

## **Update**

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## MEA Reiterates Calls for Reform of the Industrial Tribunal to Enhance Fairness and Clarity

The following Media Release was issued today.

## Media Release

The Malta Employers' Association (MEA) continues to highlight the need for reforms to the Industrial Tribunal with a view to enhance the principles of fairness and certainty in the process for benefit of the parties involved.

Whilst the MEA has in no way ever condoned abuse by any employer, it deems it desirable for "unfair dismissals" to be reduced to a bare minimum and as much as possible eradicated. To this end, it appreciates the role of the Industrial Tribunal and its Chairpersons in handing out their judgements to this effect. Back in 2014, in fact, the MEA proposed amendments to the Employment and Industrial Relations Act to call for set parameters to guide the Chairpersons in the conduct of cases and subsequent awards when dismissals are, in fact, contested.

Chief amongst its proposed amendments, the MEA called for the introduction of set and agreed parameters to guide the Industrial Tribunal Chairpersons in determining the amount for compensation awarded. It proposed that awards should be bound by upper thresholds of compensation which should not exceed eighteen months salary.

At the same time, however, the MEA called for strict time-frames for decisions to be delivered. Proper justice is done when it is delivered on time and when it is delivered with least uncertainty as possible. Therefore, parameters for maximum award limits cannot apply if cases are allowed to linger on for many years. Unless time-frame and compensation limits are applied, certain awards against small and micro businesses may cripple their financial viability whilst endangering other unrelated jobs.

The Association reiterates that the Tribunal has an important role to play in industrial relations as well as in the upholding of good governance in local businesses and organisations. Nevertheless, the MEA believes that the absence of clear guidelines and definitions for Chairpersons in the conduct of the Industrial Tribunal may give rise to uncertainty, inconsistencies and lack of fairness. This is leading to many cases being resolved through out of court settlements which practice is defeating the very purpose of the Industrial Tribunal.

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