



**FOURTH REGULAR SESSION
FINANCE AND ADMINISTRATION COMMITTEE
Tumon, Guam, USA
02-07 December 2007**

REPORT ON THE COMMISSION STAFF TERMS AND CONDITIONS

WCPFC4-2007-FAC1/09

29 October 2007

Paper prepared by the Secretariat

Introduction

1. The Third Regular Session of the Commission (WCPFC3, Apia, Samoa 11-15 December 2006), noted that the Commission's terms and conditions of service for staff were based on the average of the range of benefits of the agencies that make up the Council of Regional Organisations in the Pacific (CROP)¹. It further noted that the harmonisation model adopted by CROP is founded on the premise that for the commonly applied principles to be appropriate and relevant tailored implementation practices based on each agency's particular situation and location is required. It was seen as improbable that an average set of conditions could deliver an appropriate, relevant set of terms and conditions for the Commission given the geographical and operational diversity of the CROP agencies. Accordingly the Secretariat was instructed to arrange an independent review of the Commission's staff terms and conditions.

2. The review was advertised on the Commission's website and sent directly to several human resource consultancy firms. It included a requirement that the review's findings needed to be compatible with the CROP harmonised conditions model and give due weight to economy. The advertisement and Terms of Reference are at Attachment A. The successful and only bidder for the work was Mercer MMC a remuneration and human resource management consultancy firm based in New Zealand. A Principal of the firm, who has extensive experience working with CROP and who is expert in the development and application of CROP harmonised conditions, undertook the work. His report is at Attachment B.

Independent Review: Recommendations and Secretariat responses.

3. The review's recommendations numbered 1 to 9 are summarised in the report's Executive Summary and each is separately discussed in the body of the report. The Secretariat's summary response to each recommendation is provided below in order:

Recommendation 1. "The Commission endorse a project to examine the advantages, disadvantages, feasibility and implementation issues regarding adopting a total remuneration package approach to determining and managing remuneration."

¹ Pacific Islands Forum Secretariat, Secretariat of the Pacific Community, Pacific Islands Forum Fisheries Agency (FFA), South Pacific Applied Geoscience Commission, South Pacific Board for Education Assessment, and the Secretariat of the Pacific Regional Environment Programme.

The Secretariat understands that, at least for the time being, CROP has decided not to adopt the principal of salary packaging. Until that position changes it would appear premature to consider proceeding with such a project.

Recommendation 2. "The Commission adopt Education Allowances for professional staff of:

- USD\$14,800 per annum per child (being 75% of the median tuition fees in Australia & New Zealand of USD\$7,500 plus the median for boarding fees as USD\$7,300).
- Defining each employee's entitlement under the education allowance as the sum of the entitlements due to up to three of the employee's children which the employee nominates, and permitting employees to claim reimbursement of expenses incurred in educating any of his or her children up to the total of his or her entitlement."

The Secretariat supports the recommendations for the reasons outlined in the report. It is suggested that the allowances only be payable in respect of dependent children. The estimated cost in 2008 of adopting this recommendation is USD23,230. The cost for later years is more dependent on the proposed establishment structure and recruitment schedule presented in WCPFC4-2007-FAC1/12. The current estimates of these costs for 2009 and 2010 are included in paper WCPFC4-2007-FAC1/13.

Recommendation 3. "Education and housing allowances continue to be paid by the Commission. That the allowances be regarded as benefits associated with appointment to a professional grade, rather than compensation for staff that relocate in order to take up an appointment with the Commission."

The Secretariat supports the recommendation as it confirms the principle of equal remuneration for equal work value without reference to nationality. There would be no additional cost in 2008 given the current staffing profile.

Recommendation 4. "No change be made to the employment terms and conditions for support staff."

Noting that this recommendation is endorsed by the Commission's Support Staff and consistent with CROP principles it is supported by the Secretariat. There is no budgetary impact.

Recommendation 5. "The SDR continue as the international currency standard."

This recommendation restates the current CROP practice and is accordingly endorsed by the Secretariat.

Recommendation 6. "The Commission introduce a Location Allowance for expatriate professional staff with a quantum of 16.5% to 20% of base salary."

It is clear that, for all its unique attributes, Pohnpei does have fewer amenities than other CROP agency locations. Recreational and self development opportunities for staff spouses, partners and family members are limited. There is no easy access to relief from this environment for those that are not inherently captured by Pohnpei's special attractiveness. For example travel to Guam, the closest relief destination, requires several days leave and the payment of airfares and accommodation costs. Access to the range of services and facilities found in Suva and other CROP agency locations, including medical facilities, is limited as are regular supplies of fresh produce. This has had a significant impact on the Commission's ability to attract staff and contributes to the separation of families between their home location and Pohnpei. While a 20% location allowance is the assessment of the international remuneration experts ECA-International the Secretariat supports the 16.5% quantum at the lowest end of the nominated range. This is consistent with the practice at FFA. The estimated cost in 2008 for a 16.5% location allowance is USD102,220. In 2009 and 2010, the

anticipated cost, based on the recruitment schedule presented in WCPFC4-2007-FAC1/12, is shown in WCPFC4-2007-FAC1/13.

Recommendation 7. “That the Commission introduce a retention payment of 7% of base salary for each year of service payable only at the end of a three- year term or longer contract.”

For the reasons set out in the review report, noting also the desirability of realising returns on the significant front end investment involved in staff recruitment as well as the value created by the retention of competent and experienced staff, and being conscious of the competitive pressures from alternate employment opportunities, the Secretariat is in favour of a retention payment consistent with current practice at FFA. It is noted that the effective implementation of this facility requires rigorous performance monitoring and management systems and procedures – and that the necessary systems and procedures (such as formal annual performance appraisal) are in place at the Secretariat. There would be no additional cash cost to the Commission in 2008 if the recommendation were accepted however, as a notional figure, for the professional staff members employed for the full year 7% of the estimated 2008 basic salaries is approximately USD42,100 or an average of USD7,000 each. The 2009 and 2010 estimated figures are shown in WCPFC4-2007-FAC1/13.

Recommendation 8. “The Commission increase annual leave for professional staff to 30 days.”

The Secretariat supports this recommendation for the reasons given in the report. There would be no cost to the Commission. It is proposed the additional benefit would be offset by equivalent productivity gains delivered by application of the Secretariat’s performance management systems and procedures, noting that staff already work long hours invariably including weekends and legal holidays.

Recommendation 9. “At an appropriate time, the Commission considers lobbying through their Governing Body (sic) to seek tax free status for all expatriates and for local citizens employed as professional staff.”

Noting that a similar suggestion was apparently put to CROP some time ago, but not taken up, the Secretariat suggests that consideration of this issue should be subject to any change in that situation.

Table of estimated effects on the 2008 proposed budget if the recommendations were accepted by the Commission.

