable and FTC Manager clients using the Reports will need to retain evidence of other assurance or process checks that have been undertaken to ensure the amounts included in any of the Reports are accurate.

## **Scheme**

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18. The following description of the scheme is based on information provided by the applicant. If the scheme is not carried out as described, this Ruling cannot be relied upon. Other information referenced is Class Ruling CR 2023/49 *Navman Wireless Australia Pty Limited – use of FTC Manager for fuel tax credits* and Product Ruling PR 2023/17 *Fuel tax: Navman Wireless Australia Pty Limited and FTC Manager – FTC Self Claim level clients*.

19. Certain information has been provided on a commercial-in-confidence basis and will not be disclosed or released under freedom of information legislation.

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### Overview

20. The FTC Manager Product is a telematics technology-based reporting and calculation tool. The FTC Manager Product records and stores Global Positioning System (GPS) and telematics data which clients can use to apportion kilometres travelled in vehicles on public roads, hours used for auxiliary equipment and idle hours. It can also be used to apportion fuel used based on fuel acquisition records. It incorporates an operating platform and technology support provided from Navman Wireless Australia Pty Limited. The hardware (a device that uses GPS satellite information) is set up in each vehicle.

21. Clients are required to complete a template CSV set-up file that is entered into the system, and which contains the name assigned to the tracking unit, vehicle registration, vehicle type, make and model, year, fuel type, gross vehicle mass (GVM), auxiliary equipment type and idle fuel burn rate and source and, where applicable, auxiliary equipment apportionment method and auxiliary equipment burn rate and source. This fleet summary information provides the connection between the FTC Manager processing server and the relevant Teletrac Navman platform and configures parameters for measurement and reporting.

22. Reports can be generated from the system, including a Fleet Summary Report, GPS Data Report, and an FTC Claim Report.

### Hardware and transmission

23. The FTC Manager Product engine operates exclusively with Teletrac Navman GPS hardware which is capable of producing high-definition data (that is, data produced on a second-by-second basis known as 'breadcrumb data'). There are controls to detect false readings of data.

24. Teletrac Navman is responsible for the installation of a GPS tracking hardware device to the vehicle. The hardware device is enclosed in a tamper-proof case, fitted with tamper-proof alarms and hardwired into the vehicle, usually under the dashboard of the driver's side. The device is used to generate the data required for the FTC Manager Product.

25. Once physical installation is complete, Teletrac Navman's support team is notified and the device is connected to the relevant user interface to start recording and storing GPS data for the client.

26. The information required for configuration of the system is:

- vehicle name
- registration number
- vehicle type
- make and model
- year
- fuel type
- GVM
- auxiliary equipment
- auxiliary equipment percentage
- auxiliary equipment manual rate percentage

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- auxiliary equipment manual rate source
- auxiliary equipment burn rate
- auxiliary equipment burn rate source
- idle burn rate
- idle burn rate source
- PTO port
- connection date
- work lights port, and
- ground switched enabled.

27. Once the system set-up is complete, the data will be allocated to the relevant vehicles and equipment based on the fleet configuration in the Fleet Summary page of FTC Manager. As soon as the system is switched on following installation of the hardware, it will begin collecting data continuously for each GPS device. The vehicle's position is provided by satellite to the device and the data is transmitted by the tracking unit at the time it is generated. Where vehicles are out of cellular coverage, data is stored on the GPS device for up to 28 days and transmitted once the vehicle reconnects to cellular coverage. Clients in remote locations have the ability to purchase an iridium satellite modem to transmit data in real time.

28. Teletrac Navman hardware devices are a type approved by Transport Certification Australia Limited.

29. The data flow includes the processing of event data and breadcrumb data extracted in real time from the servers. The 'ping rate' is second-by-second high-definition data (that is, breadcrumb data). If the GPS accuracy is below a certain acceptable level, the breadcrumb data is ignored. That is, the trip is ended, and a new trip is started when accurate breadcrumb data is generated.

