



GOVERNMENT OF THE
REPUBLIC OF VANUATU

GOVERNMENT REMUNERATION TRIBUNAL REVIEW REPORT 2024



PUBLIC SERVICE COMMISSION

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20 September 2024

Dear Chairman, **Public Service Commission**

REVIEW REPORT **FOR PUBLIC SERVICE**

We write to advise that the 2024 review of remuneration for the Public Servants is complete. Attached to this letter is the review report for **Public Service**.

The Tribunal was able to complete the review through the information that were provided by the Commission, the staff of the **Commission, and the Government Ministries**. The extensive consultations that were undertaken with the Commission and its staff also assisted the Tribunal to complete the review. We are thankful for the information that were provided during the consultation.

We are delighted to announce that the 2024 new GRT Determinations were undertaken based on SP10 JobWise@ Methodology, a robust internationally recognized approach with 10 factors point matrix contextualised to Vanuatu setting. Guided by a comprehensive and entrenched Job Classification Standards and market data, the salary structure for all jobs in the **Public Service** are determined by placing each job into relevant level of the four (4) main career pathways including, Customer & Business Support, Operations, Technical, and Leadership.

We request that you consider the review report and if there are queries that require our clarification, please do advise your staff to take it up with the Department of GRT. We thank you once again for the assistance provided till the completion of this review.

Yours faithfully

Saby Natonga, Chairman

Cc:

- Hon. Charlot Salwai Tabimasmass, Prime Minister
- Cheroi Ala Inna, Director General, Prime Minister's Office
- Johnathan Iavere, Acting Secretary, Public Service Commission

Review Report On Remuneration For Officers Under The Public Service Commission

Saby Natonga
Chairman

Rosemary Leona
Member

Nigel Taribete Malosu
Member

Acknowledgement

This report is the end-product of the 2024 New GRT Determination Review process conducted by the GRT Department pursuant to a decision made by the Council of Ministers in response to changes in Consumer Price Index following the Covid-19 pandemic. It took an immense amount of work and it would not exist without the invaluable contributions of a number of incredibly thoughtful, dedicated, supportive people, government partners, and agencies, including:

- GRT Board
- Strategic Pay New Zealand
- New Zealand High Commission
- National Bank of Vanuatu
- Government Ministries, Departments, and Agencies
- Teaching Service Commission
- Police Service Commission
- Public Service Commission
- Judicial Service Commission
- Parliament
- Ombudsman Office
- Office of Attorney General
- Office of Public Prosecutor
- Office of Public Solicitor
- National Audit Office
- GRT Department staff
- HRMs, HROs, Technical officers of Government Ministries

A very special thank you to the Heads of the agencies who released their technical staff to form the Secondment Officers that led this landmark review. The GRT Department is eternally grateful to the members of the review team:

- Clement Nasse, Team Leader, Principal Remuneration Analyst, Government Remuneration Tribunal
- George Shem, Principal Job Analyst, Public Service Commission
- Wendy W. Raptigh, Judicial Development and Training Officer, Supreme Court of Vanuatu
- Ben Tokal, Principal Economic Statistician, Vanuatu Bureau of Statistics
- Eric I. Malessas, Principal Policy Analyst, Department of Strategic Policy Planning and Aid Coordination

Finally, we acknowledge all Government employees who are the beneficiaries of this review for their patience and understanding throughout the long review period.

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Acronyms

COM	Council of Ministers
COLA	Cost of Living Adjustment
CPI	Consumer Price Index
GDP	Gross Domestic Product
GRT	Government Remuneration Tribunal
HRM	Human Resource Management
IMF	International Monetary Fund
JCS	Job Classification Standards
JSC	Judicial Service Commission
OAG	Office of Attorney General
OPP	Office of Public Prosecutor
PL	Public Lawyers
PMS	Performance Management System
PSC	Public Service Commission
PSO	Public Solicitor Office
SPL	Senior Public Lawyers
SP	Strategic Pay
TSC	Teaching Service Commission
VBoS	Vanuatu Bureau of Statistics



1 INTRODUCTION

The GRT is responsible for determining the remuneration of government employees in Vanuatu in accordance with the Government Remuneration Tribunal Act. The purpose of the Act is *“to establish a government remuneration tribunal to consider and determine the maximum remuneration payable to those persons employed by or appointed to positions by the Government or by an agency of Government.”*

