

1.

**To be confirmed at the next Board Meeting.****Draft Minutes of CBIP Meeting Number 76  
Held at Christchurch  
On  
14 and 15 February 2007.**

CBIP Board meeting number 76 opened at 9:30 am on Wednesday 14 February 2007 in the Conference Room at the Leonard Issitt Training Centre of Air New Zealand in Christchurch.

<b>Present -</b>	David Barnett.	Mick Bell.	Bill Black.
	Maurice Davies.	Bryn George.	Malcolm Kelsen.
	Rob Penney.	Michael Tosio.	Ian Whyte.
	John Wilson, Chairman.		John Stark, secretary.

Also attending as a deputy was –  
Peter Hayward for Wolfgang Scholz.

**1. Chairman's Introductory Remarks.**

The Chairman extended a warm welcome to all at the meeting.

He then advised that funding was still a major issue and asked all present to regard all comments made at the meeting relating to funding or funding issues to be regarded as critical.

He then went on to explain that the main problem facing the Board was the financial position and that as no secure source of assured funding had been identified and the available funds were at an extremely low level the Board would need to make some difficult decisions.

He also mentioned that CBIP's main responsibility was to its members both those who were Contributing Members and those who were Ordinary Members and holders of CBIP certificates.

It was the duty of the Board however to discontinue operations prior to reaching an insolvent position and while funds would continue to arrive there is now no longer any significant reserves to draw on. Difficult decisions would need to be made when the finances were reviewed.

In response to questions he confirmed that the Department of Labour had advised that the levy could not be imposed through any legislative or regulatory means at this time. Also that while most inspection bodies were prepared to support the levy at least one would not and the remaining inspection bodies were not prepared to be involved unless it was applied uniformly by all.

He proposed that the agenda items be worked through as usual on the basis that CBIP would continue and that the financial issues be addressed in depth as they were reviewed.

## 2. Apologies –

Apologies were received and accepted from – Alan Askham, Steve Mabbett and Wolfgang Scholz.

## 3. Confirmation of the Minutes of Meeting 75.

The minutes had previously been circulated.

Proposed Bill Black seconded Rob Penney.  
That the minutes be accepted.

**Agreed.**

## 4. Matters Arising.

The chairman reminded members that an action list had earlier been distributed and advised that it would now be reviewed as to progress made on the listed items.

Action List Items.

- 1) Information that the public release copy of the minutes is available on the CBIP website. Bryn said that as advised earlier Safety Lines was published at specified intervals and he was uncertain as to whether it had already been done but he will follow up this item up and advise the Board.
- 2) Letters to the various Ministers. **Actioned.**
- 3) Levy issues. **Actioned** but the levy cannot now be applied at this time. Should it be a starter at some future date Maurice advised that more work was needed to define exactly what was meant by a “certificate”. For example in many cases there are numerous NDT reports or certificates that support a single “Certificate of Inspection.”
- 4) Letter to Inspection Bodies and NDT companies concerning levy. **Actioned** but the letter has not been sent and in view of recent events is not now needed until legal action enabling its application is enacted. .
- 5) CBIP insurance obligations to be placed in the QPM’s. Will be actioned when the QPM’s are revised.
- 6) Recognising the value of the volunteer contributions provided to CBIP at a variety of levels by the Contribution Members. As yet not actioned but the Chairman emphasised that the Board recognised the value of that work and that he would welcome any suggestions when this item appeared again later in the agenda.
- 7) Proposal for the A&A sub-committee to develop guidelines to deal with inadequate and incomplete material supplied by applicants. **Actioned** and to be addressed later in the agenda.
- 8) Secretary to contact IANZ regarding a waiver being placed on all applications regarding CBIP access to training material. Not yet actioned and a need expressed that IANZ needed more direct involvement with CBIP.

- 9) Processes needed to deal with recognition of overseas gained certifications. The Chairman advised that the current processes specified in QPM 12 adequately covers that situation.
- 10) Alan Askham has contacted Bob Thompson and the concerns expressed earlier no longer appear to be an issue.  
**Actioned.**
- 11) Letter by the secretary to all Territorial Authorities advising of CBIP certificated lift inspectors. Not actioned but possibly also needs to be addressed through the information now being sought by the Department of Building and Housing.
- 12) Actions towards clarifying the situation about Container, Truck Mounted and Scotch Derrick Cranes.  
**Actioned.**
- 13) Bryn to advise on the situation about possibly using the premises of the Department of Labour for CBIP examination purposes for the non-NDT examinations. Still being followed through and he will advise the Board later.
- 14) Alan Askham has advised of the cost of undertaking the verification exercise which is acceptable to the Board.  
**Actioned.**
- 15) Concerns expressed by the EWP panel Chairman about the state of the imported second hand work platforms and the decisions made by DoL staff that appeared to over ride previous instructions given. Bryn advised that the meeting with Bryan Nunweek took place on 6 November 2006. That as from 1 January 2007 DoL will only recognise certificates of inspection that have been signed by a CBIP authorised inspector. (Presumably this means that where the previously arranged protocols required a strip down inspection to be carried out it is now the EWP inspector's responsibility to ensure that it is satisfactorily carried out?)

