

# **PESA PRESIDENTS REPORT**

## **Introduction**

This report will be delivered on behalf of the Federal Executive of PESA Ltd to the Twenty-Third Annual General Meeting to be held in Room No 5 at the Gold Coast Convention Center (the same venue being used for PESA's Farmin Seminar) on Sunday 7th May 2006. Drinks and nibbles will be served from 5PM to 5:30PM and the AGM will start at 5:30PM and close at 6PM.

## **2005 In Review**

2005 has been a year of many changes for PESA and yet our core services to PESA Members have remained the same excellent mix of technical forums and social gatherings that bring us together with our peers.

Barry Goldstein handed me the reins at the AGM in April 2005 and it was with some trepidation that I took up the position that Barry had so admirably filled. If there is anybody in the organization who was continuously "caught doing things right" it was Barry. His enthusiasm and drive to get the best for PESA has never faltered. Barry has continued on as Immediate Past President still working hard to get "bang for Buck" from PESA's long term association with the Australian Geoscience Council (AGC) and the Federation of Australian Scientific and Technologic Societies (FASTS). He is also actively involved in the AAPG International Conference and Exhibition in Perth, organising the short courses.

The biggest change for PESA was the retirement of Rowley Butters as the Secretariat. Rowley was with the organisation since its inception as the APPEA Professional Division in 1968 when he was press-ganged into being the WA Branch Treasurer. In 1996, when Jim Durrant was President, he took on the role of company secretary and accountant on a voluntary basis. Then when Ahmed Tabassi was President in 2000, it was recommended by Wal Muir and Grant Ellis that PESA acquired a permanent and paid professional secretariat to keep our books straight and our administration in order. Rowley and his wife Bev have done this with a passion for PESA that we have found difficult to replace.

Wendy Fletcher took over the roll of secretariat on what was meant to be a part-time basis. She brought with her a zeal for corporate governance and was instrumental in changing the way we do business internally. In particular she pointed out the amount of unnecessary time and effort was put into accounting for each Branch as a separate organisation and the consequent lack of control the Board had over its operations and funds. The role of the Secretariat has grown over the years to be much more than just accounting. It includes doing Federal banking, insurance, accounting, GST returns and keeping us in line with our constitution and other statutory regulations. Wendy also administered the PESA Membership database and ran the WA meetings as well as administering PESA publications accounts.

Her commitment and drive were very much appreciated but her tenure had always been planned as a short term one finished after nine months at the end of November.

PESA then had a rather unhappy attempt to use a company specializing in association management which our evolving systems were not compatible with.

Realizing that the secretariat role had grown to more than a part time position, PESA has employed two part time staff; Meghan Lagdon as our Administrative Officer and Bev Butters as our Membership Secretary. Meghan comes to us with experience in bookkeeping and will run our accounts and provide support for all administrative tasks. Bev needs no introduction and as the Membership Secretary will provide the face of PESA for all membership enquiries. And of course with Bev comes Rowley as back-up, but they still have plenty of time for golf and holidays.

During 2005 PESA employed the accounting firm Metcalf and Spahn to make a comprehensive review of our current accounting and banking system and recommend options to the board for centralizing and streamlining our systems. Their recommendations were accepted by the Board and Maureen Hancock of Metcalf and Spahn has been implementing those changes.

The model that has been implemented is that branches have released all notional ownership of PESA funds to the PESA Board, which is the only legal entity responsible for those funds. However so that the Board did not have to take responsibility for the day to day running of branch finances, the branch treasurers now operate the branch functions from a dedicated branch bank account with three branch signatories. In November each year the branch will prepare a budget for approval by the Board which will be amalgamated with the budgets for Publications and Federal operations. A float of around \$10,000 has been allocated to each branch from which the roughly breakeven local events are being run.

Each month all documentation (receipts and invoices) is being forwarded to Meghan Lagdon with a simple bank statement reconciliation. Then a reallocation of funds; either from or to the branch, occurs to maintain its float level. All accounts are linked electronically so that accounts can be checked by the Administrative Officer and funds adjusted electronically. All the relevant documentation to support the financial end of year accounts and BAS statement preparation has been centralised.

