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CBIP Inspection Industry Meeting.

Held at the New Plymouth Hotel, New Plymouth. 4 February 2009. 1.00pm to 4:20 pm.

Attending – J. Mordaunt - Lloyd's Register, L. Pepper - Genesis Energy, P. Hart - SGS NZ, T. Reynolds -Survey New Zealand, K. Zeniou – Alfa Group, J Carter – Ultrasound (NZ), R. Penney – SQA, A. Scott – ATC, P. George – Stork Cooperheat, R. Berry – New Plymouth, P. Hayward – HERA. Malcolm Kelsen, Amelia de Ritter, John Stark.

Apologies – J. Leslie – Indespect Survey, J. Philips – Plant and Building Safety, B. George – Bureau Veritas, A. Askham, Inspec, B. Nunweek - Central Hire.

Absent from New Zealand - G. Wesolowski – Auckland.

The meeting was opened by Malcolm Kelsen with a welcome to all who present for attending. He emphasised that he did not want the meeting to be one where blame was being laid for past problems but rather to focus on the future and to determine what were actual industry needs in respect of CBIP and the nature of their expectations. He explained that while he was not trying to make excuses for past CBIP problems many of them were outside CBIP's control. CBIP was working very hard to rectify them and a lot of work was still necessary before they would be eliminated.

By way of introducing CBIP as he saw it in the very near future he presented a "Power Point" presentation that was followed by a short question and answer session.

He then explained the situation with the AINDT as service providers who last year during the contract re-newal negotiations withdrew as the new terms CBIP was trying to negotiate were not acceptable to them. The position that CBIP was trying to correct was that CBIP was doing 80% of the examination work but only receiving 20% of the money recovered from the New Zealand candidates. He also explained that the material AINDT had returned to CBIP at the termination of the contract relating to the examinations they had conducted was not properly catalogued and in many respects was incomplete.

Malcolm emphasised that many issues relating to CBIP still needed to be considered by the Board and he was eager to know industry inspection feelings and expectations on issues which would have some degree of impact on them.

Future management structure.

- CBIP needed to be more effective with its management structure and the probable form it would take would be a small governance board of not more than five people. Who would appoint them and what industrial backgrounds they would be required to have still needed to be determined? He was not sure what part the present CBIP board would play in that process but was hopeful that the new Governance Board would be

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formed of practical people with appropriate industry and financial backgrounds rather than persons who were essentially seen as being administrators.

- Underneath them would be the operations board and again a process would be needed to ensure that they were persons who were able and prepared to possibly take active roles as volunteers such as being exam panel chairmen for example and able to spend time on various CBIP activities.
- With the past experience of AINDT he said that CBIP now realised that they needed to be in full control of all their examination functions and did not wish to become involved with any other service provider.

The meeting responded in a very supportive manner to the effect that the systems and processes outlined in the Power Point presentation would be effective. The industry perception of CBIP was largely governed by their past experiences with delays in having certificates issued and problems with applications being rejected. The proposed structure should be of benefit in improving it but the industry picture was from the outside and while the past difficulties were now better understood their elimination was seen as being essential and was now the industry expectation.

To bring the proposed changes about the CBIP constitution would also require changing and as the CBIP structure needed changing also a considerable amount of work on the constitution was needed.

Accreditation Issues.

Malcolm outlined that he hoped for the accreditation process to commence in the very near future and that when applied with the intended management structure and effective assignment of responsibilities the operations group would work to specified and measurable targets and would regularly report to the governance board as to how those targets were being met.

The accreditation process has been required by the Department of Labour and while CBIP has not raised technical objections to that requirement it has added a considerable amount of work that is additional to the CBIP core business and more importantly, presents a considerable additional cost that CBIP has little hope of recovering through the current sources of revenue. Revenue is based solely on the contributing member's fees and the examination fees plus some past financial contributions made by the Department of Labour. There is additionally with accreditation an ongoing audit process (and cost) with JASANZ involvement.

The main concern currently is whether the Department of Labour will meet those additional expenses.

The general response from those at the meeting was that CBIP needed to focus on completing the accreditation process as soon as possible as that would be seen as increasing the value and standing of the certificates issued.

Current scope of CBIP's work.

A problem that CBIP has is because it provides two sets of examinations per year in ten inspection categories and with some examinations there are multiple papers. There are two examination centres but it is possible that in some cases only one person may have applied for that examination paper. The number of hours spent preparing examination papers and having them moderated can never be recovered from a very small number of candidates. The numbers of candidates are small meaning that CBIP resources are quickly used up. It appears that CBIP will need to depend on the generosity of its large source of volunteer assistants in preparing and marking the examination papers and with the

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other work they undertake. CBIP is also extremely grateful for the support provided in the way of time provided by many of its Contributing Members without which it would not be able to continue.

The work of the Applications and Approvals committee.

The problems that this committee was explained by Malcolm as the causes of the delays were now being tracked and charts were being prepared showing the natures of various delays. These charts and graphs would probably be made available to industry. In the great majority of cases the problem was with the candidate.

Should a person be classed as being competent when he had forgotten to complete or sign the application form?

There were candidates who sent in reports for assessment of experience where virtually the same experience was repeated a number of times and then were the persons who sent so much information that it would take several hours to assess. The fact that some candidates were able to follow the instructions correctly was fortunate but sending in reports indicating that a narrow range of experience had been repeated a number of times or sending in large dossiers of inspection material that required detailed examination was not the correct method of approach. Persons who were not able to correctly follow the guidelines and complete the application forms were suspect as to their ability to properly complete inspection reports.

