

NEW ZEALAND COLLISION REPAIR ASSOCIATION INCORPORATED

GUIDE TO GOOD MEMBERSHIP - Dated: 22 May 2009

INTRODUCTION

The New Zealand Collision Repair Association Incorporated (formerly New Zealand Motor Body Builders Assn) (the "Association") is an employer organisation founded in 1913 to cater for and represent those businessmen trading as coach builders, wheel wrights and blacksmiths. Progression from the horse drawn vehicle to the motorised version has resulted in expansion of the industry to incorporate new trades allied to body building, for example, auto painting, motor body repair, motor trimming, radiator repair, chassis straightening and aligning, caravan manufacture and repair.

The objectives of the Association are to promote, protect and further the interests of its members, to secure to those members the advantages of co-operation and unanimity in achieving and maintaining fair condition of business for them, to prepare evidence for, submit proposals or make representations to any governmental, tribunal or commission established for any purpose that may affect the livelihood of the members of the Association, to advise and assist members on any trade matters affecting them, to formulate and promote a Code of Ethics for the conduct of members, and to ensure a good relationship with the public.

The development of the modern motor car has seen a strengthening membership of the Association, these businesses embracing the allied trades which may display the Association's distinctive logo and insignia on their premises.

CONDITIONS OF MEMBERSHIP

Open to all persons engaged in collision repair work in New Zealand and have the necessary equipment, facilities and staff to comply with the standards laid down by the Association are eligible to apply for membership of the Association.

It is a condition of membership of the Association that at least one (1) qualified tradesperson be employed by applicants. For the purposes of this document a qualified tradesperson is defined as "any person who has served an apprenticeship under the appropriate classification and has a minimum of six (6) years experience in the industry, or who has been employed as an adult tradesperson under the appropriate classification for a period of not less than seven (7) years in a position where he/she has been able to gain the knowledge and skill of a tradesperson".

Any new full member (see Clause 6.1 (a) in Constitution) will join under the Panelbeating/Spraypainting category. After 12 months the member is eligible to apply for an upgrade to become a Structural Repair Centre.

The criteria for Panelbeating/Spraypainting and Structural Repair Centre categories of membership are outlined in the 'Business Presentation' document, which is subject to change as authorised by the National Executive.

GUIDELINES FOR PROBATIONARY PERIOD

All new members and any company or corporate member where there has been a change of ownership such that new natural persons are running that company or corporate business, will have their membership placed on probation for one year. Throughout the probationary period it is expected that none of the following will occur (as determined by the Association's National Executive in its sole discretion):

- Any written complaints
- Failure to maintain good credit rating
- Poor workmanship
- Business presentation falls below standards
- Activities/behaviour that could bring the Association into disrepute
- Fraudulent activity
- Failure to adhere to this Guide to Good Membership

Random visits may occur during the probationary period to review the above. At the end of the probationary period, the National Executive may determine at its sole discretion whether the applicant is or is not suitable or desirable as a member of the Association, and if so on what terms that applicant will become a member of the Association.

MISCELLANEOUS

A yearly membership fee is payable. Failure to pay this fee will result in membership being terminated. If a member resigns or his/her membership is terminated part way through the year, the member is liable for the portion of the fee up until the membership ceases. Occasionally, under special circumstances, the National Executive may levy its members a fee of 5% in any one year of the annual subscription. Failure to meet this obligation will also result in membership being terminated.

I-CAR training courses are available to the industry. Applicants and managers are expected to undertake this training within twelve (12) months of being admitted to membership. Further, retraining and the furtherance of knowledge and advancements taking place in the industry are expected of the membership. Likewise an active involvement in the Association's activities would be anticipated from new members.

If your company details change ie. change of owner, change of name, address etc., you must notify the Association in writing. Failure to notify of these details may result in a member having to rejoin the Association including paying a new membership fee. There is a fee for a company change of owner and an application pack will be sent to you on receipt of notification from you. The completed change of owner application form and fee must be received by the National Office within 3 months of the new ownership commencing for the application to be classed as a change of owner, otherwise the application will be treated as a new member application.

CODE OF PRACTICE

The Association expects a high standard of workmanship from its members. A customer trading with a member and using that member's workshop has the right to expect a satisfactory standard of service. One of the prime objectives of the Association is to present itself and its members to the motoring public of New Zealand as responsible and reputable motor body builders and collision repairers. Therefore customers have a right to expect protection from a sub standard quality of workmanship. It is the responsibility of a collision repair company to ensure that repair work is carried out in a manner which is fair and reasonable to both user and repairer.

The repairer is completely responsible for the merchantable quality, fitness for purpose and description of the goods he/she sells. The repairer is also completely responsible for ensuring that all repair work is carried out in a proper and workmanlike manner. For its part, the Association expects its membership to guarantee all work done. Should a dispute arise, read the section below 'Complaints Handling'.

