



TRINIDAD AND TOBAGO:

Trade Dispute Nos. 115, 116, 117, 118, 119 and 120 of 2014 (S)

IN THE INDUSTRIAL COURT

BETWEEN

**PETROLEUM COMPANY OF
TRINIDAD AND TOBAGO**

- COMPANY

AND

OILFIELDS WORKERS' TRADE UNION

- UNION

CORAM:

Her Honour Deborah Thomas-Felix

- President

His Honour Mr. Gregory Rousseau

- Member

His Honour Kyril Jack

- Member

Her Honour Janice Christopher-Nicholls

- Member

APPEARANCES:

Mr. Russel Martineau, S.C

)

Ms. Dominique. Martineau

) - Party No. 1

Attorneys at Law

)

Mr. Douglas Mendes, S.C.

)

Mr. Anthony Bullock

) - Party No. 2

Attorneys at Law

)

DATED: 6th March, 2018

JUDGMENT

DELIVERED BY HER HONOUR MRS. DEBORAH THOMAS-FELIX

1. These are Trade Disputes between the Petroleum Company of Trinidad and Tobago (Company) and the Oilfields Workers' Trade Union (Union).
2. The Union is the Recognised Majority Union for six (6) bargaining units at the Company.
3. The Company is a state enterprise which is wholly owned by the Government of the Republic of Trinidad and Tobago. The Company is engaged in the production of crude oil and natural gas as well the marketing of crude oil and natural gas. The Company is also the sole petroleum refinery and producer of refined oil and gas in the country.
4. The Trade Disputes, which were consolidated, arose as a result of the breakdown in negotiations for new collective agreements between the Company and the Union over wages and other terms and conditions for bargaining units of certain group of workers employed by the Company.
5. The negotiations for new collective agreements between the parties, spanned the period of May, 2011 to January, 2015 and the Trade Disputes are summarized as follows:
 - i. TD 115 of 2014 (S) - the breakdown in negotiations for the Monthly Paid Bargaining Unit for the period February 1, 2012 to January 31, 2015;
 - ii. TD 116 of 2014(S) - the breakdown in negotiations for the Monthly Paid Bargaining Unit (Trinmar. Operations) for the period February 1, 2012 to January 31, 2015;
 - iii. TD 117 of 2014(S) - the breakdown in negotiations for the Hospital, Domestic Workers and Wardsmen for the period November 1, 2011 to October 31, 2014;
 - iv. TD 118 of 2014(S) - the breakdown in negotiations for the Monthly Rated Junior staff for the period June 1, 2011 to May 31, 2014;

- v. TD 119 of 2014(S) - the breakdown in negotiations for the Hourly/Weekly Rated Employees for the period August 27, 2011 to August 26, 2014; and
 - vi. TD 120 of 2014(S) - the breakdown in negotiations for the Hourly/Weekly Rated Employees (Trinmar Operations) for the period May 25, 2011 to May 24, 2014.
- 6 When the disputes were referred to the Industrial Court (the Court) by the Honourable Minister of Labour, on 5th December, 2014, there was no agreement on several items/articles for the new collective agreements. As a result, the Court, with the consent of the parties, held several intense conciliation meetings with a view to resolving as many items or disagreements as possible while at the same time encouraged continued negotiations between the parties. As a result, agreement was reached on most of the items/articles in dispute.
- 7 On the 6th March, 2017, the Parties executed Memoranda of Agreements for each of the respective bargaining unit. These Agreements recorded the various new articles/clauses in respect of which agreement had been reached and in respect of which there was no agreement.
- 8 For each of the aforementioned Trade Disputes, as they relate to the three year period in review, the parties agreed in the Memoranda of Agreements on a general wage/salary increase in respect of the first two years which amounted to five (5) percent.
- 9 The parties informed the Court that the only items which are in dispute and which were therefore engaging the Court's attention for all six bargaining units were wage/salary and COLA for the final year of each of three year period. We therefore examined the evidence with a view to determining the final year of the period in review.
- 10 The Company led its evidence and painted a picture of a company which is experiencing severe financial shortfalls with debts amounting to

TT12,496,906,000.00 as at 31st October, 2016. The economic malaise, in our view, is due in part to the decline of energy prices globally, failed investments (one which cost the Company (\$1.1B) and lack of stringent management structure for the proper maintenance and production of the refineries. Although the Company realized \$2.264 billion in profit in 2011 by 2014 the Company recorded a loss of \$150,386,000.00 and a further loss of \$819,483,000.00 in 2015.