Additional budgeted direct expenditures such as student scholarships are being handled by electronic transfer or by a Federal cheque upon presentation of an authorised cheque request form. The operations of the branches' accounts will be easy to track against budgets and a new level of transparency will be achieved across PESA.

PESA's financial reserves are essential for the stability of the society and enable us to confidently put on conferences and attract partners such as AAPG, ASEG and IGC to run conferences in association with us. The latter are million dollar plus events and although our exposure is not that great we still have large amounts

at risk to a poor performing conference. On the positive side we can use successful conferences to supplement our membership income to provide the services, scholarships and administration we require.

Underlying this shift to a centralized system is an important cultural shift for PESA. Until now, PESA has been run as a conglomeration of branches with the Board being responsible for PESA but with the branches having a large amount of autonomy. The cultural shift is that the Board will have to assume some additional financial control over the branches such as approving State branch budgets. However, the intention of the Board is not to dictate how branches run their business but to ensure PESA operates within its means. In the future I can see a fairer use of funds across the States for things like student scholarships.

### **FINANCIAL POSITION**

The Annual Financial Report for the year ended 31 December 2005 shows that PESA is continuing to operate on a sound financial basis. The audited statements are attached for your perusal.

PESA has continued to apply funds to enhance desirable services for members including:

- Monthly luncheons and evening seminars with notable and topical speakers at locations convenient and attractive to branch members, commonly run in collaboration with key universities and cognate professional societies (such as SPE, ASEG, AMPLA and SPWLA affiliates);
- Bi-monthly publication of PESA News;
- Maintaining PESA's website ([www.pesa.com.au](http://www.pesa.com.au)) which features highlights from PESA News, a petroleum E&P industry training calendar, contact lists for PESA Branch and Federal Executive officers, notice of university scholarships available from PESA, price lists for PESA publications with instructions for purchases, employment opportunities, and instructions to authors wanting to submit articles and papers for PESA publications.

- Ongoing development costs for sustainable expansion of PESA's website services to include online membership renewals, online payment for events and online access to PESA, APPEA and other publications. The project to implement PESA's online technical paper download service has progressed and will leverage on APPEA's agreement to provide its highly regarded treasure-trove of past conference proceedings for this purpose.
- Planning and convening *PESA Basin Symposiums* and publishing expansive *Symposium Proceedings* once every two years in lieu of hitherto traditional biannual *PESA Journal*.
- PESA and the American Association of Petroleum Geologist (AAPG) have mutually agreed to convene the AAPG International Conference and Exhibition in Perth on November 5-8, 2006, with PESA as the host for that event; the West Australian Basins Symposium will form one stream of this event
- PESA collaborated with the Northern Territory Government's Central Australian Basins Symposium July 2005 in Alice Springs
- PESA is planning to co-host the ASEG Conference to be held in Perth on November 18-22, 2007; and
- And also participate in the International Geological Congress (IGC) conference in 2012 in Brisbane
- Quarterly Board meetings and roughly monthly Branch Committee meetings;
- Gratis first year Student Membership, half-price Student Membership for second and ensuing years plus scholarships and grants for deserving PESA Student members;
- Travel grants for interstate PESA Student Members to attend PESA Conferences;
- Support for secondary science (and in particular earth science) education;
- Contracting a professional organiser for PESA's distinguished lecturer tours
- Contracting the Secretariat to administer PESA
- Contracting accountants Metcalf and Spahn to review and instigate new accounting and banking practices and provide ongoing support
- Australian Geoscience Council membership. The AGC provides PESA with the leverage of 7,500 members with a common interest in sustaining a vibrant future for geoscience education in Australia and;
- Social events (annual dinners, golf-days, etc)

I would like to express the Society's gratitude to KPMG for their continued support in auditing the Society's records.

### **PESA's FEDERAL ORGANISATION, OFFICERS and OPERATIONS**

**Attachment 1** details PESA's Executive Board, Federal Committees and Subcommittees in 2005.

PESA's Board includes thirteen members: six Branch Presidents; five Federal Executive officers (president, Vice President, Secretary, Treasurer and Past-President); and two non-voting individuals – the Secretariat/Administrative Officer and the Chair of the Education Committee. Four PESA Board meetings were convened in 2005 as follows:

- Sunday 7 March in Perth (prior to PESA AGM and APPEA Icebreaker);
- Friday 5 July in Sydney;

- Monday 5 September in Brisbane and
- Monday 5 December in Canberra.

