

Minutes of the New Zealand Drillers Federation Inc Council Meeting Wednesday 19 June 2013 at Wellington Airport Convention Centre.

Meeting convened at 9.40 am.

Present: Iain Haycock, Steve Faulkner, John Butt, Ian Shaw, Jeff Ashby, Tony Lyons, James Chapman, Marcus Durrant, Steve Pilcher, Ken Mears and Kevin Wafer, Executive Officer.

1. Apologies: Mel Griffiths, Dale Preston, Zane Brown, Dennis Stowe, Mike Ormsby.

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

Moved: Marcus Durrant / Ian Shaw Carried

2. Minutes:

Minutes of the previous meeting, held on Wednesday 8 August, were read.

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

Moved: James Chapman / Ian Shaw Carried

3. Matters Arising From Minutes:

Drill13

It was noted that the dates of the AGM weekend had been changed from the dates recorded in the minutes of the last meeting. Due to a change of hotel the dates for the AGM weekend were now 6 to 8 September 2013.

4. Correspondence Inwards

Response from Janet Lane, MITO CEO to query regarding future training & qualifications.

Request to make presentation at AGM weekend from Geotechnics.

Request from McCullochs to display rig at conference venue.

Responses regarding costing of ID cards from Ezcards, Peacocks and ID Solutions.

Response from Simon Fitzgerald providing information for registration scheme disclaimer.

Note from Edgar Taege of Well Drilling Direct raising concerns about the NZDF supporting "unworthy causes".

Applications for membership from McMillans (NI), SouthDrill, Ground Investigations Ltd. and HGM Construction.

Applications for NZDF Scholarship from Michelle of TPP.

Request for information on AGM weekend trade displays from Inline Drilling.

Request for information on AGM weekend from Firstbbreak (non-member)

Request for membership information from Mi SWACO.

Request from Technical Drilling Services to cancel membership due to change in business operations.

5. Correspondence Outwards

Letters to McCullochs Ltd., AB Equipment, JB Attachments, AMC Drilling Fluids & Products, Strategic Drilling & Sulkem Co. advising approval of membership

Requests regarding costing of ID cards to Ezcards, Peacocks and ID Solutions.

Request to Simon Fitzgerald regarding registration scheme disclaimer.

Advice to ADIA of changes to NZ magazine list.

Subscription renewal letters / invoices to all members.

Drill 13 flyers to all members.

Invitation to Janet Lane, MITO to attend NZDF Council Meeting

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

Moved: Iain Haycock / Steve Faulkner Carried

6. Financials

The council reviewed the financial statements being the Bank Reconciliation Report for the period 1 March 31 May 2013 and the Cash Flow Report for the period from 1 July 2012 to 31 May 2013.

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

Moved: Jeff Ashby / James Chapman Carried.

In general, finances had been quite tight towards the end of the financial year due to the need to pay an accommodation deposit for the AGM Weekend. However, the early payment of some subscriptions meant enough funds were available in the current account to pay normal outgoings until the end of the financial year. It was expected that outgoings would be slightly below those outlined in the budget for the year ended 30 June 2013 which was approved by the council at a previous meeting, except for the hotel deposit.

A query was raised regarding the level of take-up of the GSB discount scheme. The last report from GSB advised that 13 members had taken up the GSB offer. Some of the council indicated that they had not been approached to join the scheme and the EO would follow this up. There was also a query as to whether NZDF should be paying terminal tax and this will be followed-up with the accountants.

7. New Members

Applications for Membership were received from the following:

McMillans (North Island) Ltd. Pukekohe – Steve Faulkner Full Membership
SouthDrill, Invercargill – Evan Pascoe Full Membership
Ground Investigations Ltd, Auckland – Marco Holtrigter Full Membership
HGM Construction Ltd. Christchurch – Hamish Murrell Full Membership
FirstBreak Ltd Christchurch – Roger Hay Associate Membership

Motion: *“That the applications for membership from McMillans, SouthDrill and Ground Investigations be accepted”.*

“That the application from FirstBreak be accepted but that we suggest that they should be a full member if it was a company application as opposed to an application from an individual”

“That further information is sought from HGM Construction to support their application”

Moved: James Chapman / Iain Haycock Carried

Motion: *“That there be changes made to the membership application form to advise that membership applications should be supported by any information such as client references, a nomination from an NZDF member, company profiles or CV that could be provided”.*

Moved: James Chapman / Steve Pilcher Carried

The possibility of a probationary period for new members had been raised at a previous meeting and the pros and cons were discussed again, however it was felt that the new requirements for extra information along with the existing rules on withdrawal of membership covered this issue adequately.

