

**Minutes of the New Zealand Drillers Federation Inc Council Meeting
Wednesday 8 August 2012 at Wellington Airport Convention Centre.**

Meeting convened at 9.40 am.

Present: Iain Haycock, Steve Faulkner, John Butt, Mel Griffith, Dale Preston,
Tony Lyons, Mike Ormsby, Zane Brown and Kevin Wafer, Executive Officer.

1. **Apologies:** Dennis Stowe, Ian Shaw, James Chapman, Marcus Durrant, Steve Pilcher, Ken Mears

Motion: *"That the apologies be accepted"*.

Moved: Mike Ormsby / John Butt Carried

2. **Minutes:**

Minutes of the previous meeting, held on Tuesday 18 April 2012, were read.

Motion: *"That the minutes be accepted"*.

Moved: Zane Brown / Dale Preston Carried

3. **Matters Arising From Minutes:**

Resignation

Phillip Falconer had tendered his resignation from the NZDF Council due to work commitments. Iain Haycock had accepted his resignation and acknowledged his past efforts as a council member.

Casual Council Members

Casual council members are voted on to the council at each meeting for the next meeting and it was felt that a more permanent arrangement should be made. This would require a vote at the AGM. This issue will be discussed further later as it was an item under general business.

Drill 2012

Indications were that attendance of NZDF members at the Drill 2012 conference was likely to low and this could have implications for the AGM.

4. **Correspondence Inwards**

Proposal from GSB regarding a membership benefits scheme.

Resignation from council from Phillip Falconer

EXITO Newsletter

Acceptance of life member conference registration offer from Martyn Brown

Update on qualification review from Paul Bishop

Joe Nowak advising he would not be renewing his membership

Request for financial records for 2011/12 Financial Statements from Milnes Beatson

Offer from QT Event Management to assist with the 2014 Conference

Request from the marketing manager of Safety in Oil and Gas Conference for NZDF to endorse the conference.

5. **Correspondence Outwards**

Letter to Life Members inviting them to conference and offering to pay registration fees.

Signed licence agreement for NZS 4411:2001

Acknowledgement of Phillip Falconer resignation

Subscription renewal letter /invoices

Letter from Iain to EXITO outlining NZDF position

NZDF Newsletter

Motion: *"That Inwards/Outwards Correspondence be accepted and acted on accordingly"*.

Moved: Mike Ormsby / John Butt Carried

6. Financials

The council reviewed the financial statements being the Bank Reconciliation Report for the period 1 April to 6 August 2012, which listed all outgoing payments and income since the last meeting, and the Cash Flow Report for the year ended 30 June 2012.

Balance of Accounts as at 31/03/2012:

00 A/c \$17,366.27

02 A/c \$1488.47

Accounts for Payment:

00 A/c

Executive Officer hours and reimburse expenses 2886.62

\$14,480.19

Plus – Reimbursements of Council Flights

02 A/c

JS Chapman – Reimburse Nominate Your Driller

Drill 2012 travel and registration 2200.45

(\$711.98)

Funds would need to be transferred from the 00 A/C to the 02 A/C to cover the above payment and future conference related expenses such as the life member registration fees.

Term Investments:

These were unchanged since the last meeting.

\$67,585.36 Matures on 24/01/2014 – 4.75%

\$40,000.00 Matures on 20/01/2013 – 4.5%

Financial information for the 2011/12 Financial Year has been sent to Milnes Beatson, Accountants for them to prepare the annual financial statements.

Motion: *“That financials be accepted, accounts passed for payment.”*

Moved: Mike Ormsby / John Butt Carried.

7. New Members

Applications for Membership were received from the following:

Speight Drilling Ltd, Reefton – Kevin Speight, Director / Manager – Full membership

Aqualinc Research Ltd, Christchurch – Ian McIndoe, Principal Water Resources Engineer – Associate Membership

Motion: *“That the applications for Membership be accepted”.*

Moved: Zane Brown / Tony Lyons Carried

An application for Associate Membership had been received from Contract Landscapes Ltd. The council would be prepared to approve the application on the basis that the application be changed to one for full membership as the applicant did not meet the criteria for the associate membership category. The Executive Officer will contact Contract Landscapes Ltd. to advise them of this decision.

8. EXITO

There was currently an outstanding invoice for EXITO membership of NZDF and the NZDF council had previously agreed not to pay the fee for NZDF membership of EXITO. The Executive Officer needed to know what action to take regarding this situation. There was a suggestion that as these subscriptions cancelled each other out there was no need for any payments to be made. A letter could be sent to summarise this contra arrangement if necessary.

