

MEMORANDUM FOR THE CABINET
BY THE HON. PRIME MINISTER

Proposals regarding grant of vacation
leave to unentitled employees

Consideration has been given to the question of the grant of leave entitlement to temporary employees, keeping in view the desirability of bringing about a situation which would practically amount to the abolition of the subordinate establishment. "Subordinate establishment" means nothing more than an entitlement to leave, and its nominal abolition would always make for progress towards the policy aim of having the Public Service in two sectors, pensionable and temporary, respectively. Separate recommendations are being submitted for vacation and sick leave.

A. VACATION LEAVE

2. Subordinate employees are entitled to 12 working days vacation leave per year, and a period of 12 days a year appears to be the minimum reasonable entitlement to optional leave that should be authorized to minor employees. Indeed, in a conference of the International Labour Organisation held in Geneva in 1953, it was ruled that the duration of the annual paid holiday should not be less than twelve working days, or less than ten working days where the week consists of only five working days.

3. It has been kept in mind that the Government Electoral programme had promised a period of paid holidays to both Government and Private Industry employees.

4. The present total number of paid public holidays (16 days), though reasonable as long as it represents the total annual holiday, may be excessive if an additional period of twelve days optional leave with pay were allowed. It is being suggested that the following recommendations should be conditional on the suppression of at least three Public Holidays and of the practice of granting a day or half day off in lieu of Public Holidays falling on Sundays and Saturdays. This is estimated generally to reduce, in practice, the proposed grant of leave entitlement to six days a year in the case of the higher wage groups at maximum entitlement (see below).

5. It is suggested that the Public Holidays to be suppressed should be the following:-

- (a) Queen's Birthday
- (b) Commonwealth Day and
- (c) Holy Saturday

None of these is a Holy Day of obligation.

6. Subject to what has been stated above, the following scale of leave to industrial employees is suggested:-

- (a) Employees in Groups I, II and III of the Standardisation of Wages Scheme:
- | | | |
|----------------|---|----------------|
| 1st six months | - | Nil |
| Thereafter | - | 9 working days |
- (b) Employees in ^{all} Groups IV to VIII:
- | | | |
|-----------------------|---|---------|
| 1st six months | - | Nil |
| Up to 5 years service | - | 9 days |
| Thereafter | - | 12 days |

7. The suppression of three public holidays and of the practice of granting a day or half day off in lieu of public holidays falling on Sundays and Saturdays will affect adversely all non-industrial employees who will not be reaping any benefit from the concessions suggested at para. 6 above. To compensate the class for this loss (we cannot compensate individual losers who already have leave), it is suggested that all temporary non-industrial employees be in future allowed the leave benefits of employees on the Pensionable Establishment. Thus, a temporary Medical Officer will be allowed the same leave benefit of his counterpart on the Pensionable Establishment; Stampers and Clerk-Typists will have the same leave entitlement as Messengers and Clerical Officers.

B. SICK LEAVE

8. Subordinate employees are entitled to 30 working days sick leave on full pay and 30 working days sick leave on half pay. However, in order to make the abolition of the subordinate establishment acceptable to the staff it is believed that the grant of 30 working days sick leave on full pay will be more than satisfactory, especially in view of the fact that the National Insurance nowadays provides sickness benefit for a period of 13 weeks at a maximum rate of 54/- per week for married employees.

9. Provided that it remains Government Policy to reduce the labour force until only those employees continuously employed on regular maintenance work and services are employed on a permanent basis and that any other employees are engaged on a casual basis being laid off as soon as the job for which they have been taken on has been completed, the following scale of sick leave is being suggested for all temporary employees:-

- | | |
|---------------------------------------|---------------------|
| (a) Up to 10 years total service:- | 15 days on half pay |
| (b) Between 10 and 20 years service:- | 15 days on full pay |
| (c) After 20 years service:- | 30 days on full pay |

10. To reduce abuses to the barest minimum it is suggested that all absences on sick leave should be invariably vouched for by a medical certificate and that uncertified sick leave should be reduced to three days a year, not more than one day at a time.