30. Event and breadcrumb data are tagged with GPS location, date and time, event type and accuracy information (horizontal dilution of precision and number of satellites). This data is processed by the server through an incoming message queue and inserted into the Teletrac Navman platform.

31. Each individual trip segment is exposed on the user interface in both written and graphical view ensuring that the precise path travelled by the vehicles is tracked (particularly relevant for off-road locations). It is then configured against the fleet of vehicles stored in the portal.

32. Security technology and scans ensure the data is backed up and protected.

### **Service levels**

33. The FTC Manager Product has 2 different core service levels – FTC Data and FTC Self Claim.

34. The FTC Data level client does not receive any fuel tax credit claim advice from Fuel Tax Advisers Pty Ltd (Fuel Tax Advisers) as standard, and the clients are encouraged to review data prior to making each claim and report any map anomalies to the Fuel Tax Advisers support team. Where map anomalies are identified, the requisite geofences are created and approved. The data for the relevant fleet is then reprocessed to take the adjustments into account. These clients are also encouraged to seek professional advice

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to assist with apportionment of fuel tax credit claims. The FTC Data level clients can only access raw data from the GPS Data Report.

35. The FTC Self Claim level clients receive fuel tax credit claim advice from Fuel Tax Advisers and have the ability to access the FTC Claim Report. These clients are not covered by this Ruling but are instead covered by paragraph 5 of PR 2024/18.

36. In addition to the core service levels, clients can add fuel tax credits retrospective review and fuel tax credit compliance as services to receive from Fuel Tax Advisers. These services are not covered by this Ruling.

### Road map data

37. The FTC Manager Product is based on a commercial base layer geographic information system (GIS) dataset of the Australian road network.

38. The FTC Manager Product uses a processing engine to geocode event and breadcrumb data of the Australian road network and the system has incorporated centreline geotunnels around all roads from that data. There are 2 mapping layers that are added to the top of the GIS dataset and these are centreline geotunnels and custom geofences. Centreline geotunnels are automatically created on both sides of the centreline of all public road segments from the GIS dataset. The geotunnels are set at a distance of 30 metres on either side of the centreline of the public road (total width is 60 metres). The areas within the geotunnels are treated as 'on-road' – that is, public roads for fuel tax credit purposes.

39. A separate repository of all geofences is retained to allow for updating of the underlying GIS dataset without affecting the map changes made by clients and administrators.

40. Once event-based data and breadcrumb data is generated by the tracking units, it is processed by the system and compared against both mapping layers. The processing engine then calculates the apportionment using GPS distances and idle time of vehicles and fuel transactions (where applicable) for the relevant period.

41. The system allows for adjustments to enable client and Fuel Tax Advisers Administrator geofences to be created in certain circumstances, such as the client's premises being within the incorporated centreline geotunnel.<sup>1</sup> All client-created geofences are submitted for approval and do not enter the universal map until approved by a Fuel Tax Advisers Administrator. Once approved the geofences are integrated into the universal map-set.

42. The Fuel Tax Advisers Administrator can also create geofences around specific locations where the more automated dataset of the Australian road network may require adjustment to reflect the categorisation of locations of travel for the purposes of fuel tax credits. Examples may include newly-opened roads not yet updated on maps based on the dataset of the Australian road system, or a road that is closed and undergoing construction and maintenance.

43. Certain geofences apply only to the fleet which created the geofence. There are also set timeframes for the operation of certain geofences. Other geofences can be set permanently, for example, for the client's premises.

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<sup>1</sup> For geofences, when assessing the status of a road the principles outlined in Fuel Tax Ruling FTR 2008/1 *Fuel tax: vehicle's travel on a public road that is incidental to the vehicle's main use and the road user charge* and the Federal Court decision in *Linfox Australia Pty Ltd v Commissioner of Taxation of the Commonwealth of Australia* [2019] FCAFC 131 are applied.

