

Notice seeking clearance for  
EROAD  
to acquire the shares of  
Coretex

**PUBLIC VERSION**

Confidential material in this application has been removed.  
Its location in the document is denoted by [ ].

20 August 2021

# Contents

<b>EXECUTIVE SUMMARY</b>	<b>3</b>
<b>PART 1: APPLICANT AND OTHER PARTY DETAILS</b>	<b>5</b>
<b>PART 2: TRANSACTION DETAILS</b>	<b>6</b>
<b>PART 3: BACKGROUND TO VEHICLE TELEMATICS</b>	<b>8</b>
<b>PART 4: THE PARTIES' BUSINESS ACTIVITIES</b>	<b>18</b>
<b>PART 5: RELEVANT MARKET</b>	<b>27</b>
<b>PART 6: COUNTERFACTUAL</b>	<b>37</b>
<b>PART 7: COMPETITION ANALYSIS</b>	<b>40</b>
<b>PART 8: CONFIDENTIALITY</b>	<b>65</b>
<b>APPENDIX 1: TRANSACTION DOCUMENTS</b>	<b>68</b>
<b>APPENDIX 2: EROAD FINANCIAL STATEMENTS AND ANNUAL REPORT</b>	<b>69</b>
<b>APPENDIX 3: CORETEX FINANCIAL STATEMENTS AND ANNUAL REPORT</b>	<b>70</b>
<b>APPENDIX 4: TRADE AND INDUSTRY ASSOCIATIONS</b>	<b>71</b>
<b>APPENDIX 5: EROAD'S KEY CUSTOMERS</b>	<b>72</b>
<b>APPENDIX 6: CORETEX'S KEY CUSTOMERS</b>	<b>73</b>
<b>APPENDIX 7: MARKET SHARE ESTIMATES</b>	<b>74</b>
<b>APPENDIX 8: EROAD'S RFP AND WIN/LOSS DATA</b>	<b>76</b>
<b>APPENDIX 9: CORETEX'S RFP AND WIN/LOSS DATA</b>	<b>77</b>
<b>APPENDIX 10: MARKET SHARE METHODOLOGY</b>	<b>78</b>
<b>APPENDIX 11: PROCESS FOR PREPARING WIN/LOSS AND RFP DATA</b>	<b>79</b>
<b>APPENDIX 12: COMPETITOR PROFILES</b>	<b>80</b>
<b>APPENDIX 13: SUMMARY OF KEY FEATURES/FUNCTIONS OFFERED BY VEHICLE TELEMATICS SUPPLIERS</b>	<b>89</b>
<b>APPENDIX 14: EROAD'S VEHICLE TELEMATICS PLANS</b>	<b>91</b>
<b>APPENDIX 15: CORETEX'S VEHICLE TELEMATICS PLANS</b>	<b>95</b>
<b>APPENDIX 16: COMMISSION REQUESTED INFORMATION AND DOCUMENTS</b>	<b>96</b>
<b>APPENDIX 17: GLOSSARY</b>	<b>967</b>



]. Further, given EROAD's current rate of growth, Coretex's total subscriber base represents only approximately [ ] of trading activity for EROAD, and therefore the acquisition of Coretex does not represent a step change in EROAD's market share.

- 7 Conversely, EROAD faces strong competition from a range of telematics providers with global scale and significant local market share, including Teletrac Navman (**Navman**), Smartrak, Blackhawk and Argus. These competitors offer a comprehensive range of telematics features and are therefore able to compete on an equal footing with EROAD for all customers in the market. In addition to those specialist telematics providers, there are a number of other suppliers who offer telematics as part of their service offering, or alongside other services (e.g. Verizon Connect (**Verizon**), Spark and Vodafone).
- 8 The appropriate market definition for assessing the Proposed Transaction is the market for the supply of vehicle telematics. The market is arguably at least Australasian, or global, in scope but the Parties have proceeded on the conservative assumption that the market is national. However, it would not be appropriate to further segment the market by product feature or customer type.
- 9 Even if the Commission were to examine competition between the Parties in relation to specific product features, the Proposed Transaction would be unlikely to substantially lessen competition. In relation to those features that reflect local regulatory requirements (electronic road user charging and electronic logbooks<sup>2</sup>), there are a range of other suppliers who replicate the Parties' offering and constitute a more significant competitive constraint on EROAD.
- 10 To conclude, a substantial lessening of competition is not likely as a result of the Proposed Transaction and the Commission should grant clearance.

---

<sup>2</sup> Also known as ELB.

**PART 1: APPLICANT AND OTHER PARTY DETAILS**

**Applicant for clearance**

- 11 This notice seeking clearance is given by EROAD. The applicant can be contacted through the details set out below.

[

]

- 12 All correspondence and notices in respect of this application should be directed in the first instance to:

Simon Peart  
Partner  
Chapman Tripp  
10 Customhouse Quay  
Wellington  
P: +64 4 498 6388  
E: [simon.peart@chapmantripp.com](mailto:simon.peart@chapmantripp.com)

Sophie Harker  
Senior Solicitor  
Chapman Tripp  
10 Customhouse Quay  
Wellington  
P: +64 4 498 2413  
E: [sophie.harker@chapmantripp.com](mailto:sophie.harker@chapmantripp.com)

**Other party to the acquisition**

- 13 Contact details for Coretex are set out below.

Neil Anderson  
neilandco  
P: +64272789494  
E: [neil@neilandco.nz](mailto:neil@neilandco.nz)

**PART 2: TRANSACTION DETAILS****The Proposed Transaction**

14 Pursuant to a Share Purchase Agreement (**Agreement**), signed 14 July 2021, EROAD proposes to acquire 100% of the shares of Coretex, subject to the terms and conditions of the Agreement. The proposed purchase price of Coretex is NZD 188,300,000.

15 Under the terms of the Agreement, [

].

**Proposed Transaction process**

16 The share transfer in Coretex will take place and be recorded in New Zealand, and is expected to be completed by 30 August 2021. A condition of the Agreement is that EROAD and Coretex obtain all required regulatory and competition law approvals from the Commerce Commission before completion.

17 The documents relating to the Proposed Transaction are attached at **Appendix 1**.

**Commercial rationale of the Proposed Transaction**

18 EROAD offers a comprehensive telematics solution suitable for any vehicle fleet.  
[

].

19 [

].

20 The Proposed Transaction will combine the Parties' complementary technologies, development teams and platforms. In particular:

20.1 While EROAD has historically offered broad-ranging telematics solutions suitable for all commercial vehicle fleets, Coretex has evolved over time to focus on a particular competitive strength, being specific sector verticals in reefer/food safety, construction and waste. EROAD considers that the Proposed Transaction will combine the Parties' respective strengths in vehicle telematics, enhancing product development.

20.2 The Proposed Transaction provides a growth opportunity for the merged entity in overseas markets, including North America and, to a lesser extent,

Australia. [

].

- 21 Accordingly, the Parties consider that the Proposed Transaction combines their complementary product offerings and strengths and will also allow faster delivery of technology, accelerated growth in Australia and North America and rationalisation of duplicated costs across the business, allowing the merged entity to compete more effectively against other suppliers of vehicle telematics on the global stage.

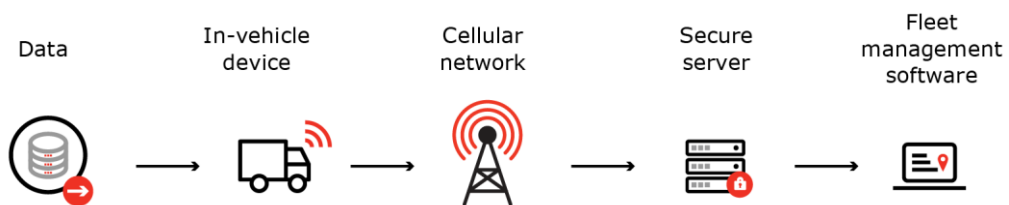
### PART 3: BACKGROUND TO VEHICLE TELEMATICS

- 22 This Part 3 provides an introduction to vehicle telematics.
- 23 Vehicle telematics are systems used to monitor and analyse vehicle information to support commercial fleet management. Vehicle telematics comprise a range of complementary data capture, analytics and control system features applicable to a range of different vehicle types (including cars, cargo vans, buses and coaches, trucks, heavy equipment and specialist vehicles) and assets (including trailers, powered and non-powered machinery).

#### Vehicle telematics

- 24 Telematics systems comprise sensors, controls and data visualisation and management devices installed in the vehicle, supported by a back office platform delivering reporting and insights, to enable regulatory compliance, monitoring of driver safety and efficient fleet management.

Figure 1: Vehicle telematics solutions



- 25 At a high level, vehicle telematics solutions can be divided into three elements:
- 25.1 **In-vehicle device:** Most commonly, telematics data is collected by a small device installed in the vehicle (or other asset) itself. This device collects, stores and transmits different types information relating to the vehicle's performance, condition and usage, including through:
- GPS technology, to provide visibility into vehicle location, speed and movement,
  - sensors, to capture data on driver activity (e.g. aggressive acceleration, harsh braking, erratic cornering) and in-vehicle activity (e.g. temperate control, door opening, tail lift raising), and
  - engine diagnostics, to pull data directly from the vehicle diagnostics system. These tools are used to gather data on fuel efficiency and vehicle odometer readings.
- 25.2 Windows and Linux are traditional operating systems for in-vehicle devices, but Android-based solutions are increasing (e.g. MTData's Talon driver tablet solution).
- 25.3 The integration of mobile devices to support vehicle telematics services (rather than bespoke hardware) is also a growing trend. For example, Whip Around offers app-based fleet inspection and maintenance functionality. Logmate from Tierra Technologies is in turn an NZTA-approved electronic work-time management system, offering electronic logbook subscriptions based on a mobile app.



- 25.4 **Mobile network:** Information is transmitted between the vehicle or asset to the server via a wireless mobile connection, or alternatively through satellite communications (to extend coverage in remote and unpopulated areas). Mobile networks such as 2G, 3G and 4G are used to provide the wireless network infrastructure. The evolution of 3G and 4G technologies improves the performance of telematics solutions, and with the introduction of 4G telematics functionality, telematics providers are upgrading their platforms to ensure compatibility with the 4G (or even 5G) mobile network (including as older networks, such as 2G networks, are shutdown).
- 25.5 **Back office fleet management software:** Data is collected from individual vehicles and stored to a database for further processing and analysis. Telematics data is viewable in real-time through a central software platform, enabling customers to monitor the performance of the vehicle and their fleets (for example, visualise vehicle location on a map or view tailor-made reports and alerts), operate control systems (for example, managing refrigeration systems on trucks), and digest data and examine trends via analytics.
- 25.6 Fleet management software will typically offer a suite of reporting and analytics tools. In addition, customers may redirect their telematics data to a third party provider of reporting and analytics services.

### **Customer requirements**

- 26 Customers have different fleet management requirements, and therefore the telematics market is characterised by a wide range of complementary technologies and features. The types of requirements that drive the customer's purchasing decision can be broadly categorised into:

- 26.1 compliance requirements and driver safety;
- 26.2 asset tracking and management; and
- 26.3 sensors and controls.

### **Compliance requirements and driver safety**

- 27 Telematics can be used to track and automate regulatory compliance requirements, as well as generating data and insights for fleet management.
- 28 Fleet operators are subject to a range of compliance requirements related to health and safety. For example, in New Zealand, vehicles are classified as a workplace under the Health and Safety at Work Act 2015, requiring employers to ensure vehicles are roadworthy. Further examples include:
- 28.1 monitoring and tracking drivers, such as driver identification, monitoring driver fatigue (ensuring drivers take the appropriate break and rest periods), driving style and driving times, which can be monitored by in-vehicle cameras and driver management features of a telematics device (including data collection from the vehicle such as speed data);
  - 28.2 insurance risk management (collection of driver behaviour data and use of video telematics); and
  - 28.3 other legislative requirements such as:
    - (a) work-time rules (which can be monitored by electronic logbooks (Electronic Work Diaries in Australia, and Electronic Logging Devices in

the United States (**US**)), improving data accuracy and transparency for drivers);

- (b) fringe benefit tax (**FBT**) reporting (which, as above, can be monitored by electronic logbooks and other automated data collection by tracking personal and business use of a vehicle); and
- (c) electronic monitoring of access permit requirements in Australia through applications such as the Intelligent Access Program<sup>3</sup> and Intelligent Speed Compliance<sup>4</sup>; and
- (d) road user charges in New Zealand (which can be monitored by approved telematics devices) under the Land Transport Act 1998, Road User Charges Act 2012 and accompanying rules and regulations.<sup>5</sup>

### **Asset tracking and management**

29 Asset tracking and management tools allow fleet operators to ensure vehicles, trailers and other machinery (powered and non-powered) are optimally utilised and operated. This includes tracking the efficient use of vehicles and fleets, including vehicle diagnostics and maintenance planning. These features include:

- 29.1 routing and navigation (mapping);
- 29.2 remote monitoring of vehicle location (for example, geo-fencing by tracking vehicles and assets on site, including the time on site, jobs loaded or dropped, and which driver was on the vehicle and for how long);
- 29.3 pool booking (managing vehicle bookings automatically and providing real-time visibility of vehicles);
- 29.4 vehicle utilisation optimisation (such as service alerts and collecting engine data); and
- 29.5 monitoring fuel efficiency or emissions.

### **Sensors and controls**

30 Specialist vehicles such as refrigerated (reefer or food safety) vehicles, waste and construction vehicles, or vehicles for the transport of livestock and hazardous substances, incorporate systems that require sensors and controls for both driver operation and fleet management. For example:

- 30.1 for refrigerated food, remotely monitored temperate sensors can verify that the highest allowed temperature has not been exceeded during transport;

---

<sup>3</sup> Providing heavy vehicles with access, or improved access, to the Australian road network in return for monitoring of compliance with specific access conditions. See: <https://www.nhvr.gov.au/road-access/access-management/intelligent-access-program-iap> (accessed 5 July 2021).

<sup>4</sup> Monitoring vehicle speed against nominated speed thresholds, with event reports generated when the threshold is breached. See: <https://tca.gov.au/service-offering/intelligent-speed-compliance/> (accessed 5 July 2021).

<sup>5</sup> Australia is trialling a similar requirement, with its "National Heavy Vehicle Charging Pilot", testing potential direct user charging options for heavy vehicles. See: <https://www.infrastructure.gov.au/roads/heavy/charging-trials/index.aspx> (accessed 5 July 2021).

- 30.2 for various machinery, sensor monitoring for the use of sweepers;
- 30.3 counting rotations (drum control) and measuring water for cement trucks;  
and
- 30.4 tracking of hazardous substances, to monitor and guide vehicles / emergency services.
- 31 Telematics solutions support driver monitoring and operation of specialist vehicles.

### Key telematics features functions

- 32 Suppliers of vehicle telematics solutions offer a wide range of complementary and overlapping functions and features to meet the requirements set out above. Figure 2 below sets out a non-exhaustive and illustrative list of product features in each of the principal categories discussed above.

Figure 2: Summary of key telematics features / functions

Category	Function / Feature
<b>Compliance / safety</b>	Driver ID system
	Electronic logbook
	Electronic road user charging (eRUC)
	In cab device monitoring driver behaviour
	Posted speed monitoring
	FBT reporting (light vehicles)
	Cameras
<b>Asset tracking / management</b>	Paperless vehicle inspection <sup>6</sup>
	Mapping
	Precision distance tracking
	Geo-fencing
	Service alerts
	Fuel management
	Pool booking (real time location/booking)
<b>Sensors and controls</b>	Refrigeration
	Sensors and controls for concrete mixers <sup>7</sup>

- 33 Fleet managers are typically interested in monitoring three components of a vehicle: the vehicle itself, the driver, and the vehicle's load. To date, most providers of vehicle telematics in New Zealand (including EROAD) have focused on features relating to the vehicle and driver, with a more limited focus on the vehicle load, while a minority of providers (including Coretex) have focused on the vehicle's load (such as sensors and controls to monitor temperature). EROAD's and Coretex's offerings are therefore largely complementary.

<sup>6</sup> Note that paperless vehicle inspection also provides a compliance role in addition to an asset management role (as the digitisation of the records makes them easier to find, compile and analyse, which optimises maintenance schedules).

<sup>7</sup> This includes income/outcome and/or powered take off engagement, particularly on construction machinery.

### Vehicle telematics trends

- 34 Customer demand for telematics solutions is growing significantly.<sup>8</sup>
- 35 The global movement, by both customers and regulators, towards lower cost,<sup>9</sup> transparent electronic compliance and record keeping has created significant opportunities to utilise innovative technological measures to improve commercial road transport safety and efficiency. Specific measures include:
- 35.1 use of information technology to support better driver behaviour;
  - 35.2 use of smartphones and tablets to enable remote vehicle location tracking, data collection and in-cab functionality;
  - 35.3 use of technology-based accreditation and safety ratings schemes to encourage the application of safety management systems; and
  - 35.4 electronic logbooks to support regulation of driver hours and other solutions to monitor driver health and safety.
- 36 Efficient fleet management is increasingly important to commercial vehicle fleet operators as a means to achieve productivity gains and increase returns to shareholders. As vehicle telematics suppliers have innovated over time, the return on investment in telematics solutions as a result of productivity gains has increased, which drives uptake.
- 37 The value chain is also being unbundled, with providers entering different levels of the value chain, e.g. by leveraging off existing expertise. For example, vertically integrated telematics suppliers such as the Parties are increasingly competing against:
- 37.1 car manufacturers including increasingly sophisticated sensors, controls and monitoring software in their vehicles (original equipment manufacturers, **OEMs**);
  - 37.2 white-label manufacturers of in-cab devices partnering with car manufacturers (e.g. Toyota's partnership with ForceField Telematics), or supplying hardware under licence to other market participants. For example, Digital Matter<sup>10</sup> supplies hardware for Spark to resell under the Spark brand, and Vehicle Technologies<sup>11</sup> acts a reseller for a range of third party solutions including Telematics Guru (which offers a vehicle tracking app), Greenroad Solutions (which offers vehicle tracking, vehicle management, real-time driver feedback), MiX Telematics (a significant Australasian player that offers geogencing, vehicle updates, fuel management etc), and RUC Monkey (which offers a Waka-Kotahi certified eRUC solution); and

---

<sup>8</sup> For example, see Berg, Fleet Management in Australia and New Zealand 2020 at p 38. While the COVID-19 pandemic has impacted vehicle telematics, any setbacks are expected to be temporary.

<sup>9</sup> Market pressure to reduce costs is one of the strongest drivers for the adoption of fleet management solutions. Road transportation is characterised by strong competition where even small efficiency gains can be important to improving competitiveness.

<sup>10</sup> For information on Digital Matter see: <https://www.digitalmatter.com/>.

<sup>11</sup> For information on Vehicle Technologies refer to paragraphs 157 to 158 and Appendix 12.

