

# ***CR 2023/67 - Two10degrees Pty Ltd - use of Global Alerting Platform In-Vehicle Management System for fuel tax credits***



This cover sheet is provided for information only. It does not form part of *CR 2023/67 - Two10degrees Pty Ltd - use of Global Alerting Platform In-Vehicle Management System for fuel tax credits*



---

Status: **legally binding**

---

## Class Ruling

# Two10degrees Pty Ltd – use of Global Alerting Platform In-Vehicle Management System for fuel tax credits

---

### 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.

---

Table of Contents	Paragraph
What this Ruling is about	1
Who this Ruling applies to	4
When this Ruling applies	5
<b>Ruling</b>	<b>6</b>
<b>Scheme</b>	<b>15</b>

---

### What this Ruling is about

1. This Ruling sets out when the Off-Road Distance Travelled and PTO Time Report (the Report) generated by the Global Alerting Platform In-Vehicle Management System (GAP IVMS) can be used as a record (but not the only record) for record-keeping purposes for fuel tax credit purposes.

2. Full details of this scheme are set out in paragraphs 15 to 50 of this Ruling. This Ruling does not rule on whether particular roads are public roads for the purposes of the *Fuel Tax Act 2006* and will 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, and
- address the assessability of fuel tax credits for income tax purposes.

**Note:** By issuing this Ruling, the ATO is not endorsing the GAP IVMS. Potential purchasers or clients must form their own view about the platform.

3. All legislative references in this Ruling are to Schedule 1 of the *Tax Administration Act 1953*, unless otherwise indicated.

---

Status: **legally binding**

---

**Who this Ruling applies to**

4. This Ruling applies to you as a client (the client) of Two10degrees Pty Ltd (Two10degrees) that:
- is registered for goods and services tax, and
  - uses the Report for measuring the kilometres travelled and the power take off (PTO) engagement time when operating auxiliary equipment as part of calculating the extent of your fuel tax credit entitlement.

**When this Ruling applies**

5. This Ruling applies to taxable fuel acquired from 1 July 2023 to 31 December 2024.

**Ruling**

6. Subsection 382-5(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.
7. An entity must retain those records for at least 5 years after the completion of the transactions or acts to which they relate.
8. Subsection 382-5(8) 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.
9. The Report provides the following information during the selected periods:
- unique Vehicle Identifier (Device ID)
  - vehicle name (Vehicle)
  - total kilometres travelled (Total (km))
  - total kilometres travelled which were not on a public road (Off Road (km))
  - the percentage of the total distance travelled which was not on a public road (Off Road (%))
  - total PTO engagement time (Total PTO (h:mm)).
10. The Report is produced in English and allows the client to export information for a specific period to comma separated values format and portable document format.
11. The information provided in the Report forms part of the formula to determine the extent of the taxable fuel used in the vehicle to be apportioned for fuel tax credit purposes.
12. The Report is a document that satisfies a record for the purposes of subsection 382-5(8).
13. Provided the Report is retained for 5 years, or in accordance with the specific requirements under section 382-5, it can be used as a record for record-keeping purposes in respect of fuel tax credit claims.
14. However, the Report will not be the only record required to be produced or retained for fuel tax credit purposes. Other evidence or reports could include data showing accuracy of fuel consumption rates used for vehicles, fuel acquisition records (such as tax

---

Status: **legally binding**

---

invoices) or environmental criteria documentation. In addition, the client will need to retain audit logs and evidence of other assurance or process checks that have been undertaken to ensure that the distances or times included in the Report are accurate. This includes, but is not limited to, any manual reclassifications of journeys.

## **Scheme**

15. 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.

16. Other information referenced is Class Ruling CR 2021/80 *Two10degrees Pty Ltd – use of Global Alerting Platform In-Vehicle Management System for fuel tax credits*.

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

### **Overview of the Global Alerting Platform In-Vehicle Management System**

18. The GAP IVMS, developed by Two10degrees, is a Global Positioning System (GPS) cloud-based online platform that receives and analyses journey information from a GPS tracking device.

19. The GAP IVMS securely receives, stores and processes the journey information. It also generates the Report.

20. The Report can be used by a client to apportion kilometres travelled in vehicles on public roads (on-road) and off public roads (off-road), and to record the engagement time of the power take off to operate auxiliary equipment.

### **The Global Positioning System tracking device**

21. GAP IVMS consists of a GPS tracking device that is installed in the vehicle. The 2 types of GPS tracking devices available are GeoTab GO7 and GeoTab GO9. Only one type of device is installed per vehicle.

22. The device is installed using a professional vehicle electrical installation company under contract to Two10degrees, or the client may choose to use their own installers. In both cases, full installation verification tests are carried out.

23. At the commencement of a journey, when the vehicle ignition is switched on, the GPS tracking device automatically commences the generation of location reports until the ignition is switched off. No user interaction is required.

24. The GPS tracking device uses a patented 'curve logging' tracking algorithm which transmits tracking messages, at intervals ranging from one to 100 seconds, to accurately record the exact route driven by the vehicle. For example, location messages are sent in quick succession when turning corners (for example, every second) and less often when travelling on straight stretches of road (for example, every 100 seconds). The curve logging tracking algorithm allows the GPS tracking device to keep only the points necessary to give a representation of the data that is as accurate as possible and send these to the server.

