

REPAIRCERT NZ UPDATE

Supporting New Zealand's Repair Certification Industry



UPDATE No. 8 | 27/05/2022

Thanks for the LT308 Feedback

Within RepairCert NZ Update No. 5, we asked Repair Certifiers for ideas on ways to make the LT308 Form more efficient and effective for Repair Certifiers, due to an impending amendment opportunity. Since then, we've received a total of 22 suggestions from seven different Repair Certifiers, and in some cases more than one Repair Certifier made the same or similar comments.

This will be very helpful, and we thank those of you who took the time to respond. It's difficult to predict when the amendment process will be completed, as the amendment process will involve input and approval from Waka Kotahi.

Once completed, a draft version will be sent to Repair Certifiers for review before the revised LT308 Form is finalised. ■

Great Feedback on Corrosion Technical Bulletin

Also, within RepairCert NZ Update No. 5, we explained that RepairCert NZ is starting to compile information for a future Technical Bulletin which provides best-practice guidance on the various types of corrosion treatment, and asked for any thoughts and ideas that could be included in that document.

Again, we got great feedback, with six Repair Certifiers coming back to us on this subject, with, between them, 19 suggestions.

The information, and ideas on problems faced by the industry that need to be dealt with, will be helpful as we develop this Technical Bulletin over the coming months. ■

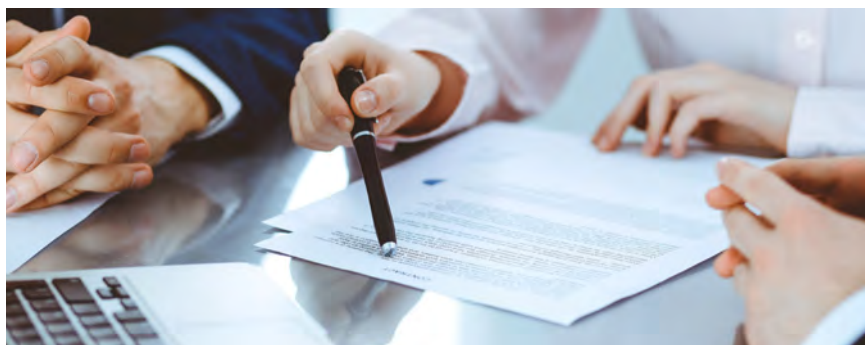


Great feedback-thanks!

Repair Certifiers' Professional Indemnity Group Insurance Scheme

Repair Certifiers will be aware that RepairCert NZ has been putting in place a Professional Indemnity Group Insurance Scheme for Repair Certifiers. The reason for the establishment of this policy is to ensure that Repair Certifiers have access to a good group scheme which:

- provides good cover (with no nasty surprises if a claim is made); and
- keeps premium costs down; and
- incorporates 'run-off cover' that is built into the annual premiums and doesn't have to be paid for separately after a Repair Certifier retires.



This scheme, which is referred to as a 'group' Combined Liability Insurance scheme, is based on the model which has been progressively developed by LVVTA over the past 30 years for LVV Certifiers. We are using an insurance broker who we have worked with for a long time now, and who we have a high level of confidence in.

The policy will provide Repair Certifiers with automatic cover provided that their claims/disputes history is clean. This is not to say the cover can't be provided to someone who has had a prior claim or dispute, however such an application will need to be referred to the insurer prior to acceptance.

This policy is being finalised next week, and we expect it to become available to Repair Certifiers on Friday 3 June. At this stage, we can provide the following details of the policy:

- *\$2m General Liability per occurrence (unlimited in the annual aggregate); and
- *\$1m Professional Indemnity per claim (unlimited in the annual aggregate); and
- Run-off cover for Repair Certifiers when they retire (without an ongoing annual premium); and
- **Service and Repair Write-back; and
- ***Unlimited retroactive cover (so it's as if they've been continuously insured by this insurer).

We haven't established the exact annual premium for the policy yet (this will be available next week), however we are confident in saying that the annual premium (per Repair Certifier) will be less than \$1,000 per annum (covering both the General Liability and the Professional Indemnity). ■

References

* **'\$2m General Liability per occurrence and \$1m Professional Indemnity per claim (unlimited in the annual aggregate)' means:** There is no limit to the number of claims made against the General Liability policy as long as 'each claim' is no more than \$2m per occurrence. There is no limit to the number of claims made against the Professional Indemnity policy as long as 'each claim' is no more than \$1m per loss.

** **'Service and Repair Write-back' means:** There is a Service/Repair exclusion in all Public Liability policies which negates any cover to the Repair Certifiers. The write-back brings the cover back into the policy which means the policy will provide cover to any motor vehicle damaged by service or repair (e.g. dropping a vehicle from a hoist). The policy does not cover rectification of 'faulty workmanship' for the 'actual part being worked on' (this part is normal in the liability market). It also covers up to \$1m for any other bodily injury or property damage caused in connection of the service and repair. For example, the certifier puts the vehicle on a hoist or it's not jacked up correctly, and the vehicle drops on top of another vehicle in the workshop. There is \$2m cover for the vehicle dropped from the hoist and there is \$1m cover for the vehicle it landed on.