- 37.3 software solutions for data analytics and processing, including Optifleet,<sup>12</sup> Orbica,<sup>13</sup> Critchlow<sup>14</sup> or other enterprise resourcing systems (**ERPs**), who access data collected and stored by other providers' hardware solutions (such as OEMs) to provide reporting and insights.
- 38 In this increasingly fragmented and diverse market, hardware and software providers can partner to provide a complete telematics solution to customers. For example, Omnitrac partnered with Mack Fleet Management Services in the US, to provide its telematics software to enhance Mack Fleet Management Services' (an OEM) offering to customers.<sup>15</sup>

### **Telematics industry participants**

- 39 The growth in the vehicle telematics industry has attracted investment from large corporates and investors. In the past five years the industry has seen:
- 39.1 Silicon Valley investors providing capital to global vehicle telematics providers such as Samsara<sup>16</sup> and KeepTruckin;<sup>17</sup>
- 39.2 several large acquisitions, including Verizon Connect,<sup>18</sup> Orbcomm/GI Manager,<sup>19</sup> TeleTrac/Navman;<sup>20</sup> and

---

<sup>12</sup> For information on Optifleet see: <http://optifleet.co.nz/>.

<sup>13</sup> For information on Orbica see: <https://orbica.world/>.

<sup>14</sup> For information on Critchlow see: <https://www.critchlow.co.nz/>.

<sup>15</sup> See: <https://www.prnewswire.com/news-releases/omnitracs-launches-strategic-partnership-initiative-with-mack-trucks-300129726.html>.

<sup>16</sup> For information on Samara see: <https://www.samsara.com/>.

<sup>17</sup> For information on KeepTruckin see: <https://keeptruckin.com/>.

<sup>18</sup> For information on the acquisition see: <https://www.verizonconnect.com/au/company/news/verizon-telematics-becomes-verizon-connect/>.

<sup>19</sup> In April 2021, ORBCOMM announced that they entered into an agreement to be acquired by private investment firm GI Partners. For information on the acquisition see: <https://investors.orbcomm.com/news/news-details/2021/ORBCOMM-Enters-into-Agreement-to-be-Acquired-by-GI-Partners/default.aspx>.

<sup>20</sup> In January 2019 Bridgestone entered into an agreement to acquire TomTom Telematics (renamed Webfleet in October 2019). For information on the merger see: <https://www.teletracnavman.com/resources/blog/navman-teletrac-merger>.

- 39.3 the entry of large corporates both directly (such as Michelin,<sup>21</sup> Bridgestone,<sup>22</sup> Verizon<sup>23</sup> and Blackberry<sup>24</sup>) and indirectly (such as Google<sup>25</sup> and Amazon Web Services).<sup>26</sup>
- 40 The vehicle telematics industry is served by different types of players, including specialised fleet management providers, general telematics players with a broader focus, large corporations for which vehicle telematics is a relatively small business area, and other industry players such as telecommunications providers offering “Internet of Things” (**IoT**) solutions including telematics solutions. More details on the parties’ competitors currently active in New Zealand, their company profile and telematics solutions are set out at **Appendix 12**.

**General vehicle telematics providers**

- 41 There are a number of general vehicle telematics providers offering solutions globally. For example:
- 41.1 Navman is the largest provider across Australia and New Zealand, with over 100,000 units in Australia alone, and is a strong participant in the US and United Kingdom.<sup>27</sup>
- 41.2 Verizon, a leading telematics provider worldwide, acquired Telogis<sup>28</sup> and Fleetmatics,<sup>29</sup> establishing it as a key market participant in Australasia.<sup>30</sup> Verizon is the fourth largest provider in Australasia, with approximately [ ] connections and [ ]% market share. In New Zealand Verizon has approximately [ ] connections and [ ]% market share, although [ ] Verizon is a significant competitor in Australia.

---

<sup>21</sup> In 2019 Michelin announced its acquisition of Masternaut, one of the largest European telematics providers. For information on the acquisition see: <https://www.michelin.com/en/press-releases/michelin-announces-its-acquisition-of-masternaut-one-of-the-largest-european-telematics-providers/>.

<sup>22</sup> In 2019 Bridgestone announced its acquisition of TomTom Telematics. For information on the acquisition see: <https://www.bridgestone.com/corporate/news/2019012201.html>.

<sup>23</sup> From 2012 to 2016 Verizon acquired several telematics companies, including Hughes Telematics, Fleetmatics and Telogis. For further information see: <https://www.government-fleet.com/279715/three-telematics-platforms-rebrand-as-verizon-connect-what-that-means-for-govern>.

<sup>24</sup> In 2017 BlackBerry introduced BlackBerry Radar, an asset monitoring device for freight and shipping companies. For further information see: <https://www.blackberry.com/us/en/products/blackberry-radar>.

<sup>25</sup> Google Ventures had invested in KeepTruckin. For further information see <https://www.dcvelocity.com/articles/30662-keeptruckin-lands-149-million-investment-from-google-ventures-others>.

<sup>26</sup> In March 2021 Amazon Web Services announced a collaboration with Swiss automation company ABB to create a cloud-based EV fleet management platform to hasten the electrification of fleets. For further information see: <https://techcrunch.com/2021/03/29/abb-and-aws-team-up-to-create-an-ev-fleet-management-platform/>.

<sup>27</sup> Berg, Fleet Management in Australia and New Zealand 2020, p 32.

<sup>28</sup> See: <https://www.verizon.com/about/news/verizon-acquire-fleetmatics> (accessed 5 July 2021).

<sup>29</sup> See: <https://www.verizon.com/about/news/verizon-completes-acquisition-fleetmatics> (accessed 5 July 2021).

<sup>30</sup> See: <https://www.verizonconnect.com/au/company/news/verizon-telematics-becomes-verizon-connect/> (accessed 5 July 2021).

- 41.3 MTDData (owned by Telstra and Australian-owned) has an installed base of around 90,000 units, marketing GPS-telematics and fleet management solutions. MTDData has an office in Cambridge, New Zealand.<sup>31</sup> MTDData's telematics features include live vehicle tracking, geofencing, reports and alerts, engine management and scheduled maintenance, trailer tracking, refrigerated temperature monitoring and job dispatching.<sup>32</sup> MTDData's in-vehicle solutions partner with web-based software Hawk-Eye.
- 41.4 MiX Telematics, a South-African based company and distributed by Vehicle Technologies in New Zealand, is a major global provider of telematics solutions. Its products are sold to customers in over 120 countries through a network of over 130 fleet providers as well as direct sales channels. MiX Telematics are particularly strong competitors in New Zealand in relation to heavy transport, in particular for customers in the bus industry.
- 41.5 Smartrak, a New Zealand-based company, provides both in-vehicle hardware solutions and software solutions service to customers to suit the needs of their fleet. It also has operations in Australia (with over 500 customers in New Zealand and Australia) and North America. In 2019 Smartrak acquired the assets of Lingo Systems Pty Ltd, the Australian developer of a range of mobility solutions collectively known as PoolCar. The acquisition extended Smartrak's offering in pool vehicle management.<sup>33</sup>
- 41.6 Ctrack (part of Inseego, a leading global provider of SaaS solutions and IoT solutions) is present in over 50 countries and has over 1,000 employees. It has been active in Australia and New Zealand since 1986. Ctrack's telematics solutions range from vehicle and asset tracking, routing to cameras and intelligent reporting.<sup>34</sup>
- 41.7 Netstar operates in Australia (Netstar Australia), Malaysia and South Africa, with service offerings globally.<sup>35</sup> Netstar's solutions include vehicle tracking software, asset tracking and recovery, driver identification, remote/lone worker solutions, compliance reporting, camera solutions and in-vehicle navigation.<sup>36</sup>
- 41.8 WebFleet Solutions, formerly TomTom Telematics,<sup>37</sup> is one of the world's largest telematics providers with over 50,000 customers worldwide and is present in more than 100 countries. Its fleet management products include vehicle tracking, fleet optimisation, workflow management, asset tracking and fleet cameras.<sup>38</sup>

---

<sup>31</sup> See: <https://mtdata.co.nz/about-us/#locations> (accessed 5 July 2021).

<sup>32</sup> See: <https://mtdata.co.nz/solutions/> (accessed 5 July 2021).

<sup>33</sup> For more information see: <https://smartrak.com/smartrak-expands-its-mobility-solutions-offerings-through-the-acquisition-of-poolcar/>. PoolCar was present in 14 countries, with a particular focus on Australia, New Zealand, and the United States.

<sup>34</sup> See: <https://ctrack.com/anz/company/> (accessed 5 July 2021).

<sup>35</sup> See: <https://www.netstaraustralia.com.au/about/> (accessed 5 July 2021).

<sup>36</sup> See: <https://www.netstaraustralia.com.au/commercial/>.

<sup>37</sup> WebFleet Solutions was formerly known as TomTom Telematics and was part of the TomTom group until 1 April 2019 when it was acquired by Bridgestone Europe NV/SA.

<sup>38</sup> See: [https://www.webfleet.com/en\\_au/webfleet/](https://www.webfleet.com/en_au/webfleet/) (accessed 16 July 2021).

**Automotive industry players**

- 42 Many commercial vehicle manufacturers now offer factory-installed telematics devices and various degrees of fleet management functionality for their vehicles in various markets – either independently or in partnership with established fleet management solution providers. Automotive industry players are particularly focused on providing telematics features for warranties and preventative maintenance.
- 43 Automotive players currently serving the commercial vehicle market in New Zealand include OEMs from Japan, the US and Europe such as Isuzu, Volvo Group, Scania, PACCAR/DAF, Toyota, Hino, Daimler, Mitsubishi and Iveco.<sup>39</sup> For example, Toyota launched a telematics offering for its Toyota fleet customers, ForceField Telematics, with an offering covering live status, geo-fencing, electronic logbooks, dashboards and insights, speed monitoring, driver identification, monitoring of driver behaviour and historical trip analysis.<sup>40</sup>
- 44 Currently OEMs still only represent a relatively small part of the market, but their features are growing. For example, Directed Electronics Australia collaborates with OEMs as the local telematics partner.

**Other industry players**

- 45 There are also other providers known for other business activities, such as:
- 45.1 Bridgestone (a tyre and rubber company), which purchased and now operates TomTom Telematics in 2019 (now branded Webfleet Solutions);<sup>41</sup> and
- 45.2 Garmin, a multi-national technology company, provides in-vehicle terminals used with fleet management systems from third-party systems providers.<sup>42</sup>
- 46 Telecommunications industry players also offer telematics solutions, leveraging their existing mobile networks and national (or global) connectivity (promoting IoT technology). For example:
- 46.1 MTData (owned by Telstra since 2017) has an installed base of around 90,000 units in Australasia (see Figure 21 below), and is an example of a leading mobile operator providing fleet management solutions for vehicles. In addition to MTData, Telstra also offers IoT solutions for connected vehicles in partnership with several other telematics providers including Navman,<sup>43</sup> Fleet Complete<sup>44</sup> and Mobileye.<sup>45</sup>

---

<sup>39</sup> Several of these automotive industry players have partnered with Verizon to provide telematics services.

<sup>40</sup> See: <https://www.toyotafleetmanagement.com.au/fleet-management-services/forcefield-telematics> (accessed 5 July 2021).

<sup>41</sup> See: [https://www.webfleet.com/en\\_nz/webfleet/company/updates/press/2019/04/01/](https://www.webfleet.com/en_nz/webfleet/company/updates/press/2019/04/01/) (accessed 5 July 2021).

<sup>42</sup> See: <https://explore.garmin.com/en-NZ/fleet/> (accessed 5 July 2021).

<sup>43</sup> See: <https://www.telstra.com.au/business-enterprise/solutions/internet-of-things/vehicles-and-assets/teletrac-navman> (accessed 5 July 2021).

<sup>44</sup> See: <https://www.telstra.com.au/small-business/internet-of-things/fleet-complete-vehicle-tracking> (accessed 5 July 2021).

<sup>45</sup> See: <https://www.telstra.com.au/business-enterprise/products/internet-of-things/solutions/vehicles/mobileye> (accessed 5 July 2021).



- 46.2 Spark offers fleet tracking as part of its IoT network, supported by Blackhawk.<sup>46</sup>
- 47 Additional collaborations between telematics providers and mobile operators in New Zealand are expected to emerge in the future.

---

<sup>46</sup> See: <https://www.spark.co.nz/iot/home/iot-solutions/fleet-tracking/> (accessed 12 July 2021).

## PART 4: THE PARTIES' BUSINESS ACTIVITIES

### EROAD

- 48 EROAD provides broad-ranging vehicle telematics solutions to approximately 91,000<sup>47</sup> connected vehicles in New Zealand. EROAD provides a range of SaaS and in-vehicle hardware solutions to customers to suit the needs of their fleet.

### ***EROAD service offering***

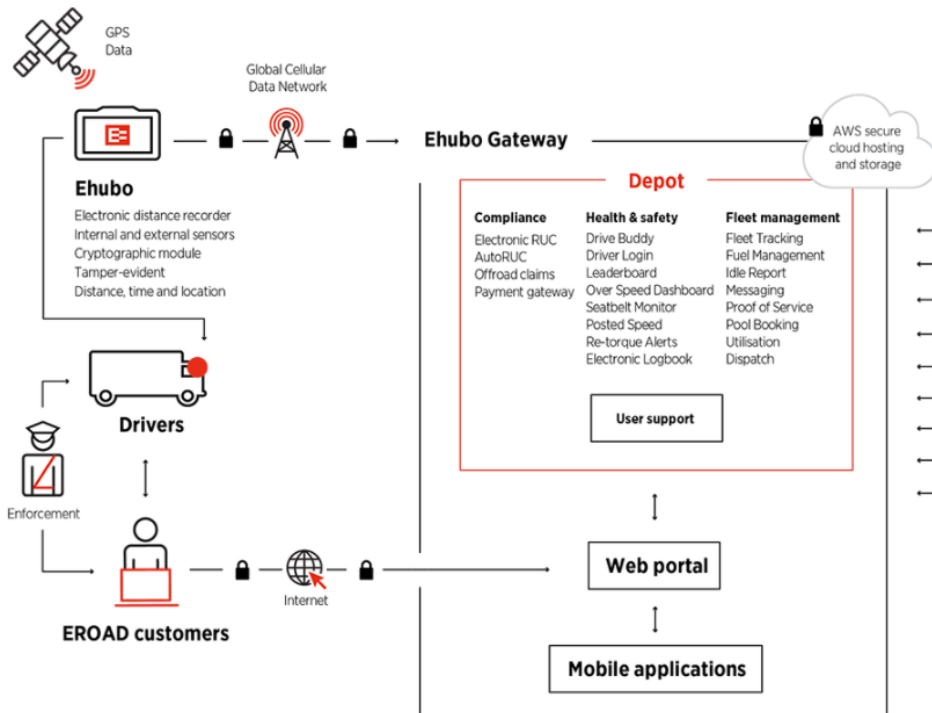
- 49 EROAD's service plans and features offer functionality to meet key customer requirements:
- 49.1 ***Compliance requirements and driver safety:*** these solutions are designed to help fleets proactively manage obligations and risks associated with the Health and Safety at Work Act 2015 and Waka Kotahi-administered road-user charging regime. Health and safety solutions include:
- (a) Drive Buddy, which provides real-time in-cab feedback and alerts fostering good driving habits,
  - (b) EROAD Day Logbook, a Waka Kotahi-approved electronic logbook which simplifies fatigue management by enabling drivers to capture work and rest hours via a smartphone or tablet,
  - (c) driver insight, inspection, safety and emergency collision reports, and
  - (d) monitoring driver speed.
- 49.2 EROAD's compliance solutions include EROAD's Day Logbook and support for automated management and payment of road user charges (eRUC), and functionality for calculation of off-road travel distance and associated refunds.<sup>48</sup>
- 49.3 ***Asset tracking and management:*** these solutions allow asset fleet managers to leverage data insights and operate efficient fleets, including fleet tracking, fuel management, pool booking, messaging solutions, and truck-specific mapping.

---

<sup>47</sup> As at 30 June 2021.

<sup>48</sup> EROAD's eRUC solution includes features such as accurately calculating RUC information, tracking on-road and off-road locations against RUC licences to automatically generate off-road refund documentation, supporting the purchase of RUC online through a secure payment gateway and NZTA interface, and automatically purchasing RUC when a licence nears expiry.

Figure 3: EROAD’s ecosystem (hardware, technology and services)



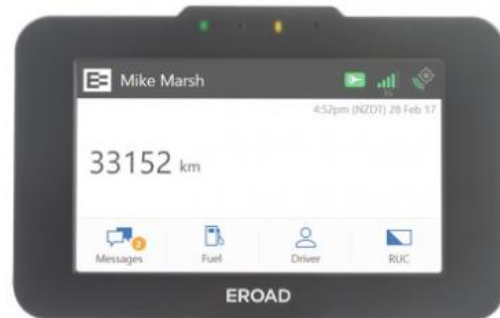
**EROAD hardware solutions**

- 50 EROAD’s Ehubo device sits within the vehicle and records, stores and continuously transmits encrypted data via the cellular network. EROAD’s Ehubo replaces traditional mechanical hubodometers and captures distance,<sup>49</sup> location, route and a variety of additional operational data from the vehicle.
- 51 There are two generations of Ehubo solutions available: Ehubo1 is a cost-effective choice enabling RUC management<sup>50</sup> and asset tracking. Ehubo2 also features a touchscreen colour display and additional applications that deliver real-time in-cab driver feedback.

Figure 4: EROAD’s Ehubo1 device



Figure 5: EROAD’s Ehubo2 device



- 52 In addition to Ehubo, EROAD manufactures a number of related hardware products, designed to common specifications:

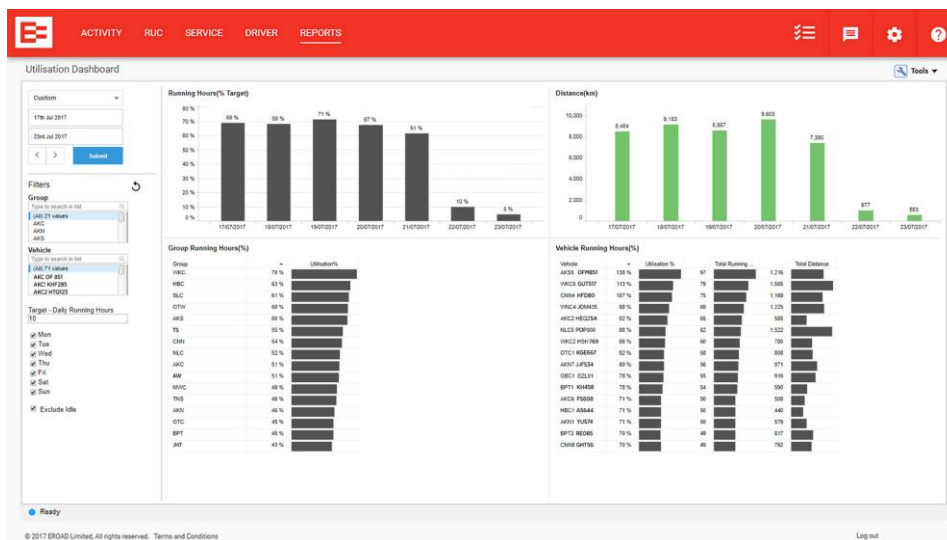
<sup>49</sup> The Ehubo measures distance travelled with a high degree of accuracy, using a combination of internal and external sensors including the vehicle’s odometer pulse, GPS satellites and accelerometers.  
<sup>50</sup> EROAD’s Ehubo device is Waka Kotahi approved for electronic distance recording.