Action points on Bryn George to see that steps are taken to ensure that all DoL inspectors understand these requirements and on Rob Penney to place this information on the CBIP website.

The Chairman then asked if any action point items had been missed from the list or if there were any that had not been included in the minutes and on receiving assurances that all had been dealt with suggested that he move on to the next item.

**Agreed.**

## 5. Financial Statement.

The financial statement and other financial information supplied by Wolfgang Scholz were reviewed. The Chairman said the funds received from the AINDT were as usual, sent to CBIP in Australian dollars and that Australian amount had now showed in the CBIP sheets. That has been corrected.

A revised budget was presented but not approved. The discussion resulted in a decision to defer approval until the funding base had been secured and then it may be necessary to review that budget against revised objectives.

### Funding Issues and Future Policy.

The Chairman then said that as shown by the financial statement the ability of CBIP to continue was doubtful and that while limited funds would still be coming in, the lack of substantial reserve funds meant that the cash flow situation now became a major factor limiting future operations. There were contractual arrangements with AINDT that needed to be recognised as a contract termination payment may need to be made to them if CBIP ceases operations.

The earlier proposed levy cannot be imposed without the good will of the inspection bodies and NDT companies or alternatively legislative authority and any move to gain that authority would take some considerable time. Possibly several years so it is not an avenue of funding that can currently assist CBIP. The PECPR Regulations do not apply directly to the Lift Inspectors or the NDT sector so they are areas that may prove difficult for the Department of Labour to address.

The Chairman reminded the Board that according to the financial material they have been presented with CBIP was at the point of becoming insolvent and that it would be irresponsible to continue in operation where there was a strong probability that it would not be able to meet its creditors or provide continuing support on a very limited basis to those volunteers supporting its technical services.

After considerable and wide ranging discussion it was eventually proposed with some regret by – Rob Penney seconded Mick Bell, that –

*The CBIP Board unanimously supports the ongoing activities of CBIP. Due to the imminent technical insolvency of CBIP that if assurances of funding for the maintenance and development of CBIP is not forthcoming by 1 March 2007 that the Chairman sets a date for a Special General Meeting to discuss and investigate the process of winding up CBIP as per its Constitution including the consideration of existing contractual arrangements.*

**Agreed.**

**Note -** Towards the end of the meeting the following two resolutions were passed as information then supplied by the Department of Labour regarding securing funding did not provide the assurances required.

Proposed – Ian Whyte seconded Michael Tosio.

*That the Board keep contributing and ordinary members informed on developments and act in their best interests. The examinations scheduled for May 2007 will continue irrespective of the outcome of continuing funding discussions.*

**Agreed.**

Proposed – Malcolm Kelsen seconded Mick Bell.

*That the Chairman be given authority to engage legal advice to determine the correct processes to follow should future funding sources not be found by 1 March 2007.*

**Agreed.**

It was then discussed as to where that Special General Meeting would be held and although the final decision was left to the Chairman the ideal location would appear to be Wellington. That meeting would need to be called in accordance with the provisions of the CBIP Constitution.

**Agreed.**

## **6. Correspondence.**

The various items of correspondence received and sent were circulated earlier to Board Members. There was discussion on the negative nature of the letter received from the Minister of Labour and on the supportive aspects of the letter from the Minister of Commerce.

The letter from the Department of Building and Housing seeking information to be provided on the material and discussion document available from their website was passed to Rob Penney for review and for him to combine those findings with the views of those in lift examination panel.

\*\*\*\* Action point on Rob Penney to pass to the Chairman by 10 March 2007.

**Agreed.**

## **7. Future Policy.**

This subject has been addressed earlier as part of the discussion on Funding.

## **8. Secretary's Report.**

The secretary's report was distributed and briefly discussed.  
Proposed Ian Whyte seconded Bill Black – That it be accepted.

**Agreed.**

## **9. Draft Budget.**

A general discussion took place. The draft budget as circulated had been prepared on the basis that a secure source of funding would be obtained. As the option of applying a levy to all certificates issued could not now be assumed although the draft budget was generally agreed as being satisfactory based on that assumption.

