



## SECRETARIAT OF THE PACIFIC REGIONAL ENVIRONMENT PROGRAMME

## Twenty-Second SPREP Meeting

Apia, Samoa

13 – 15 September 2011

**Agenda Item : 9.1****Annual Market Data Review****Purpose of paper**

1. To present to the SPREP Meeting the outcomes of the Annual Market Data Review and to seek endorsement of proposed increases to the professional staff salary scale for 2012.

**Background**

2. The market data review is a joint CROP project carried out on an annual basis to obtain and analyse comprehensive remuneration data from identified reference markets (median of the Australian and New Zealand markets and upper quartile of the Fiji market) to provide a report on relevant market movements in the CROP pay structure. The market data were benchmarked using the new CROP salary scales, which have been in effect since 1<sup>st</sup> of January 2011.
3. As in previous years, Strategic Pay Ltd (NZ) with assistance from PriceWaterhouseCoopers Fiji collated the data and provided the analysis. Their final report is attached as **Annex 1**.
4. The review was carried out in accordance with the remuneration guidelines adopted by the Governing bodies of the participating CROP agencies in 2004 and which have been used for comparing salaries over the past years. In brief, this involves the conversion of salaries from the three reference markets into SDR, calculating the average and comparing with the current mid-points of the CROP salary scales.

**Proposed 2012 Salary Scale**

5. The review indicates that CROP salaries are below the average of the three reference markets. This is the combined effect of salary movements in those markets and of the diversity in exchange rate performance of the three currencies.

6. The proposed salary increases are summarised in the following table.

Band	Average 2010 (2011 CROP scale)	Average 2011 (suggested new 2012 CROP scale)	% Change
18	105,825	119,729	13.10%
17	91,207	101,331	11.10%
16	81,348	88,145	8.40%
15	70,117	75,836	8.20%
14	59,124	64,550	9.20%
13	50,547	55,182	9.20%
12	44,090	48,136	9.20%
11	38,298	41,699	8.90%
10	31,996	34,611	8.20%
9	28,443	30,677	7.90%
8	25,449	27,432	7.80%

**Table 1: Proposed 2012 salary scale**

7. As noted from the last column of Table 1, the increases proposed are significant, ranging from 7.8 per cent to 13.10 per cent. The consultant's report highlights the exchange rates as a highly influential factor with Australia's strengthening currency playing a major role, i.e. there has been a marked strengthening of the Australian dollar against the United States dollar, achieving and exceeding parity (*refer Figure 2, page 7 of Annex 1*).

8. In line with past practice, this report was tabled by the CROP Harmonisation Working Group at the recent CROP executives meeting in Nadi, July 2011 for their consideration of a joint recommendation to their respective Governing Councils. A number of implementation options were presented given the range of issues faced by the CROP agencies in particular the impact on recruitment and retention, staff morale and budget implications.

9. The CROP executives, after consideration of the report, agreed to endorse in principle the full increases proposed by the consultants but for the Governing Council of each organisation to determine their final implementation recommendation, based on affordability. The meeting noted the challenges faced by the CROP executives where there is a need to strike the balance between doing the right thing and having the ability to do so i.e. what the market says (responsibility as managers to their staff) and what the organisation funding can afford (responsibility as a CEO to the Governing Council).

## Human Resources & Financial Implications

10. The estimated funding required for implementation of the proposed new salary scale for 2012 is USD\$235,000. It is expected that USD\$80,000 (34%) will be funded from the core budget and USD\$155,000 (66%) will be funded from programme funding. The Secretariat is confident that the proposed increases can be accommodated from projected savings and also if programme funding remain the same as in 2011.

11. Aside from funding, the Secretariat wishes to highlight the importance of keeping up with market movements for the professional staff salary scale, specifically to ensure the recruitment and retention of the best possible staff at SPREP. Non or partial implementation of the proposed percentage increases will widen the gap from prevailing market conditions. The Secretariat is also submitting a separate proposal for consideration regarding the SDR, which has been falling for the last 2 years due to exchange rates (mainly the USD), which has resulted in adverse impacts on staff salaries. Implementing the salary increases would help in minimising the impacts of salary decline on staff morale.

## Recommendations

12. The Meeting is invited to:

- **Note** the outcomes of the 2010 Professional Annual Market Data Review; and
- **Approve** the following salary scale to be effective from 1 January 2012.

Band	Indicative Scale Proposed Model SDRs	Minimum 80%	Maximum 120%	% Difference from 2010 Market Midpoint
8	27,432	21,946	32,918	7.80%
9	30,677	24,542	36,812	7.90%
10	34,611	27,689	41,533	8.20%
11	41,699	33,359	50,039	8.90%
12	48,136	38,509	57,763	9.20%
13	55,182	44,146	66,218	9.20%
14	64,550	51,640	77,460	9.20%
15	75,836	60,669	91,003	8.20%
16	88,145	70,516	105,774	8.40%
17	101,331	81,065	121,597	11.10%
18	119,729	95,783	143,675	13.10%

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16 August 2011