The object of this Act is *“to adopt principles of consistency, economy of resources, and disciplines in determining the remuneration of those persons employed by, or appointed to positions by, the Government or by an agency of Government.”*

Under the GRT Act, the Government Remuneration Tribunal is established, among other things, to *“review and determine the maximum remuneration payable, ... and to make a determination that adjusts, either upwards or downwards, the remuneration of any person listed in subparagraphs (i) to (viii) of section 13(1) and in carrying out such functions may “fix scales of remuneration and prescribe rules governing the application of scales of remuneration...”*

Those persons listed in Section 13 (1)(a) of the Act are the employees of all the Government ‘employing bodies’ comprising four public service commissions – Public Service, Teaching Service, Police Service and Judicial Service - and other Government entities in the wider public sector.

In other words, the GRT is responsible for setting the pay structure and determining pay rates for all Government employees, and prescribing rules for the implementation of the pay structure and pay determinations.

The Act defines ‘remuneration’ as *“a reward for services and includes salaries, wages, allowances, fees, expenses and every other form of income or recompense whatsoever,”* and ‘determination’ as *“a decision of the Tribunal fixing the maximum amount of remuneration payable to persons subject to this Act.”*

Further, according to GRT Act, in determining any remuneration section 13(1)(a - e) expressly states that the Tribunal must have particular regard to the following criteria:

- (a) *the need to achieve and maintain relativity with the private sector;*
- (b) *to ensure that the best persons are employed through a recruitment and retention of personnel policy that takes into account the special responsibilities and duties required of persons employed in Government.*
- (c) *the adequacy of the current remuneration;*
- (d) *the aim for consistency and uniformity in remuneration rates;*
- (e) *the budget and resources available to Government for remuneration when making determinations.*

By implementing GRT Act, the present determinations take into account relevant applicable legislation and policies:

- Employment Act
- Minimum Wages Act
- Public Service Act
- Judicial Services & Courts Act
- Police Service Act
- Members Expenses and Allowance Act
- Official Salaries Act
- Education Act
- ILO Convention
- Ombudsman Act

2 BACKGROUND

2.1 Problem Statement

From 1980 to the mid-1990s, Vanuatu's public services were severely affected by static unattractive pay packages which resulting in high turnover and costs. During mid-1988 and 1989, the GRT Act [Cap 250] attempted to address the issue. However, it was not until the 2017 GRT Determinations (subsidiary legislation to the Principal Act) that pay structures were established and used by all of government and its agencies, raising all/most pay rates.

The Tribunal last reviewed remuneration in 2018. That review resulted in 22 pay determinations which were implemented by the relevant employing bodies between 1st January 2018 and 1st January 2019. A recent evaluation of the implementation of those 2018 determinations discovered serious issues with existing determination implementation practices that have resulted in several anomalies and ultimately incurring high costs to Government.

A market survey of pay rates in Vanuatu in 2023 revealed that Government pay was lagging behind the market by some measures since the last GRT determination in 2018. Apparently, this lag underlies Government's recent policy decision to increase the minimum wage from VT 220 to VT 300.

The pay structure applied to Government jobs deserves special attention because pay rates have an effect on the quality of employees hired, their motivation, their performance, and their satisfaction. This is particularly so at the present time considering evidence of an ever-widening gap between the pay rates being offered by Government employers and employers in the private sector.

The problem facing the Government, with regard to remuneration, is that the Government current pay structure does not offer opportunities or incentives for career progression, pay levels are not always competitive compared to those offered in the private sector, and especially those at lower levels such as drivers, cleaners, secretaries and administration officers, are tempted to seek greener pastures in New Zealand and Australia. Anecdotal evidence indicate the morale is low amongst employees with 90% percent complaining of financial hardships, increased debt issues, health issues, limited opportunities and economic inequalities.

There are also problems with remuneration inconsistencies and internal relativities across the different Government employing bodies, and with implementation of remuneration determinations.

