

SAFEelement

A NEWSLETTER FROM SA

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Uncertain future resulting in headcount reductions with Aker BP

A bleak and uncertain future will lead to redundancies among consultants and in addition permanent employees are likely to follow.

With the corona virus dominating the oil and gas market, the company's economy is tightening and the needs of the organization are changing. Naturally one can ask what other factors have contributed to this situation. During the last year and a half the share price of Aker BP's been moving up and down before settling in the lower regions earlier in the year. The desire for dividend pay-out, combined with demands for action coming from shareholders who have seen the share price fall, has put the company under pressure to improve financial performance.

Aker BP has around 1700 fixed contract employees and in addition 600 consultants. Currently 250 consultant agreements have been terminated, and more are expected to follow, according to the company's media contact Ole-Johan Faret. He told E24 that due to a significant activity reduction, also permanent employees will be released.

The SAFE Association expects an orderly process

Local SAFE union leader in Aker BP, Magne Birkedal, is keen on guiding an orderly process, pointing out that temporary and consultant agreements are terminated before the release or termination of permanent employees. The dialogue with the company is good, and the local union expects a smooth process.

Safety must be prioritized, and critical safety related work should be carried out by our own employees. The bottom line of the main agreement is appreciation of corporate seniority, when the company and union face further downsizing. In this process options for voluntary packages and early retirement should also be considered.

Experienced personnel are a crucial resource

- Uncertain times deliver varying measures within the companies. Operators choose now to cut tasks and staff which, however, can also be the result of both the continuous quest for costs reduction and the consequences of the current situation the world and our industry is facing, says Hilde-Marit Rysst, leader of the SAFE union association.



Federal Leader Hilde-Marit Rysst
Photo: Rebecca Bjerga

SAFE is asking employers to have steel nerves in the present situation.

- Reduction in the company's most important resource, the employees, will produce irreversible

consequences, and these will not be measurable until we have seen the complete picture. Short-term staffing reduction will provide direct savings in some budget specific items, this however can also quickly result in losses in other areas. Having sound HSE compliance and good efficiency are by far more profitable assuming experienced personnel are still being employed by the company.

SAFE can see that AKER BP will continue to carry out projects when receiving deferred taxation as stipulated, among other things, by the "Konkraft" partnership. SAFE strongly supports this proposal and hopes the government will listen to a unified industry. The authorities must provide support packages for all businesses. Such packages secure jobs and employment, they provide an opportunity to complete and move forward with ongoing projects as: maintenance, delayed re-certification shutdowns, implementation of tax changes and CO2 capturing.

Island Offshore on the go again

Iceland offshore Crewing, IOC, has terminated one of his "lead union representatives". Such is in violation of the main agreement between SAFE and the Norwegian Shipowners Association, NR.

SAFE has submitted the case to the Labour Justice tribunal, concerning the illegitimate termination of a union representative. The defendants are the Norwegian Shipowners Association, NR, and Island Offshore Crewing AS. The case bears two important elements. First, SAFE believes that termination of the union representative is against section 4.21 of the "main agreement", second the dismissal is in violation of the "tariff agreement". Termination or suspension of an elected representative cannot occur without factual arguments. Matters which have developed due and related to the representative's legitimate role, cannot be considered as factual argument.

In addition to seniority and other arguments that are reasonable to consider, a note of importance shall be given to the special position of the delegate in the company. In the event of termination as a result of downsizing, the circumstances and role of the union representative shall be included as defined in the protocol, ref. section 8.3.

In addition to legal proceedings at the Labour justice department, the validity of termination will also be proven in a civil lawsuit in Sunnmøre District Court.



Lawyer Bent Endresen.
Photo: Mette Møllerop

The collective tariff agreement rules

All parties are bound by the "collective tariff agreement" they have signed. However, the head union representative was summoned to a discussion meeting in accordance with Section 15-1 of the "working environment act". After the meeting, the employer concluded that the "lead union representative" should nevertheless be terminated. This decision was objected, and a statutory negotiating meeting was completed, without reaching an agreement. The right to stay employed until the case would be legally settled was demanded. At this point further steps including legal action were announced.



Lawyer Bent Endresen.
Photo: Mette Møllerop

A shocking NHO reply

In a letter to YS, Christopher

Navelsaker wrote to the Norwegian Employers Association (NHO) concerning the need for negotiations and the establishment of a collective tariff agreement: "NHO has been made aware that SAFE has brought a case to the Labour Justice tribunal to reaffirm the claim that TIOS Crewing AS is bound by the "Floating rig agreement" between the Norwegian Shipowners Association (NR) and SAFE. It is NHO's view however that our member, TIOS Crewing AS, regardless of what the conclusion of any employment tribunal might be, it will not be bound by the "Floating rig agreement" for the new tariff period starting the 1st of June 2020. Further it is our opinion that whenever a new collective agreement is to be established, agreement no.526 – The Well Service Agreement will apply, and will be the correct collective agreement for this type of business".



Deputy chairman of SAFE, Roy Aleksandersen.
Photo: Rebecca Bjerga

It is the "principle" that matters

The objections from the employer's side are increasing. Union representatives are being attacked, as are pension schemes and collective agreements according to deputy head of SAFE, Roy Aleksandersen and union secretary Stig Rune Refvik. "We are under a lot of pressure". Though, is it only SAFE that is under pressure? No, not at all. NR attacks all federations and all collective agreements. We see this as a coordinated attempt to undermine all trade union effort in dealing with the Norwegian Shipowners Association (NR).

What does the area committee say?

Regardless the judgement of the tribunal, NHO do as they please, according to the shipping area representative in a comment to SAFE. This is the third time SAFE is involved in such a case, but the first incident with the Shipowners Association (NR). That's historic, "says the area representative

who previously has been used to a reliable and orderly negotiating atmosphere when meeting with the Shipowners association. The absence of professionalism of the employer is of great concern.

Many companies enjoy the guidance of elected representatives in the event of layoffs, downsizing and restructuring as a defined item in the local agreements. In addition, this principle is also further elaborated in the main agreement.



Area Committee Chair at SAFE, Arild Jenssen.
Photo: Mette Møllerop

We are talking about skilled elected representatives who, through the years, have guided the members and the club following the agreements to the letter, as mentioned by Arild Jenssen, lead member of the area committee. We have experience with Iceland Offshore's long history of breaching the agreements. In this situation we will not just keep quiet, sit and watch. We are willing to use all means to battle, backup and support our elected representatives.

Corona info from SAFE



SAFE has received the employer's understanding of regulations related to the Covid-19 virus. An overview on which SAFE, on several accounts, does not agree. More businesses notify additional layoffs and some companies are also warning the further need for downsizing. The coronavirus and low oil prices indicate that companies are throttling back and moving to idle operation for a long time to come.

**With kind regards,
SAFE**