

SPC/CRGA 48 (2018)

Paper no. 7.5
ORIGINAL: ENGLISH

**FORTY-EIGHTH MEETING OF THE
COMMITTEE OF REPRESENTATIVES OF GOVERNMENTS AND ADMINISTRATIONS**
(26–28 June 2018, Noumea, New Caledonia)

AGENDA ITEM No. 7: Remuneration update and salary scale proposals for fiscal year 2019

(Paper presented by the Secretariat)

Summary

1. This paper presents the 2019 SPC salary scales for positions advertised internationally and for those advertised locally in each of SPC's five host countries. The scales that are proposed are in accordance with the recommendations of the 2015 CROP¹ Strategic Triennial Remuneration Review (2015 Triennial Review).
2. The proposed scales address the weakening position of the Secretariat's salary scales compared with those of other CROP agencies and the need to find solutions, while balancing operational budgets, to ensure SPC is a competitive employer. In addition, inflation in our main host countries means that SPC salaries in local markets have depreciated.
3. There are other secondary but relevant reasons for the recommended changes. In 2016, CRGA approved the request to undertake a study to review all the provisions of SPC's current salary and benefits system, including exploring a change in the reference currency for positions advertised internationally. The salary structure is an important part of this system. This review is underway and will continue throughout 2018.
4. While the review of the SPC salary and benefits system is in progress, the Secretariat proposes only interim adjustments to the SPC salary scales, taking the movement of other CROP agencies into account.

Recommendations

5. CRGA is invited to:
 - i. approve a cost-neutral increase of 2% at the mid-point for all SPC salary scales (international and local), in all locations (Federated States of Micronesia, Fiji, New Caledonia, Solomon Islands and Vanuatu), with effect from 1 January 2019;

¹ Council of Regional Organisations in the Pacific.

- ii. approve a 2% general salary increase for all SPC employees in all locations, to cover inflation, with effect from 1 January 2019;
- iii. note the update on the review of (a) the SPC reference currency for the salaries of positions advertised internationally, and (b) CROP harmonisation on human resources processes and remuneration.

Salary scale and proposals for fiscal year 2018

Purpose

6. This paper presents the 2019 SPC salary scales for positions advertised internationally and for positions advertised locally in each of SPC's five host countries. The scales that are proposed are in accordance with the recommendations of the 2015 Triennial Review.

Background

7. CRGA 46 decided, as a temporary measure, that for 2017 there would be no change to salary scales and no general salary increase for Secretariat staff. The main reason for this decision was to assist SPC's financial situation in terms of balancing the 2017 core budget.
8. In 2017, CRGA 47 approved a general salary increase of 2% across all position types and locations to cover inflation.

2018 salary scale for positions advertised internationally and locally

9. The Secretariat draws CRGA's attention to the fact that, despite SPC's progress in 2018 towards alignment with the salary scales of other CROP agencies, this position is comparatively weak. As Table 1 shows, CROP agencies, such as PIFS, FFA and SPREP,² increased their salary scales over the past few years, while SPC's salary scale is presently lower for several bands relative to these agencies.

Table 1: Difference (%) in salary scales per band for selected CROP agencies relative to SPC scales (2018)

Band	PIFS	SPREP	FFA
8	-0.2%	-0.2%	Converted to local
9	-0.3%	-0.2%	Converted to local
10	-0.4%	-0.3%	-0.3%
11	-0.8%	-0.4%	-0.4%
12	-0.9%	-0.2%	-0.2%
13	-0.8%	-0.3%	-0.3%
14	-0.8%	-0.5%	-0.6%
15	-0.4%	-0.3%	-0.3%
16	-0.5%	-0.6%	-0.6%
17	-1.7%	-2.5%	-2.5%
18	-2.5%	-4.2%	-4.2%

10. To ensure the organisation is able to offer competitive conditions in the employment market, the Secretariat proposes, as was the case in 2017, a 2% increase in the mid-point of the salary scales for all positions advertised locally and internationally.

² Pacific Islands Forum Secretariat (PIFS), Pacific Islands Forum Fisheries Agency (FFA); Secretariat of the Pacific Regional Environment Programme (SPREP).