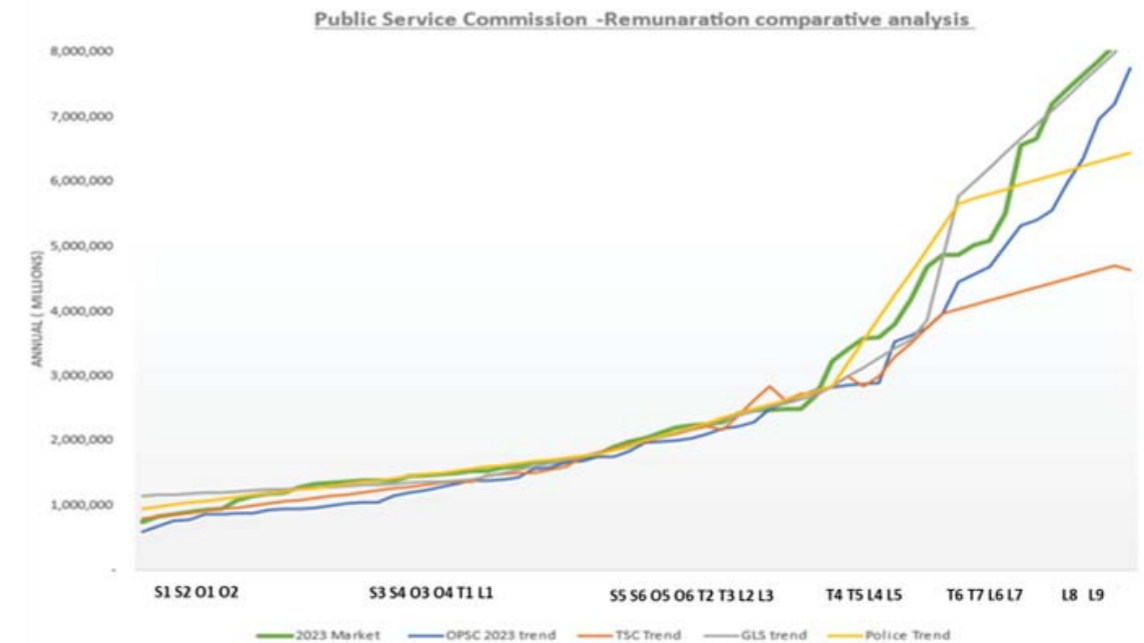
2.2 2023 Market Survey Analysis and Remuneration Relativities

In 2023, an independent survey of Vanuatu employers in the public and private sectors was conducted by Strategic Pay - New Zealand. The survey gathered data relating to 10,640 jobs across 22 employers (77% government sector and 23% private sector). The survey methodology was based on Strategic Pay's SP10 job evaluation methodology and JobWise® job mapping methodology.

Independent analysis of the survey data compared pay rates for benchmark jobs in the government and private sectors. Figure 1 presents a comparative analysis of the Survey data on the pay rates of

different levels of jobs under the four Commission or Employing bodies, relative to the benchmark jobs in the market. The Y-axis shows the annual pay while the X-axis shows the career pathways from lower-level jobs (business support and operations), to higher level jobs (Technical and Leadership).

Figure 1 – Comparative Analysis of 2023 Survey data



This analysis reveals notable similarities and differences in Government pay relative to the market. It shows that Government tends to pay employees at different levels on the career pathways, close to the market rate, with some variation. Generally, as the market rate rises, so does Government pay rate of jobs under the commissions. However, compared to low and mid-level jobs, high level technical and leadership jobs tend to lag behind the market.

The analysis revealed a different pattern that is somewhat intriguing. It appears that top level commissioned officer jobs under the Police Service Commission and OAG senior public lawyer jobs under the Judicial Service Commission, have exceeded the market for technical and leadership jobs. Under the Public Service and Teaching Service commissions, S1-S6 and O1-O6 jobs generally have pay rates on par with or below the market.

The analysis also shows that technical and leadership jobs in all the Commissions, with exception of those under the Judicial Service Commission, are being paid below the market. Interestingly, technical and leadership jobs under the Judicial Service Commission, specifically OAG senior lawyers, have pay significantly higher than the market average relative to high level jobs in other commissions.