- 52.1 **Clarity Dashcam:** a dashcam camera that automatically records and stores drive-time footage and integrates with MyEROAD, EROAD’s cloud-based fleet management portal, and Ehubo;
  - 52.2 **Tubo:** an electronic distance recorder for heavy vehicle trailers, housed in a purpose-built waterproof enclosure;
  - 52.3 **EhuboLITE:** an electronic distance recorder for light diesel vehicles;
  - 52.4 **Elocate:** a tracking solution for vehicles and machinery not requiring RUC;
  - 52.5 **EROAD Where:** an affordable asset tracking solution to improve asset utilisation, based on low energy Bluetooth tags; and
  - 52.6 **ETrack Wired:** a full tracking and management solution for powered assets and equipment which does not require an in-cab device.
- 53 Further information about EROAD’s hardware solutions is available at <https://www.eroad.co.nz/nz/solutions/hardware/>.

**EROAD web services**

- 54 EROAD hardware solutions such as Ehubo gather, store and transmit encrypted data regarding vehicle and driver activity. Vehicle information is then processed by EROAD’s application server and made available to customers via a secure website called MyEROAD. Customers can use MyEROAD to engage with EROAD’s additional fleet management and commercial services (discussed further below).

Figure 6: EROAD’s web platform MyEROAD



**EROAD service plans**

- 55 EROAD offers a range of monthly subscriptions plans for all types of commercial vehicle fleets as well as trailers and assets. EROAD’s service plans also include both the in-vehicle hardware and use of the web-based application MyEROAD.
- 56 EROAD’s available plans vary by asset type (machinery, light, heavy, trailer) and the hardware device. Typically, customers have 2-3 plans they can choose from for

each asset type and hardware device. For example on Ehubo 2, EROADs offers for both heavy and light vehicles:<sup>51</sup>

- 56.1 Ehubo2 Connected: a plan which has the full reporting range but more limited features on the Ehubo 2, with advanced features that can be added on by customisation by the customer;
- 56.2 Ehubo2 Advance: with more features focused on driver health and safety (e.g. driver PIN login, over speed dashboard); or
- 56.3 Ehubo2 Safe Driver: with the full reporting and features on the Ehubo 2.
- 57 Similarly, for Ehubo1, EROAD has three standard plans to suit customer requirements starting with the basic Ehubo1 Starter plus Offroad Promo basic plan, followed by Ehubo1 Connected and Ehubo1 Premium, with more health and safety and commercial features available to customers depending on the chosen plan. For trailers, customers can select from Turbo Starter and Turbo Premium; for other assets, customers can select from Connected Track or Advance Track.
- 58 Customers must select one of EROAD’s standard plans. However, all plans can be customised to suit customer requirements with add-on features. For example, customers can add a pool booking feature or electronic logbook to their Ehubo2 plan.
- 59 EROAD’s pricing model includes a lease price, including its hardware and SaaS services, including communication costs and warranties. Customers can also purchase add-ons, such as the electronic logbook or inspection app. EROAD’s indicative pricing for its Ehubo devices is as follows:

Figure 7: EROAD’s indicative customer pricing by hardware

Hardware	Indicative pricing (NZD RRP; per asset)
Light vehicle – Ehubo1	[ ]
Light vehicle – Ehubo2	[ ]
Heavy vehicle – Ehubo1	[ ]
Heavy vehicle – Ehubo2	[ ]
Assets - Etrack	[ ]

### **Manufacturing and operations**

- 60 EROAD is headquartered in Auckland and also has offices in North America (in Portland, Oregon) and Australia. EROAD has approximately [ ] staff members globally (including contractors), with [ ] employees in New Zealand.
- 61 EROAD designs its hardware and software at its Auckland headquarters. Components for EROAD’s hardware solutions are sourced internationally, and final assembly and testing is carried out at either EROAD’s overseas contract manufacturer or in EROAD’s Global Supply Centre in Auckland.

<sup>51</sup> Details on EROAD’s standard customer plans are available at: <https://www.eroad.co.nz/nz/pricing/> (accessed 11 July 2021).

- 62 EROAD is dual-listed on the Australian Stock Exchange, and New Zealand Exchange. EROAD's FY2021 revenue was NZD 91.6 million, comprising NZD 58.8 million revenue generated in New Zealand, NZD 30.6 million revenue in North America and NZD 1.4 million revenue from Australia.<sup>52</sup>
- 63 Further information about EROAD is available on its website at [www.eroad.com](http://www.eroad.com) and [www.eroad.co.nz](http://www.eroad.co.nz), and in its annual report.<sup>53</sup>

#### **EROAD's New Zealand connections**

- 64 EROAD provides solutions to approximately 91,000 connected vehicles in New Zealand. These connections include the following breakdowns:

*Figure 8: EROAD New Zealand connections by fleet size as at March 2021*

Number of vehicles	Connections	Percentage
Small (1-9)	[ ]	[ ]
Medium (10-39)	[ ]	[ ]
Large (40-199)	[ ]	[ ]
Enterprise (200+)	[ ]	[ ]
Total	[ ]	[ ]

*Figure 9: EROAD New Zealand connections by industry as at March 2021<sup>54</sup>*

Industry	Connections	Percentage
Construction & Civil Engineering	[ ]	[ ]
Freight & Road Transport	[ ]	[ ]
Agriculture/Forestry	[ ]	[ ]
Services & Trades	[ ]	[ ]
Other	[ ]	[ ]
Wholesale	[ ]	[ ]
Government & Local Government	[ ]	[ ]
Waste & Recycling	[ ]	[ ]
Utilities	[ ]	[ ]
Rental Vehicles & Equipment	[ ]	[ ]
Bus & Coaches	[ ]	[ ]
Health Care & Community Services	[ ]	[ ]
Retail	[ ]	[ ]

<sup>52</sup> Available at: <https://www.eroadglobal.com/assets/Uploads/Global/Investor-documents/EROAD-AnnualReport-FY21-28May-Digital.pdf>.

<sup>53</sup> Available at: <https://www.eroadglobal.com/assets/Uploads/Global/Investor-documents/EROAD-AnnualReport-FY21-28May-Digital.pdf>.

<sup>54</sup> [ ]

Industry	Connections	Percentage
Manufacturing	[ ]	[ ]
Postal & Courier	[ ]	[ ]
Mining/Energy	[ ]	[ ]
Bulk Liquid Cartage <sup>55</sup>	[ ]	[ ]
Rural Cartage <sup>56</sup>	[ ]	[ ]
Food & Beverage <sup>57</sup>	[ ]	[ ]
Total	[ ]	[ ]

Figure 10: EROAD New Zealand connections by asset type as at March 2021

Type	Connections	Percentage
Light Vehicles	[ ]	[ ]
Heavy Vehicles	[ ]	[ ]
Trailers	[ ]	[ ]
Assets	[ ]	[ ]
Total	[ ]	[ ]

### Coretex

- 65 Coretex provides vehicle telematics solutions to approximately [ ]<sup>58</sup> connected vehicles in New Zealand.
- 66 Coretex was formed in October 2015 through the merger of International Telematics Holdings Limited (**ITHL**) (which focused on refrigerated trailer solutions) and Imarda Pty Ltd (**Imarda**) (which focused on the construction vertical). ITHL and Imarda, both based in New Zealand, were suppliers of GPS fleet and asset management solutions in New Zealand, Australia and North America. In November 2015, Coretex acquired the US-based company Air-Track, which offered telematics solutions to the waste and recycling markets.

### Coretex's service offering

- 67 Coretex's feature set includes:

**67.1 Sensors and controls:** consistent with Coretex's history outlined above, Coretex is primarily focused on developing tailored sensor and control solutions to meet customer requirements in sector verticals, in particular customers in the reefer/food safety, construction and waste industries.

<sup>55</sup> Note that EROAD has recently added Bulk Liquid Cartage as a new industry classification, so may have previously categorised customers in this category into a different category.

<sup>56</sup> Note that EROAD has recently added Rural Cartage as a new industry classification, so may have previously categorised customers in this category into a different category.

<sup>57</sup> Note that EROAD has recently added Food & Beverage as a new industry classification, so may have previously categorised customers in this category into a different category.

<sup>58</sup> As at 30 June 2021.

**67.2 Compliance requirements and driver safety:** Coretex's solutions include drive scorecard and in-cab driver feedback, integrated video cameras and eRUC.

**67.3 Asset tracking and management:** Coretex offers real-time location and geo-fencing, high definition tracking, standard and advanced engine monitoring, driver vehicle inspection reports and checklists, and maintenance and service management.

#### **Coretex hardware solutions**

68 Coretex's hardware solutions available in New Zealand include an in-cab dongle for driver behaviour and asset tracking devices.

**68.1 TMU750:** an asset tracking device,<sup>59</sup> with full LCD colour display and high sensitivity GPS for reliable location and tracking, and motion sensing technology for detecting aggressive driving manoeuvres such as harsh acceleration, braking and cornering, and high-impact events.

Figure 11: Coretex's TMU750 device



68.2 **TMU600:** an asset tracking device designed to service a wide variety of industry requirements; and

68.3 **TMU1500:** a compact asset tracking device with high sensitivity GPS and motion sensing technology (used by cold chain customers).

69 [

].

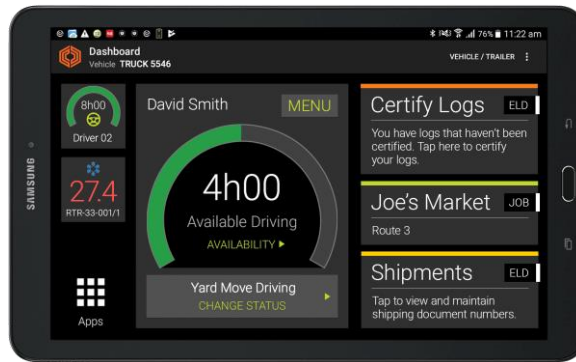
70 Outside of New Zealand, Coretex offers:

70.1 **Coretex ELD:** a tablet-based in-cab application for customers in North America. Coretex Electronic Logging Device (**ELD**) automatically monitors vehicle movement, distance and engine hours and displays driving time, along with notifications, to both driver and dispatcher. Coretex ELD can be used by the driver's choice of mobile device or a Coretex-provided Android tablet;

<sup>59</sup> TMU750 is a NZTA certified electronic distance recorder. On top of tracking distance, Coretex can automatically purchase licences and process off-road claims for customers.



Figure 12: Coretex ELD



- 70.2 **CoreHub:** a recently-introduced integrated IoT device that collects data directly from the vehicle's engine management system and uses wireless sensors to track information about the driver, asset and load; and
- 70.3 **CoreVision Dashcam:** a dashcam camera that automatically records and stores drive-time footage and integrates with Coretex 360, Coretex's cloud-based fleet management portal.
- 71 In addition, Coretex offers a range of tailored sensors for certain industries, including:
- 71.1 refrigerated transport sensors such as solar panels, reefer probes,<sup>60</sup> door switches,<sup>61</sup> fuel sensors, and tire inflation;
- 71.2 construction sensors such as CRAB drum sensors,<sup>62</sup> water add sensors,<sup>63</sup> and load switches;<sup>64</sup> and
- 71.3 waste and recycling sensors such as RFID tags.<sup>65</sup>
- Coretex web services**
- 72 Coretex hardware solutions gather, store and transmit encrypted data regarding asset and driver activity. Coretex Drive is the in-cab application, loaded on the customer's chosen Coretex hardware solution. Coretex Drive connects the cab for real time job information, trucking navigation, messaging, fatigue information, ELD, real time driver feedback and custom applications.
- 73 This information is then processed by Coretex's application service and made available to customers through Coretex 360 (a mobile application). The Coretex 360 HD telematics platform allows operators to visualise and manage all assets in one

<sup>60</sup> Wired and unwired temperature probes help to ensure the unit is consistently cooled and detect humidity levels.

<sup>61</sup> Door switches allow custom notifications when doors are open/closed.

<sup>62</sup> CRAB drum sensors count drum rotation, direction and speed to provide a visualisation of the status of concrete.

<sup>63</sup> Water add sensors measure how much water is being added on the go to a concrete mixture.

<sup>64</sup> Load switches provide information on whether a vehicle is loaded or not.

<sup>65</sup> RFID tags sit on the arm of the waste truck to track information.

place, from refrigerated trailers and dry trailers to tractors and ready-mix trucks in a single interface.

- 74 The features available on Coretex 360 include incident detection and replay, eRUC, high definition tracking, driver scorecard and in-cab driver feedback, integrated video cameras, driver vehicle inspection reports and checklists, maintenance/service manager, real-time location and geo-fencing, trailer tractor linking, and standard and advanced engine monitoring.

#### **Coretex service plans**

- 75 Coretex offers a range of monthly subscriptions plans for commercial vehicle fleets as well as trailers and assets. Coretex's service plans include the use of the web-based application Coretex 360, although customers must separately purchase the in-vehicle hardware. Coretex [

]. For further information on Coretex's plans and pricing, refer to **Appendix 15**.

- 76 Coretex offers tailored service plans for transport and logistics, refrigerated transport, construction, and waste and recycling. For cold chain vehicle fleets the average price per connection varies [ ] and for construction vehicle fleets, the average price is [ ] for in-cab devices.

#### **Manufacturing and operations**

- 77 Coretex's global headquarters is in Auckland, and Coretex also has offices in Sydney and San Diego. Coretex has [ ] employees globally, with [ ] employees based in New Zealand. Coretex's FY2020 revenue was [ ], comprising [ ] revenue generated in New Zealand, [ ] revenue generated in North America and [ ] revenue from Australia.

- 78 While Coretex is headquartered in New Zealand, [ ] of its business is in North America and Australia: Coretex has approximately [ ] connected vehicles in North America, with approximately [ ] connected vehicles in Australia.

- 79 Further information on Coretex is available at [www.coretex.com/nz](http://www.coretex.com/nz).

#### **Coretex's New Zealand connections**

- 80 As discussed above, Coretex's area of strength is telematics to support specialist vehicles in certain sector verticals, complementing its basic in-cab telematics device. Figure 13 below sets out a breakdown of Coretex's New Zealand connections by industry. [

].

Figure 13: Coretex's connections by industry

Industry	Connections	% total connections
Reefer	[ ]	[ ]
Construction	[ ]	[ ]
In-cab	[ ]	[ ]
Total	[ ]	100%

**PART 5: RELEVANT MARKET**

81 The Parties overlap in the supply of vehicle telematics solutions. EROAD considers the relevant frame of reference to be the Australasian market for the supply of vehicle telematics solutions.

**Previous approaches to market definition by the Commission and other competition authorities**

82 The Commission and the Australian Competition and Consumer Commission (**ACCC**) have not previously considered the market for the supply of vehicle telematics products or any other markets directly relevant to the competition assessment of the Proposed Transaction in any published competition assessment.

83 The European Commission has considered the supply of telematics solutions in different circumstances, where it is occasionally apposite to assess and segment the relevant market by product or application. For example:

83.1 The European Commission has defined a product market for navigation and telematics systems, with the geographic scope being EEA-wide.<sup>66</sup>

83.2 In *Thomson-CSF/Rascal* (2000), where there were a number of affected markets, and there was no material overlap between the parties' transportation telematics activities. The parties submitted that the distinct markets were (a) telematics for private fleet management, (b) telematics for public transportation, and (c) telematics for long-haul transportation operators (defined as a "niche" market to private fleet management).<sup>67</sup>

83.3 In *DaimlerChrysler/Deutsche Telekom/JV* (2003) where the transaction was centred on a particular German road user charge and traffics telematics systems for transport and logistics undertakings in Germany.<sup>68</sup>

**The relevant market**

84 The Parties consider that the relevant market definition is the market for the supply of vehicle telematics in New Zealand. The Parties have considered the potential for narrower market definitions based on:

84.1 product features; and

84.2 customer segments.

85 However, for the reasons that follow, a narrower market definition is not an appropriate frame of reference within which to analyse competitive dynamics.

86 In terms of the geographic scope of the market, the Parties' perspective is that they operate in a global, or at least Australasian, market. Both EROAD and Coretex and their principal competitors in New Zealand operate in a number of other

---

<sup>66</sup> This decision is only available in German: Cause M.1053 *Mannesmann / Philips* (1998): [https://ec.europa.eu/competition/mergers/cases/decisions/m1053\\_de.pdf](https://ec.europa.eu/competition/mergers/cases/decisions/m1053_de.pdf). The market definition is referred to in Case M.8990 – *PIAG / MTIB / ABATEC* (2018): [https://ec.europa.eu/competition/mergers/cases/decisions/m8990\\_148\\_7.pdf](https://ec.europa.eu/competition/mergers/cases/decisions/m8990_148_7.pdf) at [41].

<sup>67</sup> Case No COMP/M.1858 *Thomson-CSF/Rascal* (II) (2000) [https://ec.europa.eu/competition/mergers/cases/decisions/m1858\\_en.pdf](https://ec.europa.eu/competition/mergers/cases/decisions/m1858_en.pdf) at [15].

<sup>68</sup> Case No COMP/M.2903 *DaimlerChrysler/Deutsche Telekom/JV* (2003): [https://ec.europa.eu/competition/mergers/cases/decisions/m2903\\_20030430\\_600\\_en.pdf](https://ec.europa.eu/competition/mergers/cases/decisions/m2903_20030430_600_en.pdf).

jurisdictions, and particularly in Australia and North America. Their competitive strategy reflects their global focus, rather than being narrowly targeted towards specific jurisdictions. Furthermore, the Parties consider they are constrained by global players that are principally active outside New Zealand. Competition in the global market drives considerable R&D spend resulting in a steady pipeline of innovative products coming to market. That in turn creates a commercial opportunity for global players to enter and offer those new products in New Zealand. However, this application proceeds on the conservative assumption that the market is national in scope, albeit the Parties are constrained by competitors that are not currently active at scale in New Zealand.

