

**LOCAL BUSINESS DEVELOPMENT  
REASONABLE WAGE (RW) FOR THE OIL AND GAS INDUSTRY  
IN BRUNEI DARUSSALAM**

As part of the efforts of the Government of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam, through the Energy Department, Prime Minister's Office (EDPMO), to enhance Local Employment in the oil and gas industry in Brunei Darussalam (Industry) and to ensure that all lower qualified Local Employee(s) working in the Industry in the Business Areas referred to in Annex 1 Part A are accorded a Reasonable Wage (RW) for the essentials of life and to allow a reasonable standard of living, all oil and gas upstream, midstream and downstream operators and their contractors and sub-contractors, within Brunei Darussalam (Industry Participants) shall hereby comply with this based on the following principles:-

1. **Definition and Scope**

- a. Capitalised terms used herein shall have the meaning ascribed to them in Annex 2.
- b. RW is defined to be the basic reasonable wage to which a Local Employee is entitled under his or her contract of employment but does not include:
  - i. Additional payments by way of overtime payments;
  - ii. Additional payments by way of bonus payments or annual salary supplements;
  - iii. Any sum paid to the Local Employee to reimburse him for any special expenses incurred by him in the course of his employment;
  - iv. Productivity incentive payments; and
  - v. Any allowance however described.
- c. For the avoidance of doubt, this has no impact, whatsoever, on existing contracts of employment, whereby the basic wage exceeds the RW. The basic wage and any allowances under such contracts shall not be reduced as a consequence of this.

2. The amount(s) of the RW is as stated in Annex 1 Part B and will be subject to review periodically.
  
3. **Applicability**
  - a. This is applied for the benefit of Local Employee(s) only.
  - b. RW is only applicable and valid for:
    - i. Local Employees who have no educational qualifications or who have a qualification not higher than a National Diploma (ND) or its equivalent only; and
    - ii. Local Employee(s) working in the Business Areas referred to in Annex 1 Part A.
  
4. **Obligations on Industry Participants**
  - a. To pay Local Employee(s) employed in the Business Areas referred to in Annex 1 Part A not less than the RW.
  - b. To produce and submit a RW Report to the EDPMO in the form and detail as determined by the EDPMO by the 31<sup>st</sup> December of each calendar year.
  
5. **Compliance**
  - a. All Industry Participants shall put into place appropriate controls and mechanisms to ensure compliance with this.
  - b. EDPMO shall have the right and discretion to audit any Industry Participant based on their submitted RW Report, including conducting on site audit inspections from time to time to ensure compliance with this.
  - c. All oil and gas operators shall ensure that compliance to this is a contractual term of all their contracts with contractors whereby a breach of such contractual term may be cause for termination of the contract.
  
6. The Government of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam shall review this from time to time and shall have the discretion to change the form and manner of such measures at any time with reasonable notice.

## ANNEX 1

A. The Business Areas are as follows:

1. Drilling Rigs
2. Well Services
3. Marine Industries
4. Offshore Works

B. The Reasonable Wage (RW) is as follows:

- Onshore - B\$700.00 per month ( for Technical workers only )
- Offshore - B\$1,000.00 per month ( for all workers including Technical & Non-technical workers offshore )

and based on following working hours\*:-

- In accordance with Employment Order, 2009
- Onshore/Offshore Shift period as a maximum
  - 2 weeks on / 2 weeks off

\*Footnote:-

- *Onshore/Offshore shift period may reach up to a maximum 15 hours per day. In such circumstances, the safety implications must be adequately assessed.*
- *For marine industry, tour of duty of local seafarers should be determined through mutual agreement between the employing company and the incumbent. The local seafarers are entitled to at least 10 days of leave for every calendar month worked on board and his/her hours of rest on board must be in accordance with the IMO/ILO Guidelines.*

## ANNEX 2 – Terminology

Terminology	Definition
<b>Business Areas</b>	Areas of business activity within Brunei’s Oil & Gas Industry where the RW is applicable, as stated in Annex 1 Part A to this.
<b>Local Employee(s)</b>	Brunei Citizens (subjects of His Majesty the Sultan and Yang Di-Pertuan holding a Brunei Yellow Identity Card) or Permanent Residents (PRs) of Brunei Darussalam who are under a contract of service with their employers within the Business Area but does not include those under a contract of apprenticeship.
<b>Local Employment</b>	Local Employment, for the purposes of this, is defined as the employment of Brunei Citizens and Permanent Residents (PRs) within the Business Areas.
<b>Non-Technical Worker</b>	<p>Local Employees whose jobs involve possessing a generic skill or expertise to perform a certain job or task in administration, business, finance or generic tasks. This will include the knowledge and/or skills required to accomplish basic tasks that do not require training or tasks that are non-technical in nature.</p> <p>Examples of these include, but are not limited to, general helpers, drivers, clerks, receptionists, secretary, cooks, cleaners, tea &amp; coffee, watchmen, security guards, etc.</p>
<b>Technical workers</b>	<p>Local Employees whose jobs involve possessing a technical skill or expertise to perform a certain job or task in a specific technical discipline. This will include the knowledge and skills required to accomplish mathematical, engineering, operations, maintenance, logistics or IT related tasks. Often they will be required to use specific equipment or tools to complete their tasks.</p> <p>Examples of these include but are not limited to technicians, blasters, painters, electricians, machinists, pipe-fitters, scaffolders, welders, derrickmen, roustabouts, field labourers, riggers, oilers, able-bodied seamen, storekeepers, etc.</p>