Overall, while the pay rates for technical and leadership jobs in the Public Service and Judicial Service commissions approach those of the market, the pay rates for comparable jobs in Teaching Service and Police Service commissions are obviously lagging the market. It seems that the Judicial Service Commission believed that pay rates for their technical jobs (OAG senior public lawyers) were lagging far behind the market, so they quickly raised pay rates. Consequently, technical and leadership jobs under the Judicial Services Commission (OAG Senior Public Lawyers) and the Police Services Commission rose above the market while job in other commissions remained below the market.

While the pay of low-level and mid-level jobs tend to follow the market, the opposite situation is observed for high-level jobs. These inconsistencies suggest that employing bodies are not applying GRT determination principles of consistency and uniformity.

2.3 Review of 2018 Determinations

In preparation for 2024 new GRT Determination, the GRT Office conducted a compliance review of the implementation of the 2018 Determination within those employing bodies affected by that determination. The objective of the review was to determine whether the employing bodies complied consistently with 2018 determinations and associated implementation rules and guidelines. The review identified several institutional challenges and related anomalies, in addition to issues highlighted in the problem statement earlier.

There are general observations made regarding inconsistencies, and the pace and basis upon which the employing bodies implemented the 2018 Determination. Some employing bodies promoted employees faster and with significantly higher pay increment than did others. In contrast, under some employing bodies, employee increments are not applied consistently and regularly. In general, employing bodies failed to comply with the prescribed determination guidelines and rules which constitute a legally binding document. There are indications that employing bodies fall short of the standard practice of appointing people to jobs with right level of qualifications and experiences.

There are inconsistencies within and between employing bodies. For example, contrary to other commissions where people are paid based on overall job responsibilities, the Teaching Service Commission differentiates pay based mainly on education qualification. For instance, a person who possesses a bachelor degree in primary teaching is paid higher than someone with a diploma of teaching who teaches in primary schools. Also, it was found that under the Judicial Services Commission, judges were wrongly assigned to the same annual pay band as OAG senior public lawyers, whereas ideally, they should be placed within higher band, reflecting a clear career path in the legal sector.

In relation to the implementation methodology used, the report noted weighting differences in criteria for pay determination between the Teaching Service Commission and Public Service Commission. For example, *“The TSC Determinations has specified and allotted unequivocally the positions of teachers with remunerations criteria such as qualifications, teaching or industry experiences, number of students enrolled, etc. In contrast, PSC Determinations presumably does not prescribe positions and remunerations criteria, but diverts such notion to be integrated within the contents of positions job descriptions. This presumption effectively affirms PSC’s general perspective to consider that qualifications are merely inferior to experience.”*

Noting the weaknesses of the past Determinations, the report also stressed, *“It is extremely vital that PSC and GRT should continue to jointly liaise and collaborate in addressing employments issues such as prolonged implementations of GRT anomalies, approved structures, increments, alignments, regrading, etc, effectively and efficiently subject to PMS.”* By implication, GRT should also collaborate with other employing bodies and ensure there is consistency and uniformity in practice across all of them.

The interactive process of validation of Job Classification Standards also exposed several issues which may be attributed to a lack of proper system of checks or because of malpractices embedded in the systems. Table 1 presents a summary of the key issues observed that need serious consideration by all employing bodies.

Table 1: Key Issues Exposed at Consultations

Components	Issues
Organization Structure	Not properly designed, superfluous positions created, misalignment between function and position, discrepancies in hierarchy of positions labelling, lack of standardization.
Job Descriptions	Outdated or irrelevant JDs, vague job specifications, ambiguous job purpose statement, inappropriate job position labelling, weak standardization.
Salary Grades	Presence of overpaid and underpaid positions, poor job evaluation, improper pay grades granted to certain positions, positions are perceived to be unfairly paid same grade regardless of whether it is a business support, operation, technical, or leadership job.
Performance Management System	Tendency to pay people high salary without proper performance appraisal; Some people move up faster in the salary structure than others; performance appraisal is susceptible to bias judgement; some people not receive salary increment for relatively long time.
Qualifications and Experience	Many outliers: some people are paid far higher or lower than they should, contrary to their current qualifications and experience, and contrary to their nature of work relative to other jobs;
Market relativity	Some positions are paid at the market rate while others lag behind or exceed the market for certain career pathways;

If left unaddressed, these issues can adversely impact organizations effectiveness, HRM functions, employee outcomes, and will eventually weaken the effectiveness of current and future GRT Determinations. These issues can also undermine overall government performance and undue spending. Determination history records show that errors in determination implementation have been costly to Government.