**Agreed.**

In view of the resolutions passed earlier to call a special general meeting following 1 March 2007, the Board now effectively accepts the responsibility of reducing expenditure to the limits of the available cash flow having due regard to the existing identified liabilities.

**Agreed.**

Those liabilities are –

- Those resulting from the premature termination of the service contract with AINDT.
- Immediate running expenditure.

**Agreed.**

## **10. Update on AINDT Issues and Perspectives.**

David Barnett advised that the negotiations with the Inland Revenue Department had been successful in having the requirement for money paid to AINDT in Australia in Australian Dollars for New Zealand certifications declared as not being subject to New Zealand GST.

A major overhaul of the AINDT quality system is to be undertaken to ensure that all associated requirements and references for a particular subject are in the one document. That is not the case at present.

Mr Barnett stated that there has been a considerable and noticeable improvement in the output and performance of CBIP in the last period and that the level achieved in many respects complies with ISO 17024.

The AINDT quality system has been given continued approval by JASANZ but AINDT sees further improvements to their total Management System as being highly desirable in order to simplify and make cross referencing of material much easier. It is anticipated that this exercise will be completed by October 2007 and the harmonisation between CBIP and AINDT would continue.

## **11. Report from the A&A Committee.**

Malcolm Kelsen as chairman of the A&A committee reported on the meeting of that committee held the previous day, (13 February) in Christchurch.

Concerns relating to clearly establishing competency were discussed with representatives of the Department of Labour. In many cases the material being provided with the applications was not adequate or acceptable. Considerable work needs to be done to make applicants and their employers more aware of the types and details of the material required.

Work is currently being done by the A&A Committee to advise candidates and that material will be forwarded to the Board members for their approval and then it will be placed on the CBIP website. It was recognised that the audit process by DoL and IANZ had a very important role in clearly establishing the standards expected of inspection bodies and subsequently of individual inspectors.

He was confident that considerable improvements had been made although there was still some way to go. The system is now more open and transparent and material can be processed more quickly than was the case previously.

## **12. Composition of the NDT TAC.**

The proposal from the chairman of that committee had previously been circulated for information of Board members. The proposal to appoint John Carter as deputy chairman of that TAC was approved. Mick Bell confirmed that in order to maintain the transparency of the committee he was prepared to stand down from that position which he previously held.

**Agreed.**

### 13. Reports from Portfolio Holders.

The crane panel report was made by Bill Black who asked for guidance regarding the fee to be charged to persons holding an old crane C certification but who wished to extend it to now cover truck Mounted Cranes. After extensive discussion the Board decided that it would be covered by the existing AINDT fees schedule and that the cost was to be \$300.00 A. **Agreed.**

He further advised that all category C certifications issued after 6 December 2006 automatically include truck mounted cranes but those with an earlier expiry date do not.

CV's had been circulated earlier for two persons to be appointed to the crane examination panel. After discussion approval was given for Mark Clayton. Approval for Dick Parsons was withheld until such time as a more detailed CV has been sighted and approved by the Board. The CV provided was considered too brief to be able to evaluate the contributions he would be able to make to that committee. **Agreed.**

\*\*\* An action point was placed on Bill Black to follow through on the matter of Dick Parsons providing a more detailed CV.

The report by the Board secretary who attended the meeting convened by the Department of Labour to consider the question of remaining life of cranes was discussed. It was considered that proper guidelines needed to be placed in the revision of the Code of Practice that specified a stated time for the complete inspection of the mechanical parts and for the crane structure.

It was not considered that a situation should be allowed to develop where the crane equipment inspector was required to take all practicable steps to prevent fatigue failures without sound guidelines being provided. The practices adopted and followed in Australia should be followed in New Zealand unless good technical reasons for not following such practices can be established. **Agreed.**

The secretary has asked the Department of Labour that he be provided with an electronic copy of the Code of Practice prior to it being sent to the Minister and that will be sent to Board members for their review.

\*\*\* Action on the secretary to circulate the CoP draft when it becomes available.

**Agreed.**

It was necessary for people appointed to the various panels to be able to contribute significantly to the work of that respective panel and the Board needed to be assured that would be likely to happen.

The question was then asked as to how persons who did not turn up to committee meetings or were not prepared to contribute to developing examination questions should be handled. The reply was that at present there was little in the Constitution or the QPM's that dealt with that situation but when the revisions took place of these documents that issue should be looked at and cover all situations from Board level down through the entire CBIP structure.