(Without prejudice to the fact that any change in the Commission’s staff terms and conditions is dependent on agreement by the Commission, provision has been made in the 2008 proposed budget for the amounts listed below and similar provision for implementation of the recommendations has been made in the indicative budgets for 2009 and 2010 - refer WCPFC4-2007-FAC1/13)

<i>Change in terms and conditions</i>	<i>USD cost 2008</i>	<i>Comments</i>
Education allowance increase	23,230	
Location allowance introduced	102,220	
Retention incentive introduced	0	Potential costs are estimated to <i>average</i> about \$7,000 a year for each staff member (\$42,000 based on 6 staff for all of 2008) and \$62,000 for 9 staff for all of 2010), subject to staff completing a continuous period of three or four years service.
Annual leave increase of 5 days	Nil	Productivity gains to offset including less sick leave.

Recommendations:

The Committee is invited to propose to the Commission that with an effective date of 01 January 2008 it accepts the independent review recommendations to:

i) adopt education allowances for professional staff of USD\$14,800 per annum per dependent child (being 75% of the median tuition fees in Australia & New Zealand of USD\$7,500 plus the median for boarding fees as USD\$7,300) and define each employee's entitlement under the education allowance as the sum of the entitlements due to up to three of the employee's dependent children which the employee nominates, and permitting employees to claim reimbursement of expenses incurred in educating any of his or her dependent children up to the total of his or her entitlement.

ii) That education and housing allowances be regarded as benefits associated with appointment to a professional grade, rather than compensation for staff that relocate in order to take up an appointment with the Commission;

iii) that no change be made to the employment terms and conditions for Support Staff;

iv) that the SDR continue as the international currency standard;

v) that a location allowance for expatriate professional staff of 16.5% of base salary is introduced ;

vi) that a retention incentive of 7% of base salary for each year of service, payable only at the end of a three year term or longer contract is introduced;

vii) that annual leave for professional staff is increased to 30 days;

And

that it *defer* decisions on the recommendations to:

- endorse a project to examine the advantages, disadvantages, feasibility and implementation issues regarding adopting a total remuneration package approach to determining and managing remuneration; and
- to consider lobbying to seek tax free status for all expatriates and for local citizens employed as professional staff;

at least until CROP adopts these matters as harmonised principles.

Further, the Committee recommends the Commission instruct the Secretariat to revise the existing Staff Regulations to appropriately reflect the decisions of the Commission with regard to the terms and conditions for Secretariat staff and present these to the next meeting of the Finance and Administration Committee for consideration.



WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION
PO Box 2356, Kolonia, Pohnpei 96941, Federated States of Micronesia

CALL FOR EXPRESSIONS OF INTEREST

Consultancy to undertake a Review of Employment Terms and Conditions

Closing date for expression of interest bids: 30 March 2007

INTRODUCTION

The Convention on the Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean entered into force in June 2004 creating one of the first regional fisheries management organizations to be established since the adoption in 1995 of the UN Fish Stocks Agreement.

The Convention applies to all species of highly migratory fish stocks (defined as all fish stocks of the species listed in Annex I of the 1982 Convention occurring in the Convention Area and such other species of fish as the Commission may determine) within the Convention Area, except sauries. Conservation and management measures under the Convention are to be applied throughout the range of the stocks, or to specific areas within the Convention Area, as determined by the Commission. The Commission currently has 25 Members and two Cooperating Non-Members. The three Pacific Overseas Territories of France and Tokelau are Participating Territories within the Commission. Additional information concerning the Commission, including copies of recent decisions, is available from www.wcpfc.int

The objective of the Convention is to ensure, through effective management, the long-term conservation and sustainable use of highly migratory fish stocks in the western and central Pacific Ocean in accordance with the 1982 United Nations Convention on the Law of the Sea and the 1995 UN Fish Stocks Agreement. For this purpose, the Convention establishes a Commission for the Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean (WCPFC).

Consultancy

The Commission set up its Secretariat in Pohnpei, Federated States of Micronesia in late 2005 and has adopted an amalgamation of terms and conditions based, in the main, on the average of the range of benefits that make up the Council of Regional Organisations in the Pacific (CROP²) harmonized conditions of employment. After almost two year's of operational experience the Commission has agreed to review the terms and conditions for the staff of the

² CROP is an acronym for the Council of Regional Organisations of the Pacific and includes the Pacific Islands Forum Secretariat, Secretariat of the Pacific Community, South Pacific Applied Geoscience Commission, South Pacific Board for Education Assessment, Secretariat of the Pacific Regional Environment Programme, and the Pacific Islands Forum Fisheries Agency. It is a coordinating body chaired by the Pacific Islands Forum. The Commission is not a member and does not participate in its meetings.

Secretariat of the WCPFC. Accordingly **bids are invited for a consultancy to undertake such a review.**

The consultancy should take into account the importance of the Commission's terms and conditions of employment remaining within the general framework of the principles and practices of the CROP harmonised conditions of employment as well as the membership of the Commission in comparison with other CROP Agencies. The review is to be of the Commission's professional and support staffs remuneration and conditions of employment and staff regulations with the objective of confirming the current set of arrangements as wholly appropriate or identifying an alternate appropriate flexible set of conditions, regulations and HR policies necessary for the Commission to attract appropriately qualified and capable persons and to minimize the possibility of early contract terminations.

The consultant should prepare a report that includes recommendations that provide a pragmatic balance between (i) attracting and retaining staff and (ii) economy in relation to the Commission's budget. The report should refer to relevant comparator organisations, related staff responsibilities and employment markets where appropriate to support recommendations. Indicative net costs of recommendations should be included. The report and recommendations are to be presented by **no later than 31 July 2007**. A summary matrix of conditions is available as an initial comparative guide. The consultancy has a modest budget so some negotiation on the scope and methodology may be necessary, depending on the range of bids received.

Bids are to be sent to the Executive Director, Western and Central Pacific Fisheries Commission, PO Box 2356 Kolonia, Pohnpei, Federated States of Micronesia 96941 by 30 March 2007. Bids sent by email should use the address kens@mail.fm.