**No further segmentation by product feature is appropriate**

- 87 A narrower market definition (e.g. segmenting the market by individual telematics features/functions) would not sufficiently capture the competitive dynamics of the market, and is therefore not an appropriate frame of reference, for the following reasons:
- 87.1 Telematics comprises a wide range of complementary features and functions for managing commercial vehicle fleets. The various features of the service form an integrated solution to meet the customer's needs, and hence there is no distinct locus of demand for each feature separately. Customers typically require a suite of features as part of an overall service to meet their fleet management needs. The value of telematics, and the return on investment, is the range of features that assist customers to more effectively manage their vehicle fleets. This is illustrated in figure 2 above, which summarises the principal functions and features that are typically supplied as part of a telematics solution.
- 87.2 EROAD and Coretex each offer a range of plans from which customers can select, set out in **Appendix 14** and **Appendix 15**. Each of those plans comprises a range of complementary features. While EROAD allows customers to tailor their plan with specific add-on features, product features are not sold individually as there is no separate locus of demand for individual product features. In addition, most customers tend to select plans that offer most or all of the available features. For example, [ ] of all EROAD's connected units in New Zealand are on either EROAD's Premium, or Safe Driver plans. While Coretex's [ ]<sup>69</sup>
- 87.3 A number of EROAD's larger customers issue RFPs for a telematics solution comprising a range of features and functions. Since 2017 in New Zealand EROAD has participated in [ ] RFPs, all but one of which were to supply a broad range of telematics features. Since 2017, Coretex has participated in [ ] RFPs, which were all for the supply of multiple telematics features.
- 87.4 A supply side analysis also supports the view that the relevant market is for telematics services, rather than for individual features or functions. Telematics features are often integrated into a single multi-function in-vehicle hardware device, with data provided to customers via a centralised software platform. For example, the majority of EROAD's telematics features are integrated into its in-vehicle Ehubo device or MyEROAD software platform

---

<sup>69</sup> [ ]

(see figure 3 above). Most suppliers will offer a range of plans to meet differing customer requirements, but the various features are typically integrated into a single platform.

87.5 Similarly, from a technology development and manufacturing perspective, the appropriate frame of reference is telematics overall. The majority of competitors have developed integrated solutions comprising a range of features, and continue to innovate to enhance their platforms. Developing additional features or enhancing existing functionality is a routine part of each supplier's research and development programme. For example, EROAD maintains a constant R&D pipeline to bring new features to the market, as do all its competitors. Suppliers can therefore add new features to their offering as necessary to meet customer requirements.

88 The Parties have considered whether it would be appropriate to define sub-markets for those telematics features that reflect local New Zealand regulatory requirements: electronic RUC (**eRUC**) and electronic logbooks. However, an analysis limited to eRUC or electronic logbooks would fail to properly account for the competitive dynamics in the market and is therefore not an appropriate frame of reference.

***Electronic road-user charging (eRUC)***

89 The one feature in relation to which the Parties have historically been the principal suppliers to the New Zealand market is eRUC solutions. RUC is a charge levied by Waka Kotahi on all heavy vehicles (>3500kg), and light vehicles that use diesel or other fuel not taxed at source, to recover payment in proportion to the roading costs created through each vehicle's road use.<sup>70</sup> RUC charges are calculated based on the type and weight of the vehicle and are expressed as a rate per 1,000km travelled. All vehicles liable to pay RUC are required to be fitted with distance recorders. RUC is purchased in the form of licences representing 1,000km of travel, which must be purchased in advance of travel and displayed in the vehicle. Owners of vehicles liable for RUC can either:

89.1 use a hubodometer/odometer and purchase RUC distance licences directly from Waka Kotahi or one of its agents (including New Zealand Post and VTNZ) ('paper' RUC); or

89.2 use an approved electronic RUC system ('electronic' RUC or eRUC) that incorporates a hubodometer and an in-cab device that automates the process of purchasing RUC licences.

90 Paper RUC licences can be obtained directly from Waka Kotahi (via online transaction and printed licence) and are also supplied by approved counter agents: the Automobile Association, Postshops, Vehicle Inspection New Zealand, and Vehicle Testing New Zealand. Note that in some cases paper RUC transactions are also outsourced by fleet operators to commercial providers, including to EROAD. In these cases, the commercial provider manages the process of obtaining paper RUC licences on the fleet operator's behalf ('electronically assisted' RUC). [

],<sup>71</sup>

---

<sup>70</sup> For further detail see: <https://www.nzta.govt.nz/vehicles/licensing-rego/road-user-charges/>. Note also that electric vehicles (**EVs**) are currently exempt from RUC. This exemption applies until 31 March 2024 for light EVs, and 31 December 2025 for heavy EVs.

<sup>71</sup> [ ].

- 91 RUC electronic system providers (**ESP**) are regulated and approved by Waka Kotahi. There are currently four approved eRUC providers: EROAD, Coretex, Navman, and RUC Monkey.<sup>72</sup>
- 92 There is no distinct product market for eRUC for the following reasons:
- 92.1 Customers almost exclusively acquire eRUC as part of a broader telematics service. For example, only approximately [ ] of EROAD's vehicle connections are eRUC-only.<sup>73</sup> [ ]. As explained above at paragraph 133.2, most RFPs that EROAD and Coretex participate in are for a bundle of telematics features. There is accordingly no material demand for eRUC separate from the broader telematics service.
- 92.2 eRUC is also not the principal driver of the customer's purchasing decision. In the Parties' experience, the principal drivers of the purchasing decision are health and safety and fleet management optimisation as these are both strategic priorities for fleet operators and drive significant savings for the business. Having made the decision to incorporate telematics into their fleet management strategy, the customer will often include eRUC as a convenient solution to RUC compliance at minimal additional cost. But, because paper RUC offers a ready alternative, RUC compliance is seldom the reason why the customer adopts a telematics solution.
- 92.3 Suppliers of vehicle telematics solutions generally develop eRUC as part of an integrated series of telematics features/functions, and often provide eRUC on an integrated platform/device that offers multiple features. For example, RUC compliance is just one of a large suite of features available through EROAD's Ehubo in-vehicle device. RUC Monkey is the only standalone eRUC provider and sells its eRUC solution via other vehicle telematics providers (including Vehicle Telematics and Ctrack) who provide RUC Monkey's eRUC solution as a feature in their broader telematics offering.
- 93 Even if the Commission were to define a market for eRUC, the Proposed Transaction would not be likely to substantially lessen competition as discussed in more detail in Part 7.

### **Electronic logbooks**

#### *Waka Kotahi approval process*

- 94 The Land Transport Act 1998 restricts the hours that drivers of certain vehicles may work. The Act also requires some of these drivers to maintain a logbook recording their driver hours and compliance with work-time rules. Logbooks must be approved by Waka Kotahi to make sure they record all the information required by law. Traditionally, logbooks were paper based and required drivers to make handwritten entries. However, more recently Waka Kotahi has approved electronic logbooks that meet certain specifications.
- 95 To obtain certification for an electronic logbook, providers must complete a report detailing how their proposed system meets the minimum legal requirements,

---

<sup>72</sup> For further detail see: <https://www.nzta.govt.nz/vehicles/licensing-rego/road-user-charges/ruc-distance-recorders/>.

<sup>73</sup> [ ] connections out of 91,000 total EROAD connections are eRUC-only connections.

including evidence to support enforcement action against a person attempting to falsify their logbook record (a common occurrence with paper-based logbooks).

- 96 All applicants are required to successfully complete a field trial before being approved to determine whether the system is sufficiently robust, provides appropriate documentary evidence of the user’s work time, and is compatible with Police and Waka Kotahi administrative processes and IT systems. Providers initially receive approval for a one-year period to allow in-field issues under normal conditions to be reviewed by Waka Kotahi, with the objective of ensuring the solution is working optimally prior to full approval.
- 97 Once the applicant has met the technical specifications required, the process to obtain Waka Kotahi approval is relatively straightforward. For example, [
- ].
- 98 Global telematics providers that offer an electronic logbook solution overseas and that are looking to offer this feature in New Zealand will be familiar with the need to complete an approval process. For example, in Australia electronic work diaries must be approved by the National Heavy Vehicle Regulator<sup>74</sup> and in the United States electronic logging devices are regulated by the Federal Motor Carrier Safety Administration.<sup>75</sup>
- 99 Given the nature of the regulatory risk and the minimum standards imposed by Waka Kotahi, the process for obtaining approval for an electronic logbook in New Zealand is generally shorter than the process for obtaining approval for an eRUC solution (outlined at paragraphs 210 to 212 below), albeit neither process constitutes a material barrier to entry. Electronic logbooks are assessed on the performance of the app and the nature (integrity and form) of the records produced. In comparison, providers of eRUC solutions are required to become an agent of Waka Kotahi in order to issue electronic RUC licences and process payments for RUC. For this reason, eRUC solutions are assessed against a wider range of criteria, including the performance of the solution, reliability and security of the in-vehicle hardware, vehicle-to-system communications, and the suitability of the company to act as an agent of Waka Kotahi.

*Providers of electronic logbooks*

- 100 EROAD offers an electronic logbook as part of its wider telematics offering. Coretex does not currently offer an electronic logbook, [
- ].
- 101 The Parties consider there is not a distinct market for electronic logbooks for the same reasons as discussed above in relation to eRUC. However, even were the Commission to define a market for electronic logbooks, the Proposed Transaction would not be likely to result in a substantially lessening of competition because:

(a) [

---

<sup>74</sup> <https://www.nhvr.gov.au/safety-accreditation-compliance/fatigue-management/electronic-work-diary>

<sup>75</sup> <https://www.fmcsa.dot.gov/hours-service/elds/electronic-logging-devices>

].

101.2 EROAD is one of seven providers of electronic logbooks currently approved by Waka Kotahi for use in New Zealand. Other than EROAD, electronic logbooks are offered by: Logmate,<sup>76</sup> Sibatec,<sup>77</sup> SmartMove,<sup>78</sup> Navman,<sup>79</sup> Trackit<sup>80</sup> and Picobyte Solutions (RUC Monkey).<sup>81</sup> [

].<sup>82</sup>

101.3 Electronic logbooks are an emerging product. Paper logbooks remain the dominant approach for recording compliance with work time rules. [

].

Paper is therefore a significant competitive constraint on electronic logbooks.

101.4 Given there are a large number of electronic logbook providers, and paper remains the dominant solution for work time compliance, this application does not consider electronic logbooks any further.

**No further segmentation by customer type is appropriate**

102 EROAD and Coretex both serve commercial customers in New Zealand. The Parties do not consider further customer segmentation to be necessary.

103 The requirements to supply products to vehicle of different sizes, or fleets of different sizes, do not differ to the extent that would support separate markets.

**Fleet size**

104 Customers for telematics solutions range from operators of large vehicle fleets requiring hundreds of connections down to commercial operators with fewer than ten vehicles. [

]:

104.1 [ ];

104.2 [ ];

104.3 [ ]; and

104.4 [ ] vehicles.

105 Customers with between [ ] vehicles make up the majority of EROAD's customer base by number of customers (approx. [ ]%). Conversely, customers with [

---

<sup>76</sup> [www.logmate.co.nz](http://www.logmate.co.nz)

<sup>77</sup> [www.sibatec.co.nz](http://www.sibatec.co.nz)

<sup>78</sup> <http://smhelp.smartmovetaxis.com/electronic-logbook/>

<sup>79</sup> <http://www.teletracnavman.co.nz/>

<sup>80</sup> <http://www.trackit.co.nz/>

<sup>81</sup> <http://www.elogbook.co.nz/>

<sup>82</sup> [ ].



] vehicles make up the majority of EROAD's total connections (approx. [ ]%, comprising [ ] customers).

- 106 However, while EROAD captures this information, it does not consider that there are separate markets based on fleet size. As shown in Figures 14 to 17 below, for both smaller and larger vehicle fleets, the majority of customers take either the Ehubo 1 'Premium' plan or the Ehubo 2 'Safe Driver' plan, both of which include the full feature set. Only a minority of customers select alternative plans comprising only part of the feature set. Accordingly, customer demand preferences for both large and smaller customers are reasonably similar, and certainly not sufficiently distinct to support separate market definitions.

Figure 14: EROAD fleet size of [ ] vehicles device and plan segmentation as at March 2021

Device	Plan	%
Ehubo 1	Premium	[ ]
Ehubo 2	Safe Driver	[ ]
Ehubo 2	Connected	[ ]
Ehubo 1	Starter + Offroad	[ ]
Ehubo 2	Connected Plus	[ ]
Tubo	Premium	[ ]
All Others (<[ ]%) Combined		[ ]

Figure 15: EROAD fleet size of [ ] vehicles device and plan segmentation as at March 2021

Device	Plan	%
Ehubo 2	Safe Driver	[ ]
Ehubo 1	Premium	[ ]
Tubo	Premium	[ ]
Ehubo 2	Connected Plus	[ ]
All Others (<[ ]%) Combined		[ ]

Figure 16: EROAD fleet size of [ ] vehicles device and plan segmentation as at March 2021

Device	Plan	%
Ehubo 2	Safe Driver	[ ]
Ehubo 1	Premium	[ ]
Tubo	Premium	[ ]
All Others (<[ ]%) Combined		[ ]

Figure 17: EROAD fleet size of [ ] vehicles device and plan segmentation as at March 2021

Device	Plan	%
Ehubo 2	Safe Driver	[ ]
Tubo	Premium	[ ]
Ehubo 1	Premium	[ ]
All Others (<[ ]%) Combined		[ ]

107 Customer preferences are not identical, and Figures 14 to 17 above demonstrate that larger fleets tend to see more value in the newer generation Ehubo 2 device and its features, whereas smaller fleets are more likely to select the lower priced Ehubo 1 device. However, both devices are marketed to, and taken up by, fleets of all sizes. And in any event, the varying proportions in which customers choose either the Ehubo1 or Ehubo 2 reflect a normal distribution of customer preferences within a market for differentiated products, rather than suggesting separate markets based on fleet size. A market definition that segmented the market by fleet size would fail to account properly for the competitive dynamics, given EROAD and its competitors all compete for all commercial vehicle fleets, of any size, with a wide range of complementary telematics features developed to meet the requirements of any individual customer.

**Light versus heavy vehicles**

108 Historically, Waka Kotahi and telematics providers have distinguished between light and heavy vehicles as a result of the different regulatory requirements that apply to light and heavy vehicles. However, again, EROAD considers the demand preferences of light and heavy vehicles are not sufficiently distinct to support separate market definitions. As shown in Figures 18 and 19 below, [

]:

108.1 [ ]; and

108.2 [

].

109 In addition, many customers will operate a mix of light and heavy vehicles in their vehicle fleets, so customers are often looking for a telematics solution that meets the requirements of a mixed fleet of heavy and light vehicles (and potentially specialist vehicles). That means customers cannot readily be segmented in terms of light versus heavy vehicles.

Figure 18: EROAD light vehicles device and plan segmentation

Device	Plan	Light vehicle %
Ehubo 2	Safe Driver	[ ]

<b>Ehubo Lite</b>	<b>Premium</b>	[ ]
Ehubo 2	Connected Plus	[ ]
Ehubo Lite	Connected	[ ]
Ehubo 2	Advance Plus	[ ]
Ehubo 2	Connected	[ ]
Ehubo Lite	Connected Track	[ ]
Elocate	Premium	[ ]
All Others (< [ ]%) Combined		[ ]

Figure 19: EROAD heavy vehicles device and plan segmentation

Device	Plan	Heavy vehicle %
<b>Ehubo 2</b>	<b>Safe Driver</b>	[ ]
<b>Ehubo 1</b>	<b>Premium</b>	[ ]
Ehubo 2	Advance Plus	[ ]
Ehubo 2	Connected	[ ]
Ehubo 1	Connected	[ ]
Ehubo 1	Starter + Offroad	[ ]
Ehubo 2	TR Base Plan	[ ]
Ehubo 2	Connected Plus	[ ]
Ehubo 1	Advance	[ ]
All Others (<[ ]%) Combined		[ ]

110 Refer to **Appendix 14** for an explanation of EROAD's device and plan combinations.

#### **Sector verticals / industries**

111 A market segmentation based on industries or sectors would not properly capture the competitive dynamics in the market and is therefore not an appropriate frame of reference for competition analysis. While some types of specialist vehicles require particular sensors or control systems, many customers operating in these industries will nonetheless acquire a general telematics service from a provider such as EROAD. As shown in Figure 9 above, EROAD services a wide range of industries and sectors in New Zealand with its Ehubo 1 and Ehubo 2 offerings, which supports the conclusion that the market cannot readily be segmented by industry.

112 Alternatively, were the Commission to define separate markets based on the particular sensor and control requirements of specialist vehicles such as refrigerated containers or cement mixers, there would be no relevant overlap between the Parties, as EROAD does not offer sensors/controls for specialist vehicles.

#### **The geographic dimension of the market is broader than national**

113 The Parties have proceeded on the conservative basis that the market is national in scope. However, arguably the market is at least Australasian or indeed global in scope when viewed from the supply side:

113.1 Both EROAD and Coretex, as well as all their principal competitors in New Zealand operate globally.

113.2 Some customers operate in multiple geographies and may prefer a single provider that can meet their needs in all the geographies in which they operate. For example:

- (a) [ ]].
- (b) Ventia, an infrastructure company, sources its telematics solutions for its vehicle fleets from EROAD in New Zealand and Australia.
- (c) Toll, a freight forwarding and logistics company, uses EROAD to provide its telematics solutions in New Zealand, [ ]].

113.3 EROAD and Coretex view themselves as competitively constrained by major global telematics providers even where those providers are not active in New Zealand. However, competition with those global players in Australia and North America drives EROAD's and Coretex's commercial strategy and R&D pipeline.

113.4 A degree of localisation is required for New Zealand regulatory requirements, such as health and safety regulations, electronic logbooks and road user charges under the Land Transport Act 1998, Road User Charges Act 2012 and accompanying rules and regulations. But the regulatory frameworks across Australia, North America and New Zealand work towards similar outcomes and reflect a common understanding of in their approaches to regulatory challenges (e.g. work time rules and electronic logbook requirements to prevent fatigue). When enabling digital responses, they set broadly similar standards for data accuracy, transactional integrity and system performance. Consequently, a telematics provider with an approved regulatory solution in one jurisdiction will often have a firm foundation upon which to build a localised response to similar or lesser requirements in a new jurisdiction. In addition, localisation is a feature of every national jurisdiction and is therefore not considered a barrier to entry.

114 While the Parties have proceeded on the basis that the market is national, it would be appropriate to recognise the competitive constraint that arises from the fact that the Parties are competing globally. In addition, they have provided estimates of Australasian market share where relevant.

**PART 6: COUNTERFACTUAL**

115 [

]. [

].

116 [

], [

].

117 Coretex currently has [ ] connections in New Zealand, [ ] connections in Australia and [ ] connections in North America. [

].

*Figure 20: Coretex total telematics connections 2018 – 2020 (New Zealand, North America and Australia)*

*Source: Coretex*

118 [

].

119 [

]:



].

122 [ ] is that Coretex does not currently pose a material competitive constraint on EROAD or the other major competitors active in New Zealand. Coretex’s minimal competitive constraint is discussed further below at paragraphs 163 to 172. [

].

123 [

].

124 [

].

125 [

].

126 Accordingly, [

].

127 EROAD expects to [

].