The possibility of raising the associate membership subscription was discussed as some suppliers were gaining good benefits from membership but paying half the subscription of full members. Another way to address this issue was to change the definition of associate members to include more suppliers in the full membership category. It was felt that changing the definition of associate membership would be problematic and instead the associate membership fee should be increased to \$500 including GST.

There was discussion regarding the possibility of increasing the magazine only subscription. Members were allowed up to 2 magazines and ADIA did not charge us for extra copies so it was felt that the magazine subscription should be left at \$90 including GST. It was felt that it was important to have control of the NZ magazine list to ensure that we were invoicing the correct magazine only subscribers.

Motion: *“That the council take a motion to the AGM to increase associate membership to \$500 including GST but other subscriptions should remain as they are.”*

Moved: John Butt / Ian Shaw Carried

8. GENERAL BUSINESS:

NZDF Scholarship

Applications for the NZDF Scholarship had been received from Colin De Goldi and Kimi Paiti. Iain gave some background information on the 2 applicants who had done their work placement with McMillans and Ken Mears gave an outline of their performance on the course. While it was difficult to differentiate between the two applicants, it was decided to award the scholarship to Colin De Goldi and to send a letter acknowledging the performance of Kimi Paiti.

Motion: *"That Colin De Goldi be awarded the NZDF Scholarship."*

Moved: Jeff Ashby / Steve Pilcher Carried

MITO

Janet Lane, Michelle Crompton and Samantha McNaughton from MITO joined the meeting to discuss MITO plans for drilling training and qualifications. They advised that so far they have:-

- had discussions with ADITC regarding gaining a licence for the NZ delivery of DICAT materials
- transferred 19 learners from EXITO to MITO management
- developed a service delivery model which was non-subsidised and which they needed to gain our agreement to

Michelle Crompton advised that they had also met with the Australian Skills Council who had responsibility for the Australian drilling training package. They had learnt that the Australian drilling training package was to be reviewed and they had sought information on good quality training providers who were actively involved in drilling training.

As the DICAT modules seem to be well received in NZ MITO, would continue to use the DICAT modules but want to manage their distribution differently. The materials would be provided in a more controlled way with the provision of certain modules being followed by the relevant assessment. There would also be more management and support of the learners to ensure successful outcomes. At present, many learners did the DICAT modules but did not undergo a practical assessment to gain the NZ standards or qualifications.

MITO would look at using supervisor declarations in the on-job assessment process. The supervisors would be supported by MITO industry advisers / assessors and assessment workbooks that allowed for integrated assessments of multiple unit standards. NZDF may have some input into who can assess and could help put the DICAT modules into a NZ context.

There was discussion about the different levels of training/qualifications with Tai Poutini focusing on pre-employment training while MITO dealt with people already employed. The possibility of the Western Institute of Technology running courses was also discussed.

Samantha McNaughton outlined the new qualifications system where the ITO is the standard setter and separate from the provider. Stage 1 of the qualification review has been completed. Stage 2 is about to start and will involve confirming the qualification, developing a graduate profile and then attaching suitable unit standards. Some unit standards will need updating while others will be expired. The qualification is the overall framework and DICAT will help achieve part of the qualification. Tai Poutini and perhaps WITT will each have their own materials to help their students achieve the qualification.

It is acknowledged that the connection to the Australian qualifications is important so it will be necessary to keep a close watch on the Australian qualification review. The possibility of automatic award of the Australian qualification when the NZ qualification is awarded (and vice versa) is also being looked at.

MITO would like to sub-licence the DICAT materials from ADITC and there will be more emphasis on the practical and strong follow-up on student progression, which is not done by ADITC at present. There will probably be some changes made to produce a NZ version of DICAT i.e. changes the intro, which refers to the Australian qualifications, and adding in MITO training plans, assessment guides etc. MITO is waiting on a response from ADITC on these issues and a price for the sub-licensing arrangement is still to be set. A letter from NZDF supporting the idea of MITO sub-licensing the DICAT materials would be provided if necessary.

