

IAGC Austral Chapter

Chairman : Tony Weatherall c/o CGGVeritas
Vice Chairmen : Leif Larsen c/o WesternGeco
Nick David c/o PGS Australia Pty Ltd
Ken Lake c/o Fugro



IAGC International Headquarters
President: Chip Gill - IAGC, 2550 N. Loop W., Suite 104, Houston, TX 77092, USA
www.iagc.org

Mr Philip Weickhardt
Commissioner
Australian Government
The Productivity Commission

1st September 2008

via email: upstreampetroleum@pc.gov.au

Dear Sir,

Re: Review of Regulatory Burden on the Upstream Petroleum (Oil & Gas) Sector

The International Association of Geophysical Contractors (IAGC) represents all major international seismic contractors operating in offshore and onshore environments. The Austral Chapter responsibility basically covers matters of concern to all members in Australia and New Zealand. In this submission we are solely dealing with offshore seismic data acquisition.

All members having a presence in the offshore arena operate complex vessels which move from region to region on a worldwide basis and may only stay in Australian waters for a matter of weeks although more usually a matter of months. Because of the complex nature of the operations which involve the towing of a wide array of sensors stretching up to 12 kilometres behind the vessel and the operation of high pressure air gun sources in the sea, the owners and operators of the vessels employ officers and seamen on a long term basis in order to maintain the experience of such personnel within their organisations.

When such vessels are programmed for work in Australian waters, Australian officers and seamen take over from the existing crew, usually in the last foreign port before arrival in Australia. This has been the experience for many years which we understand are a result of regulations in the Navigation Act 1912 and for which the government authority is the Australian Marine Safety Authority (AMSA).

This procedure has resulted in undue burdens on the cost of exploration in Australia and has increased the risks of accidents as the Australian crews often have little or no experience of seismic operations or the complex vessels which they are expected to man. This lack of experience is an increasing problem as there is an acute shortage of qualified marine personnel in Australia. Australia is the only country in which we operate which has the requirement to utilise local crews. We now are resorting to duplicating senior marine crew positions with our overseas experienced crew.

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In view of the above submission we feel that the Productivity Commission should include a review of the regulations which relate to the manning of specialised vessels while conducting operations in Australian waters. Our members employ maritime personnel holding equivalent certificates of competency from overseas countries and the continuation of those personnel in manning during Australian operations would reduce costs to the exploration industry and reduce the risks of major accidents. The reduction in cost would not be as a result of inferior pay structures but purely the result of the efficiency of operations and the removal of duplication.

Quality management will ultimately determine the future economic viability and there is an overriding need to ensure a safety and quality culture involving the crewing of vessels.

On behalf of IAGC we are committed to raising this safety issue in a way that will encourage new investment into Australia both by the seismic community but more importantly by the Oil and Gas Exploration Community.

Yours sincerely

A handwritten signature in black ink, appearing to read "A.D. Weatherall". The signature is written in a cursive, flowing style.

Tony Weatherall
On behalf of IAGC Austral Chapter
tony.weatherall@cgveritas.com