The Chairman was in favour of the Constitution being changed at an appropriate time but said that the initial responsibility was currently on the panel chairman or the nominated portfolio holder to bring such behaviour to the attention of the Board. **Agreed.**

Malcolm Kelsen was asked to follow up with a proposal to the Board as to how committee members who did not turn up to meetings or support the work of these committees should be handled. It was mentioned however that caution was necessary as all those persons involved were currently volunteers.

**Agreed.**

\*\*\* Action on Malcolm Kelsen.

Mike Tosio referred to the material that he had previously circulated that originated from Peter Hayward relating to persons preparing for examinations. Members of the Board said that it would be helpful to CBIP candidates and it was agreed that it would be very useful if it could be placed on the CBIP website giving credit for that material to Peter Hayward and/or HERA as may be appropriate. **Agreed.**

\*\*\* Action on Rob Penney to progress.

There was discussion as to whether information items being placed on the CBIP website were receiving enough prominence under the listing of "Fact Sheets". After discussion it was proposed that the title be changed to "Bulletin Board". **Agreed.**

\*\*\* Action again on Rob Penney.

From the NDT committee the question was asked about the re-validation of the NDT test specimens. The quote obtained was agreed by the Board as being satisfactory and that work was agreed as being essential but the proviso was made that the required expenditure was subject to the required finance being available. The Board Chairman will review the finances and decide.

The quoted price included travel and accommodation thus representing an expenditure of approximately \$25,000. That is regarded as an urgent expenditure item if the integrity of the UT examinations are to be re-established.

**Agreed.**

An issue was raised by Rob Penney followed by discussion about differences with the NDT examination practices in Australia and New Zealand regarding the level 2 ultrasonic examination.

In Australia the UT2 qualification relates only to butt welds in plate and pipe as well as welds in T and Y joints. Should the candidate require certification for butt welds for nozzles and node joints that person would be required to apply for and sit an endorsement.

In New Zealand the practice up until now has been for the UT2 qualification to cover butt welds in plate, pipe, nozzles and T joints. The difficulty arises that the range of the qualification is not specified on the certification issued. In Australia two examinations are sat while in New Zealand only one has applied up until now.

The problem is in identifying the range of the qualification. The practice in future will be that all applicants in New Zealand will in future sit both the examination covering butt welds in plate, pipe, T and Y joints followed by the examination for welds in nozzle and node joints and their certification certificates will be endorsed accordingly. This practice will keep the Australian and New Zealand exam practices aligned. AINDT have agreed

to follow this process thus maintaining integrity and clarity of the systems to meet customer requirements.

**Agreed.**

It was further agreed that Rob Penney would place an explanatory note on to the CBIP website.

\*\*\* An Action point on Rob Penney.

**Agreed.**

#### **14. Correspondence.**

An Email was received from the Welding Centre advising a meeting of the panel was scheduled for the 22 February 2007 and asking for a CBIP representative to be nominated. It was agreed that the CBIP representative would be Maurice Davies.

**Agreed.**

Other items of correspondence had also been circulated and were dealt with earlier in the meeting.

#### **15. Appointment of the Deputy Chairman.**

There was discussion about the range of duties that would go with the position and it was explained that the main job would be to support the Chairman and in the case of funding issues being resolved that person would probably eventually become Chairman

Assuming funding issues could be resolved the Board responsibilities would become solely of a governance nature with the action then going to the A&A committee and the other portfolios and examination committees. That change would probably not be completed until the ISO 17024 accreditation had been completed but even at this stage if the position of deputy chairman was filled it would allow him the ability to participate fully in issues as they arose.

There was discussion about who would be able to fill that position. Several persons indicated that they would not be able for various reasons to devote the required time.

Malcolm Kelsen was asked whether he would be prepared to accept the position. He explained that through his work he spent a considerable time outside New Zealand and that he was not able to control those absences. The comment was made and endorsed by a number that his international background and current work on a very wide basis would make him an ideal Deputy Chairperson.

Proposed – Bill Black seconded Mick Bell –That Malcolm Kelsen be appointed as Deputy Chairman.

**Agreed.**

Malcolm was then asked by the Chairman whether he was prepared to accept the position to which Malcolm agreed. Board members then thanked Malcolm for making that decision. Malcolm again reminded members that his international obligations may make his attendance or participation in Board matters very difficult at times. Members assured Malcolm that his position in that regard was recognised and accepted.

**Agreed.**

**16. To Consider How CBIP Could Give Better Value to its Contributing Members.**

At this time it appeared that very little could be done however it was suggested that a practical step would be to list the Contributing Members on the CBIP website by name with their nominated representative. **Agreed.**

\*\*\* An action point was placed on Rob Penney to do this.