9 October 2007

Review of Terms and
Conditions
Western & Central Pacific Fisheries
Commission

MERCER



MARSH MERCER KROLL
GUY CARPENTER OLIVER WYMAN

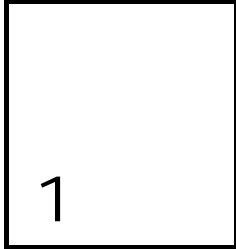
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Executive Summary

Based on consideration of the issues in the Terms of Reference, Mercer provides the following recommendations for consideration by the Commission and its governing body:

1. The Commission endorse a project to examine the advantages, disadvantages, feasibility and implementation issues regarding adopting a total remuneration package approach to determining and managing remuneration. (The project brief should include mechanisms to canvass staff views, financial modelling to determine budget impact, comparator markets and potential efficiencies.)
2. The Commission adopt Education Allowances for professional staff of.
 - USD\$14,800 per annum per child (being 75% of the median tuition fees in Australia & New Zealand of USD\$7,500 plus the median for boarding fees as USD\$7,300).
 - Defining each employee's entitlement under the education allowance as the sum of the entitlements due to up to three of the employee's children which the employee nominates, and permitting employees to claim reimbursement of expenses incurred in educating any of his or her children up to the total of his or her entitlement.
3. Education and housing allowances continue to be paid by the Commission. That the allowances be regarded as benefits associated with appointment to a professional grade, rather than compensation for staff that relocate in order to take up an appointment with the Commission.
4. No change be made to the employment terms and conditions for support staff.
5. The SDR continue as the international currency standard.
- 6.; The Commission introduce a Location Allowance for expatriate professional staff with a quantum of 16.5% to 20% of base salary.
7. That the Commission introduce a retention payment of 7% of base salary for each year of service payable only at the end of a three year term or longer contract.
.
8. The Commission increase annual leave for professional staff to 30 days.
9. At an appropriate time, the Commission considers lobbying through their Governing Body to seek tax free status for all expatriates and for local citizens employed as professional staff.



Introduction

Terms of Reference

The Convention on the Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean which entered into force in June 2004 created one of the first regional fisheries management organisations to be established since the adoption in 1995 of the United Nations Fish Stocks Agreement.

The Convention applies to all species of highly migratory fish stocks within the Convention Area, except sauries. Conservation and management measures under the Convention are applied throughout the range of the stocks, or to specific areas within the Convention Area, as determined by the Commission. The Commission currently has 25 Members and two Cooperating Non-Members. The three Pacific Overseas Territories of France and Tokelau are Participating Territories within the Commission.

The objective of the Convention is to ensure, through effective management, the long-term conservation and sustainable use of highly migratory fish stocks in the western and central Pacific Ocean in accordance with the 1982 United Nations Convention on the Law of the Sea and the 1995 United Nations Fish Stocks Agreement. For this purpose, the Convention established a Commission for the Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean (“WCPFC”, “the Commission”).

Consultancy

The Commission set up its Secretariat in Pohnpei, Federated States of Micronesia in late 2005 and adopted an amalgamation of terms and conditions based, in the main, on the average of the range of benefits that make up the Council of Regional Organisations in the Pacific (CROP) harmonised conditions of employment. (CROP is the acronym for

the Council of Regional Organisations of the Pacific and includes the Pacific Islands Forum Secretariat, Secretariat of the Pacific Community, South Pacific Applied Geoscience Commission, South Pacific Board for Education Assessment, Secretariat of the Pacific Regional Environment Programme and the Pacific Islands Forum Fisheries Agency. It is a coordinating body chaired by the Pacific Islands Forum. The Commission is not a member and does not participate in CROP meetings.)

After two years' operational experience the Commission has agreed to review the terms and conditions for the staff of the Secretariat of the WCPFC.

The consultancy is to take into account the importance of the Commission's terms and conditions of employment remaining within the general framework of the principles and practices of the CROP harmonised conditions of employment, as well as the membership of the Commission in comparison with CROP Agencies.

2

Background

In determining an appropriate set of terms and conditions of employment for its professional and support staff the Commission considered the system adopted by United Nations (UN) agencies and that of the CROP agencies.

The Commission decided that since neither the UN common system nor the CROP system were entirely appropriate for its needs a system for terms and conditions of employment including remuneration based on the CROP harmonised conditions, but modified as needed to satisfy the requirements of article 16 of the Convention which states in part “The paramount consideration in the recruitment and employment of the staff shall be the necessity of securing the highest standards of efficiency, competence and integrity. Subject to this consideration, due regard shall be paid to the importance of recruiting the staff on an equitable basis between the members of the Commission with a view to ensuring a broad-based Secretariat.”

On the basis, as the Commission has a membership drawn from states both within and beyond the Asia-Pacific region it may also be appropriate to consider the extent to which the Commission should seek to attract suitably qualified applicants from across the entire range of potential member states.

The Commission’s intent was that “initial appointments to the Commission secretariat could be made at least on a short-term basis in accordance with the existing CROP system, pending the approval by the Commission of Staff Regulations in its first few years of operation. Any adjustments to the CROP system that may be required for practical purposes could be reflected in the Staff Regulations”.

It is noteworthy that CROP agencies have agreed that for harmonisation to be most effective in practice it should be seen as a flexible guideline for participating agencies rather than a set of rules of implementation that must be rigidly applied. Where harmonisation cannot meet the business needs of agencies, other options may be explored. Each CROP agency chooses its own mode of implementation of the CROP

agreed harmonised principles based on its needs resulting from its own particular situation and location. Accordingly, across CROP agencies there is actually a range of terms and conditions applying to professional and support staff rather than one rigid set.

Mercer Human Resource Consulting (“Mercer”) was engaged by the Commission to undertake a review of professional and support staff terms and conditions.

Martin Turner, Principal, located in Mercer’s Auckland Office, undertook the review.

3

Context

In determining the remuneration system for the Commission's staff the Commission was cognisant of article 16 as noted above.

The Commission considered participating in the UN common system of salaries and allowances which covers all aspects of employment in the international civil service, including salaries and allowances and pension entitlements. In addition to the UN and its specialised agencies, the system is also applied by numerous other international organisations, including several regional fisheries management organisations and some of the existing tuna management organisations and other regional organisations with jurisdiction in the Pacific region.

The advantages of applying this system to the Commission are its transparency, its portability, and the fact that it is already accepted by all participating governments as satisfying the criteria set out in article 16. Staff of the Commission would have the benefit of eligibility to participate in the UN Joint Staff Pension Fund. One significant advantage for the purposes of budgeting is that sophisticated methodologies exist for standardised costing of staff positions. On the other hand, it may be argued that the UN system is administratively complex and unnecessarily burdensome to apply within a small organisation.

The Commission also considered a regional system of salaries and allowances in the form of the CROP harmonised set of employment conditions. Originally this arrangement had salaries for professional staff based on the median of the base salary of the Australian Public Service (this has now changed to being based around an average of the Australian Public Service, the New Zealand Public Service and Fiji General Market). While the CROP system is not as well-developed as the UN system, it retains the same basic features, including the link to a comparator public service markets for establishing the base salary scale and the usual expatriate benefits such as recruitment and re-assignment grants, removal allowances, home leave, education

grant, medical and life insurance, superannuation and cost of living adjustments applicable to specific duty stations.

The major defect with the CROP system, as applied to the Commission, is that it is not designed to accommodate the needs of countries which are not members of the CROP organisations. Further, those countries have not had the opportunity to provide any input into the process of establishing the CROP standards. Further, there is no regional civil service, each country being a sovereign nation so by definition there is no centralised administration of terms and conditions nor any standardised methodology for the purposes of budgeting for staff positions. There is also no pension fund. The governing bodies of the CROP organisations have different membership and retain the power to adopt and amend Staff Regulations which are specific to the organisation concerned.