Examples of training workbooks were circulated. Further information would be circulated through the EO.

The idea of doing the first three DICAT modules through the proposed system was well received. The supervisors involved in the assessment do not have to have any special training. If a company has its own registered assessor there will be cost reductions of \$300 per trainee. There are also reduced costs or corporate rates for having higher numbers of learners. MITO had 22 Assessors based all around the country and they would visit trainees every 3 months.

The above arrangements would keep training progressing in the meantime until qualifications reviews etc. were completed. Timeframes for getting this system in place were difficult to estimate but could be 3 to 6 months.

NZDF would write a letter of support for the MITO re-recognition process confirming it was happy with MITO having responsibility for the drilling qualifications.

MITO advised that they needed 3 NZDF representatives to work with MITO on the development of suitable materials etc. James Chapman and Jeff Ashby volunteered to be involved and Mel Griffith and Zane Brown would be asked if they wished to be involved in this process.

2013 AGM Conference

There was confirmation that the AGM weekend dates had been changed from 13 - 15 to 6 -8 September. A flyer, registration and accommodation forms had already been sent out to all members. The registration fees had been set just under cost at \$499 for delegates and \$399 for partners. The important task now was to approach suppliers for sponsorship. This work had been started and would continue over the next few weeks. Possible sources of income discussed were auctions, raffles, having a gold sponsor, sponsorship of pre dinner drinks, lunches, dinner and stilton throwing. There was discussion as to whether trade displays should be free or be paid for by suppliers considering the reasonably limited space and short time of exposure to delegates.

The possibility of attendance of non-members at the AGM weekend was discussed. It was felt that in the first instance they should be asked to join the federation. If they did not wish to join they would be charged a registration fee of \$699 including GST. ADIA members would be charged the normal delegate fee.

Baylis Brothers Ltd. Issue

John Butt expressed his views on the issue raised by Baylis Brothers Ltd. at a previous meeting and explained the difficult situation he had been put in in being required to give evidence in the court case. There was general discussion about the value of the technical committee that had been proposed as a result of this issue and in particular how the technical panel would operate in a court case situation. There was a range of opinions expressed on the issue with no specific agreement or decisions reached. Baylis Brothers were still concerned about the precedent set by the court case and had advised that they were likely to be appealing the decision through the courts.

Registration for Drillers

While there was general support on the council for the proposed registration system some council members were concerned about the cost of registration and the need for registration to be renewed every two years, particularly at times when some companies had little work. It was agreed that a summary of the costs of processing a registration application would be developed so that a final decision on price could be made. The registration system would be launched at the AGM with information on the proposed system being sent out with other AGM papers. The decision on the registration cost could then be made at the AGM. The council will review the latest version of the registration cover letter and associated information and provide feedback.

Election

No election of President and Vice President had been held following the last AGM as there were not enough council members present to form a chorum. Iain Haycock had advised at an earlier meeting that it was likely that he would have to step down as NZDF President due to other commitments, however there had not been any opportunity to have an election and the election issue had been deferred until this meeting. Iain advised that considering we were so close to the AGM he could now continue as President until the next AGM as long as the rest of the council was comfortable with both the President and Vice President being from

McMillans Drilling Group companies. It was established that the two companies were separate entities and the council confirmed it was comfortable for the current arrangements to continue.

Motion: *“As this was the first opportunity that the council has had to vote on President and Vice President positions it was decided that the current President and Vice President arrangements remain in place, given that the Executive Officer has confirmed that the President and Vice President are employed by separate member entities.”*

Moved: Jeff Ashby / James Chapman Carried

Electronic Banking

The Executive Officer raised the issues of moving to electronic banking which would enable invoices to be paid quicker and allow the EO to check account balances etc. at any time rather than have to wait for the bank statements to be mailed out at the end of each month.

Motion: *“That electronic banking be introduced for NZDF accounts.”*

Moved: John Butt / James Chapman Carried

Meeting closed at 3.30pm.