



SPC/CRGA 45 (15)

Paper 9.4 B
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**FORTY-FIFTH MEETING OF THE
COMMITTEE OF REPRESENTATIVES OF GOVERNMENTS AND ADMINISTRATIONS**
(Alofi, Niue, 31 October–2 November 2015)

**AGENDA ITEM 9.4 B: ANNUAL MARKET DATA REVIEW AND FISCAL YEAR 2016 SALARY SCALES AND
SALARY REVIEW**

(Paper presented by the secretariat)

Summary

1. This paper presents the 2016 SPC salary scales for positions advertised internationally (PAI) and for positions advertised locally (PAL) in each of SPC's four host countries, which are proposed in accordance with the recommendations of the 2015 CROP Strategic Triennial Remuneration Review (2015 Triennial Review) to pursue 'harmonisation' between CROP agencies while retaining flexibility for each organisation.
2. CROP (Council of Regional Organisations of the Pacific) agencies are in the process of assessing the feasibility of several compensation structure recommendations arising from the 2015 Triennial Review. One of these is considering a wider salary survey reference market (to include Australia, New Zealand, Fiji, Continental Europe and the United States). Accordingly, SPC did not commission a 2015/2016 salary survey, pending completion of this process.

Recommendations

3. CRGA is invited to approve, with effect from 1 January 2016:
 - i. a cost-neutral increase of four per cent (4%) at the mid-point for all SPC salary scales (international and local), in all locations (Federations States of Micronesia, Fiji, New Caledonia and Solomon Islands);
 - ii. a two per cent (2%) salary increase for all SPC employees in all locations.
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ANNUAL MARKET DATA REVIEW AND FISCAL YEAR 2016 SALARY SCALES AND SALARY REVIEW

Purpose

4. This paper presents the 2016 SPC salary scales for positions advertised internationally (PAI) and for positions advertised locally (PAL) in each of SPC's four host countries, which are proposed in accordance with the recommendation by the 2015 CROP Strategic Triennial Remuneration Review (2015 Triennial Review) to pursue 'harmonisation' between CROP agencies while retaining flexibility for each organisation.

Background

5. As with all CROP agencies, the annual market data review, prepared by Strategic Pay, is used as the benchmark against which the following year's SPC salary scale is considered (for example, the 2015 market data review is used as the benchmark for the 2016 salary scale). This principle was adopted in 2004 by the governing bodies of CROP agencies, and has been reconfirmed by subsequent triennial remuneration reviews.
6. The Strategic Pay salary survey considers the following markets:
 - Australia: Australian Public Service (APS); median; 33.33% weighting.
 - New Zealand: general market; median; 33.33% weighting.
 - Fiji: general market; 33.33% weighting.
7. The 2015 Triennial Review confirmed the view expressed by the secretariat at CRGA 44 and recommended that the CROP salary survey encompass a wider reference market, as follows:
 - Australia: Australian Public Service (APS); median; 35% weighting.¹
 - New Zealand: general market; median; 35% weighting.
 - Fiji: general market; 75th percentile; 10% weighting.
 - USA: general market; median; 10% weighting.
 - Continental Europe (including France): general market; median; 10% weighting.
8. Accordingly, and pending the appointment of an appropriate vendor to integrate new data sets into the expanded reference market, SPC did not commission this year's salary survey. Rather, it was considered preferable to await the outcome of the 2015 Triennial Review before performing a new, complete, market analysis.

2016 salary scale for positions advertised internationally and locally

9. As illustrated in table 1 (below), the Pacific Community has the lowest salary scales among the CROP agencies.
10. As expressed by the secretariat at several prior CRGAs, remuneration harmonisation between CROP members remains dysfunctional. Should CRGA accept the secretariat's recommendations, the salary scale gap should begin to reduce as a result of the Secretariat of the Pacific Regional Environment Programme (SPREP) (which has the highest salary scales of the CROP agencies) freezing its salary scales for 2015. However, this adjustment over 2015 will not be sufficient to return SPC salary scales to parity with other CROP agencies.

