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## Media Release

### **MEA calls the severance package at Air Malta 'Obscene and Unprecedented'.**

The Malta Employers' Association described the severance package offered to redundant Air Malta employees as the most obscene agreement in Malta's industrial relations history. If the details as mentioned in the media are correct, 350 employees represented by the General Workers' Union could possibly rake a staggering €50m as an outcome of the severance deal. As an example, an employee with five years' experience will be entitled to a lump sum of €80k, i.e. €16k for every year of service. This severance deal is unprecedented and establishes that some animals are indeed more equal than others in Malta. It is nothing more than daylight robbery.

When the idea of redundancies was first made public, MEA had already stated that transferring these employees to the public sector was a nonstarter, as many of them had a much higher salary than public sector employees, and would be prohibited from retaining their current conditions because of the principle of equal pay for equal value, besides aggravating other employees who would be working with them.

It is unthinkable that there have been no efforts to relocate these employees to the private sector, which currently faces a shortage of labour in many industries, leading many companies to engage foreign employees. The Association said that the manner in which the airline has handled its human resources over the years has been a tragedy of errors. The airline has been overmanned for decades, with many employees being nothing else than political cronies which it could easily have done without. Air Malta could never steer itself towards profitability when it was shackled by unsustainable overheads, employing hundreds of persons for every airplane in its fleet. Moreover, a side letter which guaranteed employees a permanent job with the same take home pay was kept secret, and only came to light when matters reached boiling point.

What government is doing is squandering taxpayers' money to resolve a mess of its own making. Offering jobs in the public sector is bad enough, but the details of this severance package are infinitely worse. Companies and employees cannot take government's appeal for tax compliance seriously when it is distributing millions of their taxes to a privileged few, with such handouts amounting to more than an average worker saves in his

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or her lifetime. There are thousands of better ways to use such funds than wasting them on golden handshakes. This agreement is morally flawed, and only intended to appease an advantaged class of workers, many of whom should never have been employed at Air Malta in the first place.