The M&E Report included recommendations for improvement which suggested the need for mutual understanding of the legal framework, greater collaboration between GRT and all the employing bodies. But, most importantly, the findings and recommendations attested of the need for GRT to adopt a new methodology for its 2024 determination. In other words, a robust methodology was needed to prevent anomalies, address inconsistencies, misalignment, and establish clear rules and standards for effective implementation.

2.4 Economic environment

The 2024 New GRT Determinations act as a buffer against domestic economic challenges arising from shifts in global politics and economic trends. The IMF projects a decline in global growth from 3.5 percent in 2022 to 3.0 percent in 2023 and 2.9 percent in 2024, largely due to slowdowns in advanced economies¹. Despite weaknesses in the manufacturing sector, the services industry remains robust, helping to mitigate these downturns. Additionally, headline inflation is expected to steadily decrease from 8.7 percent in 2022 to 6.9 percent in 2023 and 5.8 percent in 2024.

In Vanuatu, the first Macroeconomic Committee approved in 2023, forecast a downward revision of 1.7 percentage points in real economic growth compared to the fourth quarter of 2022 resulting in a growth of 3.6 percent. However, a robust recovery is anticipated in 2024, with Real GDP

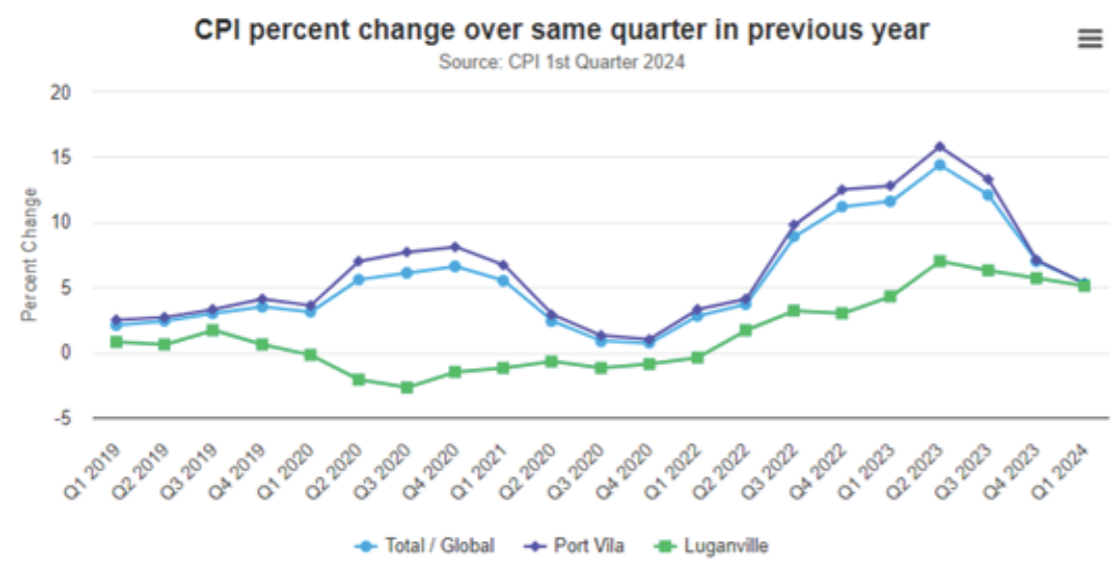
¹ Reserve Bank of Vanuatu Quarterly Economic Review September 2023

projected to surge impressively by 4.8 percent, driven by strong performance in the industry sector and sustained government support for Agriculture, Forestry, and Fisheries. Over the medium term (2025-2027), Real GDP is expected to maintain an average annual growth of 3.0 percent, despite ongoing global economic challenges, such as the emergence of new COVID-19 variants.