¹ Weights were suggested by the 2015 Triennial Review, and are subject to amendment.

Table 1: Salary scales per grade for selected CROP agencies, expressed relative to SPC salary scales (2015)

Band	PIFS	SPREP	FFA
8	+ 3.5%	+ 6%	Converted to local
9	+ 3.5%	+ 6%	Converted to local
10	+ 3.5%	+ 7%	+ 7.5%
11	+ 3.5%	+ 7%	- 6.5%
12	+ 3.5%	+ 6%	- 11.5%
13	+ 3.5%	+ 6%	+ 1.5%
14	+ 3.5%	+ 7%	+ 1.5%
15	+ 3.5%	+ 7%	+ 1.5%
16	+ 3.5%	+ 7%	+ 1.5%
17	+ 4.5%	+ 9%	+ 2.5%
18	+ 5.5%	+ 11%	+ 3.5%

11. This year's salary scales and salary review recommendations to CRGA are guided by the need to pursue harmonisation with other CROP agencies, particularly in terms of SPC's ability to offer competitive conditions in the employment market.
12. In order to reduce the salary scale gap between SPC and other CROP agencies, the secretariat invites members to approve a cost-neutral increase of four per cent (4%) in the mid-point of SPC's salary bands. This recommendation builds on the move to reduce the disparity between SPC's salary bands compared to those of other CROP agencies, approved by CRGA 44.
13. The impact of this measure on SPC's salary bands is illustrated in Annex 1.

General salary increase for all employees²:

14. While the secretariat did not commission a market salary survey in 2015, it is conscious of the ever-present impact of inflation and foreign exchange fluctuations on payroll, and the consequences for staff recruitment and retention.
15. Consequently, the secretariat recommends a general salary increase of two per cent (2%) across all position types and locations. The cost is provisioned in the 2016 budget.

² This measure does not apply to the Director-General position, which is on a separate salary band (see papers 9.4 A and 9.4 C).

Recommendations

16. CRGA is invited to approve, with effect from 1 January 2016:
- i. a cost-neutral increase of four per cent (4%) in the mid-point for all SPC salary scales (international and local), in all locations (Federations States of Micronesia, Fiji, New Caledonia and Solomon Islands);
 - ii. a two per cent (2%) general salary increase for all SPC employees in all locations.
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Current (2015) SPC salary scale (mid-points):

Band – positions advertised locally	1	2	3	4	5	6	7
Fiji – FJD	12,154	13,222	14,435	16,958	20,975	25,466	30,785
New Caledonia – XPF	1,880,854	2,160,728	2,533,592	2,620,445	3,228,692	3,893,442	4,557,260
FSM – USD	12,101	16,455	20,810	24,329	27,849	30,707	34,877
SI – SBD	20,276	22,651	39,740	48,420	62,330	72,855	83,550

Band – positions advertised internationally	8	9	10	11	12	13	14	15	16	17	18
XDR	27,510	30,746	34,653	41,599	47,981	55,008	64,384	75,941	88,189	100,206	117,366

Proposed 2016 SPC salary scale (integrating an increase of 4% at the mid-point of each band):

Band – positions advertised locally	1	2	3	4	5	6	7
Fiji – FJD	12,640	13,751	15,012	17,636	21,814	26,485	32,016
New Caledonia – XPF	1,956,088	2,247,157	2,634,936	2,725,263	3,357,840	4,049,180	4,739,550
FSM – USD	12,585	17,113	21,642	25,302	28,963	31,935	36,272
SI – SBD	21,087	23,557	41,330	50,357	64,823	75,769	86,892

Band – positions advertised internationally	8	9	10	11	12	13	14	15	16	17	18
XDR	28,610	31,976	36,039	43,263	49,900	57,208	66,959	78,979	91,717	104,214	122,061