11 The Union accepted that the Company is currently not earning the type of revenue as it did in the past and informed the Court that it held discussions with management on ways to improve output and productivity. The Union has also supported a revenue generating initiative which was implemented by the Company.

12 In its address to the Court the Union discussed the principle of relativity and submitted that Water and Sewerage Authority (WASA) received a 14% increase for the period 2011 to 2013. YARA Trinidad Limited received a 16.5% increase for the period 2010 to 2013 and a 14% increase for the period 2013 to 2016; Trinidad and Tobago Electricity Commission (T&TEC) received a 10% increase for the period 2012 to 2014, with Power Generation of Trinidad and Tobago (POWERGEN) also receiving a 10% increase for the same period. Further that public servants received a wage increase of 14% for the period 2011 to 2015 and National Union of Government and Federated (daily paid) workers received an increase of 12% for the period 2011 to 2013.

13 From the evidence it is the view of the Court that the workers are deserving of an increase in wages/salaries, however the current financial challenges which the Company is experiencing together with the subdued level of economic activity in the country preclude them from receiving wage/salary increases akin to workers of those companies (such as WASA, YARA, T&TEC AND POWERGEN).

14 This Court in its determination of what is a fair and just award for the final year, had to balance on one hand, the need to improve the workers standard

of living and on the other, the Company's profitability, productivity, the state of the national economy and the persistently low global energy prices, among other things.

15 The Court has stated in several of its Judgments including **Public Transportation Services Corporation v. Transport and Industrial Workers Union No. 4 of 1968** that:

“We are aware that, having regard to the Corporation’s pleading of financial inability, any such wage increase must have the effect, unless the present trend of revenue insufficiency can be reversed, or enlarging the annual operation deficit. But this, in our view cannot be a conclusive argument against awarding an increase that is fair in all the circumstances and justly deserved....

This Court has in previous judgment expressed its inability to accept the proposition that where economies in the operation of any enterprise are found to be necessary they should be achieved only, or mainly, at the expense of labour. We have said that the application of such a proposition led to results which were manifestly unjust and could not provide an equitable basis for the determination of wage disputes. We see no reason to depart from that view in this case.”

This reasoning, generally speaking, is the approach of the Court in some cases where a possible wage/salary increase is contemplated, however the Court will not turn a blind eye to the external factors and forces which drive and influence the productivity and profitability of this Company which is the sole petroleum refinery and producer of refined oil and gas in the country.

16 The Company has informed the Court that it can afford to pay a one percent wage/salary increase for the final year of the three (3) years period.

- 17 We hold that an overall wage/salary increase of six percent (6%) for the three years period in review for new collective agreements in each dispute is fair and just.
- 18 We find, on the totality of the evidence, that the Company's offer of a one percent (1%) wage/salary increase for the final year is fair and just in the given circumstances.
- 19 It is hereby ordered that the Company do pay an increase one percent (1%) on wages/salaries for the final year of the period in review of each Trade Dispute. Cost of Living Allowance (COLA) for the entire three year period of each Trade Dispute to be calculated in accordance with the Trinidad and Tobago Index of Retail Prices (January 2003=100); therefore the COLA will be 23 cents for every one (1) complete point rise in the said Index of Retail Prices.

**Deborah Thomas-Felix
President**

**Mr. Gregory Rousseau
Member**

**Kyril Jack
Member**

**Janice Christopher-Nicholls
Member**