While economic projections seem encouraging, the Consumer Price Index indicates that inflation will continue to challenge consumer purchasing power for the foreseeable future. According to the Vanuatu Bureau of Statistics, the CPI increased by 5.3% in the first quarter of 2024. In relative terms, the CPI has risen by 33.2% since 2018, the year when the last determination was implemented. Figure 2 illustrates the CPI annual movement.

Thus, if someone's pay stays the same as the prices of goods and services increase, they have less purchasing power because they are getting paid less relative to the cost of living. This is the situation that prompted 2024 new determinations as a cost-of-living adjustment or COLA policy decision by the national Government. Fundamentally, the pay raises meaningfully put into effect public service pay philosophy.

Figure 2 - CPI Annual Movement



2.5 Pay Philosophy

The philosophy underpinning this Determination is to promote and motivate the public sector staff with equitable and competitive compensation that adequately shows the value placed in public employees and appreciation for the work they perform in terms of service delivery. Government's intention is to always offer payment standards that reflect organizational values, considering market trends and standards comparison. GRT also consider hiring, retention, budget, and respect to the rules under applicable legal framework. Thus, by applying COLA Government hopes to achieve increased employee loyalty, better morale, and greater productivity. Employee loyalty is necessary to curb potential labour shortages that may arise from overseas migration of skilled and unskilled labour. By offering pay raise, the Employing Bodies hope to attract and retain the best possible employees to public sector and communicate Government's appreciation to those working for the public. Government, through GRT, pledges to keep compensation non-discriminatory and to always offer public employees as comprehensive a salary as Government's financial ability can allow.



3 GRT OBJECTIVES AND STRATEGY

After considering the findings of the 2023 Market Survey, the compliance report on the implementation of the GRT's 2018 Determination, and the economic context, it was clear to the GRT that the existing pay structure was not working to attract, motivate or reflect the full potential of employees, or to retain them.

It was also clear that to design a better pay structure, address the shortcomings in existing methodologies and practices used to implement GRT determinations, and avoid the persistent issues such as those identified in the review of the implementation of the 2018 determinations, new methods were needed for evaluating jobs, classifying them, and positioning them within a framework that facilitates career progression and underpins a logical pay structure.

GRT's objectives were therefore:

- a. To review determinations and apply cost-of-living adjustments by establishing a new internationally-recognized determination process that is reliable, consistent, and replicable
- b. To standardize job sizing methods by establishing new Job Classification Standards with clear career pathways as a framework for new pay structure
- c. To reset and establish new market-based pay structure that would meet the needs and context of all the employing bodies
- d. To arrive at a fair, equitable, and affordable Determinations for all jobs, job categories, and job levels in government

To achieve its objectives, the GRT:

1. Evaluated and classified all jobs using new methodology
2. Consulted with employing bodies and relevant staff on job placement into career pathways
3. Positioned all jobs within a new job class/career pathway framework which is linked to a new pay structure
4. Developed a new pay structure based on market-based structure
5. Translated existing pay structure to the new pay structure
6. Proposed pay increases taking account internal and market relativities, the economic context, pay philosophy, affordability, and sustainability
7. Consulted with Ministry of Finance on the proposed new pay structure and pay increases
8. Developed rules and standards for implementing determinations
9. Made a 2024 Determination

Critical to the success of this strategy has been the decision to engage with Strategic Pay, a New Zealand company with extensive experience working with governments of Pacific Island countries and to actively consult with the employing bodies. With Strategic Pay's methodologies, tools, training, advice, and support, and inputs from the employing bodies, the GRT has been able to design a government pay structure that is more valid, reliable, equitable and robust than previous structures have been.

4 EVALUATION AND CLASSIFICATION OF JOBS

Job evaluation is the systematic process of establishing the relative sizes of jobs by comparing jobs or job content on the basis of common criteria. Effective job evaluation is:

- A comparative process
- A structured and analytical process, applied to data collected for the purpose
- A systematic approach to assessing the relative worth of each job through the application of judgement
- Job-centred, not person-centred

The GRT Office has evaluated all Government jobs using the Strategic Pay's SP10 evaluation methodology, job classification standards, and JobWise job mapping framework. These tools were tailored to the Vanuatu context and carefully calibrated for compatibility with existing systems and approaches. How to use the tools is captured in a manual. The SP10 methodology uses a '10 point-factor' approach (see Table 2) drawing on a framework of job classification standards, descriptors of factors, against which each job is evaluated to gauge the relative size of jobs on the basis of common criteria. The methodologies focus on jobs not the people doing the jobs.