The Commission formed a view that since neither the UN common system nor the CROP system were entirely appropriate for its needs, it adopted an approach of applying a system for remuneration which is based on the CROP system but with modifications deemed necessary in order to satisfy the requirements of article 16.

In terms of budgeting, the most significant component of the difference in salary costs between the UN common system and the CROP system is the base salary component of each salary scale. Mercer understands that once other factors have been taken into consideration, including the considerable overlap that exists between salary scales, the financial implications of using either scale are quite similar. While the UN salary scale appears higher than the CROP salary scale, the point at which an individual staff member is placed on the CROP scale is influenced to a greater extent by market conditions and the circumstances of the individual concerned (e.g. number of dependents etc).

4

Approach

The project was undertaken in a series of concurrent steps; project planning, data collection, site visit, analysis and interpretation, review of outcomes and reporting. The information from all sources and analysis and resulting recommendations has been compiled in this report.

The study used data from the following sources to develop an understanding of the work of the Commission and professional and support staff terms and conditions of employment.

- Consultation with each Commission staff member and inspection of housing, education, recreation and shopping facilities during a visit to Pohnpei
- Review of historical CROP harmonisation papers and reports including reviews of professional and support staff terms and conditions of employment undertaken by Mercer in 1999, 2003 and 2006 and of a variety of reports examining remuneration and terms and conditions addressing, inter alia, education and housing allowances
- Reviews of various WCPFC Preparatory Conference papers.

For convenience our report follows the terms of reference.

Staff interviews conducted with:

- Drew Wright, Executive Director
- Ken Smithson, Finance & Administration Officer
- Sung Kwon Soh, Science Manager
- Andrew Richards, Compliance Manager
- Karl Staish, Regional Observer Programme Coordinator
- Herolyn Movick, Office Manager
- Lucille Martinez, Executive Assistant



International Trends - Remuneration Policy and Practice

The following canvasses some of the trends in international best practice with respect to remuneration policy and practice and notes where CROP terms and conditions may differ.

Mercer's experience is that there are three common themes which have emerged in contemporary approaches to remuneration policy and practice. Remuneration policy must:

- be closely aligned with and support the organisation's overall business strategy, and be complementary to other business policies;
- meet the needs of the staff; and
- balance between fine tuning the remuneration policy to deal with all possible eventualities and minimising the complexity and cost of remuneration management.

It is critical that organisations have a clear remuneration strategy which is closely aligned with, and supports, the overall business strategy. In that context it is important for organisations to consider the matter of 'best fit' versus best practice. Organisations are coming to realise that they cannot, and should not, merely mimic the remuneration policies and practices of other organisations i.e. taking a best practices approach; they have to determine what works specifically for them i.e. following a best fit approach.

This approach helps decision makers identify a set or "package" of policies to address their organisation's specific remuneration and reward needs. There is no single policy or approach to deal with these under all circumstances. Instead decision makers must search out the strategies that will work best within their organisation and local contexts. Decision makers can take three basic steps to apply the best-fit model to their individual contexts:

1. Identify the remuneration needs or 'problem' using adequate data
2. Explore available alternatives to address the multiple dimensions of the need or 'problem'
3. Evaluate the cost-effectiveness of alternative approaches.

In developing a reward strategy and remuneration policy, key considerations fall into three broad categories:

- Setting pay levels
- Deciding on the structure of pay
- Deciding on the management of pay programmes

Setting pay levels

Mercer's observation is that organisations need to improve their understanding of what constitute market levels of remuneration. Otherwise, there is the risk of losing good staff and not being able to attract suitable candidates and ultimately, placing themselves at a competitive disadvantage. (Some of the professional officers asserted that the Commission is at risk because its capacity to attract suitable candidates is being diminished because the quantum of remuneration is not competitive in the market; see Attraction and Retention).

CROP professional pay scales are well below those of the Australian and New Zealand public sectors. Furthermore, the 2005 report provided by Ken Filewood Consulting to FFA asserted that the net value of the remuneration package was below the level needed to attract experienced staff from the Australian Public Service. This differential potentially impacts on the capacity of the current CROP pay scales used by the Commission to meet staff needs and attract and retain the required quality of staff member.

Similarly, the base salary plus benefits plus allowances approach to remuneration adopted by the Commission, without any capacity to 'cash out' elements of the reward offering or use them in other ways, is not aligned to contemporary reward approaches and has the potential to work against meeting individual staff needs.

Another aspect of setting levels is the link between performance and the level of remuneration. Mercer understands that the Commission's practice is to review remuneration annually and take into account the performance of the incumbent. An increase in remuneration from one year to the next should only occur for one of three reasons;

- To align remuneration to the market i.e. to be competitive in the market
- Because of the acquisition of skill by the incumbent and the application of that skill in the execution of duties
- Because the performance of the incumbent was, as a minimum, at the level expected.

Structure of pay

Mercer has observed that some organisations which were somewhat paternalistic and offered a range of benefits to employees, such as medical insurance, education benefits and housing allowances have, more recently, engaged in “cashing up” traditional benefits, so that the onus is on employees to decide how they wish to spend their remuneration. Flexible benefit plans are relatively common in developed economies as they ensure that the money spent on benefits is being used for what employees value the most.

The adoption of this total remuneration package approach is addressed more fully below.

Deciding on the management of pay programmes

There has been an increased emphasis on this aspect. An organisation may have a clear reward strategy but if it is not managed appropriately, then its effectiveness will be reduced. It is important that the reward strategy addresses issues, such as, should the same pay programmes apply to all employees, or should there be some variation between business units or geographies and how much flexibility or discretion will be allowed?

Allowing managers to have the flexibility to offer different levels or elements of remuneration can cause problems for some organisations as perceived inequities and inconsistencies can arise. However, it can also allow managers to address local practice or market competitive pressures. To some extent, the degree of flexibility or discretion allowed under an organisation’s remuneration strategy will depend on the trust that senior executives, including the human resources team, have in their managers.

It is important however that a manager’s delegated flexibility is balanced by their budget accountability. This will ameliorate a natural tendency to take the easy path, and pay higher salaries without regard for effects on the overall organisation remuneration budget.

In this respect the Commission is quite well placed as professional staff are subject to a six monthly performance monitoring matrix. The matrix includes specific tasks and goals that are required to be met and these are assessed in a formal review process. Increments are not granted unless a high level of performance is demonstrated.

Non-financial rewards

Some employers are recognising that employee rewards are not limited to only financial measures, and have boosted their non-financial reward programs to motivate or reward employees as an alternative to the relatively more expensive traditional monetary incentives. Many non-financial rewards are either low cost or ‘no’ cost and accordingly can be introduced or encouraged with little or no budgetary impact.

In a recent Mercer survey of Australian organisations, those organisations which assess the effectiveness of their non-financial reward schemes report that they are an effective means of motivating, rewarding and thanking employees.

