

Educ. 249/70

SECOND MEMORANDUM TO CABINET BY THE
HON. MINISTER OF EDUCATION, CULTURE AND TOURISM

Terms of appointment of
expatriate Principal at M.C.A.S.T.

Further to the memorandum considered by Hon. Ministers regarding the terms of employment of Mr Forlin as Chief Technical Adviser with responsibility for the Malta College of Arts, Science and Technology (as Principal), ways and means have been sought as decided by Cabinet for making the emoluments of the post comparable to those which Mr Forlin is at present enjoying without resorting to exemption from Income Tax.

Mr Forlin, who is at present in the United Kingdom and who has been contacted by telephone, would have been willing to accept a nett figure of £5000 per annum (as against his present £5200 nett plus a 10% to 15% bonus arrangement) together with fringe benefits: security of tenure and pension) while making his own arrangements as regards substituting his present pension arrangements which he would lose on quitting his present employment.

However when the amount required to provide a nett figure of £5000 was worked out in conjunction with the Department of Inland Revenue, this proved to be in the region of £10,000 which was a salary beyond that which the Malta Government would be prepared to pay. This is due to the fact that in Malta there are not the tax allowances (insurance house-mortgage, etc.) which prevail in the United Kingdom and which at present give Mr Forlin his present nett income on a gross salary which is considerably lower than this figure.

Alternative ways of offering the necessary compensation have therefore been examined and as a result the Hon. Ministers may wish to consider the following proposals:-

In addition to the salary to which Mr Forlin is by usual practice entitled and which will leave him about £3500 nett after deduction of tax, the Malta Government will offer to pay his superannuation insurance premium and any tax payable on that amounting to some additional £2000 per annum of which about £1000 is recoverable in tax. This will give him the sum of £15,000 at the age of 65 (he is now 52) or a pension of £1275 from that age provided that he is prepared to continue to pay the premium himself after his contract with the Malta Government comes to an end. This offer will not constitute a substantial departure from normal procedure: it would be an extension of the practice already in operation by which Government pays the employer's share of the superannuation contribution of expatriate staff.

In considering the proposals made above the following may be relevant:-

- (a) when tax deductions are made (i.e. recovered by Inland Revenue) the nett amount payable to Mr Forlin will be about £3500 plus £1000 (for insurance) or £4500 in all.

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- (b) About £400 of this amount is recoverable from the British Government under an arrangement by which one fourth of the expatriation allowance is paid by TETOC.
- (c) Mr Forlin will not be entitled to any terminal leave benefits. Until recently expatriate staff were receiving as terminal leave after completion of contract, salary calculated at 3½ day for each completed month of service. In the case of a contract lasting 5 years, under previous conditions Mr Forlin would have continued to draw his salary for a further 7 months after termination of contract, including expatriation allowance if he remained in Malta. This he will not do under present arrangements.
- (d) By appointing Mr Forlin it would seem that Malta will be securing the services of an unusually competent man. The Chairman of the Board of Governors of MCAST has consulted the Managing Director of Booker Brothers with whom Mr Forlin was employed on an assignment in Guyana which he carried out for 4 years and which he only gave up because of his wife's health. Mr Forlin was given an excellent recommendation by the firm for the way in which he had carried out the assignment during which he had control of a work force of 24000 men.
- Mr Forlin is also listed by UNESCO as being of Project Manager level.

One cannot but hope that with this background Mr Forlin would not only fully establish MCAST in its true role but that he would, as Chief Technical Adviser be able to make a notable contribution to the industrial development of Malta ~~as~~ **related to Education** in these critical times.

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