11. The salary scale updates are independent of general salary increases, and the recommended adjustment to salary scales is neutral in terms of budgetary impact in 2019.
12. The impact of this measure on SPC's salary bands is illustrated in Annex A.

General salary increase for all employees

13. While the Secretariat did commission a general salary increase of 2% in 2018, it is conscious of the impact of inflation and foreign exchange fluctuations on salaries, and the consequences for staff recruitment and retention.
14. The Secretariat draws CRGA's attention to the fact that the rate of inflation has increased and is currently 2.37% on average across SPC's main host countries.
15. CRGA is therefore requested to approve a general salary increase of 2% across all position types and locations to cover inflation. The cost is provisioned in the 2019 budget.

Review of SPC's reference currency

16. CRGA 46 approved the Secretariat's proposal to undertake a study to explore a change in the reference currency for the salaries of staff in positions advertised internationally.
17. This work is currently underway and will continue throughout 2018 with a view to presenting recommendations to CRGA in 2019 on an appropriate reference currency for SPC salaries for positions advertised internationally.

CROP harmonisation on human resources processes and remuneration

18. A CROP working group, consisting of human resources (HR) professionals from all CROP agencies, was created with the objective of aligning HR and remuneration practices. This work promotes accountable and transparent HR management based on best practice, information structures and systems, with the responsiveness required by agencies in a fast-changing environment. The work also aligns with the objectives of the CROP Charter.
19. Following the 2015 Triennial Remuneration Review, participating CROP agencies were tasked with establishing a Joint Subcommittee of the Governing Bodies to provide an overarching governance mechanism and to review the harmonisation principles. The CROP working group met on 26–27 March, 2018 to discuss plans to establish the subcommittee.
20. All participating CROP agencies have now agreed to progress the establishment of the Joint Subcommittee of the Governing Bodies and the list of nominations is being finalised. SPC is represented on the subcommittee by Ms Charlotte Darlow, Chair of CRGA 47.
21. Terms of reference for the Joint Subcommittee and a draft 2018 CROP work plan on HR and remuneration are currently with CROP executives for discussion and consideration.

Recommendations

22. CRGA is invited to:
- i. approve a cost-neutral increase of 2% at the mid-point for all SPC salary scales (international and local), in all locations (Federated States of Micronesia, Fiji, New Caledonia, Solomon Islands and Vanuatu), with effect from 1 January 2019;
 - ii. approve a 2% general salary increase for all SPC employees in all locations, with effect from 1 January 2019;
 - iii. note the update on the review of (a) the SPC reference currency for the salaries of positions advertised internationally, and (b) CROP harmonisation on human resources processes and remuneration.

Annex A

Current 2018 SPC salary scale (mid-points)

Band (local positions)	1	2	3	4	5	6	7
Fiji – FJD	12,893	14,026	15,313	17,989	22,250	27,014	32,657
New Caledonia – XPF	1,995,210	2,292,100	2,687,634	2,779,768	3,424,996	4,130,163	4,834,341
Federated States of Micronesia – USD	12,837	17,455	22,075	25,808	29,542	32,574	36,998
Solomon Islands – SBD	21,509	24,028	42,156	51,364	66,120	77,285	88,630

Band (international positions)	8	9	10	11	12	13	14	15	16	17	18
Midpoint – SDR	29,183	32,615	36,760	44,128	50,898	58,352	68,299	80,558	93,551	106,299	124,502

Proposed 2019 SPC salary scale (integrating an increase of 2% at the mid-point of each band)

Proposed band (local positions)	1	2	3	4	5	6	7
Fiji – FJD	13,151	14,306	15,619	18,349	22,695	27,555	33,310
New Caledonia – XPF	2,035,114	2,337,942	2,741,387	,835,363	3,493,496	4,212,767	,931,028
Federated States of Micronesia – SD	13,093	17,805	22,517	26,324	30,133	33,225	37,737
Solomon Islands – SBD	21,939	24,509	42,999	52,391	67,442	78,830	90,402

Proposed band (international positions)	8	9	10	11	12	13	14	15	16	17	18
Midpoint – SDR	29,766	33,268	37,495	45,011	51,916	59,520	69,665	82,169	95,422	108,424	126,992