Table 1: 10 Factors

Factors	Description
1. Education	The minimum level of education required to perform the functions of the position competently. This combines formal as well as informal levels of training and education.
2. Experience	The level of experience typically required to perform the role competently. This experience is in addition to formal education, and assesses both the nature and breadth of general, technical and managerial experience.
3. Complexity	The level of predictability in the role and the innovative or conceptual thinking required to respond to external influences impacting on the organization and the position.
4. Scope	The breadth or scope of the position (i.e., the level of influence in the organization). This factor assesses the level of management, working relationships and influence the position is required to exercise in the organization.
5. Problem Solving	The nature and complexity of problem solving expected of the jobholder. This includes the judgement exercised, availability of rules and guidelines to assist in problem solving, the degree of analysis and research required, and the originality, ingenuity and initiative required to arrive at a solution.
6. Freedom to Act	The extent of supervision, direction or guidance imposed on the jobholder and the freedom the jobholder has to take action.

7. Impact / Results of Decisions	The impact of the discretionary judgement a jobholder has when making competent decisions within their control. The evaluator must consider the direct vatu impact of a typical, repeatable (and competent) decision that would be made without reference to a supervisor. This factor measures the discretionary or marginal impact the jobholder's decisions have and not the consequence of error.
8. Interpersonal Skills	The level of interpersonal skills required for dealing with employees within the organization, as well as external clients or customers and / or the public in general.
9. Authorities	The formal authority levels exercised in the position, including financial, staffing and contractual authorities. This includes routine and capital expenditure, the authority to employ and dismiss staff, and also the authority to enter into contracts on behalf of the organization.
10. People Management	The responsibility for the supervision and management of staff within the organization, including project team management and indirect supervision.

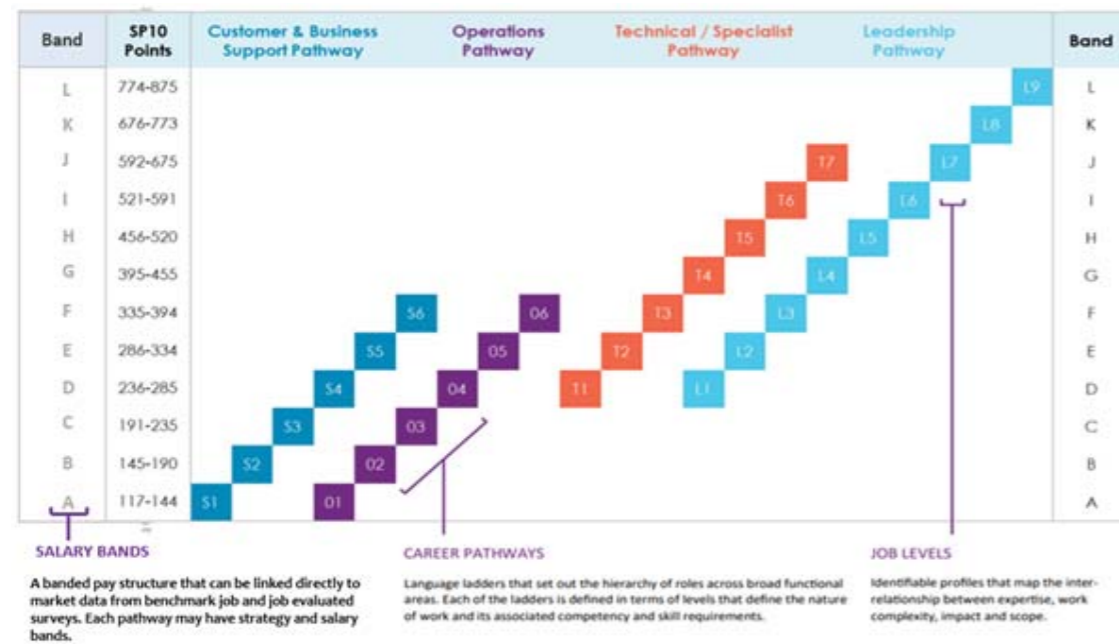
On the basis of job classification, the JobWise® job mapping framework methodology assigns jobs firstly to generic career pathways, and then to job levels that best match job content and skill requirements. The outcome is a career pathway and level for every job. (Career pathways and job class refer to the same thing and the terms are used interchangeably.)