For organisations in which salary budgets are under particular pressure these rewards can be an especially effective approach to 'winning the hearts and minds' of staff both as recognition in the short term of work done well but also as a means of developing long term relationships and commitment. For example, Mercer has seen these types of rewards in use in the not-for-profit sector.

In common with like agencies, the Commission's budgets are typically 'tight' and under pressure. While Mercer is not aware of the Commission's specific practice with respect to these types of rewards, it is reasonable to speculate that introducing or increasing the use of non financial rewards may well have the same positive effects noted in the survey referred to above. While long term relationships with staff may not be quite as important for the Commission as other employers, having 'tools' in place which impact positively on motivation should be regarded as mandatory.

Non-financial rewards are commonly provided to individuals for achievements such as reaching a milestone year of service or exceeding individual and/or team targets.

Certificates and plaques and on the spot 'thank-you's are the most common types of non-financial rewards offered by organisations.

Total Remuneration approach - Remuneration Packaging

A remuneration package approach is one way in which an organisation calculates the costs associated with employing an individual over and above base salary, and attributes that total cost to the individual. The package may be defined as total cash, total remuneration, employment cost or by some other term. It can include any or all of the following:

- base salary
- other cash allowances and payments
- employer superannuation contributions
- employee superannuation salary sacrifice (if available)
- the benefit value of motor vehicles
- the value of other fringe benefits, such as health insurance and allowances covering various contingencies.

Remuneration packages exclude business related on-costs such as salary continuance insurance and workers' compensation insurance.

Total remuneration as defined in terms of CROP conditions will be base salary plus CROP benefits.

Contemporary reward strategies include the concept of the remuneration package. Calculating total employment cost or total employee reward enables the organisation and

its employees to understand the full value of remuneration and make valid remuneration comparisons between jobs of similar size.

Package flexibility

Allowing employees the flexibility to vary the mix which makes up their total remuneration package offers them a number of advantages and may be considered a benefit in itself.

Flexible packaging:

- provides employees with an opportunity to tailor their own reward to suit their lifestyle and needs. For example, an employee may choose to make additional superannuation contributions and receive less cash
- can be a motivating factor for employees who are able to make informed decisions about their reward packages
- may provide additional financial benefits to employees who take advantage of any concessional taxation arrangements which may apply in the location, without extra cost to the employer
- is a way for organisations to recognise the achievements of high performing employees with rewards tailored to the individual, and
- can provide organisations with a competitive edge in attracting and retaining staff.

In light of the fewer candidates the Commission has been able to attract to vacancies compared to participating CROP agencies, it is this last point which perhaps offers the strongest inducement for considering adopting a total remuneration package approach.

In not adopting a total remuneration approach organisations face risk in two respects. The first is being unable to recruit and/or retain suitably qualified staff and therefore place in jeopardy the achievement of organisational objectives. While an increase in base salary will mitigate this risk to some, or even a large degree this simply adds cost to the organisation. However, a total remuneration approach may well provide, at least a partial solution, by providing a candidate with flexibility to convert some of his/her package to cash (or some other form of remuneration) without the added cost of increasing base salary. The second is that by focussing on base salary, agencies face the risk over-paying staff by not accounting for, or communicating appropriately the benefits and allowances which are provided.

The Commission has allocated roles to the various levels in the CROP classification structure. The structure is based on a common job evaluation methodology adopted to ensure a systematic approach to determining the 'size' of roles, which enhances the likelihood of achieving external and internal equity, and the consequent remuneration for roles. However, the quantum of the total remuneration paid to an incumbent is not actually determined as a result of this process but rather by the family circumstances of the incumbent, which can lead to a quite significant difference between the total remuneration paid for incumbents of roles classified at the same level.

Adoption of a total package approach would mean that the various allowances paid to staff would be 'wrapped up' into one value which would accurately reflect job worth. A methodology would need to be developed to determine an appropriate value of these allowances, such as an average or median of the allowances currently paid.

There will also be issues around the definition of salary for superannuation, life insurance, salary continuance insurance, calculation of performance pay and the like. However, these are not insurmountable and can be addressed by adopting a notional salary approach, although the Commission would need to model the effect of a total package approach on payments and determine the notional salary to ensure that staff members are not disadvantaged by the approach and the Commission does not overpay.

Additionally there is some administrative effort expended in managing the range of allowances. While no analysis has been made of this effort, it occupies staff time and diverts managers and professionals from their primary tasks.

The total remuneration concept has been an item of discussion for CROP agencies for some years. It is a contemporary approach. Mercer and other consultants who have undertaken remuneration related projects for CROP agencies have recommended that they consider introducing the concept into their reward framework.

As mentioned previously if the Commission was to adopt a total remuneration approach its introduction would be on the basis of 'best fit' i.e. developing a tailored approach specific to the Commission's needs.

The advantages of adopting the approach include those cited above under the heading of flexible packaging. Additionally the approach;

- Facilitates clear communication of the total value of the reward offering
- May assist in differentiating the Commission in the sometimes crowded employment market from those entities not providing a flexible approach
- Once in place it is simple to administer and will reduce effort currently being expended on activities which add no value to the Commission's core purpose.

However, there are disadvantages and hurdles to consider, including:

- Confusing candidates who expect a more traditional approach to remuneration which segments the components of the offering, and the value of benefits is clearly enunciated
- Loss of corporate knowledge over time about what components were 'wrapped up' in the package initially
- Changing entrenched views on the way in which remuneration and benefits are valued and managed

While the concept was not a central discussion point during the consultation process it is the consultant's expectation that there will probably not be a deep understanding of the advantages and disadvantages of the approach. Further research is essential to develop understanding which will then allow an informed decision making process.

Recommendation: That the Commission endorse a project to examine the advantages, disadvantages, feasibility and implementation issues regarding adopting a total remuneration package approach to determining and managing remuneration. (The project brief should include mechanisms to canvass staff views, financial modelling to determine budget impact, comparator markets and potential efficiencies.)

6

Attraction and Retention

We understand that the candidate selected as the inaugural Director did not take up his appointment because of an inability to agree on a suitable 'package'. While the Commission's professional staff raised some concerns with Mercer regarding their terms and conditions, since the Commission commenced operations there has not been any professional staff turnover.

Recruitment statistics for the Commission's vacancies and, for comparison, those of some CROP agencies are at Appendix B. It is acknowledged that averaging the number of applications may be a little simplistic as it is not an indicator of the quality of candidates but it is perhaps indicative of trends.

Mercer notes that on average the Commission has attracted fewer candidates for vacancies compared to CROP agencies. Of particular note is the comparison with FFA. This agency typically seeks skills similar to those required by the Commission, and has been the source of the bulk of the Commission's professional staff, yet, until the most recent instability in the Solomon Islands, that agency has attracted an larger average number of candidates than the Commission. It is not known whether candidates perceive FSM, and Pohnpei in particular, as a less attractive location than Honiara or whether the Commission's employment terms and conditions are less competitive, or some combination of these reasons.