ON SICK LEAVE

11. If the above suggestions are agreed to it will be possible to abolish the subordinate establishment as well as the category of temporary non-industrial employees listed in Appendix I of Section 4 of the Statute (S.S. Circ. 14/65) who are entitled to 12 days vacation leave and 30 days sick leave on full pay.

12. The Cabinet is invited to consider this scheme and to decide whether it should be adopted.

March, 1965.



MINISTRY OF ECONOMIC PLANNING
AND FINANCE,
THE PALACE,
VALLETTA — MALTA.

11th March, 1965.

Hon. Prime Minister and Minister
of Economic Planning and Finance

With reference to the Memorandum now before the Cabinet containing proposals regarding the grant of leave to unestablished employees, I am enclosing for ease of reference a copy of a letter which I addressed to you on the 18th May, 1964, dealing with an almost similar proposal for a general extension of leave benefits to these employees. On that occasion the proposal was that these employees, who at present are only allowed one day's leave in addition to 16 public holidays on payment of wages, should be given an extension of leave benefits by say 5 days.

2. My remarks on the proposal contained in the Memorandum forming the subject of this letter are as follows:-

(a) Vacation Leave

The proposal is that unestablished employees should be given vacation leave entitlement of 9 days after 6 months of service and 12 days after 5 years. At the same time the number of public holidays on payment would be reduced by three and the concession of granting a day or half day off in lieu of public holidays falling on Sundays and Saturdays would be withdrawn. The effect of this proposal is that certain unestablished employees who at present are being allowed 12 working days vacation leave in addition of course to public holidays will stand to lose because, while at present after six months service they are allowed 12 working days vacation leave, under the new arrangement they will only be getting nine. After 5 years service they will be entitled to 12 working days vacation leave that is the same leave benefits they are getting at present. Moreover they would lose the benefit of three holidays on payment and the grant of a day or half day off in lieu of public holidays falling on Sundays and Saturdays equivalent to some three days a year. To compensate them for these losses, the suggestion is that their leave entitlement should be brought up to the level of that enjoyed by employees on the pensionable establishment. This would mean in effect that in the case of unestablished employees who are at present getting 12 working days vacation leave, the leave benefit would go up to levels ranging between 15 to 36 working days according to the different categories. Unestablished employees who at present are only allowed one optional day leave in addition of course to public holidays, would have their leave entitlement extended to 12 working days.

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In my view such large extensions of leave particularly in those instances where the leave entitlement will go up from 12 working days to as much as 24 and 36 working days, make it much more difficult to adopt the proposal considering our present financial stringency. To lessen as much as possible the effects of the proposal, it would be a matter for consideration whether the present leave entitlement should be extended by six working days to compensate these employees for the loss of three public holidays and of the incidence of a day or half day off in lieu of public holidays falling on Sundays and Saturdays.

(b) Sick Leave

The proposal is that all unestablished employees and subordinate employees (the latter category of employment being abolished) should be allowed 15 days sick leave on half pay up to 10 years total service, 15 days on full pay between 10 years and 20 years service and 30 days on full pay after 20 years service. The first point which emerges is that the present subordinate employees would be losing under the proposed arrangement as up to 20 years service they will not be getting 30 working days sick leave on full pay as they are doing at present but as already stated 15 days on half pay up to 10 years service and 15 days on full pay between 10 and 20 years service. This raises the question as to whether subordinate employees at present in post should continue to retain their present sick leave entitlement. In any event it does not appear that such a proposal would be acceptable to Staff Side. The same consideration applies to unestablished employees who are at present entitled to 30 working days sick leave. Other employees who are at present getting 15 working days sick leave on half pay will of course benefit in that after 10 years service they will start getting 15 days on full pay and after 20 years service 30 days on full pay.

The extension of sick leave as indicated in the next preceding paragraph is quite substantial and it is again a matter for consideration whether Government should grant these extra benefits under present circumstances.