An army of additional PESA volunteers (7 Vice Presidents, 7 Treasurers, 6 Membership Secretaries, 7 Secretaries as well as Conference, Publications and Education Committees), PESA's Secretariat and PESA's Publisher work in parallel to provide information for consideration at each Board meeting. On behalf of all PESA members - I thank all the people for their valuable inputs to PESA's ongoing programs and new projects.

I am pleased to observe that despite the changes in Secretariat and the focus of the Board on improving corporate governance issues, the Boards' and PESA Committees' missions were accomplished with respect to sustaining excellence in delivering traditional services. The Board is also making progress to enhance traditional services and implement new services to PESA's members. All progress is being made in a way to ensure services are both high quality and sustainable within financial and human resources constraints.

## **PESA Publications**

The PESA Publication Committee chaired by Vice President, Tom Loutit is responsible for PESA's publications. Subcommittees look after specific aspects of the publications (PESA News Committee and PESA Website Committee).

Highlights for each of PESA's three main publications in 2005 follow:

- ☐ **PESA News:** The Society's flagship, PESA News, sets a worldwide industry standard in quality of presentation. It is both maintaining its high standard and continuing to be an excellent forum for members' news, gossip, technical articles, industry news, etc. Significant effort is made to at least offset the cost of publication with advertising revenue. Adrian Williams continues as the editor of the PESA News for a fifteenth consecutive year. Adrian's exemplary contributions deserve accolades – and on behalf of PESA's membership – I offer thanks to, and congratulate Adrian.
- ☐ **PESA Journal:** EABS and WABS Proceedings are now designated as Special Editions of the PESA Journal. The last Special Edition of the PESA Journal was published in September 2004 – the Proceedings of the 2<sup>nd</sup> Eastern Australasian Basins Symposium. It is planned to publish selected papers from the AAPG 2006 conference relevant to the West Australian Basins.
- ☐ **PESA Website:** PESA's Website was revamped in 2005 so that the homepage clearly reflected what our society is about. The enhancements allowed direct access to our new Events Database where members and non-members can book for PESA events nationwide. The Membership Database can also be accessed by members wishing to pay their dues or update their details. Income to support the running costs of the website comes from job and other advertisements.

**PESA's Publisher:** Brian Wickins (RESolutions and Oilfield Publications) remains PESA's valued publisher of PESA News. The marketing skills of the RESolutions team buttress the commercial success of the Publications division while Brian Wickins and his journalists work hard to bring us interesting and informative articles on our

industry.

The website is also “published” by RESolutions with excellent results. Another Brian Wickins company, D8A Pty Ltd, also provides the software for our Membership and Events databases. Following the review of our accounting systems these databases and their online payment facilities have gone through a major overhaul to enable the capture of accounting material.

## **PESA MEMBERSHIP**

### **PESA Membership Committee (PMC)**

The PMC reports to the Board via its Chair. Chris Dyt (PESA WA) is the incumbent PMC Chair. This team provides focused stewardship for the Membership database and renewals. The PMC Chair serves a 2-year term and rotate between each of the six PESA Branches. The incoming Chair comes from the Branch that will provide the next Federal Vice President. This allows the Branch that will provide a Federal Executive to gain insights into the running of PESA’s Federal operations over four years – through both the Membership Committee Chair and Federal VP roles. From April 2006 – the PMC chair will be offered to the PESA ACT Branch.

### **General Membership**

The Board has unanimously agreed to increase PESA Membership dues. For membership January to December 2006 – an early bird discount rate unchanged from the previous year is applicable if paid before 28<sup>th</sup> February 2006, dues are

- Active / Associate Members (Inc. GST) \$55.00
- Australian Based Students (Inc. GST) \$27.50\*
- Overseas Members \$70.00 (Australian Dollars)

For membership January to December 2005 – if paid after 28<sup>th</sup> February 2006, dues are:

- Active / Associate Members (Inc. GST) \$77.00
- Australian Based Students (Inc. GST) \$38.50\*
- Overseas Members \$90.00 (Australian Dollars)

\*Students first year of membership is free

A *Nomination Fee* of \$11 (inc. GST) applies to all applications for membership by non-members.