However candidate numbers should be seen in the context of a general candidate shortage in most western economies, with many countries experiencing record low unemployment levels. The fewer average number of candidates for Commission vacancies may be a result of this shortage rather than a reflection of the desirability or otherwise of the Commission's location and the competitiveness of the employment terms and conditions.

Mercer was engaged by the CROP agencies in 2006 to review, inter alia, professional remuneration levels. At that time most agencies reported that they had experienced

difficulty in attracting appropriate quality candidates for vacancies, in some cases across the spectrum of their professional roles, while for others the difficulty was for particular roles. In many cases it was asserted that the difficulty was, at least, somewhat attributable to the individual agency's employment terms and conditions package being uncompetitive.

7

Housing and Education Allowances

Among CROP agencies these matters have been the subject of ongoing debate so it was not surprising that the Education Allowance in particular was a cause for concern with the Commission's professional staff.

Education Allowance

The purpose of the education allowance is to allow contract staff to have their children educated to an international standard and to national standards for local staff.

The Commission's and participating CROP agencies' current practice with respect to Education Allowance is:

	WCPFC (Pohnpei)	FFA (Honiara)	Forum (Suva)	SOPAC (Suva)	SPREP (Apia)	SPC (Noumea)
<i>Education allowance</i>	USD5,650 maximum per student. 3 times per family	USD3,100 per primary student; USD4,800 for secondary plus boarding USD4,400. Family maximum 3 x individual allowance	75% of actual compulsory fees and board for individual student. Maximum of three times that for a family	75% of actual compulsory fees and board for individual student. Maximum of three times that for a family	75% of actual compulsory fees and board for individual student. Maximum of three times that for a family	75% of actual compulsory fees and board for individual student. Maximum of three times that for a family

All professional staff noted that the standard of local education was left wanting at both primary and secondary levels. Although one staff member had chosen to bring children to Pohnpei, he was very concerned about the quality of education they were receiving. There is no international school in Pohnpei.

The consultant met with the head of the two local Christian schools. In both schools there are a number of local and overseas teachers who are not qualified or registered teachers (in the case of the Baptist school the principal was not a qualified teacher) although both schools claimed to be working towards complying with the requirement to have them registered by November 2008. Both schools offer primary and secondary schooling. While the consultant is not qualified to make professional judgements about the quality of education offered by the two schools and whether this is at international standard, the impression gained was not favourable, given the number of unqualified and unregistered teachers and very limited facilities.

The consultant understands that a similar situation occurs in Honiara where most FFA staff members have elected to educate their children in Australia and New Zealand. The participating CROP agencies have recognised this situation and have endorsed FFA's decision to base its allowance for secondary schooling on fees of overseas schools.

FFA has used Australian and New Zealand schools as reference points to set its education allowance benchmark as these are the countries where majority of the parents educate their children.

FFA had concerns that the level of financial support provided through the Education Allowance was inadequate and/or disadvantaged expatriate staff and engaged a consultant to review the situation. The purpose of the review was to update the current benchmark based on the fee levels of the reference schools and to harmonise the allowance with the CROP principles where inconsistencies exist.

That consultant conducted a survey of current fee levels of the reference schools and established that 75% of the median tuition fees in Australia & New Zealand as USD7,500 and the median for boarding fees as USD7,300 totalling USD\$14,800 per annum per child.

The consultant also recommended defining each employee's entitlement under the education allowance as the sum of the entitlements due to up to three of the employee's children the employee nominates and permitting employees to claim reimbursement of expenses incurred in educating any of his or her children up to the total of his or her entitlement.

The consultant noted that the rationale for claiming 100% of boarding or tuition fees paid up to the boarding fee limit of USD7,300 is that employees of other CROP Agencies have local access to international secondary education, and therefore do not incur boarding fees. To ensure equivalent remuneration packages, it is necessary to prevent FFA employees from paying boarding fees. The same rationale applies to the Commission.

Mercer understands that the consultant's recommendations were not adopted in full because of the need to harmonise with other CROP agencies. This is not the case with the Commission and, further, unlike Honiara there is no international school.

Recommendation: That the Commission adopt Education Allowances for professional staff of.

- USD\$14,800 per annum per child (being 75% of the median tuition fees in Australia & New Zealand of USD7,500 plus the median for boarding fees as USD7,300).
- Defining each employee's entitlement under the education allowance as the sum of the entitlements due to up to three of the employee's children the employee nominates and permitting employees to claim reimbursement of expenses incurred in educating any of his or her children up to the total of his or her entitlement.

Housing Allowance

The Commission has adopted the CROP harmonised position of paying 75% of rental values. However actual CROP practice varies across actual, total or typical rental, either with a maximum value, a minimum value or in Honiara, open ended at the CEO/Director's discretion.

Feedback from professional staff was typically that their housing was adequate or better.

It is noted that there is very little if any housing stock available; a situation which may impact negatively on the Commission's capacity to recruit in the future.

Commentary

There are two opposing views of the purpose of education and housing allowances. One side sees the allowances justifiable solely by relocation, and consequently available only to expatriates. The other side maintains that the allowances are an integral part of the conditions of every professional staff member i.e. a benefit. In the Commission's present circumstances i.e. with no local recruited professional staff, the latter is not a current concern but should be noted.

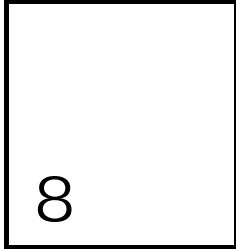
The consultant's view is that either position can be argued and defended successfully, but what is hard to justify in equity, however, is a position between the two extremes. Harmonisation practice among CROP agencies, including the classification structure used by the Commission, is intended to lead to the underlying work value of a role determining the total remuneration package, or at least to the range of remuneration applicable to a grade. However, the reality is that the total remuneration package is actually determined by the citizenship and/or family circumstances of the incumbent. For example, with respect to education allowances, an incumbent with children will receive an allowance which inflates their total remuneration package when compared to that of a childless incumbent in the same role or a role classified at the same level. Similarly,

local professional staff would not receive the allowance at all, or receive a much reduced amount. In either case the package of lesser value raises the question of internal equity between staff and across like roles.

A like situation exists with the housing allowance. The family circumstances of the staff member will largely drive the nature of their housing and the subsequent quantum of rental assistance. As with education allowance, housing allowance impacts the total remuneration package and again that package is also determined by the citizenship and/or family circumstances of the incumbent rather than the underlying work value of the role.

Incorporation of the education and housing allowances into the total remuneration package will entrench them as benefits and eliminate internal and external inequities.

Recommendation: That education and housing allowances continue to be paid by the Commission. That the allowances be regarded as benefits associated with appointment to a professional grade, rather than compensation for staff who relocate in order to take up an appointment with the Commission.

