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The Pacific environment, sustaining our livelihoods and natural heritage in harmony with our cultures.

Twenty Fifth SPREP Meeting of Officials

Majuro, Marshall Islands
30 September – 2 October 2014

Agenda Item 8.1: Annual Market Data

Purpose

1. To update the SPREP Meeting on the 2014 Annual Market Data Review for Staff.

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 the relevant CROP reference markets and to propose related market movements in the CROP pay structure.
3. As in previous years, Strategic Pay Ltd (NZ), with assistance from Price Waterhouse Coopers Fiji, were requested to collate the data and provide the analysis. This exercise includes both the international and locally recruited staff for SPREP. The first draft of the annual market data report was received by the CROP Harmonisation Working Group on 31 July 2014.
4. At the time of preparing this paper, the draft report has not been discussed by the CROP Harmonisation Working Group and an analysis has not been presented to the CROP CEOs for discussion regarding a CROP position. A verbal report will be provided to the SPREP meeting regarding the status of CROP discussions on this matter. It is noted in this draft report that the market data for locally recruited staff is also not available at the time of preparing this paper.
5. The review by Strategic Pay was carried out in accordance with the remuneration guidelines adopted by the Governing bodies of the participating CROP agencies in 2004 and has been used for comparing salaries over the past years.

INTERNATIONALLY RECRUITED STAFF SALARY SCALE

6. Whilst a CROP position is yet to be determined regarding the 2014 market data, the following table presents to the SPREP meeting the current CROP positions in relation to the implementations of the proposed Annual Market Data since 2011:

	2011	2012	2013	Salary Scale currently in use
PIFS	Implemented 50% of increases	Implemented the rest of the 50% of the 2011 increases	Implemented approx 15% of 2012 increases (implemented 2% increases out of an average increase of 13.35%)	About 15% of 2012 Salary Scale
FFA	Nil	Plans to consider implementing some % of 2011 increases	Implemented 100% of 2011 increases	2011 Salary Scale
SPC	Nil	Implemented 50% of 2011 increases	Implemented another 25% of 2011 increases (another 2% increase of the full average 8% increase for 2011)	75% of 2011 Salary Scale
SPREP	Implemented 100% of increases	Nil	Implemented 50% of 2012 increases (average 6.7% across the bands)	50% of 2012 Salary Scale

7. As noted from the above table, movement in salary scales has varied between CROP agencies since 2011, in line with decisions of respective governing councils. Major movements in the market midpoints since 2012 have had a major impact on both the ability of the CROP Agencies to maintain market parity with their midpoint positioning and also maintain market relativity for internationally recruited staff.

8. The initial draft of the 2014 market data report notes a decline in the market data by an average of 3.7% from comparable figures for 2013. Given the substantive increases proposed in the market data report in last 3 years, this decline will only offset a portion of increases not yet implemented by the CROP agencies, but still places them behind the market.

9. The SPREP Meeting is informed annually of the challenges the CROP agencies continue to face, not only with maintaining parity of salary scales with the market data, but also with a number of other key remuneration issues e.g. SDR, COLDA, etc, that continue to pose challenges to recruitment, retention and staff morale of the CROP agencies. In addition, CROP Executives continue to face the difficult situation of striking a balance between doing the right thing i.e. what the market says, based on the market data report, (their responsibility as managers to their staff) and the affordability of recommended actions (their responsibility as a CEO to the Governing Council).

10. The CROP Harmonisation Working Group is currently exploring this matter further as they prepare for the next Triennial Review on Staff Terms and Conditions in 2015. The Secretariat recognises the importance of keeping up with the market, however, given all of the above, and the fact that the 2015 Triennial Review will shortly commence, considers that SPREP should not seek any movement to its salary scale at this stage but should defer action until the findings of the 2015 Triennial Review are available.

LOCALLY RECRUITED STAFF SALARY SCALES

11. The 24th SPREP Meeting in Apia noted the delay in the 2013 Annual Market Data report for locally recruited staff and that any substantive salary increases shall be presented to the SPREP Meeting and that implementation will be subject to availability of funding through savings.

12. The 25th SPREP Meeting is advised that market data for the locally recruited staff was received in December 2013. Salary scale movement was approved by the Director General and implemented at a cost of approximately USD\$10,400 effective from 1 January 2014. This movement in the salary scale for locally recruited staff was funded from the Secretariat's savings, as directed by the 24th SPREP Meeting. The previous salary increases to the locally recruited staff salary scales was implemented in July 2008.

Recommendations

13. The Meeting is invited to:

- **note** the first draft of the 2014 Annual Market Data report has been received by the Secretariat and a CROP position has yet to be determined ;
- **note** the Secretariat proposes that consideration of any movement to its salary scales for Internationally recruited staff be deferred until the findings of the 2015 Triennial Review are available; and
- **note** the movement in salary scale for Locally recruited staff was implemented on 1 January 2014, in line with directions from the 24th SPREP Meeting.