*** **'Unlimited retroactive cover' is:** The insurer agreeing to treat each Repair Certifier as if they have been insured with them from the get-go. They are taking on the liabilities from the old insurer, and transferring them to this scheme.

“ We will notify Repair Certifiers next week (30 May - 3 June) of the final details of the policy, including the exact annual premium, and how to go about getting into the group policy.

Funding & Fees Review

Reviewing How Waka Kotahi is Funded

Waka Kotahi has been undergoing a big 'Funding & Fees Review' covering all roading aspects of Waka Kotahi's operations. This is the first time a review of their fees and funding has been undertaken since NZTA was formed (transitioning from Land Transport New Zealand) fourteen years ago. The new funding model proposal has now been completed, and has gone through an eight-week consultation process with its key stake-holders, including RepairCert NZ. It's important to note that while Waka Kotahi is effectively saying *"this is how much we need to operate into the future"*, and *"this is how we think we should change the various fees and charges"*, the decision as to whether or not to accept the proposal rests with Cabinet.

Our Support, and Our Concerns

RepairCert NZ and LVVTA have had two face-to-face meetings and numerous phone conversations with Waka Kotahi during the consultation process, during which we raised some initial concerns, mostly around the specialist certification fees being charged to the consumer, and the removal of fees relating to specialist certifier applications. With some initial questions answered, and some of our concerns resolved, RepairCert NZ and LVVTA provided a submission to Waka Kotahi, principally in support of the proposal (as Waka Kotahi has to be properly funded in order to prevent any future regulatory failures), but raising particular concern in the area of removal of application fees to become a specialist certifier into the future.

The reason for our concern in this area is that while it might seem like a good idea to remove the application fee in order to encourage 'industry growth', the effect of this would be to take down the only disincentive for high volumes of potential applicants to 'give it a go', and neither RepairCert NZ, LVVTA, nor Waka Kotahi will have the resources to deal with the volume of applications. We believe there would be numerous flow-on consequences of this decision, including an inability to properly assess applicants, an inability to properly monitor new certifiers, over-subscription of certifiers, and an overall reduction of inspection quality.

What Might this Mean Cost-wise?

We won't know what the fees in relation to repair certification will be until the proposal has been accepted (or not) by Cabinet later this year, but this is what's been proposed by Waka Kotahi.

The Crown Regulatory Fee for each repair certification (which you pay when you purchase a book of LT308s) is to increase from the current fee of \$4.42 to \$37.48 (although we note that fee of \$4.42 somehow converts to \$6.48 when GST is added and purchased via book form from Bluestar). This is a big increase (748%), however it would be reasonable to say that the fee has been artificially low for a long time. RepairCert NZ and LVVTA didn't oppose the fee increase, because Waka Kotahi cannot possibly manage the repair certification system for its current total income of \$84,749 - this wouldn't even cover the cost of input from Waka Kotahi's Certification Officers and various people within Waka Kotahi who also have input into the running of the system.

The increased fee, together with some additional funding from Cabinet will enable Waka Kotahi to recover the costs associated with managing the repair certification system.

We'll let you know what happens as the proposal works its way through Cabinet over the coming months. ■



Jacked-up Jaguar

RepairCert NZ dealt with an enquiry some months ago that we thought might be of interest to all Repair Certifiers, as it serves as a good example of the need for a pragmatic and sensible approach in some repair situations. The Repair Certifier wanted to apply common-sense, but wanted assurance that providing what he thought was the right outcome was on the right page.

The Background: The Repair Certifier had inspected a Jaguar XKR that had sustained isolated damage to the left-side rear jacking/lifting point on the under-body.

As this is an aluminium-intensive vehicle, it was referred to the approved Jaguar body repair specialist to determine a suitable repair plan. The Jaguar Land Rover (JLR) approved repairer advised that this part should not be repaired and is unable to be replaced as a separate part. They concluded that the only appropriate rectification process would require the replacement of the entire unibody shell.

The vehicle owner subsequently approached Jaguar's head office in Asia to seek further clarification that replacing the body-shell is the only option available to repair this damage, which realistically, would be described as relatively minor. The official written response from the body shop division of JLR head office in Singapore (based on images submitted), confirmed that:

- there are no visible cracks or tears in the affected area; and
- (importantly), the damage is in a location that would not create any safety-related issues, in respect of the integrity of the vehicle; and
- any repair attempts would likely create brittleness and weaken the affected part; and
- there is no recommended 'repair', other than to replace the bodyshell.

Question: Can this damage be left 'as-is' (no repairs carried out), when normal repair certification requirements are that any identified damage should not be left unrepaired?

The Answer: This component does not require repairs, based on the information provided in the JLR response letter, which clearly states that the damage (if left in its current condition) would not affect either the structural integrity or collision management systems of the vehicle.