**PART 7: COMPETITION ANALYSIS**

- 128 The Proposed Transaction will not substantially lessen competition in the market for the supply of vehicle telematics solutions. In summary:
- 128.1 The increment to EROAD's market share as a result of the Proposed Transaction is low.
- 128.2 The Parties face strong competition from a range of suppliers active in the supply of vehicle telematics solutions in New Zealand, with a growing number of global competitors increasing their presence in New Zealand.
- 128.3 Coretex is not a significant competitive constraint in the New Zealand market as a result of its decision to prioritise overseas opportunities.
- 128.4 EROAD and Coretex are not close competitors.
- 128.5 While the Parties do not consider narrower market definitions are plausible, EROAD and Coretex are not close competitors even if the Commission examines specific product features.
- 128.6 The Proposed Transaction will result in no vertical integration in the relevant markets. The Parties do not operate in markets downstream or upstream of the relevant markets.

**The increment to EROAD's market share as a result of the Proposed Transaction is low**

- 129 The Proposed Transaction will not give rise to competitive concerns in the market for vehicle telematics solutions regardless of the geographic delineation of the market, Australasian or New Zealand.
- 130 As discussed above in Part 5, the market is arguably broader than national. If the market is properly defined as national, then the Commission should consider the competitive constraint that results from the Parties' participation in global markets. Figure 21 below sets out the total installed base for each vehicle telematics provider in Australasia, based on a 2020 independent report on fleet management in Australia and New Zealand.<sup>84</sup> Further information on the Parties' market share methodology is set out in **Appendix 10**. This information is obtained entirely from a third party source and therefore does not rely on the Parties' estimates. Even if the Commission concludes the market is national, these market share estimates provide a useful indication, independent of the Parties' estimates, of the relative position of the various competitors that are active in New Zealand.

---

<sup>84</sup> Berg Insight, *Fleet Management in Australia and New Zealand*, M2M Research Series 2020.



Figure 21: Estimated shares of supply of vehicle telematics solutions in Australasia  
(volume, 2017 - 2019)

Market participant	2017		2018		2019	
	Connections	Share of supply (vol)	Connections	Share of supply (vol)	Connections	Share of supply (vol)
Navman	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
MTData (Telstra)	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
EROAD	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Verizon	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Netstar Australia	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
IntelliTrac	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
MiX Telematics	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Smartrak	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Fleet Complete	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Webfleet Solutions (TomTom Telematics)	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Coretex	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Digital Matter	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Procon Telematics	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
GPSEngine	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Simply Unified	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Ctrack/Inseego	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Other	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Merged entity	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
<b>Total</b>	[ ]	100%	[ ]	100%	[ ]	100%

Source: 2020 ANZ Berg report<sup>85</sup>

- 131 The Parties' combined share in the Australasian vehicle telematics market is approximately [ ]% to [ ]% based on total installed base. Figure 21 illustrates that the vehicle telematics market is characterised by a number of strong competitors in addition to the Parties. Navman is the strongest competitor in the Australasian market with [ ]% to [ ]% market share, and MTData has a similar installed base to EROAD, with a market share of approximately [ ]% to [ ]%. In addition, there are a large number of providers of vehicle telematics in Australasia with an installed base of approximately 15,000 to 50,000. Coretex is the 11<sup>th</sup> largest player in Australasia with a market share of approximately only [ ]% to [ ]%.
- 132 Estimated market shares for New Zealand are set out below. These market shares reflect the Parties' connections from 2018 to 2020, and EROAD's best estimates for

<sup>85</sup> Berg Insight, *Fleet Management in Australia and New Zealand*, M2M Research Series 2020.

their competitors (the Parties are not aware of any third party data source for market shares in New Zealand).

Figure 22: Estimated shares of supply of vehicle telematics solutions in New Zealand (volume, FY 2019 – FY 2021<sup>86</sup>)

Market participant	FY 2019		FY 2020		FY 2021	
	Connections	Share of supply (vol)	Connections	Share of supply (vol)	Connections	Share of supply (vol)
EROAD <sup>87</sup>	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Navman	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Blackhawk	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Smartrak	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Argus	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Coretex	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Sensium	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Verizon	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Spark and Vodafone	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Vehicle Technologies	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Trackit	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Cartrack	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Ctrack	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Merged entity	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
<b>Total</b>	[ ]	<b>100%</b>	[ ]	<b>100%</b>	[ ]	<b>100%</b>

Source: EROAD and Coretex data; EROAD estimates of competitors' share of supply

- 133 As Figure 22 shows, post-Proposed Transaction, the Parties would have a combined market share of approximately [ ]% (by volume). The Parties acknowledge that this combined market share exceeds the Commission's concentration indicators. However, the Proposed Transaction is not likely to lessen competition because:

133.1 the increment to EROAD's market share as a result of the Proposed Transaction is low ([ ]%), as Coretex is a comparatively small player in the New Zealand market. The market share provided above is for 2020 (the last completed year). However, as of June 2021, Coretex's connections had declined further to [ ];

133.2 Coretex is only the sixth largest supplier in the New Zealand market. Coretex's total subscriber base represents only approximately [ ] of customer acquisition for EROAD; and

<sup>86</sup> The estimates provided in Figure 22 are for EROAD's financial year, which is 1 April – 31 March.

<sup>87</sup> Note that EROAD did not previously report New Zealand and Australia separately, so the connection numbers provided for EROAD for FY 2018 and FY 2019 have been estimated.

133.3 there are at least four other competitors in the New Zealand market that pose a more significant competitive constraint on EROAD than Coretex: Navman, Smartrak, Blackhawk and Argus. As discussed at paragraphs 136 to 158 below, these competitors offer a comprehensive range of telematics features and are therefore able to compete on an equal footing with EROAD for all customers in the market. In addition to those specialist telematics providers, there are a number of other suppliers who offer telematics as part of their service offering, or alongside other services (e.g. Verizon, Spark and Vodafone).

134 Further, the vehicle telematics market in New Zealand is a relatively immature market, and to date there has been a low level of adoption of vehicle telematics solutions, particularly for smaller vehicle fleets. EROAD estimates that currently only [ ]% of light and heavy vehicles in New Zealand that would benefit from a telematics solution have one. Accordingly, the addressable market is likely considerably larger (perhaps [ ]<sup>88</sup> times larger) than the current number of telematics connections in New Zealand (estimated to be approximately [ ] connections).

135 Given Coretex’s small market share and the presence of at least four other significant competitors, the Proposed Transaction will not give rise to competition concerns in the vehicle telematics market.

**The Parties face strong competition from a range of suppliers active in the supply of vehicle telematics solutions in New Zealand**

136 EROAD and Coretex face strong competition from a wide range of well-established providers of vehicle telematics. EROAD’s ordinary course of business documents emphasise the competitive constraint imposed by both local and global competitors. For example:

136.1 [ ]  
].<sup>89</sup>

136.2 [ ]:<sup>90</sup>

---

<sup>88</sup> This data is based on information captured in the Motor Vehicle Register and includes privately registered vehicles in commercial use as estimated in the 2016 evaluation of the Road User Charges scheme. These numbers represent minimum levels given the significantly greater number of light commercial body-types in the registered fleet.

<sup>89</sup> [ ].

<sup>90</sup> [ ].

136.3 [

].<sup>91</sup>

137 Information about the Parties' current key competitors follows in this section, with more detailed profiles on each competitor included in **Appendix 12**. Information about competitors that EROAD considers are likely to enter the New Zealand market is set out from paragraph 159 below.

**Navman**

138 Navman is a strong 'all-around' global player, headquartered in the US. Navman is the largest player in the Australasian vehicle telematics market (with a market share of approximately [ ]%), and is the second largest player in New Zealand behind EROAD (with a market share of approximately [ ]%). [

][ ] [

][

---

<sup>91</sup> [ ] .

].

139 As indicated at **Appendix 13**, Navman offers the most comprehensive range of telematics features of any telematics provider in New Zealand, providing a wide range of telematics features across all three key telematics categories (compliance / safety, asset management / tracking, sensors and controls). These features include:

139.1 real-time alerts about driver behaviour;

139.2 in-cab cameras;

139.3 Waka Kotahi-approved eRUC and electronic logbook solutions;

139.4 a range of asset tracking and fleet management solutions such as pool booking, automated logging, detailed reporting, journey planner, maintenance and fuel usage monitoring; and

139.5 sensors and controls for reefer and construction customers.

#### ***Blackhawk***

140 Blackhawk is a New Zealand company providing a configurable telematics SaaS fleet management 'top layer' application. Blackhawk is device and network agnostic and interacts directly with customers' third party hardware. Blackhawk has shown strong growth in New Zealand in the last few years and currently has approximately [ ] connections in New Zealand, with approximately [ ]% market share.

141 Blackhawk offers customised asset tracking and fleet management services, including geo-fencing, service alerts, remote monitoring and inspection and maintenance services.

#### ***Smartrak***

142 Smartrak is a New Zealand-headquartered company with operations in New Zealand, Australia and North America. It has approximately [ ] connections in Australasia (with a market share of approximately [ ]%), and is the third largest player in New Zealand with approximately [ ] connections and a market share of approximately [ ]%.

143 Smartrak offers comprehensive asset tracking and fleet management hardware and software solutions, including vehicle tracking via real time GPS tracking and geo-fencing, mobile forms and automated data collection, provision of evidence for FBT, reporting, driver behaviour information, an in-vehicle monitoring system for usage and maintenance and lone worker emergency duress alarms.

#### ***Argus***

144 Argus is a New Zealand-based company offering compliance/safety and asset tracking and fleet management services. Argus has approximately [ ] connections in New Zealand, with approximately [ ]% market share.

145 Argus' telematics solutions include driver behaviour and fuel card monitoring, job management, posted speed monitoring, FBT reporting, electronically-assisted paper RUC, geo-fencing, mapping, distance tracking, and pool booking.

**Verizon**

146 Verizon is strong global player with operations in New Zealand and eleven other countries. Verizon is the fourth largest provider in Australasia, with approximately [ ] connections and [ ]% market share. In New Zealand Verizon has approximately [ ] connections and [ ]% market share, although [

] Verizon is a significant competitor in Australia.

147 Verizon has proven its ability to win customers in New Zealand with its job management platform. [

] Verizon is gaining momentum in New Zealand, particularly in relation to low cost light commercial vehicles, which have traditionally been slow to take up vehicle telematics in New Zealand, and accordingly are an obvious target for Verizon. Notably, Verizon has an R&D hub in Christchurch<sup>92</sup> and is currently advertising for software and mobile engineer positions to work at this hub.<sup>93</sup>

148 Verizon provides predominantly GPS fleet tracking SaaS and accompanying hardware. These services include electronically-assisted paper RUC, in-cab driver monitoring, geo-fence GPS tracking, maintenance scheduling, fuel card tracking and job scheduling.

**Trackit**

149 Trackit is a New Zealand-based company specialising in GPS fleet management SaaS. Trackit has approximately [ ] connections in New Zealand, with approximately [ ]% market share.

150 Trackit provides a range of compliance/safety and fleet management services including real time GPS asset tracking, geo-fencing, driver behaviour monitoring, job management, pool booking and maintenance schedules.

**Sensium**

151 Sensium is a New Zealand-based company specialising in GPS tracking solutions. Sensium has approximately [ ] connections in New Zealand, with approximately [ ]% market share. Sensium offers asset tracking and management services including mapping, distance tracking, geo-fencing and service alerts.

**Cartrack**

152 Cartrack is a South African-headquartered company with operations in New Zealand and 23 other countries. Cartrack has approximately [ ] connections in New Zealand, with approximately [ ]% market share. Cartrack provides fleet management and asset management services as SaaS and accompanying hardware. These services include real time GPS tracking, geo-fencing, vehicle status reports, cameras, and fuel management.

**Ctrack**

153 Ctrack is a South African-headquartered company with operations in New Zealand and 50 other countries. Ctrack has approximately [ ] connections

---

<sup>92</sup> See: <https://e-commercenews.co.nz/story/local-global-verizon-connect-celebrates-its-christchurch-roots>.

<sup>93</sup> See: <https://www.verizon.com/about/work/search/jobs?q=VZConnect>.

in Australasia (and approximately [ ]% market share), and approximately [ ] connections in New Zealand (and approximately [ ]% market share).

- 154 Ctrack provides SaaS to customers and accompanying hardware. Ctrack's web-based software and Smart eDriver app provides fleet management, vehicle and asset tracking and monitoring via geo-fencing and GPS, driver behaviour monitoring, electronic work diaries, odometer reporting, cameras, reporting, FBT reporting, stolen vehicle recovery, route planning and usage-based insurance platforms. In addition, Ctrack has partnered with RUC Monkey, a Waka Kotahi-certified eRUC provider, to provide eRUC solutions.

***Spark and Vodafone***

- 155 Spark and Vodafone have leveraged their telecommunications networks to provide asset tracking services such as fleet visibility, reporting (such as speed, geo-fencing and maintenance) and alerts. Together they have an estimated [ ] connections in New Zealand (approximately [ ]% market share). Both providers have also formed partnerships with other telematics providers: both Spark and Vodafone have partnered with Blackhawk.
- 156 To date, Spark has predominantly offered IOT tracking solutions, but has more recently started offering more traditional telematics and fleet management offerings, targeted at the light commercial low cost customer. [ ]

].

***Vehicle Technologies***

- 157 Vehicle Technologies is a New Zealand-headquartered company, with operations in New Zealand and Australia. Vehicle Technologies has approximately [ ] connections in New Zealand, with approximately [ ]% market share.
- 158 Vehicle Technologies provides comprehensive SaaS and hardware to customers by acting as a reseller for a range of third party solutions including Telematics Guru (which offers a vehicle tracking app), Greenroad Solutions (which offers vehicle tracking, vehicle management, real-time driver feedback), MiX Telematics (a significant Australasian player that offers geo-fencing, vehicle updates, fuel management etc), and RUC Monkey (which offers a Waka-Kotahi certified eRUC solution).

***Competitors likely to enter the New Zealand market***

- 159 In addition to the competitors listed above, the Parties expect that the trend of offshore telematics providers entering the New Zealand market is likely to continue. This trend is influenced by two key factors:

159.1 First, large customers that use an offshore telematics provider may want to keep their telematics data on one platform, bringing that telematics provider into New Zealand as the customer itself enters the New Zealand market. Alternatively, the offshore head office of a customer may require that all New Zealand fleets use the same technology as their other fleets offshore. This may make the New Zealand market viable for offshore providers looking to expand their operations into other markets.

159.2 Second, offshore telematics companies may acquire a New Zealand telematics company to add to their portfolio for offshore markets.

160 For example, [ ]:

160.1 While MTDData does not currently have a large presence in New Zealand, it is one of the largest telematics providers in Australia. As illustrated above at Figure 21, MTDData is the second largest telematics provider in Australasia, with an installed base of approximately [ ] connections and a share of supply of approximately [ ]%. MTDData has a highly sophisticated tablet and data telematics device which caters to complex telematics requirements. [ ]

160.2 MixTelematics is a strong global player with approximately [ ] connections and [ ]% market share in Australasia. [ ]

161 In addition, there are a number of telematics providers specialising in job management that have entered New Zealand in recent years. For example, telematics providers such as Truckmate<sup>94</sup> and Microlise<sup>95</sup> offer telematics solutions to some of EROAD's largest New Zealand customers such as [ ]. As these global providers localise their telematics offering to New Zealand customers, [ ]. Historically job and load management has not been a key requirement for New Zealand customers, but as fleet managers are exposed to international best practice EROAD considers that job and load management will become one of, if not the, most important feature for customers.

162 EROAD expects the competitive landscape to change considerably over the next few years as the growth in the vehicle telematics industry has led to a number of large acquisitions (such as Verizon Connect,<sup>96</sup> Orbcomm/GI Manager,<sup>97</sup> TeleTrac/Navman<sup>98</sup>) and significant R&D spent by offshore providers on new products that are not currently available in New Zealand. This dynamic creates a commercial opportunity for large offshore players to enter and offer those new products in New Zealand.

---

<sup>94</sup> Truckmate is predominantly a transportation management system (TMS) provider. For information on Truckmate see: <https://www.qofleet.com/product/tmw-truckmate-dispatch/>.

<sup>95</sup> For information on Microlise see: <https://www.microlise.com/nz/>.

<sup>96</sup> For information on the acquisition see: <https://www.verizonconnect.com/au/company/news/verizon-telematics-becomes-verizon-connect/>.

<sup>97</sup> In April 2021, ORBCOMM announced that they entered into an agreement to be acquired by private investment firm GI Partners. For information on the acquisition see: <https://investors.orbcomm.com/news/news-details/2021/ORBCOMM-Enters-into-Agreement-to-be-Acquired-by-GI-Partners/default.aspx>.

<sup>98</sup> In January 2019 Bridgestone entered into an agreement to acquire TomTom Telematics (renamed Webfleet in October 2019). For information on the merger see: <https://www.teletracnavman.com/resources/blog/navman-teletrac-merger>.



**Coretex is not a significant competitive constraint in the New Zealand market**

163 As the market share estimates at paragraphs 132 and 133 above demonstrate, Coretex has been unable to achieve significant scale in the New Zealand market, and its connection numbers in New Zealand [

].

**Coretex’s focus on overseas growth markets**

164 Coretex [

]. [

]. [

].

165 [

]:

165.1 [

]; and

165.2 [

],<sup>99</sup> [ ] in comparison to

EROAD’s [

].

**Coretex’s focus on narrow sector verticals**

166 In addition, Coretex has been unable to obtain significant traction in the broader telematics market as it has focused on tailored telematics solutions for specific sectors (e.g. reefer/food safety and construction sectors). Figure 23 below illustrates that [

].

---

<sup>99</sup> [

].

Figure 23: Coretex new connections for in-cab services only (i.e. excluding construction and reefer) January 2017 – March 2021

167 Coretex’s telematics solutions to date have been heavily focused on narrow sector verticals. As noted at paragraph 66 above, Coretex was formed in October 2015 through the merger of ITHL (which focused on refrigerated trailer solutions) and Imarda (which focused on the construction vertical). Following that merger, Coretex acquired the US-based company Air-Track in November 2015, which offered telematics solutions to the waste and recycling markets.

168 As a consequence, Coretex’s offering in the broader market is [ ] than those provided by players such as EROAD and Navman that focus on a broader suite of telematics solutions. This has [ ].

169 Figure 24 below illustrates that approximately [ ]% of Coretex’s connections in New Zealand are customers in the construction sector, with a further [ ]% of connections being customers in the cold chain / reefer sector. While approximately [ ]% of Coretex’s New Zealand connections are for its basic in-cab device rather than its telematics solutions for specialist vehicles, this reflects the fact that there are only a small number of such specialist vehicles in New Zealand, [ ].

Figure 24: Coretex connections and revenue by industry as at June 2021

Industry	Connections	Revenue (total)	% total connections	% total revenue
Reefer	[ ]	[ ]	[ ]	[ ]
Construction	[ ]	[ ]	[ ]	[ ]
In-cab	[ ]	[ ]	[ ]	[ ]
Total	[ ]	[ ]	100%	100%

**Coretex's connections in New Zealand are [ ]**

170 Figure 25 below illustrates the [ ] competitive constraint that Coretex poses in the New Zealand market as a result of its focus on narrow sector verticals and overseas growth markets. Coretex's connections grew in the years leading up to 2019, but largely as a result of winning several large customers (particularly [ ]). The increase through to December 2018 reflects those customers rolling out Coretex's in-cab devices. [

]. Coretex's total telematics connections in New Zealand have [ ] year on year from 2019 onwards, approximately [ ]% over the last two years from [ ] connections in December 2018 to [ ] connections in June 2021.

