

SECRETARIAT OF THE PACIFIC COMMUNITY
FORTIETH MEETING OF THE
COMMITTEE OF REPRESENTATIVES OF GOVERNMENTS AND ADMINISTRATIONS
(Noumea, New Caledonia 25–29 October 2010)

ADMINISTRATIVE AND STAFFING ISSUES

AGENDA ITEM 10.3 – 2010 MARKET DATA REVIEW
POSITIONS ADVERTISED LOCALLY

(Paper presented by the Secretariat)

Summary

1. This paper updates CRGA on the market data review of the Fiji market and seeks CRGA's endorsement of the proposed 2011 salary scales for positions advertised locally in the Fiji market. It also provides updates on the salary reviews for positions advertised locally in Noumea, Pohnpei and Honiara.

Background

2. Salary levels, as well as terms and conditions of service for staff occupying positions advertised locally have historically been based largely on those of the local public service market of each country. With the implementation of its decentralisation policy, SPC now has offices in four countries. This has focused attention on the variations in conditions of service and salary levels for locally recruited staff in these four locations. These variations in conditions of service and salary provisions impact corporate information systems, notably the human resource management system and the payroll system.
3. As a result, during 2011 the Secretariat, in conjunction with the CROP (Council of Regional Organisations in the Pacific) Harmonisation Working Group, will undertake a full review of the terms and conditions and salary scales for all positions advertised locally. In the meantime, however, it is necessary to determine the appropriate salary scales for positions advertised locally for 2011 in each of the countries in which SPC currently has an office.

Suva-based positions advertised locally

4. With respect to Suva-based positions advertised locally, the June 2004 Report of the CROP Harmonisation Working Group recommended 'that the market be reviewed annually with appropriate annual adjustments to the salary scales, which will ensure that salaries remain aligned with the market and in a timelier manner than is currently provided for' and that 'in future any increases to the salary scale should be applied differentially across the grades'.
5. These recommendations were adopted by CROP governing bodies. The reference market adopted for Suva-based staff recruited under local conditions was the Fiji all organisations market, with the CROP salary scale to be positioned within the upper quartile.

6. The 2006 support staff triennial review, undertaken by PricewaterhouseCoopers (PwC), confirmed that the Fiji all organisations market is the appropriate market against which to benchmark the Suva salary scale. However, after taking into consideration the calibre of staff that CROP agencies are aiming to attract, level of staff turnover, competition for the skills required, and ability to pay, it was recommended that the payline for staff recruited under local conditions be placed 10 per cent above the upper quartile of the Fiji all organisations market.
7. SPC's salary scales for Suva-based positions advertised locally are tax adjusted. Locally recruited staff who transfer from the Pacific Islands Applied Geoscience Commission (SOPAC) and the South Pacific Board for Educational Assessment (SPBEA) to SPC will retain their current tax status until we obtain clarification from the Government of Fiji Islands on whether to grant tax-adjusted salaries until the new host country agreement is signed.
8. From 1 January 2011, in addition to the adoption of the new job banding model and the new job evaluation methodology, SPC will adopt the CROP gross salary scale for all SPC Suva-based positions advertised locally. Should the current income tax exemption arrangements continue in 2011, the CROP salary scale will be tax adjusted.
9. Should income tax take effect from 1 January 2011, the CROP salary scale in Table 1 will apply, resulting in all SPC positions advertised locally being on the same salary scale as those of the other Fiji-based CROP agencies.
10. The market data results for Suva-based positions advertised locally (bands 1–7), was presented on page 9 of the 2010 Market Data Review report provided by Strategic Pay, which was presented as Annex 1 to CRGA Paper 10.2 – 2010 Market Data Review, Positions Advertised Internationally.
11. As noted above, for the benchmark for Suva-based positions advertised locally is 10 per cent above the upper quartile. The table below provides a comparison of the 2008 and 2010 data. The percentage changes range from -1.5 per cent to 2.1 per cent.

Table 1: Midpoint values for Suva-based positions advertised locally (FJD).

Band	2008 Midpoints	2010 midpoints	% change
1	11,877	11,696	-1.5%
2	12,603	12,517	-0.7%
3	13,428	13,450	0.2%
4	15,527	15,667	0.9%
5	19,077	19,347	1.4%
6	23,045	23,460	1.8%
7	27,743	28,331	2.1%

12. It will be noted that for bands 1 and 2 there have been reductions of 1.5 per cent and 0.7 per cent in the midpoints. Due to issues associated with morale, productivity and retention, it is not considered to be good human resources practice to decrease salary scales in times when the pay-line sits above that of the benchmark. The Secretariat therefore recommends that the midpoints for the salary scales for Suva-based positions advertised locally (i.e. bands 1–7) for 2011 be benchmarked against the 2008 data for bands 1 and 2, and against the 2010 data for bands 3 to 7.
13. The range for each band in the salary scale for positions advertised locally is defined by +/-20 per cent for the midpoint for each band. Table 2 presents the proposed salary scale for 2011 for positions advertised locally in Fiji.

Table 2: Recommended CROP 2011 salary scale for Suva-based positions advertised locally (FJD).

Band	80%	Midpoint	120%
1	9,502	11,877	14,252
2	10,082	12,603	15,124
3	10,760	13,450	16,140
4	12,534	15,667	18,800
5	15,478	19,347	23,216
6	18,768	23,460	28,152
7	22,665	28,331	33,997

Noumea-based positions advertised locally

14. Triennial remuneration reviews for Noumea-based staff recruited under local conditions are conducted using data from the Institute of Statistics. Public sector pay increases are incorporated in adjustments to the salary scales on an annual basis. The most recent adjustment to the salary scales for Noumea-based positions advertised locally was a 0.8 per cent increase, paid effective from 1 January 2010.

Pohnpei-based positions advertised locally

15. Salary scales for Pohnpei-based positions advertised locally are based on local public service salary scales. Public service salary scales have not changed in the last 12 months, therefore no change is being recommended to the salary scales for Pohnpei-based positions advertised locally.

Honiara-based positions advertised locally

16. Salary scales for Honiara-based positions advertised locally are pegged to those of the Forum Fisheries Agency.

Recommendations

17. CRGA is invited to:
- i. **approve** the new salary scale in Table 2 of this paper all for Suva-based positions advertised locally effective from 1 January 2011;
 - ii. **note** that for SPC Noumea-based positions advertised locally, a 0.8 per cent salary increase was paid effective from 1 January 2010;
 - iii. **note** that for Pohnpei-based positions advertised locally, no change is proposed to current salary scales; and
 - iv. **note** that for Honiara-based positions advertised locally, movements are linked to the Forum Fisheries Agency salary structure.