AIMS OF THE ASSOCIATION CODE OF PRACTICE

The aims of the Association Code of Practice are:

1. To ensure that the public receives the best possible service from the members of the Association.
2. To maintain and enhance the reputation, standing and good name of the Association and its members.
3. To ensure that the public interest is foremost in all consideration of the standards of competitive trading between members.
4. To resolve complaints by users on any aspects of repair work and to provide a procedure for conciliation or simple arbitration when complaints cannot be settled directly between a member and his/her customer.
5. To encourage initiative and enterprise in the belief that properly regulated competitive trading by and between members of the Association will best serve the public interest and the well being of the repair industry.
6. To encourage the growth and development of the motor body repair industry consistent with the above aims.

MEMBER'S ACKNOWLEDGMENTS

Members of the Association agree to subscribe to the Association's Code of Ethics and collectively agree:

1. To hold firmly to the belief in the dignity of the Association and the industry it represents.
2. To perform all contracts at all times fairly and faithfully, recognising the role of the industry in contributing to the safety of the public.

3. To maintain the highest standards of business practice and courtesy in dealing with the public, suppliers, fellow members of the industry and all others with whom they have transactions.
4. To further the interests of the Association at all times and to be loyal to the aims and objectives of the Association and to abide by its rules.
5. To co-operate with all members of the Association in the promotion of mutual harmony, confidence and respect amongst members.

COMPLAINTS HANDLING

The vast majority of repairs by members of the Association are performed expeditiously and satisfactorily and those few instances, which result in complaint, are usually quickly and amicably rectified at the time, without resort to a third party. A small minority of members, however, produce problems both for the trade and the customer. The cause may be a misunderstanding or breakdown in communications between the parties concerned. The conciliation procedure, therefore, exists primarily to help resolve those disputes which cannot be quickly settled during the initial discussion between the two parties.

Members should take all complaints seriously. Staff should be instructed to deal with any complaint promptly and avoid a defensive or evasive attitude which will only serve to aggravate the situation. Customers and staff should have ready access to senior management so that effective decisions can be speedily made and any remedial action, whether for repair, replacement or refund, should be carried out promptly. Earnest efforts should be made by members to settle a complaint before a dispute arises.

Customers who are dissatisfied with the treatment of their complaints should be advised to approach the National Office of the Association. The National Office will then pass the complaint on to the mediator. The member should co-operate with the mediator and give assistance to ensure the speedy and satisfactory resolution of the complaint.

If the complaint cannot be resolved, the customer will be offered the facility of the Branch Disputes Committee. Provision exists for complaints to be lodged in written form, obtainable from the National Office. Should the offer be taken up by the customer, there is a fee to lodge a complaint of \$120.00 + GST (or such fee (if any) as set by the National Executive from time to time or in relation to a specific complaint). Then the Branch Disputes Committee will endeavour to achieve a settlement based on the facts at their disposal and an examination of the vehicle so repaired. If the Association through its disputes procedure returns a finding in favour of a customer, then the repairer involved will rectify or put in order the complaint according to the requirements and findings of the Branch Disputes Committee handling the procedure. If the Branch Disputes Committee finds in favour of the customer the fee is then refunded to the customer. A member who fails to co-operate with the Branch Disputes Committee or fails to honour the findings of the Branch Disputes Committee may be expelled or placed on a probationary period on terms and conditions determined by the National Executive provided that the hearing set out in Rule 7.3 of the constitution has been carried out (see Rule 7.3 of the constitution for further details). In the event of the member failing to complete repairs in accordance with the Branch Disputes Committee's findings and court proceedings or litigation ensues, the Branch Disputes Committee may provide evidence and expertise on behalf of the complainant.

Any complaint or dispute must be made within twelve (12) months of completion of the work in question. The Disputes Procedure will be restricted to disputes affecting members of the Association.

For further detail see Rule 8.7 of the Branch Rules. In the event of any conflict between this Guide to Good Membership and Rule 8.7 of the Branch Rules, Rule 8.7 of the Branch Rules will prevail.

EXECUTIVE INFORMATION

The Association will analyse those complaints referred to it for conciliation or arbitration and those where expert opinion has been provided by the Association. The Association reserves the right to publish the results of such analysis.

LEGISLATION/REGULATIONS:

Members will abide by all relevant legislation, regulations, bylaws and other governmental rules. These include, but are not limited to, the Transport Act, the Fair Trading Act and the Commerce Act.

For example, members must not engage in restrictive trade practices which are defined in the Commerce Act 1986 as being designed to substantially lessen competition. Familiarity with the Act and its provisions is strongly recommended as a means of identifying potential hazards on business conduct.

Further, all claims, description and advertisements should be legal, honest and truthful and should comply with existing legislation in particular the Fair Trading Act 1986 and other consumer protection legislation.

Failure to comply with such legislation, regulations, bylaws and other governmental rules, will constitute an act or omission contrary to the interests of the Association and may render members liable to termination of membership pursuant to Rule 7.3 of the Constitution.