*Figure 25: Coretex total vehicle telematics connections January 2017 – March 2021*

*Source: Coretex*

171 Figure 26 below shows monthly new and churned customers. From 2018 onwards, [

].

Figure 26: Coretex new connections and churned connections January 2017 – March 2021

Source: Coretex

172 Coretex's [

], and therefore there is no reason to expect that [ ].

**EROAD and Coretex are not close competitors**  
**Channels to market**

173 Customers with large fleets (i.e. 100+ assets) generally procure telematics services via tenders. In contrast, customers with smaller fleets (i.e. 1-100 assets) are more likely to procure telematics services via direct inquiries. That said, outside of the context of formal tenders, customers may choose to contact several providers to elicit quotes, meaning in practice the competitive dynamics between tendered procurements and direct inquiries are not radically different.

174 The Parties have partial information on RFPs they have participated in and the other participants in those RFPs. In addition, the Parties have information on connections won and lost overall including partial information on the competitors from whom those connections were won or to whom they were lost. The sections that follow include analysis of the Parties' RFP data and overall win/loss data (including both RFPs and all other customer acquisitions and churn).

175 The Parties' RFP and win/loss data is included in **Appendix 8** and **Appendix 9**.

**Coretex [ ] participates in RFPs**

176 As noted above at paragraph 119, [

].

**EROAD actively participates in RFPs for new and existing customers**

177 [ ], EROAD operates a growth strategy and is focused on both new and existing customers. Between 2017 and June 2021 EROAD participated in [ ] RFPs, winning [ ] of those RFPs, amounting to [ ] connections.

178 Figure 27 indicates which competitor EROAD won those [ ] RFPs from (to the extent known), and Figure 28 indicates the competitors that EROAD lost the remaining [ ]<sup>100</sup> RFPs to (again, to the extent known). EROAD does not systematically capture information on its participation in RFPs, and so this information is partial and relies on EROAD’s estimates.

Figure 27: RFPs won by EROAD (January 2017 – June 2021)

Connections won from	Number of customers won	Number of connections won	% customers won	% connections won
Retained (i.e. EROAD was incumbent)	[ ]	[ ]	[ ]	[ ]
Coretex	[ ]	[ ]	[ ]	[ ]
Nothing previously installed	[ ]	[ ]	[ ]	[ ]
Smartrak	[ ]	[ ]	[ ]	[ ]
Armada GPS	[ ]	[ ]	[ ]	[ ]
Ctrack	[ ]	[ ]	[ ]	[ ]
<b>Total</b>	[ ]	[ ]	<b>100%</b>	<b>100%</b>

Source: EROAD

---

<sup>100</sup> [ ]

].

Figure 28: RFPs lost by EROAD (January 2017 – June 2021)

Connections lost to	Number of customers lost	Number of connections lost	% customers lost	% connections lost
Navman	[ ]	[ ]	[ ]	[ ]
Smartrak	[ ]	[ ]	[ ]	[ ]
Coretex	[ ]	[ ]	[ ]	[ ]
Unknown	[ ]	[ ]	[ ]	[ ]
<b>Total</b>	[ ]	[ ]	<b>100%</b>	<b>100%</b>

Source: EROAD

179 The Parties’ RFP data shows that over the period January 2017 to June 2021:

179.1 Coretex only participated in [ ] RFPs whereas EROAD participated in [ ] RFPs. [

].

179.2 [

)].<sup>101</sup> [

].

179.3 [

].

**The Parties’ total win/loss data**

180 While customers with larger asset fleets (i.e. 100+ connections) generally procure telematics solutions via tenders, the majority of customers for telematics solutions in New Zealand have fewer than 100 connections and generally procure telematics solutions via direct inquiries. Set out below is analysis of the Parties’ overall win/loss data, which includes data from all other customer acquisitions and churn in addition to RFPs.

**EROAD win/loss data**

181 As noted in **Appendix 11**:

181.1 [

];

181.2 [

]; and

181.3 [

---

<sup>101</sup> [ [ ] [

].

].

182 Figure 29 below sets out a snapshot of where EROAD’s churned connections (>20 vehicles) have churned to over the last five years (to the extent known), and figure 30 sets out where new connections have come from over the same period.

*Figure 29: EROAD churned customers for 20+ connections (showing where connections churned to, 2017 – 2021)*

*Figure 30: EROAD total new customers for 20+ connections (showing where connections came from, 2017 – 2021)*

*Source: EROAD*

*Source: EROAD*

183 Over the 2017 to 2020 period, in relation to vehicle fleets of more than 20 connections (and subject to the data limitations described above):

183.1 To the best of EROAD’s knowledge, [ ] EROAD’s connections in this category churned to Coretex. This illustrates that Coretex is not a competitive constraint on EROAD.

183.2 [ ]% of EROAD’s connections in this category churned to Navman. This represented [ ] customers ([

,] which indicates that Navman is EROAD’s closest competitor and poses a significant competitive constraint.

183.3 EROAD has also lost connections to [

].

183.4 [

].

184 Because EROAD does not systematically capture new customer data for fleets of less than approximately 20 vehicles and has very limited data on which competitors it lost customers to, the analysis above does not include all new/churned connections. To contextualise the analysis above, the analysis below sets out total new connections and churned connections in each of 2017 to June 2021.

Figure 31: EROAD estimated total new connections / churned connections (January 2017 – June 2021)<sup>102</sup>

	2017	2018	2019	2020	2021
New connections <sup>103</sup>	[ ]	[ ]	[ ]	[ ]	[ ]
Churned connections <sup>104</sup>	[ ]	[ ]	[ ]	[ ]	[ ]

185 EROAD does not record data on who smaller customers have churned to, so it cannot say definitively how many, if any, connections it has lost to Coretex. [ ]].

**Coretex win/loss data**

186 As noted in **Appendix 11**, Coretex does not systematically record information about which competitors new customers have been acquired from. For the purposes of this application, Coretex has only been able to provide data on churned connections).

187 Figure 32 below sets out a snapshot of where Coretex’s churned connections have churned to over the last four years.

Figure 32: Coretex churned connections (showing where connections churned to, January 2018 – June 2021)

<sup>102</sup> Please note that 2020 backwards has been estimated.

<sup>103</sup> This includes both new customers and fleet increases from existing customers.

<sup>104</sup> This includes both lost customers and fleet reductions from existing customers.



Source: Coretex

188 Figure 32 above illustrates that over the period from January 2018 to June 2021:<sup>105</sup>

188.1 [ ]% of Coretex’s churned connections churned to EROAD. This churn rate is roughly proportionate to EROAD’s market share for the telematics market ([ ]), suggesting that while Coretex is losing connections to EROAD, it is not losing a disproportionate number of connections to EROAD and other suppliers are also a significant competitive constraint on EROAD.

188.2 Navman poses a considerable constraint on Coretex. Over the last five years [ ] connections churned from Coretex to Navman (or [ ]% of Coretex’s total churned connections). In addition, Coretex has lost connections to Trackit and to Paper RUC, suggesting that smaller telematics providers and paper based solutions also provide real constraint on the Parties. Finally, during the relevant period [ ]% of Coretex’s connections churned in-house. This represented [ ] customer ([ ]) that developed an in-house telematics solution.

**Conclusion on closeness of competition**

189 The Parties’ win/loss data illustrates that Coretex is losing connections to EROAD, but not disproportionately so, and [ ].

190 EROAD’s win/loss data for fleets of 50+ connections suggests that [ ]. Accordingly, the win/loss data supports the view that EROAD and Coretex are not particularly close competitors in the telematics market in New Zealand, and Coretex does not pose a significant competitive constraint on EROAD.

191 Navman is EROAD’s closest competitor. This is confirmed by [ ]. For example:

191.1 [ ].<sup>106</sup>

191.2 [ ].<sup>107</sup>

191.3 [ ]

<sup>105</sup> As noted in Appendix 11, Coretex did not record churn data prior to 2018, so is only able to provide churn data for the period 2018 to 2021.

<sup>106</sup> [ ].

<sup>107</sup> [ ].

].<sup>108</sup>

192 The Parties' respective participation in RFPs also demonstrates that Coretex is not a significant competitive constraint on EROAD. [ ].

193 This is consistent with [ ].

].

**Even on a narrower segmentation, the Proposed Transaction is not likely to lessen competition**

194 While the Parties do not consider narrower market definitions are plausible,<sup>109</sup> EROAD and Coretex are not close competitors even if the Commission examines specific product features.

195 As customers almost exclusively procure telematics features as part of a bundle, in most cases it is not possible to reliably estimate shares of supply on the level of individual telematics features.<sup>110</sup> However, as illustrated in **Appendix 13**, there are a number of competitors offering features that replicate the Parties' combined offering. On that basis, the Parties consider the Proposed Transaction is unlikely to lessen competition even if the market is further segmented.

196 For completeness, the Parties have considered hypothetical sub-markets for RUC and electronic logbooks. RUC is discussed below. As explained above at paragraph 101.2, there are a large number of competitors offering electronic logbooks, [ ], and therefore this application does not consider electronic logbooks any further.

**The Proposed Transaction will not lessen competition for eRUC solutions**

197 The Parties each offer an eRUC solution as part of their overall telematics offering. EROAD and Coretex were the first and second approved providers of an eRUC solution in New Zealand (in 2010 and 2011, respectively) and therefore historically were the principal suppliers of this service.

198 In addition to the Parties, Navman and RUC Monkey also offer eRUC solutions.<sup>111</sup> Navman launched its eRUC product in late 2017 as part of its overall telematics offering. RUC Monkey entered in late 2018 as a dedicated eRUC provider, and positions its offering as a complement to other telematics providers, aiming to sell alongside other providers. As a result of their relatively recent launch of this feature, Navman and RUC Monkey naturally have fewer vehicle connections currently, but their products compete head-to-head with EROAD's and Coretex's eRUC features.

---

<sup>108</sup> [ ].

<sup>109</sup> Refer to paragraphs 87 to 112 above.

<sup>110</sup> The market shares set out in Figure 22 are based on all vehicle telematics connections.

<sup>111</sup> As noted at paragraphs 154 and 158 above, RUC Monkey sells its eRUC solution via other vehicle telematics providers (including Vehicle Technologies and Ctrack) who provide RUC Monkey's eRUC solution as a feature in their broader telematics offering.

- 199 As set out at paragraphs 92 to 93 above, RUC does not constitute a plausible market definition. Rather, RUC is a compliance feature that some customers acquire as part of a broader telematics service. However, for completeness, the Parties have estimated shares of a hypothetical RUC segment using information from Waka Kotahi on RUC collected between 2018 and 2020.
- 200 Because RUC applies both to heavy vehicles and light diesel vehicles, and the majority of light diesel vehicles in New Zealand are private passenger vehicles (approximately 83%), shares based on the total RUC collected would likely overstate the addressable customer base for telematics providers because most private passenger vehicles are unlikely to seek an eRUC solution. To better approximate the addressable customer base for an eRUC solution, the estimates in Figure 33 below are limited to heavy vehicles only and exclude all light diesel vehicles.

*Figure 33: Hypothetical RUC segment 2018 – 2020 (\$RUC collected for heavy vehicles)*

*Source: Waka Kotahi, Parties' estimates*

- 201 As Figure 33 above illustrates, a substantial percentage of customers utilise a paper-based solution. The significance of paper RUC as the preferred solution for substantial proportion of the addressable customer base is a consistent feature of this segment.
- 202 Focusing on the eRUC providers specifically, EROAD continues to be the market-leading provider of this feature, reflecting its position as the first mover, as shown in Figure 34 below. Coretex, however, [ ]].
- 203 The Parties are unable to differentiate between Navman's and RUC Monkey's share of RUC collected, but EROAD's view is that Navman is now its principal competitor in relation to this feature, reflecting its competitiveness in the telematics market overall. As Figure 34 demonstrates, Navman's share of eRUC collected is increasing rapidly as it grows its overall position in the telematics market.

Figure 34: eRUC providers 2018 – 2020 (\$RUC collected for heavy vehicles)

Source: Waka Kotahi, Parties' estimates

- 204 The Parties do not consider that the Proposed Transaction is likely to lessen competition for eRUC solutions for the reasons set out below.
- Paper RUC, including electronically-assisted paper RUC, is a significant competitive constraint on eRUC*
- 205 Paper RUC remains a substantial competitive constraint on eRUC, comprising 39% of heavy RUC collected in 2020. Using paper RUC allows vehicle operators to avoid the charges associated with acquiring an eRUC solution from a telematics provider. Vehicle operators are cost-sensitive and would switch to paper RUC in the face of a price increase.
- 206 There are four channels for customer to purchase paper RUC:
- 206.1 internet or phone/fax purchases of paper licences directly from Waka Kotahi;
- 206.2 over-the-counter purchase of paper licences from approved RUC counter agents;<sup>112</sup>
- 206.3 electronically assisted purchase of *paper* licences via self-service, approved RUC counter agents, or an eRUC provider; and
- 206.4 electronically assisted purchase of *electronic* licences via self-service, approved RUC counter agents, or an eRUC provider.
- 207 All RUC transactions, regardless of type (paper or eRUC) or channel (i.e. face to face, or digital self-service via the internet or an eRUC provider) are subject to statutory administration fees set out in the schedule to the Road User Charges

---

<sup>112</sup> Waka Kotahi approved RUC counter agents include:

- Automobile Association;
- Postshops;
- Vehicle Inspection New Zealand;
- Vehicle Testing New Zealand; and
- independent agents who display the Waka Kotahi logo.

(Administration Fees) Regulations 2014. While the administration fees for eRUC are lower than for other channels, administration fees for eRUC are set higher than their underlying cost in order to fund a subsidy for paper RUC serviced over Waka Kotahi's internet channel.<sup>113</sup> Consequently, in parallel to the growth of eRUC, Waka Kotahi's internet channel has grown from servicing [ ]% of RUC in 2010 to nearly [ ]% in 2020.<sup>114</sup>

- 208 In addition to the four suppliers of eRUC solutions, EROAD understands that there are at least four providers that offer electronically-assisted paper RUC, a cheaper alternative to eRUC. Electronically-assisted paper RUC differs from eRUC in that it uses the vehicle's own odometer or mechanical hubodometer as the official distance recorder. It therefore retains a manual step where either the updated distance record is input to the electronic purchasing mechanism, either at the time of purchase or regularly to ensure the device remains synchronised to the official distance recorder. As electronically-assisted RUC still uses paper RUC labels purchased from Waka Kotahi, electronically-assisted RUC is included within the market share for paper RUC. EROAD estimates that approximately [ ]% of paper transactions are conducted via an electronic platform (i.e. [ ]% of paper transactions are conducted via the internet, [ ]% via self-service, and [ ]% via an industry agent other than an electronic service provider (**ESP**)).
- 209 EROAD offers electronically-assisted paper licence and electronic licence RUC solutions in addition to its core eRUC solution. These electronically-assisted paper RUC solutions are popular with cost-sensitive customers who wish to avoid paying for eRUC. [

].

- 207 Providers of electronically-assisted paper RUC require Waka Kotahi certification, however the certification process is straightforward as the supplier does not have to develop or be responsible for an electronic distance recorder and the associated communications, security and processing capabilities, along with the field and independent testing that this involves. Providers of electronically-assisted paper RUC must still demonstrate that their systems can interface reliably and effectively with Waka Kotahi's back office and must also satisfy the 'fit-and-proper' criteria to act as RUC agents.<sup>115</sup> However, these are longstanding processes that have been applied and refined extensively over many years of Waka Kotahi approving over-the-counter and industry self-service agents. Providers of electronically-assisted RUC solutions provide various levels of electronic assistance, with some providers displaying electronic labels, and others simply using telematics to trigger RUC reminders. EROAD understands that Argus, Verizon, Cartrack and Trackit currently provide RUC solutions, as do a number of fleet leasing companies including Custom Fleet, SG Fleet, Fleet Partners, and Lease Plan. In addition, as of 19 July 2021, there are two further providers that are currently in the process of obtaining Waka Kotahi certification.

---

<sup>113</sup> For more information on the administrative costs and the underlying costs for each channel see: <https://www.transport.govt.nz/assets/Uploads/RIA/RIS-road-user-charges-admin-fees.pdf>.

<sup>114</sup> This estimate was prepared by EROAD using historical administrative data supplied by Waka Kotahi.

<sup>115</sup> See paragraphs 210 to 211 below for a description of the steps required for ESPs to become approved eRUC providers.

*EROAD and Coretex are not close competitors for eRUC*

- 208 Amongst the eRUC providers, EROAD views Navman as its principal competitor rather than Coretex. Both Coretex's value of RUC collected and share of RUC collected is [ ]. This is despite the fact that RUC is increasing.<sup>116</sup> In other words, [ ].
- Conversely, since entering in 2018, Navman has been able to capture [ ]% of heavy RUC, and has done so at Coretex's expense. This is shown in Figure 35 below.

*Figure 35: Coretex and Navman/RUC Monkey share of heavy eRUC 2018, 2020 (%)*

*Source: Waka Kotahi, Parties' estimates*

*Barriers to entry are low*

- 209 Barriers to entry are low, as evidenced by RUC Monkey's recent entry in 2018 and Navman's entry in 2017. The Parties' view is that any of the telematics providers active in the New Zealand market would be able to develop an eRUC feature as part of their integrated telematics offering. There is also the prospect of standalone entry, as demonstrated by RUC Monkey.
- 210 In New Zealand, the RUC system is operated under the Road User Charges Act 2012 and the Road User Charges Regulations 2012. The Waka Kotahi eRUC Code of Practice sets out the steps required for ESPs to become approved eRUC providers.<sup>117</sup> The code is a guide only and is not intended to restrict Waka Kotahi's ability to approve a provider or solution that offers a different way of delivering a fit-for-purpose solution.
- 211 To issue RUC licences electronically, ESPs must become an agent of Waka Kotahi. ESPs must submit a business proposal<sup>118</sup> to Waka Kotahi, who will provide an

---

<sup>116</sup> Heavy RUC increased from \$1.18 billion in 2018 to \$1.26 billion in 2020.

<sup>117</sup> Waka Kotahi, Code of Practice for electronic road user charges management systems, available: <https://www.nzta.govt.nz/assets/resources/road-user-charges/eruc-guidelines/docs/ERUC-code-of-practice.pdf>. Waka Kotahi issued the Code of Practice in 2014, and a second edition in 2020.

<sup>118</sup> The business proposal must include a description of the corporate entity, a description of the proposed service for administering RUC, an outline of the expected customer base and an estimate of the number of RUC licences to be issued per annum, a description of how the service will benefit the RUC system, and a contact for further details.

approval in principle and then check the ESP's electronic systems.<sup>119</sup> Waka Kotahi will then carry out a testing process<sup>120</sup> and a Police demonstration.<sup>121</sup> Once Waka Kotahi has completed this testing process, it will then advise the ESP whether approval has been granted under section 43 of the Road User Charges Act 2012.