This year the membership has decreased by 20% (415 more members) over the previous year. The demographics of PESA’s membership will be assessed to establish the most significant drivers for this unwelcome decrease – so that this trend can be reversed. Membership growth is crucial for our Society and I encourage all members to renew their membership if they have not already done so, and to encourage colleagues and friends who may not be members to join. PESA membership figures for the past five years are tabulated in the following table.

### **PESA Membership by Branch**

<b>Branch</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
<b>ACT</b>	72	78	68	88	77
<b>NSW</b>	249	260	274	330	304
<b>QLD/N T</b>	215	239	241	273	181
<b>SA</b>	210	211	235	295	230
<b>VIC/TA S</b>	199	172	189	226	182
<b>WA</b>	640	695	628	784	609
<b>TOTAL</b>	<b>1,585</b>	<b>1,655</b>	<b>1,635</b>	<b>1998</b>	<b>1583</b>

One of the inevitable challenges for branch membership secretaries, PESA's Secretariat and PESA News mail-outs is that PESA Student Members and the average E&P industry professional move around. Members are encouraged to update their details online or inform PESA's Federal Secretariat ([pesa.sec@bigpond.com.au](mailto:pesa.sec@bigpond.com.au)) to enable the Society to meet the challenge of keeping up with relocations or all PESA Members.

### **Student Membership**

PESA has long provided students with half-priced Society membership. The Board has agreed to continue first year gratis membership for Student Members and the traditional half-priced Society membership (\$38.50 pa) thereafter. That is a terrific deal for the 'upstream of upstream'.

In addition PESA offers a number of scholarships, grants, reduced costs for luncheons and low-cost to gratis tuition at PESA training events.

### **PESA Scholarships, Grants and Registration Subsidies for University Students in 2005**

PESA scholarships and grants aim to have a positive influence on education and University research to foster a bright future in the upstream petroleum industry throughout Australia. In 2005, PESA Branch, Federal, and Symposium funds were the source of more than \$40,000 in scholarships, grants and subsidies given to deserving PESA student members undertaking petroleum-related studies at Australian universities.

The PESA Board is very pleased to note that Christian Hallmann of Curtin in WA is the recipient of the 2005 PESA Federal Post Graduate Scholarship. This decision manifests the combined priority and quality of Christian's research, distinctions, superior grades and achievements. Christian's research focuses on Alteration of Petroleum Composition by the Subsurface Interaction with Water. It is also worthwhile to commend other very worthy applicants – as follow.

<b>Winner – 2005 PESA Federal Post Graduate Scholarship</b>		
Christian Hallam	Curtin University	Alteration of Petroleum Composition by the Subsurface Interaction with Water
<b>Certificate of High Commendation</b>		
Jeremy Mitchel	University of Melbourne	Sedimentation and diagenesis of the Bass Canyon system, Gippsland Basin, SE Australia: A cool-water carbonate setting.

On behalf of PESA’s membership, I express thanks to Phil and Jenny Lock for the administration of, and recommendations (to PESA’s Board) for the 2005 PESA Post-Graduate Scholarship program.

### **Conferences**

PESA continued to deliver and plan to deliver excellent conferences. These include:

- PESA collaborated with the Northern Territory Government’s Central Australian Basins Symposium July 2005 in Alice Springs
- PESA’s Qld/NT Branch convened its annual Symposium in Brisbane in September 2005.
- The SA Branch convened an inaugural annual Cooper Basin Forum in March 2005
- The West Australian Basins Symposium will be a ‘stream’ in the American Association of Petroleum Geologist (AAPG) International Conference in Perth in November 2006. To date over 700 abstracts have been received.
- Discussions have commenced to convene a PESA-ASEG-SPE-SPWLA Conference in Perth in November 2007
- PESA NSW and ACT will host the next Eastern Australian Basins Symposium (EABS III) in Sydney in 2008.
- PESA has confirmed its willingness in principle to take a risk-sharing position in organizing the 34th International Geological Congress (IGC) in 2012 in Brisbane. The Australian Geoscience Council will be the host society for this event. PESA’s likely roles will be:
  - Contributing to the development of the organising committee guidelines;
  - Taking a lead role in the Sponsorship Sub-Committee;
  - Risk: sharing at some level to be agreed; and
  - Possibly running EABS IV as one of the key IGC streams or opting to run EABS IV at a time that avoids conflict with the 34<sup>th</sup> IGC.