(c) Financial Considerations

It has not been possible to assess what would be the extra expenditure involved were the proposals under examination to be adopted. There is no doubt however that the commitments involved would be very high indeed. The Hon. Minister of Works and Housing has estimated that the expenditure involved in granting one day vacation leave with pay to all daily-waged employees in the Public Works Department alone would be £3,642 a year. In order to obtain a similar assessment from other Ministers, it would be necessary to divulge the proposals to the different Heads of Departments to enable them to produce an estimate of costs. In view of the present financial stringency when it is not expected that a substantial deficit on recurrent account can be avoided next year, unless aid is made available by the British Government or other measures taken to produce more revenue or reduce recurrent expenditure, I regret I am unable to advise that the time

is opportune to grant any concessions, the measure that these have not been included in the forecast of the estimated expenditure during the next financial year on which any aid the British Government might be prepared to agree to, would have to be based.

(d) Consultations with the Three Services

Any concessions granted to industrial employees would have to be agreed between the Government and the Three Services under the terms of the Constitution of the Joint Industrial Council. Should the Government, therefore, intend to proceed with any of these proposals, consultations would have to be carried out with the Three Services and should they agree, the matter would have to be brought before the Joint Industrial Council.

(A. Salomone)
Financial Secretary.

SECRET

18th May, 1964.

Hon. Prime Minister and Minister
of Economic Planning and Finance

The Under Secretary (Establishments) has informed me that Government is considering a proposal for a general extension of leave benefits (say 5 days) to all employees who have only one day leave in addition to public holidays. He also informed me that it was proposed to offset the concession by stopping the present practice of granting one day or half day off in lieu whenever a public holiday falls on a Sunday or a Saturday.

1. The position at present is that "unestablished" employees are entitled to 15 public holidays and one "optional" day every year. When a public holiday happens to fall on a Sunday, all employees, both "established" and "unestablished", are given another day off in lieu. When it falls on a Saturday, the half day is likewise compensated by another half day during a working day. The distinction which I make between "established" and "unestablished" is that the former are allowed a measure of paid leave in addition to public holidays while the latter, who are generally paid by the day, are allowed, as already stated, all public holidays on full pay and one extra day also on full pay which they take at their option.

2. The arrangement for the payment of full wages on 17 days a year i.e. 16 holidays plus one extra day, to "unestablished" employees was reached after consultation with the three Services, and bears relation to the number of days a year leave on full pay which the Services allow to their industrial employees. I am not sure whether Malta Dry Docks continued to allow the same number of days leave on full pay to their industrials as these industrials enjoyed before their transfer from the Admiralty to Baileys. I have no reason to believe that they did not continue to do so but for obvious reasons I could not possibly consult the present operators of Malta Dry Docks without divulging what Government has in mind, a thing which I do not feel I should do before at least the proposal forming the subject of this letter is accepted in principle. Nor could I verify what the position vis a vis the Services is as, because of urgency, I have not had the opportunity of seeing the papers on which the current arrangements for allowing paid leave to "unestablished" employees were introduced and which have not yet been made available to me.

4. The object however of setting out the position which I have tried to indicate is to show that, should Government decide that the proposal should be considered further, both the Services and Malta Dry Docks would have to be consulted as any alteration in the present arrangements would have direct repercussions on them.

5. To what extent an extension of leave to industrial employees in the way it is being suggested would have repercussions on private industry is difficult to say although no doubt any improvement in the conditions of employment in the Government sector is bound sooner or later to be reflected in the private sector. I am enclosing examples of wage rates and conditions of employment fixed by Wage Regulation Orders, which have been furnished to me by the Department of Emigration, Labour and Social Welfare and which give an indication of the measure of leave which has been granted to employees affected by these Orders.

