

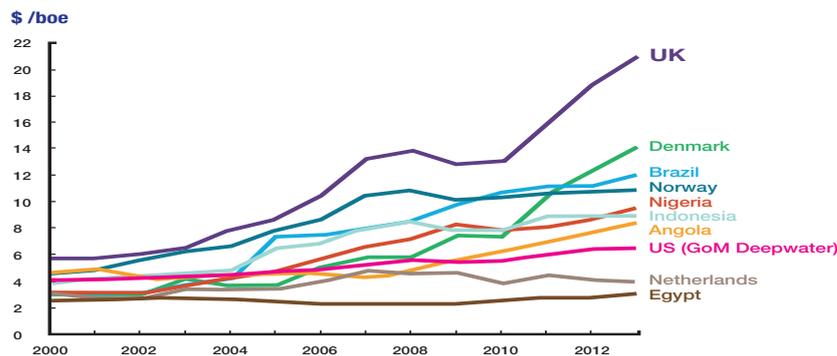
ENOUGH IS ENOUGH

Produced by RMT 

Is this really your fault?

Cost inflation in the UK is greater than in most of the other regions with similar assets

Weighted average unit lifting cost, including tariff payments excluding tariff receipts



SOURCE: Wood Mackenzie analysis (different data definition compared to the O&G UK data and not based on O&G UK operators' data)

The chart above has been used by virtually every company in the UK sector of the North Sea as the justification for hacking away at our member's terms and conditions of employment. It was produced by oil analysts Wood MacKenzie, so the operators can say it's not their findings it's "independent" analysis which demonstrates that costs have got out of hand in the UK sector, and we need to get them down!

We won't dispute the 'independent' analysis of experts such as Wood MacKenzie, especially as it shows that Denmark, Norway and the Netherlands have significantly lower costs associated with their operations, a point we'll come back to. We do want to ask a question however; Is it really your fault that costs have increased?

We don't think you can be blamed for this hike in costs; pay and benefits have crept up at little more than inflation rates; rotas were changed by the operators to attract good people and, (they told us at the time) to improve occupational health by providing a better work/life balance; operating procedures have been dictated by the operators, they say to improve safety despite us thinking it was a 'paper chase' a lot of the time!

No, we would argue the blame for this hike in cost lies firmly at the door of incompetent, lazy managers. Our theory about the increase in costs is captured in a quote from the late great Tony Benn speaking several years ago about the management of the NHS and using the analogy of a boat race. We have paraphrased the words of the great statesman in the context of the offshore oil and gas sector;

Managing offshore operations

'The Oil & Gas UK (OGUK) member companies held a boat race against their Norwegian counterparts, the Norwegian Oil & Gas (NOG) member companies. When the NOG companies won by a mile, the OGUK companies created a working party. This group found that NOG had 18 people rowing and one steering, while OGUK companies had eighteen steering and one rowing. So the OGUK companies spent £20 million on consultants, who formed a restructured crew of four assistant steering managers, three deputy managers, two sub-groups looking at KPI's and appointed a director of steering services. The rower was given an incentive to row harder. The OGUK companies challenged their NOG counterparts to another race and lost by two miles. So the OGUK companies sacked the rower for poor performance, sold the boat and used the proceeds to pay a bonus to the director of steering services!'

The UK offshore workforce is not responsible for the increase in costs and should not have to pay for poor management. Our Norwegian colleagues continue to work 2-weeks on 4-weeks off; our Danish colleagues largely work 2-weeks on 3-weeks off; our Dutch colleagues largely work 2:2 with holidays; none of them have had their pay cut! As the chart above demonstrates, all of these regions have lower cost bases, so here's the answer – PUT US ON NORWEGIAN CONDITIONS!

We're not organised right now, we're exposed and vulnerable to the operators attack and cuts to our conditions. But we'll paraphrase another 'statesman' of our time; 'We'll be back!' And we promise you this - when we come back it will cost you a great deal more!

Visit Facebook [3and3itsnotforme](#)