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### **Auxiliary equipment**

44. Vehicles that operate auxiliary equipment usually power that equipment from either a PTO unit from the vehicle's main engine or directly from a secondary engine. The GPS tracking hardware device unit can be connected to either type of auxiliary system allowing information to be captured and reported for the period which the auxiliary equipment is in operation. The device unit records the amount of operating time (hours) of auxiliary equipment of vehicles with a GVM of greater than 4.5 tonnes.

### **Idle hours**

45. The FTC Manager Product records only 'off-road' idle hours when the following conditions are met:

- the vehicle's engine is operational or running
- the vehicle is in an off-road location, and
- the vehicle has been stationary for 5 seconds or longer.

### **Travelling**

46. The FTC Manager Product records kilometres travelled on and off public roads and corresponding percentages.

### **Analysis**

47. Clients can undertake a vehicle trip analysis and obtain summary details from the data collected. The vehicle trip analysis provides details on the specific activities of each vehicle displaying a list of the individual trips, their start and end locations, the classification of area, duration, distance and a map showing every individual trip graphically. It also shows individual off-road idle events.

48. There is the ability for trips to be removed from the overall calculations if erroneous or where amendments to classification of certain areas are required.

49. FTC Manager Product clients are encouraged to report detected issues to the FTC Manager support team.

50. There are also several layers of verification built into the FTC Manager system.

### **Governance, assurance and controls**

51. The FTC Manager Product includes governance, assurance and internal controls to ensure that the following are detected and corrected:

- GPS drift or false reading related errors and anomalies
- outlier results including high or unusual idle times which are not consistent with the operations of the business are examined
- public road classification, geofencing and other parameters are appropriate and accurate, and
- the overall calculation of fuel tax credits is representative of the client's unique business operations.



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### **Reporting**

52. The FTC Manager Product produces 3 types of reports that can be produced in CSV or PDF formats. The reports are the Fleet Summary Report, the GPS Data Report and the FTC Claim Report. These reports are in English.

53. The Fleet Summary Report shows all configuration details for a fleet.

54. The FTC Claim Report is only available to FTC Self Claim level clients covered by paragraph 5 of PR 2024/18.

### **GPS Data Report**

55. The GPS Data Report provides the data which is necessary as the base measurements. The report shows the vehicle, registration, first trip, last trip, type of vehicle, make and model, auxiliary equipment, off-road travel kilometres, off-road travel percentage, on-road travel kilometres, on-road travel percentage, off-road idle hours and auxiliary equipment hours (if applicable) for a selected period.

56. The GPS Data Report will contain the following details for each individual trip:

- Off-road travel percentage – the distance travelled according to GPS satellite data using latitude and longitude of vehicles which is generated on a second-by-second basis. For the relevant reporting period the total kilometres travelled in off-road areas are expressed as a percentage of the total kilometres travelled by that vehicle.
- Off-road idle hours – the amount of time a vehicle spends idling (engine on, no movement for 5 seconds or more) at off-road sites.
- Auxiliary equipment operating hours – the amount of time that auxiliary equipment is in operation for vehicles that have the necessary hardware connection between the GPS tracking unit and the PTO unit or secondary engine.

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**Commissioner of Taxation**

23 October 2024

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## References

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*Related Rulings/Determinations:*

CR 2021/30; CR 2023/20; CR 2023/49;  
FTR 2008/1; PR 2021/2; PR 2023/4;  
PR 2023/17; PR 2024/18

*Legislative references:*

- FTA 2006
- TAA 1953 Sch 1 382-5
- TAA 1953 Sch 1 382-5(1)

- TAA 1953 Sch 1 382-5(8)

*Cases relied on:*

- Linfox Australia Pty Ltd v Commissioner of Taxation of the Commonwealth of Australia [2019] FCAFC 131; 271 FCR 365; [2020] ALMD 3305; [2020] ALMD 3320; [2020] ALMD 3321

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ATO references

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