The A&A committee was required by regulation to determine competency and that competency needed to be established beyond all doubt in each case by persons who were also competent and able to verify the components that they were certifying as being satisfactory in all respects. Competence under the regulations cannot be "self certified", nor, can one person's assessment stand alone, it must also be supported by the objective views of others who are also deemed as being competent. The process must be such that if another group of experts was to carry out that same assessment to the same set of requirements that same result would be obtained.

The question as to the issuing of CBIP certificates for a period of one year with renewal taking place at five years and re-examination at ten years was raised and discussed. A process could probably be put into place that minimised administration costs and the effect would be to assist CBIP's cash flow problems. The industry response appeared to indicate that it was an employer problem rather than a certificate holder one in most cases. Questions were raised as to the scale of the fees during 2009 and Malcolm replied that these were still to be approved by the CBIP Board.

The operation of the examination panels.

The operation of the examination panels currently followed the requirements set by the ISO standard 17024 "Conformity Assessment – General Requirements for Bodies Operating Certification of Persons." The work in preparing an examination paper needed careful planning to ensure that the paper ranged over to full scope of the examination material and that the questions were appropriate. The paper when completed needed moderating and the same process was needed when the completed papers were marked. It was also essential through that process that no examiner or person associated with marking an examination paper knew or could find out the name of the respective candidate.

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Summary.

There had been various questions asked during the discussion process and the material listed above. Answers had been given to questions asked but at this stage Malcolm asked whether the meeting could focus on summing up their responses to the material dealt with and then consider some solutions they saw as assisting both industry and CBIP.

The response to the probable new management structure was seen as being positive and the division of Governance issue from operation issues was seen as a normal business arrangement. The Governance Board needed to be made up of people with local industry experience and the Operational Board needed to be formed up of persons with appropriate technical backgrounds who were given defined responsibilities who would report regularly to the Governance Board regarding their group's performance.

The accreditation issues were now important to New Zealand industry and also CBIP's ability to issue certificates under that accreditation needed to be completed as soon as practical. It was seen by industry and most of those who held CBIP certificates as adding value to the certificates issued and the international standing of those holding those certificates who were required to work overseas or who were involved with product for export. The general industry feeling was that the accreditation costs should not be added to the CBIP certification costs and another way of sourcing that funding needed to be established.

The future expansion of CBIP's range of current activities would not in itself generate additional funding unless the real costs were met by others. Examinations needed a substantial number of applicants otherwise the CBIP resources would be even more diluted.

All costs needed to be controlled to the point where the examinations could be sat in New Zealand at a cost that made it attractive for an employer to use the New Zealand option rather than sending people to the UK or Australia to sit an equivalent examination. The industry viewpoint appeared to be that the major beneficiary under the CBIP system was the Department of Labour and that if they were not going to respond then industry support should be tapped into by CBIP to deal directly with the Minister of Labour.

A discussion took place about the various forms by which CBIP could generate and collect higher revenue from certificate holders and while annual fees appeared to cause no major problems the industry preference appeared to be an annual fee per person rather than an annual fee per each certificate held. It was apparently recognised that whatever system was applied by CBIP would be aiming at collecting around the same amount of revenue and it needed to be recognised that as some persons held up to probably six certificates while others held only one certificate the system needed to be able to spread any charges applied in an equitable manner. When asked for an approximate value for the certificate fee Malcolm responded that as yet the Board had not dealt with this issue as regards the cost, the frequency or the method by which it would be applied but he suggested that for the per certificate cost, it could possibly be in the order of around say \$140:00. There was general surprise around the room apparently that the cost being mentioned was not of a considerably higher order.

The point was made by some that their organisations were now well into the stages of setting budgets for the coming 2009-2010 financial year and if CBIP wished to be included in obtaining increased funding, those decisions needed to be made quickly.

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Questions were asked about what forms of industry support CBIP needed and how the funding for Contributing Members was devised and whether that was something CBIP and industry needed to work together? Malcolm replied that most of the Contributing Members provided both funds and the very considerable time of various staff members and without that support CBIP would not be able to continue.

The question was asked why the CBIP exams could not be phased in with the HERA training schedules so that candidates who completed a series of training sessions at HERA would be able to sit the examinations shortly afterwards. Malcolm responded that the associations between HERA and CBIP needed to be strengthened along with all other sections of industry. He would need to find out how such a proposal would work and it needed to be recognised that some of the CBIP examinations consisted of multiple papers but he would welcome a detailed look to follow through on this suggestion. In regard to the fees paid by Contributing Members Malcolm said he had a small problem in that regard as it was difficult to devise any practical way in which CBIP could meaningfully reward Contributing Member for the support financially and in time they and their staff so readily provided. He would welcome any suggestions from industry as to what could be done?

He would welcome a close relationship between CBIP and all industry partners and intended to ensure that such a relationship was put into place. This meeting was one of those first steps in such a process.

In response to questions he said that he hoped in future that similar meetings would be able to take place but there were many other industry groups that CBIP also needed to reach. The use of the CBIP website was one place where information could be released but the advantages of a meeting such as this where people could freely interact with their associates and competitors was invaluable to CBIP. He apologised for the fact that CBIP had not been able to subsidise the travel costs and doubted whether that would be a possibility even in the foreseeable future.

In closing he thanked all for attending and for the contributions that they had provided and wished everyone well for the future.

The meeting closed at 4:20 pm.

End.