RepairCert NZ and Waka Kotahi are satisfied that the replacement of the body-shell, which would come at a substantial cost and time burden to the owner (and would probably make the vehicle uneconomic to repair), is unnecessary. ■



Repair Certification of Pre-1990 Vehicles



We'd like to gain an understanding of how many Repair Certifiers around the country are willing and able to provide a repair certification process for older (Pre-1990) vehicles. All existing Repair Certifiers are authorised to provide this service, and there are no intentions to change this into the future.

We understand that some Repair Certifiers, while authorised to do this work, have no desire to provide the service because they're too busy with mainstream work, have no interest, or are unfamiliar with older vehicles. This is fine, and there are no expectations on any Repair Certifiers to do this if they don't want to for any reason, however we have to ensure that there are sufficient Repair Certifiers available to provide a good service for the owners of these vehicles.

We've had some instances where owners of older vehicles haven't been able to gain the services of a Repair Certifier, and so to help us work toward resolving the situation for the future, we'd like to determine the areas where we do and don't have existing Repair Certifiers happy to provide this service.

If you are interested in providing a repair certification service for Pre-1990 vehicles, we'd be grateful if you could flick through an email to nj@repaircert.nz confirming this. ■

First Application of New Induction Training Course

In the previous RepairCert NZ Update, we explained that RepairCert NZ has developed a one-day Induction Training Course to help new Repair Certifiers coming into the system by giving them a day of 'basic training'. It quickly became apparent to RepairCert NZ, when commencing the certification file reviews early this year, that the mistakes being made by new Repair Certifiers would have been avoided if they had a chance to 'go through the basics' of repair certification before they started.

The one-day Induction Training Course is a long way off what a new Repair Certifier coming in needs (a proper training and mentoring system will be introduced over time), but it's a starting point, and gives them a big leg-up compared to being thrown in the deep end without any training at all.



Left to right: Marty, Mike, Mohammed, Deane, NJ, Tony.

On May 4, new Repair Certifier Mohammed Khan, who has been working towards becoming a Repair Certifier since early last year, became the first cab off the rank. He spent a full day at RepairCert NZ running through the basic principles of carrying out a repair certification, including use of the repair certification documents, uploading files to SharePoint, and practical inspection techniques.

Mohammed dropped us a note the following day saying *"It was a pleasure meeting you guys. I had an awesome time and a great exposure in Wellington. A wonderful team. Thanks to the team Tony, NJ, Mike, Deane and Marty at RepairCert NZ. Hope to see you again. Cheers, Mohammed."*

Mohammed's certification files have, thus far, been first-class. Thanks to Mohammad for being our guinea pig, and also a big thanks to RepairCert NZ Technical Advisor Mike Gregory for developing the content of the PowerPoint Presentation, and providing the technical training to Mohammed. ■



Proposed Roadshow Dates

As touched on in RepairCert NZ Update No. 5, we are working towards having an inaugural get-together with all Repair Certifiers to have a meet and greet, explain about what RepairCert NZ has been tasked to do over the next few years, and talk over a few other subjects.

As we do this, we'd like to minimise inconvenience and cost for Repair Certifiers by reducing time away from work, and travel time, as much as we reasonably can. The way we're doing this is to have a number of get-togethers around the country, which will be in Dunedin, Christchurch, Wellington, Wanganui, Rotorua, and Auckland. These locations take into account the geographical location of all Repair Certifiers around the country, and will enable the majority of Repair Certifiers to get to the venue within two and a half hours driving time each way. There will be a few Repair Certifiers who have to travel further than that, but the location formula we've arrived at will keep this number to a minimum.

The other thing we're doing to minimise loss of work time is to make the sessions from 3:00 pm to 7:00 pm, which means, for the majority of Repair Certifiers, that they can still work a full morning, knock off at lunchtime, and be at the venue in comfortable time for the start. The 7:00 pm finish means there's time for a casual catch-up afterwards, and still get home – even with a couple of hours drive – not too late.

We've set some tentative dates, and now need to know if most of you can make this work.

Don't forget, that if you can't make the venue closest to you because you've got something on that day, you might be able to get to one of the other venues instead.

The proposed dates are as follows:

Date	Day	Location	For Repair Certifiers from:
July 4	Monday	Dunedin	Invercargill, Gore, Dunedin, Timaru
July 5	Tuesday	Christchurch	Christchurch, Greymouth
July 11	Monday	Wellington	Nelson, Wellington, Carterton, Levin
July 12	Tuesday	Whanganui	New Plymouth, Whanganui, Palmerston, Hastings, Napier
July 13	Wednesday	Rotorua	Hamilton, Mt Maunganui, Tauranga, Thames
July 14	Thursday	Auckland	Whangarei, Auckland

If Repair Certifiers can attend their respective location noted in the table, this will enable the ideal number of Repair Certifiers at each location.

To help us move ahead with planning for this, we'd appreciate it if every Repair Certifier could notify us if they can or cannot make the listed dates, by Friday June 3 at latest. Please note that it's important that we hear back from you either way so we can continue our planning. Please email Linda (linda@lvta.org.nz), or if you'd prefer to just ring Linda to discuss it, that's also fine – her phone number is 0274 790 907. ■