**17. To Prepare a Schedule Identifying All Necessary Actions Required to Achieve Accreditation to ISO 17024.**

There was considerable discussion relating to ISO 17024 accreditation and eventually it was decided that it was not possible to take any action due to lack of funding however it was agreed that if funding was secured then the AINDT would be requested to provide a quotation to identify all or specific parts of that exercise and assist in the preparation of the systems for audit..

Currently deferred due to lack of funding.

**Agreed.**

**18. To prepare a Schedule Identifying Responsible Persons and Completion dated for the Re-Write of the QPM's and SoP's.**

Deferred due to the lack of funding but it was agreed that when funding sources are available that work should commence as soon as possible. **Agreed.**

**19. To Consider Whether the Constitution needs to be changed prior to the May 2007 AGM.**

It was agreed that due to uncertainty about funding and the future of CBIP any revision of the CBIP Constitution should at this stage be deferred. **Agreed.**

**20. To Determine whether any issues are arising that would require a Special General Meeting Prior to the CBIP AGM in May 2007.**

The decision was made earlier in this Board meeting that a Special General Meeting will be called by the Chairman shortly after 1 March 2007 if assurances of funding for the maintenance and development have not been obtained. That meeting will be called to deal solely with issues relating to the closing down of CBIP in a controlled manner that meets all legal requirements. **Agreed.**

**21. To Discuss the Procedures to be Applied to the Elections at the May 2007 AGM.**

After discussion it was agreed that exactly the same procedures would apply to the May 2007 CBIP Board elections as had been applied in 2006. There were now limitations in calling a Special General Meeting for that purpose and in view of the financial limitations applying there was agreement that effort and associated cost and time involvement needed to be avoided. **Agreed.**

**22. To Approve Payment to Air New Zealand for the use of Room and Lunches etc.**

The Board expressed its thanks to Air New Zealand for the use of their training facilities and the secretary is to send them a letter of thanks. Approval was given for a payment of \$200:00 to be paid and Rob Penney was asked to forward that payment (with authority to increase if appropriate).

\*\*\* Action Points on secretary and Rob Penney.

**Agreed.**

**23. To Approve Dates for the CBIP AGM at Hamilton.**

The Board agreed that the respective dates would be 23 and 24 May 2007. A Board meeting would be held on the morning of the 23 May to discuss funding related issues. The AGM would be held on that afternoon and the following day the normal Board meeting would be held.

**Agreed.**

**24. Other Items of Business.**

The Chairman asked if there were any other items of business that needed to be considered.

- Peter Hayward raised an issue regarding whether a person who was a member of the CCI examination panel could be involved in the distance learning program that prepared candidates for the examination. There was general discussion and Ian Whyte said that CBIP's position on that issue was very clear. The Board had previously passed resolutions to the effect that under no circumstances could training and examination functions be mixed in any manner. The meeting was in total agreement with the views Ian expressed and Peter Hayward was asked to ensure that the CBIP requirements were not compromised in any manner.

**Agreed.**

- A message from Alan Askham about issues relating to the NDT examinations was read out. That message was passed on to Rob Penney who was asked to investigate the contents of that report and discuss it within the NDT-TAC and subsequently pass that report on to the AINDT for consideration and a response back to the CBIP Board. Also Rob was asked to advise the Board members of the results of their findings and the response received from the AINDT.

\*\*\* Action point on Rob Penney.

**Agreed.**

- Maurice Davies asked whether two day Board meetings were necessary. The Chairman replied that over the past two and a half years the Board's attention probably would have been about 80% focused on funding related issues and that had resulted in a great deal of time being taken on that issue at the Board meetings. If the funding problems were resolved then it would be possible for the Board to revert back to governance issues with the detailed work falling on the portfolio holders, the A&A committee and the examination panels.

**Agreed.**

- Michael Tosio recommended that a vote of appreciation be passed to recognize the great amount of work on the part of the Chairman in a series of unsuccessful attempts to secure funding.

He said that while no satisfactory results have yet been achieved the Chairman had explored many options that appeared to have potential but the results still were disappointing. That was not due to any failure on the part of the Chairman who had put every effort over a period now of several years to promote CBIP's case. Everything possible had been done that needed doing and no avenues available had been ignored and that lack of success in no way reflected on the dedication of the Chairman.

Proposed Michael Tosio seconded Bill Black – That the Board's appreciation of the work done by the Chairman be shown by a round of acclimation and a record made in the CBIP minutes.

**Agreed and Carried.**

The Board meeting on the first day concluded at 4:35 pm. The meeting on the second day commenced at 9:00 am and concluded with lunch commencing at 12:30.

-- End --

Minutes Confirmed .....

Date .....