



**Australian Government**

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**Seafarers Safety, Rehabilitation  
and Compensation Authority**

**Seacare  
Conference 2006**

**Keynote Address:  
Captain Duncan Telfer  
Swire Pacific Offshore Pty. Ltd.**

Sumac, Melbourne

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## **KEYNOTE ADDRESS: CAPTAIN DUNCAN TELFER SWIRE PACIFIC OFFSHORE PTY. LTD.**

**Chairperson's Introduction** - Our second keynote speaker is Captain Duncan Telfer. Duncan is the Director and General Manager of Swire Pacific Offshore Pty Ltd and also a Director of Swire Pacific Ship Management. He first went to sea at the age of 16, tramping worldwide on general cargo vessels of the UK based Bank Line fleet. He completed a Foreign Going Masters Certificate 10 years later in Glasgow prior to being appointed to his first command. Duncan has been shore based for 20 years in various senior management positions with the Swire Group around the World including in Papua New Guinea, Hong Kong and Singapore. He's been involved with a number of industry related organisations including being a Member of the Board of Examiners for Hong Kong Pilots, Chairman of the Nautical Institute in Hong Kong, and a Member of the High-Level Tripartite Working Group on Maritime Labour Standards at the ILO in Geneva. Would you join with me in welcoming Duncan, who brings great expertise to our conference this morning.

**Captain Duncan Telfer** - Good morning everyone and thank you Geoff for that introduction earlier. I quite enjoyed it even though I wrote it myself. When I was coming here today somebody asked me what is today's theme, and I said I think it's "Quality in the Shipping Industry". The friend said that's a bit like teenagers and sex, everybody says they're doing it, most of them aren't and the ones that are aren't doing it very well.

What I'd like to do today is try and explain in generic terms the distinct Health, Safety and Environment challenges that are faced for the Offshore industry. There are three themes that I want to expand on today that really offer a different take on the title Maintaining Workplace Safety in a Globalised Environment.

Firstly, Swire and the offshore industry are not interested in maintaining standards, rather in improving them. This has been the story for the offshore industry since the first converted prawn trawlers came out in the 1950's and were operating as supply boats.

Secondly, the offshore marine support services business has a highly globalised nature and we believe that this helps not hinders, in raising and continually improving standards. A globalised environment means that there is a shortfall of experience amongst companies, but also that the clients' demand international standards to be met.

Thirdly, regulation is a critical and prominent component in the offshore industry. It is so strong and wide ranging that a true international standard has been defined. This standard has been developed because of the high standards demanded by our clientele. The international oil companies, the oil rig owners who wish to keep their assets safe, national bodies such as NOPSA here in Australia, environmental pressure groups, marine flag states, classification societies and many others, and not least of all employee representative bodies such as the MUA, all demand the highest standards.

This international standard for maintaining workplace safety is embedded across the industry and is acknowledged here in Australia by companies like Woodside, who applies the same standards of workplace safety across its business units around the world.

Moving on, how has the offshore industry continually been improving standards and focusing on improvement? The industry is dynamic both from a technological viewpoint as well as geographical. The industry has had to evolve rapidly to the demands of deep water drilling. Chevron recently drilled in over 10,000 feet of water in 2006. This compares to drilling water depths of 100 feet in the 1950's. Developments in Angola, Brazil and the Timor Sea show that the trend is set to continue. As a result there's been an increase in specification and sophistication of oil rigs and platforms. As we move into deeper water the semi-submersible requires much deeper anchors. These require a new generation of vehicles, towing technique, mooring and health and safety considerations. Specifications have been required to be increased over the years to do the same job as international standards have risen and risen.

Just as an example – In the 1970's it was not uncommon to move a jack-up oil rig with three vessels of about 3,500 horsepower. By the 1980's we were using three vessels of about 5,000 horsepower to move the same rigs. These days it's not uncommon to be moving a jack-up with three vessels at 9,000 horsepower, so continually increasing their standards and specification.

Locations for oil research offshore, have become harsher with the industry requiring the technology and training to mitigate and remove any additional risk to personnel or workplace safety. No longer are the relative benign and shallow conditions of the Persian Gulf enough.

Swire has recently built three state of the art ice breakers, designed to the highest environmental and safety standards. Cathay Pacific could have brought two jumbo jets for the same price as our three ice breakers - about US\$75 million for one, a high spec, high technological vessel.

So how long will it be before drilling begins in the Southern Oceans off New Zealand? This will lead to a whole new host of changes. Vessels are not only more powerful but they have greater redundancy of systems. Their better station keeping with dynamic positioning, if properly used, reduces the workplace risk of spending a great deal of time on location on an oil rig.

In short, this is a dynamic industry at the forefront of technological change and innovation. The necessity of change and evolution affects all connected with the industry, from the big builders to the oil companies to the marine support providers such as in Australia, Swire, Farstad, Mersk and Tidewater to name just a few.

So it's all very well to talk about this new equipment designed to keep the working environment safer. However, it's ultimately the personnel afloat and on shore that have the responsibility for health and safety. The importance of a highly trained, motivated and competent workforce can never be overstated, and what about the training? STCW95 ensures that each and every person onboard an offshore supply vessel has to be properly trained and certified. It ensures that there are truly international standards on training and competency. STCW does not make everybody equally competent and nor should it. Any industry must have its elite and thereby a competitive environment that allows all participants to strive to perfection.. STCW does create some minimal acceptable standard at an international level. It requires maritime education and training facilities to be ratified with peer groups, and conform to a common syllabus. Following the implementation of the STCW White List in recent years, all participating countries have had to conform to a strict standard. The White List has best been described as initially a grey list with group members moving towards the light and dark ends of the spectrum. It can be assumed that the ultimate goal of all countries is to reach the light end and to remain there. Anyone unable to conform is out of business.