- 212 Waka Kotahi has advised the Parties that Waka Kotahi is initiating a further review of the Code of Practice requirements for eRUC. The Ministry of Transport has also informed the Parties of its intention to review and amend the Road User Charges Act 2012, which is expected to be completed in 2023. EROAD considers it likely that the review will suggest liberalising Waka Kotahi requirements, which would further increase the likelihood of entry. Both agencies have stated that the goal of their respective review is to enable further innovation in eRUC services to address cost-related barriers to consumer uptake.

- 213 *Regulation of eRUC prevents providers from reducing the quality of eRUC products*  
eRUC is regulated by Waka Kotahi, including in relation to the reliability and accuracy of the service. Accordingly, the regulatory framework for eRUC leaves little scope to reduce the quality of eRUC products.

#### **No coordinated effects**

- 214 The Proposed Transaction will not enhance the ability of the merged entity to coordinate its activity with its competitors. The relevant market is not vulnerable to coordination, and this would not be likely to change following the Proposed Transaction:

214.1 A number of strong and innovative competitors remain following the Proposed Transaction. At least twelve competitors alongside the Parties offer vehicle telematics solutions in New Zealand, including strong players such as Navman, Blackhawk, Smartrak and Argus. Markets with such a large number of players generally do not raise coordination concerns.

214.2 As noted above at paragraphs 87.5 and 209 to 212, there are very few barriers to entry or expansion and there are a number of international providers of vehicle telematics solutions that could readily enter the New Zealand market and disrupt any potential coordination.

214.3 Telematics features/functions are highly differentiated and therefore not amenable to coordination.

214.4 The telematics industry is characterised by innovation and technological developments. The technology environment for telematics solutions is

---

<sup>119</sup> An authorisation to issue eRUC will be contingent on the security of the ESP's systems, integration with Waka Kotahi's network, and the ESP's ability to perform the services of selling and issuing licences to Waka Kotahi's satisfaction.

<sup>120</sup> Waka Kotahi's testing process requires:

- that the electronic system is fit for purpose. This means that the electronic system should be of acceptable accuracy, reliability and security,
- the ESP to demonstrate that they have carried out their own comprehensive testing,
- the ESP to provide three electronic distance records of the type and model for which they are seeking approval for Waka Kotahi to carry out testing, and a user guide to explain how the electronic distance recorder and electronic licence display function.

<sup>121</sup> In order to ensure that the electronic distance recorded and electronic licence display are fit for purpose, Waka Kotahi will provide the police with a demonstration of a working model and the user guide and seek the Police's satisfaction with the recorder and licence display.

evolving rapidly, consistent with increasingly sophisticated IT infrastructure (including mobile networks) and data processing generally, with key components consistently delivering better performance at lower prices.<sup>122</sup> Further, as noted above at paragraph 35, there has been a global movement, by both customers and regulators, towards lower cost, transparent electronic compliance and record keeping which has created significant opportunities to utilise innovative technological measures to improve commercial road transport safety and efficiency.

214.5 The Proposed Transaction will not increase the merged entity's visibility of other players' competitive positions.

---

<sup>122</sup> Berg Insight, *Fleet Management in Australia and New Zealand*, M2M Research Series 2020 at [2.2.4].



**PART 8: CONFIDENTIALITY**

- 215 Confidentiality is sought in respect of the information in this application that is highlighted (***the Confidential Information***). Confidentiality is sought for the Confidential Information for the purposes of section 9(2)(b) of the Official Information Act 1982 on the following grounds:
- 215.1 The Confidential Information is commercially sensitive and valuable information which is confidential to either, or both, Parties.
- 215.2 Disclosure of the Confidential Information would be likely to unreasonably prejudice the commercial position of the Parties.
- 216 The Parties request that they are notified if the Commission receives any request under the Official Information Act 1982 for the release of any part of the Confidential Information. They also request that the Commission seek and consider their views as to whether the Confidential Information remains confidential and commercially sensitive before it responds to such requests.

## DECLARATION BY EROAD

I, Tony Warwood, have prepared, or supervised the preparation of this notice seeking clearance.

To the best of my knowledge, I confirm that:

- All information specified by the Commission has been supplied;
- If information has not been supplied, reasons have been included as to why the information has not been supplied;
- All information known to the applicant that is relevant to the consideration of this notice has been supplied; and
- All information supplied is correct as at the date of this notice.

I undertake to advise the Commission immediately of any material change in circumstances relating to the notice.

I understand that it is an offence under the Commerce Act to attempt to deceive or knowingly mislead the Commission in respect of any matter before the Commission, including in these documents.

I am a director/officer of EROAD and am duly authorised to submit this notice.

### **Name and title of person authorised to sign:**

Tony Warwood, Executive General Manager, EROAD Australia and New Zealand

### **On behalf of EROAD**

**Sign:**



**Date:** 20 August 2021

## APPENDICES

Appendix	Title
Appendix 1	Transaction documents
Appendix 2	EROAD Financial Statements and Annual Report
Appendix 3	Coretex Financial Statements and Annual Report
Appendix 4	Trade and industry association details
Appendix 5	EROAD's key customers
Appendix 6	Coretex's key customers
Appendix 7	Market share estimates
Appendix 8	EROAD's RFP and win/loss data
Appendix 9	Coretex's RFP and win/loss data
Appendix 10	Market share methodology
Appendix 11	Process for preparing win/loss and RFP data
Appendix 12	Competitor profiles
Appendix 13	Summary of key features / functions offered by vehicle telematics suppliers in New Zealand
Appendix 14	Details of EROAD's vehicle telematics plans
Appendix 15	Details of Coretex's vehicle telematics plans
Appendix 16	Commission requested information and documents
Appendix 17	Glossary

**APPENDIX 1: TRANSACTION DOCUMENTS**

1 [ ]

**APPENDIX 2: EROAD FINANCIAL STATEMENTS AND ANNUAL REPORT**

- 1 EROAD's annual report and financial statements are available here:  
<https://www.eroadglobal.com/assets/Uploads/Global/Investor-documents/EROAD-AnnualReport-FY21-28May-Digital.pdf>.

**APPENDIX 3: CORETEX FINANCIAL STATEMENTS AND ANNUAL REPORT**

1 [ ]

## APPENDIX 4: TRADE AND INDUSTRY ASSOCIATIONS

Trade or industry association	Contact details
Road Transport Association NZ	Simon Carson, Chief Operating Officer <a href="mailto:scarson@rtanz.co.nz">scarson@rtanz.co.nz</a> 027 556 6099 <a href="https://rtanz.co.nz/">https://rtanz.co.nz/</a>
Road Transport Forum	[ ]  <a href="https://www.rtf.nz/">https://www.rtf.nz/</a>
Civil Contractors Federation	[ ]  <a href="https://civilcontractors.co.nz/">https://civilcontractors.co.nz/</a>
NZ Trucking Association	[ ]  <a href="https://www.nztruckingassn.co.nz/">https://www.nztruckingassn.co.nz/</a>

**APPENDIX 5: EROAD'S KEY CUSTOMERS**

Appendix 5 is confidential to EROAD.

<b>Customer Name</b>	<b>Contact details for customer</b>	<b>Telematics features / functions acquired by the customer</b>	<b>Key price terms of customer contract</b>	<b>Key non-price terms of customer contract</b>	<b>Date that contract was last renewed or won</b>	<b>FY2021 revenue obtained from the customer (NZD)</b>
[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]



**APPENDIX 6: CORETEX'S KEY CUSTOMERS**

Appendix 6 is confidential to Coretex.

**Contact details of Coretex's top five customers**

Name	Contact details	FY2021 revenue obtained from the customer (NZD)
[ ]	[ ]	[ ]
[ ]	[ ]	[ ]
[ ]	[ ]	[ ]
[ ]	[ ]	[ ]
[ ]	[ ]	[ ]

**Information on Coretex's top ten customers**

Name	Connections	Telematics features acquired	Date that contract was last renewed or won
[ ]	[ ]	[ ]	[ ]
[ ]	[ ]	[ ]	[ ]
[ ]	[ ]	[ ]	[ ]
[ ]	[ ]	[ ]	[ ]
[ ]	[ ]	[ ]	[ ]
[ ]	[ ]	[ ]	[ ]
[ ]	[ ]	[ ]	[ ]
[ ]	[ ]	[ ]	[ ]
[ ]	[ ]	[ ]	[ ]
[ ]	[ ]	[ ]	[ ]
[ ]	[ ]	[ ]	[ ]
[ ]	[ ]	[ ]	[ ]

**APPENDIX 7: MARKET SHARE ESTIMATES****Estimated share of supply of vehicle telematics solutions in Australasia (volume)**

Market participant	2017		2018		2019	
	Connections	Share of supply (vol)	Connections	Share of supply (vol)	Connections	Share of supply (vol)
Navman	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
MTData (Telstra)	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
EROAD	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Verizon	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Netstar Australia	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
IntelliTrac	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
MiX Telematics	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Smartrak	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Fleet Complete	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Webfleet Solutions (TomTom Telematics)	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Coretex	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Digital Matter	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Procon Telematics	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
GPSEngine	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Simply Unified	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Ctrack/Inseego	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Other	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Merged entity	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
<b>Total</b>	[ ]	100%	[ ]	100%	[ ]	100%

**Estimated share of supply of vehicle telematics solutions in New Zealand (volume and value, FY 2019 – FY 2021<sup>123</sup>)**

Market participant	FY 2019				FY 2020				FY 2021			
	Connections	Revenue (based on ARPU)	Share of supply (vol)	Share of supply (val)	Connections	Revenue (based on ARPU)	Share of supply (vol)	Share of supply (val)	Connections	Revenue (based on ARPU)	Share of supply (vol)	Share of supply (val)
EROAD <sup>124</sup>	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Coretex	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Merged entity	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Navman	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Smartrak	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Blackhawk	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Argus	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Sensium	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Verizon	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Spark and Vodafone	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Vehicle Technologies	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Trackit	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Cartrack	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Ctrack	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
<b>Total</b>	[ ]	[ ]	<b>100%</b>	<b>100%</b>	[ ]	[ ]	<b>100%</b>	<b>100%</b>	[ ]	[ ]	<b>100%</b>	<b>100%</b>

<sup>123</sup> The estimates provided in Figure 22 are for EROAD's financial year, which is 1 April – 31 March.

<sup>124</sup> Note that EROAD did not previously report New Zealand and Australia separately, so the connection numbers provided for 2018 and 2019 have been estimated.

**APPENDIX 8: EROAD'S RFP AND WIN/LOSS DATA**

1 [ ]

**APPENDIX 9: CORETEX'S RFP AND WIN/LOSS DATA**

1 [ ]


## APPENDIX 10: MARKET SHARE METHODOLOGY

1 [ ]


**APPENDIX 11: PROCESS FOR PREPARING WIN/LOSS AND RFP DATA**

1 [ ]

## APPENDIX 12: COMPETITOR PROFILES



Name	Profile and vehicle telematics services	Location(s)	Contact information
Navman 	<ol style="list-style-type: none"> <li>1 Navman is an American headquartered company group with operations in New Zealand. Navman is owned by Vontier, an American industrial technology conglomerate.</li> <li>2 Navman offers a variety of fleet management, equipment management and transport management software and hardware services. These include:               <ol style="list-style-type: none"> <li>2.1 Compliance and safety requirements: real-time driver behaviour alerts, in-vehicle cameras, electronic logbook (Sentinel), eRUC solutions.</li> <li>2.2 Asset tracking/management: real time GPS tracking and geo-fencing, automated logging, detailed reporting, journey planner, maintenance &amp; fuel usage monitoring and business intelligence.</li> <li>2.3 Sensors and controls for reefer and construction customers.</li> </ol> </li> <li>3 Navman's hardware solutions include high definition in-vehicle cameras and TN360, an AI driven telematics platform which delivers real-time data on fleet operations from sensors, cameras and mobile devices, and is accessible as an app.</li> <li>4 Navman's software solutions include through Navman DIRECTOR, Qtanium Connect, NextGen, DRIVE app and RUC Manager. Navman DIRECTOR and Qtanium Connect allow businesses to integrate their data management network via API with other software from third party companies such as:               <ol style="list-style-type: none"> <li>4.1 AlertDriving: monitors driver risk and allows fleets to track driver road safety</li> <li>4.2 Command Alkon: software and hardware for ready-mixed concrete, aggregate, asphalt, and cement producers</li> <li>4.3 Gilbarco Veeder-Root: focus on fuel purchase and usage, including projecting fuel demand and monitoring inventory levels</li> <li>4.4 Hummingbird Electronics: fulfil individual client needs for GPS systems</li> </ol> </li> </ol>	Headquartered in California, USA  Illinois, USA  Auckland, New Zealand	[ ]  0800 447 735 <a href="https://www.teletracnavman.co.nz/">https://www.teletracnavman.co.nz/</a>



Name	Profile and vehicle telematics services	Location(s)	Contact information
	<p>4.5 Loadrite: scales and payload management software for heavy equipment in the construction industry</p> <p>4.6 Paragon: vehicle routing, scheduling, and transport optimization software</p> <p>4.7 Pressure Pro: pressure and temperature data from tires, monitored and recorded to generate reports and alerts</p> <p>4.8 ProMiles: fuel tax automation and reporting</p> <p>4.9 SmartTrade: provides job management solutions (e.g. log customer enquiries, process orders, track jobs etc.).</p> <p>5 Navman's clients in New Zealand include SPCA Auckland, Virgin Concrete Ltd, Clyne &amp; Bennie Plumbing, CLL Service &amp; Solutions, Citroen and Preston.<sup>125</sup></p>		
<p>Smartrak</p> 	<p>6 Smartrak is headquartered in New Zealand and owned by the Volaris Group, an operating group of Constellation Software based in Canada which acquires and strengthens vertical market technology companies. Smartrak maintains its independent brand.</p> <p>7 Smartrak provides both in-vehicle hardware and comprehensive software telematics solutions to customers.</p> <p>8 Smartrak offers comprehensive asset tracking and fleet management hardware and software solutions, including vehicle tracking via real time GPS tracking and geo-fencing, mobile forms and automated data collection, provision of evidence for FBT, reporting, driver behaviour information, an in-vehicle monitoring system for usage and maintenance and lone worker emergency duress alarms.</p> <p>9 Smartrak's PoolCar software and app manages, monitors and books shared vehicles and assets and provides keyless entry to vehicles.</p> <p>10 Smartrak's clients in New Zealand include Aurora Energy, Auckland Council, Meridian, Hamilton City Council and Hastings District Council.<sup>126</sup></p>	<p>Melbourne. Australia</p> <p>Hamilton, New Zealand</p>	<p><a href="https://smartrak.com/">https://smartrak.com/</a></p>



<sup>125</sup> <https://www.teletracnavman.co.nz/> (accessed 11 July 2021).

<sup>126</sup> <https://smartrak.com/resources/#case-studies> (accessed 13 July 2021).

Name	Profile and vehicle telematics services	Location(s)	Contact information
	11 Smartrak also has operations in Australia and North America.		
Blackhawk 	12 Blackhawk is a New Zealand company providing a telematics software solutions, marketing itself as an IoT provider. <sup>127</sup> 13 Blackhawk is a “device and network agnostic” platform, providing asset management capabilities to fleets. Blackhawk aggregates data from devices, OEM connected assets and other solutions/data sources. 14 Blackhawk’s platform and cloud-based solution provides asset tracking, sensors (including for location, temperature, water quality, humidity, weight, chemicals etc.) and remote monitoring, geo-fencing, reporting, an inspection app and maintenance schedule. The platform is customised to customer requirements and is also available as a white-label solution.	Auckland, New Zealand	09 555 4990 <a href="https://www.blackhawk.io">https://www.blackhawk.io</a>
Argus 	15 Argus is a New Zealand-based company offering compliance/safety and asset tracking and fleet management services. 16 Argus fleet management services, across a “hub” and other apps (such as the Fleet Manager’s app and Check Sheet app) include: 16.1 compliance/safety features such as driver behaviour monitoring and job management (such as route planning etc.), pool booking (via Fleetwise), electronically-assisted RUC management, FBT reporting, health and safety reporting, virtual speed cam, driver ID (additional hardware required) and post speed monitoring; 16.2 asset tracking/management: real-time GPS tracking, mapping, distance tracking, geo-fencing, maintenance, reporting (such as assets, fleet, drivers, fuel etc.), fuel card monitoring and temperature monitoring. 17 Argus’ customers include beef+lamb New Zealand, Ryman Healthcare, Clarkson Electrical, Taranaki District Health Board, Whakatāne District Council, Harrison Grierson, MB Century, Baird Harvesting, YMCA Christchurch and PR Paving & Concrete. <sup>128</sup>	Auckland, New Zealand	0800 872 548 <a href="https://argustracking.co.nz/">https://argustracking.co.nz/</a>



<sup>127</sup> <https://www.blackhawk.io/about>.

<sup>128</sup> <https://argustracking.co.nz/clients> (accessed 11 July 2021).

Name	Profile and vehicle telematics services	Location(s)	Contact information
TrackIt 	<p>18 Trackit is a New Zealand company which specialises in providing GPS fleet management software to customers.</p> <p>19 Trackit provides fleet management services, such as fleet and asset tracking through real-time GPS, geo-fencing, electronically-assisted RUC management, checklists, driver behaviour, maintenance schedules, fleet management Warboard (managing key vehicle information such as WOFs, COFs, registrations, odometer readings, and service due mileage), alerts, automated dockets, job management (such as route planning, electronic timesheets) and pool booking.</p>	Auckland, New Zealand	09 522 4300 <a href="https://www.trackit.co.nz/">https://www.trackit.co.nz/</a>
Sensium 	<p>20 Sensium is a New Zealand company, formed as Snitch Inc., providing commercial vehicle tracking hardware and software solutions. In 2017, Snitch Inc relaunched as Sensium:</p> <p>20.1 Sensium is the “front end”, providing sales and support to New Zealand customers.</p> <p>20.2 GPSEngine is the software development company based in Queensland, Australia. GPSEngine develops and maintains the vehicle tracking platforms and offering second level technical support to Snitch Inc and other resellers.</p> <p>20.3 TRACKbox develops Sensium’s GPS tracking hardware.</p> <p>21 Sensium’s solutions, including both hardware (TRACKbox) and software (ARMADAGPS), include driver behaviour monitoring and GPS vehicle tracking, data collection and reporting (TruePath Tracking technology).</p> <p>22 Sensium’s clients in New Zealand include Sky, Konica Minolta and Dayle ITM.<sup>129</sup></p> <p>23 GPSEngine has a presence in Fiji, Papua New Guinea, and has plans to enter both the United States and United Kingdom in 2021.<sup>130</sup></p>	Auckland, New Zealand	0508 764 824 <a href="https://www.sensium.nz/">https://www.sensium.nz/</a>
Verizon Connect	<p>24 Verizon Connect (<b>Verizon</b>) is headquartered in the United States, with operations in New Zealand and eleven other countries. Verizon is a platform built on open, web-based standards with</p>	Headquartered in Atlanta, United States	03 281 8065 <a href="https://www.verizonconnect.com/nz/">https://www.verizonconnect.com/nz/</a>



<sup>129</sup> <https://www.sensium.nz/> (accessed 13 July 2021).