6. There are two other considerations which, I feel, must be taken into account before I pass to comment on the proposal as it affects Government employees and recurrent expenditure. We are at present negotiating a claim for an 8% increase in salaries to all Government employees which has been tabled by Staff Side in both the Malta Government Joint Council and the Joint Industrial Council. Among the grounds on which Government would have to rely in resisting or mitigating the claim is the fact that Government financial resources, both present and prospective, cannot bear the additional expenditure involved. The grant of a concession entailing an extra burden on the recurrent budget may somewhat weaken that stand. Further any financial assistance which the British Government might be prepared to give towards the recurrent budget might have to be based on grounds of need. Here again the granting of a concession to Government employees might very well affect adversely our chances of obtaining such assistance following the negotiations we are carrying out with the Colonial Office.

7. Turning to an examination of the proposal as it affects Government employees per se apart from the considerations with which I have already dealt, it will readily be appreciated that the extension of leave to "unestablished" employees would necessarily involve Government in additional expenditure. Employees working on essential services will naturally have to be substituted by another employee or allowed double pay if they are not given another day's leave in lieu. "Unestablished" employees not on essential services do not get paid when they absent themselves from work. Under the proposed arrangements any absence up to five days a year will have to be paid for. It has not been possible to estimate the additional expenditure which may be expected to be incurred in both instances. It looks likely however that it would be rather appreciable.

8. The proposal for stopping the present practice of granting one day or half day off in lieu whenever a public holiday falls on a Saturday or a Sunday allows the matter to be seen in a somewhat different light. The concession would be limited in scope in the case of "unestablished" employees and would bring about a curtailment of leave with pay to "established" employees in respect of these days which are

allowed in lieu of public holidays falling on a Saturday or a Sunday. This is bound to effect, I should say, also appreciably the additional expenditure entailed in the introduction of the proposal.

9. The following table shows the number of days in lieu of public holidays falling on Saturdays and Sundays during the years 1962/63:-

	<u>No. of public holidays falling on a Saturday</u>	<u>No. of public holidays falling on a Sunday</u>	<u>Total No. of days in lieu</u>
1962	5	0	5½
1963	2	4	3½
1964	2	2	3½
1965	3	1	4½

Had the proposal at issue obtained since 1962, in that year the extra five days leave to "unestablished" employees would have been effect by 2½ days on account of holidays falling on Saturdays and would have been effect altogether in 1963 on account of holidays falling both on Saturdays and on Sundays. During the current year only two extra days would actually be involved while next year there would be 2½ days. In fact while in the case of "unestablished" employees Government would have to incur additional expenditure as a result of allowing leave over and above that currently being granted to them, in the case of "established" employees the expense at present being incurred in having to replace such of them as are on essential services or in granting them double pay would be totally saved. Viewed in this light it appears that the proposal would command itself to favourable consideration subject always to the considerations with which I have dealt further up.

10. There is one point I would like to mention and that is as regards Holy Saturday. As things stand at present this day is not worked but is effect by the first half day on a Friday which normally falls due to be taken as leave in lieu of another public holiday falling on a Saturday. Presumably Holy Saturday will have to remain a public holiday with the difference however that it will no longer be compensated for as at present.

11. Staff Side would no doubt react to the proposal for removing the present arrangement as regards the public holidays falling on Saturdays and Sundays as it affects "established" employees. It may well be that Staff Side would press for the concession under discussion to be extended to "unestablished" employees while at the same time retaining current arrangements in respect of "established" employees. This is of course a real development which Government would have to take into account. Otherwise there is no doubt that current arrangements were introduced solely to benefit employees who were not eligible to leave on full pay and that it was only incidentally that other employees benefitted thereby.

12. In conclusion the position is that while the proposal per se, in so far as it affects Government employees

does not appear to present major difficulties, there are considerations as to the advisability of introducing it at the present moment both because of the repercussions it has on the Three Services and Malta Dry Docks and because of its effect on the current financial talks we are undertaking with the Colonial Office.

(A. Salomone)
Financial Secretary.

L-ARKIVJI NAZZJONALI TA' MALTA