25. The location information is sent to the GAP IVMS for processing.

---

Status: **legally binding**

---

26. The GPS location data collected in-vehicle by the GAP IVMS is sent via a cellular or satellite connection to the GAP IVMS back-end cloud platform. The data is encrypted during transport, securing the privacy and integrity of the data.

27. If the vehicle cannot transmit the location to the GAP IVMS, it is stored on the device until communication is restored. On receipt of the GPS location report, the GAP IVMS interprets the location and uses this location to determine if the report location is on-road or off-road.

#### **Vehicle locations**

28. The GAP IVMS maintains a database of all public roads in Australia which is derived from a specified mapping source.

29. On receipt of a GPS location report, the GAP IVMS uses geospatial querying techniques to locate the nearest road to the reported GPS location.

30. If the reported GPS location is within a specified distance of the centreline on either side of any road, as defined in the roads database, then the reported location is marked as being on-road.

31. If the location is further than the specified metres from the centreline on either side of the road, then the reported GPS location is marked as not being on-road. This includes roads, depots, warehouses and any other sites located further than the specified metres from the centreline.

32. There are various sources of errors that may affect the accuracy of the data. These errors include GPS loss, dilution of precision and road map data inaccuracies.

33. There are controls in place to mitigate these sources of errors:

- GPS data can be incomplete or inaccurate due to antenna orientation, signal blockage, signal reflection, radio interference or solar storm activity. In these circumstances, off-road distance is determined by specified algorithm, discounting inaccurate GPS.
- GPS position of a vehicle can fluctuate slightly over time at the same location. These 'GPS step outs', as they are known, can lead to erroneous off-road determinations while driving and false short journeys when stationary. Both errors are removed by specified algorithm, removing the impacts of GPS step outs.
- Road map data inaccuracies can arise due to recent road improvements – for example, a road may have been recently straightened to improve a dangerous corner and the map data set has yet to be updated. The data would falsely identify the vehicle as being off-road, according to the road mapping data, when in fact it was travelling on-road. This error type is detected by specified algorithm, discounting the off-road determination reported to the true updated road topology.

34. The client has access to a journey visualisation capability which allows them to visualise a given journey, including the on-road and off-road segments. If the client identifies a misclassification, they can manually recategorise off-road segments as on-road or vice versa.

35. The platform provides detailed audit logs of all client transactions that add, update or delete data. This includes, but is not limited to, any reclassifications of journeys.

---

Status: **legally binding**

---

### **Auxiliary equipment and idling**

36. The GAP IVMS only records data for PTO-based auxiliary equipment. It records the engagement of PTO for the purpose of measuring auxiliary equipment utilisation.
37. The information is used to report the time spent for the purposes of PTO engagement to power auxiliary equipment. This includes idling while the PTO is engaged.
38. Data is not provided for idling of vehicles where PTO is not running.
39. To distinguish between 'idling' and 'PTO idling', the PTO unit's enable or disable switch is directly connected to the GAP IVMS's digital input, allowing it to record the exact timestamp, duration and location that the PTO was enabled. The digital input is electrically configured to prevent giving false readings and is not susceptible to errors such as recording idling as PTO idling when the PTO is not engaged.

### **The Off-Road Distance Travelled and PTO Time Report**

40. Every 24 hours, the GAP IVMS back-end platform processes the stored location and generates a time series database permitting the user to view dynamic reports based on vehicles and dates.
41. Access to the data is strictly controlled by the platform's user role-based security mechanism to limit access to authorised personnel only.
42. The client is provided a suite of secure web-based applications to manage their vehicles and journeys data.
43. The client has full access to every GPS position report including, but not limited to, report time, latitude, longitude, speed, and heading. This is available as a list which can be visualised on a web-based map. The data is processed in real time and the client has continuous access to their data.
44. Depending on the terms of contract, the client may receive technical support relating to the applications from Two10degrees.
45. Two10degrees does not provide any client with any fuel tax credit claim-related advice or entitlement advice beyond the data that is provided via the platform.
46. The Report is available to the client as an online report, which allows the client to select the reporting period and vehicles to be included.
47. The Report can be exported to comma separated values format and to portable document format. This online report allows the customer to select the reporting period for submission.
48. The Report is in English and provides the following information during the selected periods:
- Device ID
  - Vehicle
  - Total (km)
  - Off Road (km)
  - Off Road (%)
  - Total PTO (h:mm).

---

Status: **legally binding**

---

49. The underlying report data is stored for at least 5 years, maintained by Two10degrees and accessible by the client at any time. The report may also be exported, only by the client, for other uses.

50. Any software updates to the reporting system undergo rigorous unit testing and regression testing before release as part of Two10degrees's quality management processes.

---

**Commissioner of Taxation**

6 December 2023

---

---

Status: **not legally binding**

---

## References

---

*Previous Rulings:*

CR 2021/80

- TAA 1953 Sch 1 382-5
- TAA 1953 Sch 1 382-5(1)
- TAA 1953 Sch 1 382-5(8)

*Legislative references:*

- FTA 2006

---

ATO references

NO: 1-ZWRCJVB  
ISSN: 2205-5517  
BSL: SMB  
ATOlaw topic: Excise ~~ Fuel tax credits

---

© **AUSTRALIAN TAXATION OFFICE FOR THE COMMONWEALTH OF AUSTRALIA**

You are free to copy, adapt, modify, transmit and distribute this material as you wish (but not in any way that suggests the ATO or the Commonwealth endorses you or any of your services or products).