Further information on legislation can be obtained from the National Office.

INSURANCE/STATEMENTS

Members are required to carry professional liability insurance on an individual or group basis to mitigate against possible civil action for damages arising from the consequences of unintentional defects or omissions. The Association may determine from time to time the appropriate level and type of insurance to be carried.

A member shall not make statements or comment to the media which involve or have links with the Association. All comments, statements or representations affecting the Association are to be sanctioned or cleared through the National Executive Committee of the Association.

ESTIMATING AND INVOICING

Members should offer customers a written estimate of the cost of all repairs. Members should also obtain the customer's express permission to any substantial increase in an agreed estimate. Members should give the estimated time for the repair of a vehicle and make every effort to inform the owner if this estimated time cannot be met.

On collection of the vehicle the member must supply a detailed invoice of all work done during service including a breakdown of the costs (e.g. labour charges and parts). The invoice should include such details as dates and ideally odometer readings.

Members' rules as to the method of payment he/she will require on completion of the work should always be notified to the customer before work is accepted.

GUARANTEE

1. Members must provide a Guarantee (which will not detract from a customer's rights at statute or common law) to exchange or repair any defective part which needs replacement or repair by reason of defective material or workmanship during repair.
2. The guarantee must be for a period of not less than twelve (12) months or twelve thousand (12,000) km use of the vehicle, whichever occurs first from the date on which the repairs were completed.
3. This period must be extended to compensate for any prolonged period that a vehicle is off the road for rectification of faults or further work which is required as a result of previous workmanship being defective. This should also apply in the case of repetition outside the guarantee of a fault which had previously been the subject of rectification work during the guarantee period. However, the guarantee is not available to any fault or further work required as a result of any inherent defect in the vehicle which is not directly attributable to previous workmanship.

VEHICLE WARRANTY

The workmanship and materials are guaranteed by the repairer on the same terms and for the balance of the duration of any written body guarantees given by the manufacturer of the vehicle. This repairer's guarantee is subject to certain conditions and exclusions, details of which can be obtained from the member of the Association providing the guarantee. Any paint products applied with have the benefit of any guarantee from the relevant paint manufacturer.

LIMITATIONS

Members must make customers aware that there will be no liability under the guarantee:

1. If the vehicle is used in competitive events, racing or speed attempts or otherwise than for the private or commercial use of the owner or, with the owner's permission, other users;
2. For normal wear and tear, including "normal wear and tear" of parts (unless found to be defective due to manufacturer faults in which case any standard manufacturer warranty applies) and routine maintenance which becomes necessary throughout the life of the vehicle;
3. For any defects arising from the failure to carry out normal maintenance after completion of repairs;
4. For any defect the extent of which is aggravated by failure to cause repairs to be carried out as soon as practicable after the defect becomes apparent;

5. For damage caused by negligence, rust, improper use or failure to maintain the vehicle in accordance with the manufacturer's recommendations, or;
6. For any defects arising from or incidental to any accidental damage to the vehicle subsequent to completion of repairs.

A repairer should exercise reasonable care and skill in protecting customers' vehicles and possessions while they are in his/her charge and should not seek to avoid his/her legal liability for loss or damage by disclaimers. Members are advised to ensure that they are adequately insured to cover such legal liability.

GENERAL

Members must familiarise themselves and their staff with all the provisions of this Guide to Good Membership.

Members must observe not only the letter but also the spirit of the Guide to Good Membership, thus giving true significance to the Association's symbol.

Members must act according to the aims of this Guide to Good Membership and the foregoing specific provisions will not be deemed to be comprehensive in expressing those aims.

NOTES

The constitution of the Association contains provision for the enforcement of the Guide to Good Membership by the Association's National Executive. In the event that a member's behaviour to a customer is proved to have fallen below the standard set by the Guide to Good Membership, the penalties which may be imposed are a probationary period or termination of membership of the Association as per 7.3 of the constitution. Any such penalties imposed and the reasons for those penalties may be published in the Association's journal, "PanelTalk".

ASSOCIATION LOGO

Membership bestows upon a business the privilege of using the Association's distinctive emblem. The logo is the property of the Association and consequently the use and display of the logo can only be with the blessing of the Association. The use of the Association's logo on anything other than advertising, printed stationery or vehicles may only be with the approval of the Association and whose approval must be sought.

Display of the Association logo is restricted to the street address as outlined on the membership application form. An electronic version of the logo is available and must be used for all artwork. The logo must be produced in a removable state, i.e. not to be painted directly on buildings or vehicles. A non member (including persons who were but have since ceased to be members) may not display the Association logo and must, when requested by the Association, remove all logos and other references to his or her being a member of the Association. The Association reserves the right to take action for misrepresentation or any other appropriate legal remedy it thinks fit, which occurs as a result of such a display, including entry on to the non member's premises to remove the logos and other items.