There was general discussion about the NZDF relationship with EXITO, it was agreed that nothing had really changed, and there were still concerns about the performance of EXITO as outlined in Iain Haycock's letter. Despite the results of the EXITO survey there was concern that parts of the DICAT modules were not relevant to NZ conditions. EXITO had in previous discussions agreed to update the DICAT materials but we were not sure if this was going to happen.

There was general discussion about a review of industry training sector that was likely to result in the number of ITOs being reduced to about 8. EXITO would eventually sit within a larger ITO and they have recently held discussions with the Forestry ITO. It was understood that discussions between EXITO and Infratrains had not progressed well. The review was also looking at the roles of ITOs and Polytechnics with the Polytechnics being keen to take over the standard setting role that ITOs currently held, however it was not expected that this would happen.

There was discussion about whether we should change ITOs and have further discussions with Infratrains, who were interested in being the ITO for the drilling industry. With all of the uncertainty it was decided to continue to deal with EXITO and support the qualifications review but not rely totally on EXITO.

There was a suggestion that we should deal directly with ADITC to solve issues around training. ADITC could manage training arrangements and provide training resources. As the official NZ standard setter EXITO may still need to have an involvement in such an arrangement but NZ companies could work directly with ADITC. There could possibly be discussions with ADIA and ADITC on this subject at the Drill 2012 conference.

It was agreed that any change was likely to be slow and that we needed to make progress with our own industry registration system in the meantime. We could incorporate whatever training arrangements that were finally put in place into our own registration system in future.

9. GENERAL BUSINESS:

Casual Council Members

It was proposed that the current casual council members should be officially brought on to the board fulltime. This would need to be a decision agreed at the AGM along with a vote for a replacement for Phillip Falconer. It was also proposed that the minimum number of council members required to form a quorum be reduced from 8 to 7 as many meetings were very close to not having a quorum. This would require a formal change to the NZDF Rules, which would be voted on at the AGM.

It was agreed to send a message to all members advising that:-

- The AGM will be held at the Drill 2012 conference subject to there being adequate numbers of members present; otherwise the AGM may need to be postponed.
- The NZDF council will be looking to reduce the minimum number required for a quorum from 8 to 7.
- There will be mid-term elections to elect the current casual members to fulltime council positions.
- There will be an election to fill the council vacancy caused by Phillip Falconer's resignation.

Members will be encouraged to put themselves forward to fill the vacant council member position and advised that they do not need to be at the AGM to be elected to the council.

GSB Membership Benefits Proposal

The Executive Officer reviewed the membership benefits offer received from GSB. Generally, the council were supportive of the offer but there were concerns that some members may already be involved in the GSB membership benefits scheme through other industry federations such as the NZ Contractors Federation. Also there may be members such as life members where the discount scheme would be of limited value.

Motion: *"That we accept the GSB Proposal subject to negotiation on the cost to take into account members who were unlikely to use the scheme
- That costs of up to \$7500 plus GST be approved to join the scheme."*

Moved: John Butt / Steve Faulkner Carried

Proposal from DrillNZ

The Executive Officer reviewed the proposal from DrillNZ. The council had concerns about some aspects of the proposal such as duplicating the list of drilling companies and their equipment lists on the DrillNZ website. It was decided to suggest that DrillNZ become a member of NZDF to enable them to gain access to company details, equipment lists etc. and have access to networking opportunities such as annual conferences.

Registration for Drillers

The need for a registration system had been re-confirmed earlier in the meeting. The council reviewed the criteria for registration and decided to add extra levels to reflect the career structure commonly accepted in the industry i.e.

- Driller's Assistant
- Trainee Driller
- Driller
- Senior Driller

The criteria for each level were detailed as per the attached Registration Criteria document. As there was no theory channel available the senior driller registration would be gained through a grandfathering process where the applicant would provide evidence of significant experience in this position. The criteria may still need some further refinement but could be used as a basis for a proposal to be discussed at the AGM.

TPP Scholarship

The council considered the two candidates for the TPP Course Scholarship and decided that Alan Holcroft should receive the scholarship.

Safety in Oil and Gas Conference

We had received a request from the organisers of the conference for NZDF to endorse this year's conference as we had done last year. This involved providing a NZDF logo for use in publicity materials and mentioning the conference in NZDF newsletters and on the website. In return NZDF would receive one free pass to the conference. It was agreed that NZDF should endorse the conference.

Meeting closed at 3.30pm.