## PESA Courses in 2005

<b>Event</b>	<b>Educator</b>	<b>Topic</b>
<b>PESA's Australian Distinguished Lecturer PADL</b>	<b>Martin Norvick</b> University of Melbourne	<b>Lecture:</b> Late Carboniferous to Cretaceous Palaeogeographic Evolution and Petroleum Systems of the Northern Australian Plate Margins  <b>Workshop:</b> Basin Analysis, Petroleum Systems and Play Fairway Mapping
<b>Esso Australia Distinguished Lecturer EDL</b> <b>Kindly sponsored by ExxonMobil</b>	<b>Dr Steve Creany</b> Exxon/Mobil	<b>Workshop:</b> Integrated Basin Analysis and Well Log Geochemistry  <b>Lecture:</b> GIS and Integrated Regional Analysis - From Plates to Production
<b>Special event coordinated with PESA Branches</b>	<b>Adrian Williams</b> A&C Consultants Pty Ltd	<b>Short Course:</b> Basic Petroleum Exploration and Drilling

### **PESA's Industry Review at the 2005 APPEA Conference**

My thanks goes to John Gorter, Ric Jason and Tony van Merwyk for writing and presenting PESA's Industry Review at the 2005 APPEA Conference.

### **PESA Farmin Seminars**

Wolfgang Fischer ran probably the largest Farmin seminar so far at APPEA 2005 in Perth. The PESA Farmin Seminar has grown in stature over the years and has attracted many local and overseas participants. Thank you Wolfgang for your perseverance and may the 2006 Farmin Seminar at APPEA on the Gold Coast in May and the PESA Deal Day at the AAPG International Conference be even greater successes.

### **Final Comment**

May 2006 turn out to be a prosperous year for the PESA and its Members in line with the current oil price.

Many thanks for your support.

Yours Sincerely

*David Cliff*

PESA Federal President

# PESA Federal Executive 2005 Board

Chaired by David Cliff – President

Tom Loutit (VP); Barry Goldstein (Imm PP); Cecilia D'Ercole (Sec); Peter Baillie (Tres.); Barry Bradshaw (ACT); John Draper (QNT); Mike Fittall (V-T); Simon George (NSW); Hector Gordon (SA); Alex Kaiko (WA)

**PESA Education Committee (PEC)**  
Chaired by Phil Lock

**PESA Publications Committee (PPC)**  
Chaired by Tom Loutit (VP)

**PESA Membership Committee (PMC)**  
Chaired by Chris Dyt

**PESA News Committee (PNC)**  
Chaired by Tom Loutit

**PESA Website Committee (PWC)**  
Chaired by Tom Loutit

## Branch Representatives

SA: Kerri Deller  
WA: Chris Dyt  
Qld-NT: Chris Gilbert/  
Dave Anthony  
NSW: Keeva Vozoff  
Vic-Tas: Michelle Grosser  
ACT: Karen Earl

## Branch Representatives

SA: Scott Mildren  
WA: Peter Baillie  
Qld-NT: Richard Haselwood  
NSW: Chris Carty  
Vic-Tas: Tom Bernecker  
ACT: James Daniell

## Branch Representatives

SA: Scott Mildren  
WA: David Cliff  
Qld-NT: Richard Haselwood  
NSW: Andrew Nelson  
Vic-Tas: Andrew Miller  
ACT: Damien Ryan

**PESA Secretariat**  
Wendy Fletcher

**PESA Federal Secretary:**  
Cecilia D'Ercole

## Branch Representatives

SA: Alex Ross/ Lindsay Elliot  
WA: Cecilia D'Ercole  
Qld-NT: Andrew Constantine  
NSW: Stuart Barclay  
Vic-Tas: Phil Lock  
ACT: Alexis Lambeck

**Technical advisor: B. Wickins**

**News Editor: Adrian Williams**

**Journal Editor: Peter Baillie**

**Technical Adviser: B Wickins**

**Webmaster: Damien Ryan**