<sup>130</sup> Berg Insight, *Fleet Management in Australia and New Zealand*, M2M Research Series 2020 at p 124.

Name	Profile and vehicle telematics services	Location(s)	Contact information
	<p>enterprise-grade APIs, which can connect to existing technology<sup>131</sup> and has developed mobile apps to connect fleets and drivers.</p> <p>25 Verizon Connect's features span fleet tracking, field service and scheduling, asset tracking, and route optimisation software:</p> <p>25.1 Compliance/safety: driver ID, driver behaviour monitoring (with cameras and AI respectively capturing and categorising harsh driving events) and electronically-assisted RUC management.</p> <p>25.2 Asset management and tracking: GPS tracking, geo-fencing, equipment, trailer and high-value asset tracking, maintenance scheduling, usage reports for fuel consumption, fuel card tracking, job scheduling and performance reporting.</p> <p>26 Verizon Connect mobile apps include Reveal Field (connecting service technicians), Reveal Driver (allowing drivers to assign themselves to vehicles and check their individual performance) and Spotlight (real-time tracking of assets and alerts).</p> <p>27 Verizon Connect also has OEM partners to provide hardware options to customers.</p>	Christchurch, New Zealand	
<p>Cartrack</p> 	<p>28 Cartrack is headquartered in South Africa, with operations in New Zealand and 23 other countries.</p> <p>29 Cartrack provides fleet management and asset management services, including software and hardware. This includes real time GPS tracking, geo-fencing, vehicle status (e.g. speed, fuel), reports, alerts, reminders, cameras, MiFleet which deals with permit and cost management, an electronic logbook solution and asset tracking.</p> <p>30 Cartrack's clients in New Zealand include ArmourGuard, Beaurepaires, Allied Security, and TyreLine.<sup>132</sup></p>	Headquartered in South Africa  Auckland, New Zealand	09 444 1244  <a href="https://www.cartrack.co.nz/">https://www.cartrack.co.nz/</a>

<sup>131</sup> <https://www.verizonconnect.com/nz/services/api-integration/> (accessed 11 July 2021).


<sup>132</sup> <https://www.cartrack.co.nz/> (accessed 13 July 2021).

Name	Profile and vehicle telematics services	Location(s)	Contact information
<p>Ctrack</p> 	<p>31 Ctrack is headquartered in South Africa with operations in New Zealand and a presence in 50 other countries. Ctrack is a part of Inseeego Corp, an American corporation which specialises in delivering broadband networks.</p> <p>32 Ctrack provides SaaS and hardware solutions.</p> <p>33 Ctrack’s Clarity software, Ctrack Route, Mobi app, Driver Mobi app, Ctrack Online web-based software and Smart eDriver app provides fleet management, vehicle and asset tracking and monitoring via geo-fencing and GPS, driver behaviour monitoring, electronic work diaries, odometer reporting, cameras, reporting, FBT reporting, stolen vehicle recovery, route planning and usage-based insurance platforms.</p> <p>34 Ctrack has partnered with RUC Monkey to provide eRUC solutions.</p> <p>35 Ctrack’s Iris solution introduces high-quality customisable video monitoring solution, such as infrared night vision, Advanced Driver Assist System (ADAS) functionality with driver alerts in case of imminent danger, lane departure warning and fatigue monitoring</p> 	<p>Headquartered in South Africa</p> <p>Auckland, New Zealand</p>	<p>0800 899 000</p> <p><a href="https://ctrack.com/anz/">https://ctrack.com/anz/</a></p>

Name	Profile and vehicle telematics services	Location(s)	Contact information
Spark 	<p>36 Spark is a New Zealand based telecommunications company, marketing itself as an IoT provider. Spark provides an end to end offering, including devices, connectivity, software and support.</p> <p>37 Spark's fleet tracking and asset solution includes 24/7 fleet visibility, reporting (such as speed, geo-fencing and maintenance), alerts, pool car booking, and automated servicing schedules integrated with Waka Kotahi data.</p> <p>38 Blackhawk is a Spark partner.</p> <p>39 Spark's telematics customers include Whaiora Whanui Trust.<sup>133</sup></p>	Auckland, New Zealand	0800 110 062 (Business line) <a href="https://www.spark.co.nz/iot/home/">https://www.spark.co.nz/iot/home/</a>
Vodafone New Zealand 	<p>40 Vodafone New Zealand is owned by New Zealand-based Infratil and Canada-based Brookfield Asset Management. Vodafone New Zealand is a partner market in the Vodafone Group, one of the world's largest telecommunications companies.</p> <p>41 Vodafone markets itself as an IoT provider, with an end to end IoT solution including the device, application platform data connectivity and support.</p> <p>42 Vodafone's asset management solution provides for location traceability (via GPS), geo-fencing, utilisation and optimisation, theft recovery, and alerts.</p> <p>43 Vodafone has partnered with Blackhawk to develop a tracking system for ATV drivers.<sup>134</sup></p>	Auckland, New Zealand	0800 400 888 <a href="https://www.vodafone.co.nz/">https://www.vodafone.co.nz/</a>
Vehicle Technologies 	<p>44 Vehicle Technologies is headquartered in New Zealand, with operations in Australia. Vehicle Technologies' solutions are focused on promoting health and safety, efficiency-driven fleet management via innovative GPS solutions and best practice compliance. Vehicle Technologies provides comprehensive SaaS and hardware to customers by acting as a reseller for a range of third party solutions.</p> <p>45 Vehicle Technologies' solutions include:</p>	Lower Hutt, New Zealand  Mandurah WA, Australia	[ ] 04 567 1964 <a href="https://vehicletech.co.nz/">https://vehicletech.co.nz/</a>

<sup>133</sup> <https://www.spark.co.nz/iot/home/iot-customer-stories/whaiora-whanui-trust> (accessed 11 July 2021).

<sup>134</sup> <https://www.vodafone.co.nz/business/insights/blackhawk/> (accessed 11 July 2021).

Name	Profile and vehicle telematics services	Location(s)	Contact information
	<p>45.1 Compliance/safety: driver ID, live driver feedback and in-cab alerts, driver performance management, pre-trip checklists and inspection reports, vehicle camera systems, incident analysis tools, fatigue management, driver hours monitoring (e.g. electronic work diaries), speed monitoring, expense management, FBT reporting, and electronically-assisted RUC management.</p> <p>45.2 Asset tracking/management: live vehicle and asset tracking, geo-fencing, historical reporting, instant notifications, vehicle CAN/ECU data tracking (e.g. engine temperature and coolant levels), fuel management, asset utilisation insights, service reminders and maintenance checks, and mobile job management.</p> <p>46 The products Vehicle Technologies distributes in New Zealand include:<sup>135</sup></p> <p>46.1 MiX telematics: fleet management, driver safety and vehicle tracking software solutions;</p> <p>46.2 Digital Matter: GPS asset tracking and IoT asset location devices on a range of software platforms;</p> <p>46.3 Greenroad: connect vehicle solutions and cloud-based intelligence;</p> <p>46.4 PoolCar: mobility solutions including booking, ride sharing, key control and keyless entry; and</p> <p>46.5 RUC Monkey: eRUC solution (see below).</p>		
<p>RUC Monkey</p> 	<p>47 RUC Monkey built and operated by Picobyte Solutions Limited, which provides SaaS solutions for regulatory compliance in the transportation industry. Picobyte is a New Zealand-headquartered company, with an Australian presence.</p> <p>48 RUC Monkey is a wireless eRUC solution, with features including real-time tracking, off-road refunds, and auto-renewal. Through the software solution, Fleetio, RUC Monkey also offers integrated fleet management.</p>	<p>Auckland, New Zealand Sydney, Australia</p>	<p>[ ] 0800 437 212 <a href="https://www.rucmonkey.co.nz/">https://www.rucmonkey.co.nz/</a>  <a href="http://www.picobyte.io/">http://www.picobyte.io/</a></p>

<sup>135</sup> <https://vehicletech.co.nz/products>

Name	Profile and vehicle telematics services	Location(s)	Contact information
	49 The hardware is resold in New Zealand by partners Vehicle Technologies, CTrack and EasyTrucks.		



## APPENDIX 13: SUMMARY OF KEY FEATURES/FUNCTIONS OFFERED BY VEHICLE TELEMATICS SUPPLIERS

Category	Function / feature	EROAD	Coretex	Navman	Smartrak	Blackhawk	Argus	Trackit	Sensium	Verizon	Cartrack	Ctrack	Spark	Vodafone	Vehicle Technologies
Compliance / safety	Driver ID system	✓	✓	✓	✓		✓		✓	✓	✓	✓			✓
	Electronic logbook (Waka Kotahi approved) <sup>136</sup>	✓	✓ <sup>137</sup>	✓				✓							
	Electronically-assisted RUC services (both electronic and paper)	✓					✓	✓		✓	✓				
	Electronic road user charging (eRUC) (Waka Kotahi approved)	✓	✓	✓								✓ <sup>138</sup>			✓ <sup>139</sup>
	In cab device monitoring driver behaviour	✓	✓	✓			✓	✓		✓	✓	✓	✓		✓
	Posted speed monitoring	✓	✓	✓		✓								✓	
	FBT reporting (light vehicles)			✓	✓		✓					✓			✓
	Cameras	✓	✓	✓					✓	✓	✓			✓	

<sup>136</sup> Also Logmate, Sibatec, SmartMove, Picobyte Solutions.

<sup>137</sup> Not yet launched – Coretex has applied to Waka Kotahi for approval.

<sup>138</sup> Ctrack has partnered with RUC Monkey, a Waka Kotahi-certified eRUC provider, to provide eRUC solutions.

<sup>139</sup> Vehicle Technologies has also partnered with RUC Monkey, a Waka-Kotahi-certified eRUC provider, to provide eRUC solutions.

Category	Function / feature	EROAD	Coretex	Navman	Smartrak	Blackhawk	Argus	Trackit	Sensium	Verizon	Cartrack	Ctrack	Spark	Vodafone	Vehicle Technologies
Asset tracking / management	Paperless vehicle inspection	✓	✓	✓	✓	✓	✓	✓		✓					✓
	Mapping	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Precision distance tracking	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓			✓
	Geofencing	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Service alerts	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Fuel management	✓		✓	✓		✓	✓		✓	✓				✓
	Pool booking (real time location/booking)	✓		✓	✓		✓ <sup>140</sup>	✓							✓
Sensors and controls	Refrigeration		✓	✓											
	Sensors and controls for concrete mixers		✓	✓											

<sup>140</sup> Argus' pool-booking feature does not include RT location.

APPENDIX 14: EROAD'S VEHICLE TELEMATICS PLANS<sup>141</sup>

## Vehicle devices (Ehubo1 and Ehubo2) and plan details

Feature	Ehubo1 Heavy and Light			Ehubo2 Heavy and Light		
	Ehubo1 Starter plus Offroad Promo	Ehubo1 Connected	Ehubo1 Premium	Ehubo2 Connected	Ehubo2 Advance	Ehubo2 Safe Driver
<b>RUC</b>						
Electronic RUC, AutoRUC	✓	✓	✓	✓	✓	✓
Off-road Claims	✓	✓	✓	✓	✓	✓
<b>Commercial</b>						
<b>Vehicle tracking and activity</b>						
Geofence Reporting	✓	✓	✓	✓	✓	✓
Geofence with AUX Reporting		✓	✓	✓	✓	✓
Virtual Speed Cameras		✓	✓	✓	✓	✓
Retrospective Activity		✓	✓	✓	✓	✓
Map Layers		✓	✓	✓	✓	✓
EROAD Mobile MyEROAD	✓	✓	✓	✓	✓	✓
Fleet Summary Report		✓	✓	✓	✓	✓
Utilisation Dashboard		✓	✓	✓	✓	✓
Current Location & Activity		✓	✓	✓	✓	✓
Historical Location & Activity		✓	✓	✓	✓	✓
Trip Investigator		✓	✓	✓	✓	✓
<b>Fuel management and reporting</b>						
Idle Reporting		✓	✓	✓	✓	✓
EROAD Daily Fuel Card Feed			✓	✓	✓	✓
Fuel Usage Reporting			✓	✓	✓	✓
Fuel Efficiency Benchmarking			✓	✓	✓	✓
Fuel Exemption Reporting				✓	✓	✓
<b>Communication and Collaboration</b>						

<sup>141</sup> Available online at <https://www.eroad.co.nz/nz/pricing/> (accessed 11 July 2021).

Feature	Ehubo1 Heavy and Light			Ehubo2 Heavy and Light		
	Ehubo1 Starter plus Offroad Promo	Ehubo1 Connected	Ehubo1 Premium	Ehubo2 Connected	Ehubo2 Advance	Ehubo2 Safe Driver
EROAD Share		✓	✓	✓	✓	✓
Third Party Partner Gateway		✓	✓		✓	✓
Messaging to Ehubo2				✓	✓	✓
<b>Health and Safety</b>						
<i>Simplify vehicle servicing and maintenance</i>						
Service Module	✓	✓	✓	✓	✓	✓
<b>Base</b>						
Overspeed Dashboard		✓	✓	✓	✓	✓
Max Speed Alert (notification)		✓	✓		✓	✓
Driver PIN Login					✓	✓
Over Speed Dashboard (Driver)					✓	✓
Driver Login Monitor					✓	✓
<b>Advanced</b>						
Leaderboard Report			✓			✓
Driver Safety Report			✓			✓
Drive Buddy			✓			✓
Posted Speed Alerts			✓			✓
<b>Pricing</b>	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
<b>Optional Extras</b>						
EROAD Inspect – Customisable Mobile App	Provided on Request [ ]					
Electronic Logbook	[ ]					
Proof of Service AUX Reporting	Provided on Request [ ]					
U Book It – Pool Booking				Provided on Request [ ]		

**Trailer device (Tubo) and plan details**

Features	Tubo Starter	Tubo Premium
<b>RUC</b>		
<i>Reduce RUC administration and simplify compliance</i>		
Electronic RUC, AutoRUC	✓	✓
Off-Road Claims		✓
<b>Commercial</b>		
<i>Vehicle tracking and activity</i>		
Dashboard	✓	✓
EROAD Mobile Depot	✓	✓
General Depot access	✓	✓
Fleet Tracking		✓
Current Location		✓
Daily Activity		✓
Location API		✓
Geofence		✓
Retrospective Activity		✓
<i>Communication and Collaboration</i>		
EROAD Share		✓
Third Party Partner Gateway		
<i>Simplify vehicle servicing and maintenance</i>		
Service Module	✓	✓
EROAD Inspect App - Basic	✓	✓
<b>Pricing</b>	[ ]	[ ]
<b>Other services available and quoted upon request</b>		
Mobile App Customisable Inspection	Provided On Request [ ]	
Proof of Service	N/A	

**Unregistered Assets**

Features	Connected Track	Advance Track
<b>Hardware</b>		
	Ehubolite* / Elocate** / Etrack Wired	Ehubo2
<b>RUC</b>		
*RUC/Off-road	Provided on Request	
<b>Commercial</b>		
<i>Vehicle tracking and activity</i>		
Current location and today's activity	✓	✓
Map Layers	✓	✓
Mobile MyEROAD Access	✓	✓

Features	Connected Track	Advance Track
Over Speed Dashboard (vehicle based)	√ * / ***	√
Trip Investigator	√ * / ***	√
Location API	√	√
Fleet Summary Report	√	√
Geofence Reporting	√	√
Geofence with AUX Reporting	√	√
Retrospective Activity	√	√
Virtual Speed Cameras	√ * / ***	√
<b>Fuel management and reporting</b>		
Fuel Card Feed / Efficiency / Exception and Usage	Provided On Request	√
<b>Productivity and job management tools</b>		
Third Party Partner Gateway	√	√
Up to 3 additional AUX connections	√	√
EROAD Share (sub-contractor visibility)	√	√
On unit Job Coding		√
<b>Health and Safety</b>		
Max Speed Alert		√
<b>Driver ID suite</b>		
Driver PIN Login		√
Over Speed Dashboard (Driver based)		√
Driver Login monitor		√
<b>Pricing</b>	[ ]	[ ]
<b>Other services available and quoted upon request</b>		
Proof of Service AUX reporting	Provided On Request [ ]	
EROAD Inspect – Customisable Mobile App	Provided On Request [ ]	
EROAD Inspect – In-vehicle	Provided On Request [ ]	

**APPENDIX 15: CORETEX'S VEHICLE TELEMATICS PLANS**

1 [ ]

**APPENDIX 16: COMMISSION REQUESTED INFORMATION AND DOCUMENTS**

1 [ ]



## APPENDIX 17: GLOSSARY

Term	Definition
Asset tracking	Tracking the location of assets (e.g. excavators, tractors, pumps, generators) using GPS technology
CANBUS	The CANBUS (or controller area network bus system) connects and facilitates communication between the electronic control units in a vehicle
Dash cam	Video recording device mounted on the front dashboard of a vehicle to capture footage while a vehicle is in operation
Electronically assisted RUC	Electronic assistance in relation to part (but not the entirety) of the payment of road user charges and issuing of RUC licences
eRUC	End-to-end electronic management and payment of road user charges, including the provision of an approved electronic distance recorder and the issuing the display of electronic licences
ESP	Electronic system provider, a person approved by the RUC Collector (Waka Kotahi / NZTA) to provide eRUC services
Fatigue management	Telematics solution to manage driver fatigue, e.g. by monitoring the distance and time a vehicle has been running
FBT reporting	Solution that makes it easier to collect the correct data to comply with IRD's requirements regarding fringe benefit tax
Fleet management	Solutions for vehicle-related applications that help customers manage fleets of vehicles/assets
Fleet optimisation	Activities related to making a fleet of vehicles more effective and efficient
Fuel card tracking	Tracks fuel card usage and identifies suspicious transactions
Geo-fencing	The capability to use location polling from a device to pinpoint that vehicle's location (known as geolocation or geotracking) and draw a digital boundary (or fence) to encircle the area
Hardware credits	Discount for the purchase of hardware
IOT	IOT (or the internet of things) describes the network of physical objects that are embedded with sensors, software and other technologies that is used for the purpose of connecting and exchanging data with other devices and systems
Job management	Scheduling, managing, assigning and prioritising jobs among drivers
Load management	Monitoring and managing the physical load of a vehicle
Mapping	Visual representation of an area that shows vehicle locations and points of interest.
Pool booking	Managing, monitoring and booking a fleet's shared vehicles and assets
Posted speed monitoring	Monitoring when the vehicle exceeds the posted speed limit
SaaS	Software as a service (SaaS) is a software distribution model where a provider hosts applications and makes them accessible to customers over the internet