It will enable a strict policy of detention for any vessel of a flag state that does not conform to given rules and regulations. No ship owner or manager is going to risk such action. That said, you'd like to think that the right-minded operators will do it because it's the right thing to do to keep standards up, as such standards of training and competency have increased markedly over time.

Swire Pacific Offshore are in line with many of the offshore marine operators around the world and provides additional training over and above the statutory training. For instance officers get extra training for the use of dynamic positioning, the HUET course, the Helicopter Rescue course, the Basic Offshore Safety, Induction and Emergency Training (BOSIET) course and in the use of fast rescue craft, to name a few.

We'll be also establishing a Specialist Training Facility complete with simulators that will help prepare seafarers for scenarios offshore including anchor handling. We're just developing this now and it's in line with what David mentioned earlier, that we're not getting the basic training through deep sea ships anymore. It's now important to give people some mills to train on before they go offshore. It is also common for companies to invest time and money training those aboard and ISM – International Safety Management and ISPS – International Ship and Port Facility Security Code and related matters to ensure that they're prepared to face a great number of eventualities.

As per the ISM codes, a complete safety management system has been formally implemented in the last 10 years to ensure that work offshore is process driven with contingencies built-in and with operational procedures outlined. Risk assessment is now a continual part of the job and how this come about I think, by an improvement of standards. Safety culture has been galvanised within the offshore oil industry after disasters such as *The Ocean Ranger* off Newfoundland in 1982 which left 84 dead, or *Piper Alpha* in the North Sea in 1988 with 167 dead. After this the whole globalised industry had a wake-up call to improve. Standards had to improve in the UK following *Piper Alpha* and the subsequent enquiry, the Cullen Enquiry. This focussed attention on the industry's ability to ensure people's health and safety and protect the environment. Now we have more HSE protocols, more industry pressure to keep statistics. Ship owners and operators win or lose jobs according to the records, so that is the ultimate pressure to improve safety and it comes from clients with global experience when it comes to health safety and environment.

Experienced men from West Africa to Australia and elsewhere in the world have increased technical knowledge in how to get safely to oil rigs, raise their anchors or even deliver the supplies. The level of dialogue and information sharing across the offshore industry is impressive. Shell for instance, has the same standards of safety from Ceylon to Brunei to West Africa. That means that a global environment helps improve standards and it's not a threat to health and safety as is the implication in the title.

This is a heavily regulated industry from international bodies such as the IMO, from domestic bodies such as NOPSA and internal industry pressure. It's a self-regulating industry in many ways. All multi-national clientele perform detailed orders and HSE checks in our business. They scrutinise our records and do not pay lip service to safety. Although the business is very price sensitive, a good HSE record is a must for all including Swire, Farstad, Mersk, Tidewater previously mentioned.

This is not just an Australian issue, it is a global issue. In addition to regulation by flag states and by classification societies, there is an incredible degree of scrutiny from a number of different bodies, both domestic and international. This multi-layered audit system is typical of a globalised environment and is one of its strengths. Some might say that the demarcation and responsibilities for the globally based regulators is clearer than domestic. In Australia if there's an incident, you could be investigated by five or more bodies, from the States Authorities such as Marine Safety Victoria, to AMSA, to NOPSA, to the Australian Transport Safety Bureau and also the Vessels Flag States. Perhaps that's a topic for another conference as to how many layers of checks and regulations we need.

In closing, perhaps the question should be – How can we take advantage of the international nature of the offshore oil and gas industry to improve the standards still further here in Australia? That is what NOPSA want us to do by demanding adherence to world class standards. It certainly makes sense to bring in this experience, this expertise and pressure of technical change to

filter through as it has done in the Australian industry. Coming back to NOPSA's mission statement and just ending on a high for Australian standards. An initiative of AMSA is to commit to an emergency towing vessel protecting the barrier reef from the Torres Straits all the way down to Cairns. The *Pacific Responder* is a fire-fighting vessel. She's fully kitted out for pollution control and clean-up and it's a long-term commitment by AMSA to provide this type of vessel. I think this is a measure of the standards as we see them in Australia.

Thank you.

## KEYNOTE SPEAKER QUESTIONS AND ANSWERS

**Geoff Gronow** – Are there any questions or comments for Duncan please?

Question asked in background – didn't hear on recording

**Captain Duncan Telfer** – It's a very good point and it's very timely. I firmly believe as I briefly touched on here that seafarers traditionally and should continue, to come from the Bluewater to get that basic skills and training of navigation, of stability, of how to strip an engine down and rebuild it. You're going to get that on cargo ships. Once you go offshore it's a niche specialised market you're not going to waggle a sexton to the sun while you're tied up to an oil rig, and of course none of us do that anymore with GPS, etc., but I still believe that we need to look worldwide at who is driving the world's ships. Here in Australia of course we have all Australian Officers, all Australian crew on the *Pacific Responder*, which is also registered in Australia. It's more of a problem perhaps in Australia where we will have to, and we have already, started bringing in school leavers into our offshore industry. It's going to be new, it's going to be different and its part of the reason we are now investing in the simulator that will be specific for the offshore industry. I agree that we still want to try and get people out of deep water experience but looking at the future, that's not going to be possible as we would like it to be.

**Geoff Gronow** – Any further questions or comments for Duncan? No?

Thanks very much Duncan.