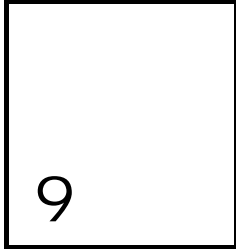


Support Staff

The Commission has had some turnover of local support staff. It was reported to Mercer that compared to, say, Honiara, Pohnpei is a “shallower talent pool”. There are no short or long term office skills or management courses provided by the College of Micronesia at the moment with the obvious affect on the supply of talent.

Noting this there does not appear to be any cause for change with respect to the employment terms and conditions for local support staff.

Recommendation: That no change be made to the employment terms and conditions for support staff.



SDR and Stabilisation Methodology

Payment of equivalent salaries for equivalent jobs is a primary purpose of harmonisation practices. Given the different locations of the CROP agencies and that salaries are paid in different currencies, there is a need for a common currency in which to denominate the CROP salary scale. The currency used is the IMF's Special Drawing Rights (SDR) which is a basket of currencies (USD 42%; EUR 34%; YEN 13%; STG 11%). It was anticipated that the SDR would provide a level of stability for agencies and staff when converting salaries from SDR to the currency of payment.

However, the weakening of the USD over recent years has resulted in the SDR exchange rate moving such that the value of individuals' remuneration lost value (except for FFA staff, as that agency converted to the US dollar).

In Pohnpei the conversion is direct from SDR to US whereas for other CROP agencies it is SDR to US to local currency.

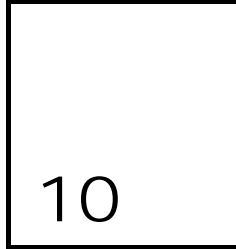
The slide in the value of the US dollar and the subsequent difficulties caused have been acknowledged by CROP Working Groups but it was decided use of the SDR should continue noting that uniformity in the denomination of salary scales was important and the SDR represented a well understood international currency standard. The options of adopting a single currency or the development of a CROP basket of currencies were not considered viable solutions.

However, to mitigate exchange rate fluctuations a stabilisation mechanism was implemented in which a floor and ceiling were set, between which salaries would be paid at the rate of exchange of the SDR and the currency of payment applicable at the time. The reference point is the average SDR exchange rate of the twelve months to December of the previous year, which would be recalculated annually to apply from 1 January. This stabilisation mechanism was considered to provide sufficient protection for staff and the agencies against exchange rate fluctuations.

A basket of currencies was selected as the appropriate mechanism to provide for a level of stability for agencies and staff. SDR was selected to because of its composition and standing. In earlier reviews the range of responses from agencies regarding SDR varied from those that had no problem with the link to others that considered it essential to change. It should be noted that the exchange rate movement has had a positive effect on agencies' budgets. If the movement had been in the opposite direction staff would have 'profited' but agencies' budgets would have been under duress. In selecting a currency and an appropriate stabilisation mechanism CROP Working Parties considered the balance of the tension between providing certainty; both for staff in terms of 'take home pay' and agencies' budgets.

It is self evident that some staff are suffering adversely because they are carrying the exchange rate risk implicit in the basket approach. However Mercer's observation is that if the USD had retained its value rather than trending as it has or had appreciated the appropriateness of SDR as a common currency would not be in question.

Recommendation: That the SDR continue as the international currency standard.



Other Matters

Location Allowance

In addition to meeting with all Commission staff the consultant was able to observe local facilities.

Leisure and Recreation

Each of the professional staff members interviewed commented on the paucity of leisure activities and lack of recreational facilities in Pohnpei, and this was confirmed in comparative and absolute terms by the consultant.

Communications

A number of staff commented on the significant difficulty with communications, particularly in calling PNG and the Solomon Islands. Given that at the present time the majority of professional staff were recruited from the latter there is a significant loss of amenity.

It was also noted that accessing the internet can be difficult and is not reliable leading to an increased sense of isolation.

Shopping

There is no well established market in Pohnpei so a consistent supply of fruit and vegetables is a problem.

Mercer's observation of shopping facilities is that they are generally poor with significant stock shortages evident, and by way of comparison, well below what other expatriates enjoy in Suva.

Security

While Mercer understands that there is not generally a concern about personal security, two of the five professional staff had experienced a house break-in and loss of personal goods as a result. In one case the break-in occurred while the staff member and children were at home.

Spouses

It was reported that there are very few employment opportunities for spouses, which, together with the very limited recreation facilities, leads to a high 'boredom' factor. This is in turn a risk for the Commission in terms of retention, and if a candidate is well informed about Pohnpei, also a risk to attracting quality candidates.

COLDA

The COLDA formula used by the Commission is consistent with that utilised by CROP agencies and the Commission's Staff regulations. Mercer has not conducted any separate analysis of the methodology used in calculating COLDA, however we note the observations made in the June 2007 report to the CROP Working Group on Harmonisation of Terms and Conditions of Service regarding the FFA Review of Professional Staff Remuneration and Conditions of Employment and understand that the CROP Harmonised Conditions Working Group may consider a revised calculation methodology before the end of 2007.

Location Allowance

Among CROP agencies only FFA provides a Location Allowance, currently 16.5% of base salary. This is essentially a hardship allowance based on the perceived difficulty of the Honiara posting given its relative lack of amenity compared to other Pacific postings.

Again, based on Mercer's understanding of conditions in Honiara, the standard of amenities and recreation facilities, the overall lack of amenity of Pohnpei, and the high incidence of family separation this causes, it is evident that a Location Allowance is justified.

ECA (Employment Conditions Abroad) agree regarding the introduction of an allowance and in their Cost of Living Survey of March 2007 recommends a Location or Hardship Allowance for FSM, "designed to compensate for factors associated with a particular location and include health; climate; isolation; social network opportunities; housing; and personal security".

The quantum ECA International recommends for Micronesia is 20% (of base salary) based on a Fiji home base; for Australia and New Zealand the ECA recommendation is 25%. The significant factor contributing to the introduction and quantum of the hardship allowance is the lack of availability of goods and services.

Recommendation: That the Commission introduce a Location Allowance for expatriate professional staff with a quantum of 16.5% to 20% of base salary.

Repatriation payment

In accordance with the CROP position this is two weeks. Some staff asserted it is nowhere near enough to cover actual costs. By contrast Mercer understands that the UN pays four weeks for the first two years of service and then an additional one week for each year of service. Perhaps more relevant is the FFA practice of providing a payment of twenty one percent of base salary at the end of a three year contract. Mercer understands this is because of high turnover i.e. it is effectively a retention payment and the staff member must complete their full contract term in order to qualify as there is no pro-rata payment.

While the Commission has not experienced any turnover of professional staff, it may be noted that staff are aware of the review of conditions and that the evident lack of amenity of the posting is likely to place pressure on its capacity to retain staff for the full term of their employment contracts. A retention payment of the order of that paid by FFA will mitigate against that likelihood.

Recommendation: That the Commission introduce a retention payment of 7% of base salary for each year of service payable only at the end of a three year term or longer contract.

Annual leave

The CROP harmonised position is 25 days but FFA provides 30 days. Mercer understands this is an acknowledgement of the perceived hardship nature of the Honiara posting.

Based on Mercer's understanding of conditions in Honiara, the relative lack of amenity of Pohnpei and the limited opportunity for staff to travel to other locations for work purposes, an increase in the number of days annual leave appears warranted.

Recommendation: That the Commission increase annual leave for professional staff to 30 days

Taxation

This is primarily a matter for the future. There are two issues with respect to this matter. One is that it is self evident that taxing local professional staff leads to inequity in take home pay when compared to expatriate staff. As the Commission does not currently have any local professional staff it is, as noted, a matter for the future and, regardless, it is outside the scope of the report. At the appropriate time the Commission may choose to lobby the FSM government.

The other is that the taxation treatment of expatriates differs depending on their home country. For example Australians have tax free status while New Zealanders do not.

In other agencies expatriate professional staff do not pay tax. However, professional staff who are local citizens do pay income tax. It is self evident that this is a financial disadvantage for the latter group of employees and the situation has two effects: it reduces the relative attractiveness of that particular agency to those local staff when compared with other agencies and it is internally inequitable.

Recommendation: That, at an appropriate time, the Commission considers lobbying through their Governing Body to seek tax free status for all expatriates and for local citizens employed as professional staff.

Appendix A

Summary Comparison Table

Summary comparison of conditions of service in Pacific Regional Organisations

Condition	WCPFC (Pohnpei)	FFA (Honiara)	Forum (Suva)	SOPAC (Suva)	SPREP (Apia)	SPC (Noumea)
<i>Salary scales</i>	All based on the average of three reference markets: Australia and NZ public service and Fiji all organisations.					
<i>Superannuation as % of base salary</i>	7.5%	7.5%	8%	8%	7%	8%
<i>Health Insurance</i>	Full cover	Full cover	Full cover	Full cover	Full cover	Full cover
<i>Life insurance</i>	2.5 x base salary	3 x base salary	3 x base salary	2 x base salary (min)	3 x base salary	2 x base salary
<i>Housing allowance</i>	75% of rent paid or set allowance	75% of rent paid	75% of rent paid	75% of rent paid	75% of rent paid	75% of rent paid
<i>Repatriation</i>	2 weeks salary	2 weeks salary plus 7% per annum	2 weeks salary	2 weeks salary	2 weeks salary	2 weeks salary
<i>Home leave travel</i>	Annual	Annual	18 months	18 months	18 months	18 Months
<i>School reunion</i>	Annual travel	Annual travel	Annual travel	Annual travel	Annual travel	Annual travel
<i>Hours of work</i>	37 hrs 55 min/week	37.5 hrs week	36.5 hours/week	36.5 hours/week	37 hrs 55 min/week	37.5 hrs/week Noumea
<i>Education allowance</i>	USD5,650 maximum per student. 3 times per family	USD3,100 per primary student; USD4,800 for secondary plus boarding	75% of actual compulsory fees and board for individual student. Maximum of	75% of actual compulsory fees and board for individual student. Maximum of	75% of actual compulsory fees and board for individual student. Maximum of	75% of actual compulsory fees and board for individual student. Maximum of

		USD4,400. Family maximum 3 x individual allowance	three times that for a family	three times that for a family	three times that for a family	three times that for a family
<i>Annual leave</i>	25 days	30 days	25 days	25 days	25 days	25 days
<i>Sick leave p.a.</i>	30 days	36 days	21 days	30 days	30 days	30 days
<i>COLDA – Fiji base</i>	Yes	Yes	Not applicable	Not applicable	Yes	Yes
<i>Child allowance</i>	No	No	No	No	No	Yes USD1,011 pa
<i>Location allowance</i>	No	16.25%	No	No	No	No
<i>Resort facilities incl. accessible beaches, golf courses & recreational facilities.</i>	Nil	Adequate	Excellent	Excellent	Excellent	Excellent
<i>Education/children</i>	Poor. Limited tertiary	Good. Limited tertiary	Good	Good	Good	Good
<i>Health facilities</i>	Limited. Basic	Limited. Basic	Good	Good	Good	Good
<i>*Nearest capital air travel time</i>	3 hours Guam; 9 hours Honolulu 13 hours Brisbane	3 hours Brisbane	3 hours Auckland 4 hours Bris/Sydney	3 hours Auckland 4 hours Bris/Sydney	3 hours Auckland 5 hours Sydney	2.5 hours Brisbane
<i>Housing</i>	No normal market. Very limited stock	Good market	Good market	Good market	Good market	Good market

WCPFC=Western and Central Pacific Fisheries Commission; **FFA** =Pacific Islands Forum Fisheries Agency; **Forum**=Pacific Islands Forum Secretariat; **SOPAC**= South Pacific Applied Geoscience Commission; **SPREP**= South Pacific Regional Environment Program; **SPC** = South Pacific Community. * English speaking Member State.

Appendix B

Recruitment Statistics

Western & Central Pacific Fisheries Commission

Position	Total	Nationalities																					
		Australia	Brazil	Canada	EU	India	FSM	Fiji	Japan	Korea	NZ	Niue	Pakistan	PNG	Philippines	Solomon Islands	Sth. Africa	Sri Lanka	Tanzania	UK	USA	Vanuatu	Zambia
Science Manager	6	1			1	2			1												1		
Compliance Manager	13	2		2	1			1		3	1		1		2								
Finance & Administration Officer	20	1			3	2				2		1		3	2					3	1	1	1
ITC Manager	32		2	2	2		1						1	2		1	1	1	4	15			
Regional Observer	10	4			1	2				1							1				1		
Programme Coordinator																							
Total	81	8	2	4	3	9	2	1	1	1	6	1	1	2	5	4	1	2	1	7	18	1	1
Average	16																						
%		10%	2%	5%	4%	11%	2%	1%	1%	1%	7%	1%	1%	2%	6%	5%	1%	2%	1%	9%	22%	1%	1%

Pacific Islands Forum Secretariat (PIFS)

Year	No. of positions	Total no. of applications received	Average no. of applications
2003	4	114	28.5
2004	10	238	23.8
2005	4	81	20.3

Forum Fisheries Agency (FFA)

Year	No. of positions	Total no. of applications received	Average no. of applications
2003	7	470	67.1
2004	10	175	17.5
2005	11	200	18.2
2006	11	104	9.5

Secretariat of the Pacific Environmental Programme (SPREP)

Year	No. of positions	Total no. of applications received	Average no. of applications
2003	9	229	25.4
2004	7	247	35.3
2005	11	382	34.7
2006	9	314	34.8

Pacific Islands Applied Geoscience Commission (SOPAC)

Year	No. of positions	Total no. of applications received	Average no. of applications
2003	9	99	11
2004	5	188	37.6
2005	6	84	14

Secretariat of the Pacific Community (SPC)

Year	No. of positions	Total no. of applications received	Average no. of applications
2003	33	726	22
2004	32	672	21
2005	31	558	18

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