The JobWise® job mapping methodology streams work into four functional streams:

- Leadership
- Technical
- Operations
- Customer and Business Support

The functional streams are laid out to demonstrate the hierarchy of jobs levels within Career Pathways relative to each other as depicted in Figure 3.

Figure 3 – The JobWise Framework



This framework integrates bands, career pathways, and job levels. Each stream has a number of well-described complementary levels, with examples of roles at each level. The requirements relating to all jobs are presented in Job Classifications Standards Tables (refer to Appendices).

The design of job classification systems is complex undertaking². They must combine flexibility and coherence. Experts assert that a job classification needs to be flexible to fit to the evolving needs of the organization and the competences available on the job market. However, the classification also needs to be coherent and stable over time. This is because it is a tool for the government to manage promotions, training needs, and implement strategic planning. Moreover, it provides employees with transparency and predictability regarding their pay and career, hence is an important component of attractiveness.

An effective job classification system must find the right level of precision and specification in positions and grades. When too precise, it makes it difficult for managers to adapt a job to changing circumstances, such as the introduction of new tasks, technology or working methods. On the other hand, if too broad, it may not give enough room to differentiate pay according to job characteristics, which may affect employer attractiveness. It may also make it harder to manage career paths.

An effective job classification is related to the purpose of use. Hence, the needs of recruiters have to match the job classification system and standards. A one-to-one correspondence between demand and classification has the advantage of precision, transparency, and efficiency in the matching process. However, if the job classification is too narrow, frequent revisions will be needed. This is because a public servant is hired under a particular job classification but expects that the role or the working conditions will evolve as changes in working conditions or the work environment within those boundaries are possible in broader dynamic environment.

2 OECD (2021), The Public Sector Pay System in Israel, OECD Publishing, Paris.



5 PROPOSED NEW PAY STRUCTURE

The pay structure is a survey-based pay structure. Under the survey structure, the data for benchmark jobs were provided in terms of low quartile, median, and upper quartile. This information is applied to the new salary structure grades of minimum, midpoint, and maximum, respectively.

The pay structure for each job class/career pathway and associated levels for all persons appointed by a Commission is presented in Appendices, together with related JCS. The pay structure provides a uniform framework to consistently determine how employees are paid. As a scale, it is made up of pay grades for different levels of jobs. Except for higher level jobs, for most jobs and job classes/career pathways, each Band has a range spread ranging from Grade 1 (minimum) to Grade 9 (maximum) with a midpoint Grade 5.

The career pathways and levels within pathways in the JobWise framework correspond to the pay bands that underpin the pay structure. The new pay structure commonly applies to all jobs regardless of the employing body, unless stated otherwise by the GRT. This is a change from the previous practice whereby each employing body applied different principles.

It must be noted that the salary structure also designed as a performance-based structure. A performance-based structure implies that an officer appointed to a position has the opportunity to receive a minimum salary and move up each salary grade subject to improvement in job performance. Thus, this salary structure design is adopted to provide that an employee salary is not permanently constant or fixed. The design allows and an employer to grant an employee an upward adjustment if the officer shows consistent improvement at the job.

While a performance-based structure gives an advantage for employees, a performance-based structure can be misapplied or abused by an employer. For instance, without applying a reliable Performance Management System and applying the relevant rules of application provided in the Determinations, an employing agency, with legitimate authority they possess, might promote an employee to a higher salary grade subjectively and/or within short period of time. Under the new 2024 Determination rule, an employer may administer an increment if and only if the employee performs his/her job successfully during two years in a row. Experience attests of the fact that some employing bodies, deviate from this rule, by moving staff up faster than others.

Below is a set of design features that the employing bodies should take into consideration when applying the new pay structure.

5.1. Design Features

- i. Pay structure is based on the job classes/career pathways and levels established under the new methodology
- ii. The job classes/career pathways and levels within each job class/career pathway correspond to pay bands in the Job Classification Standards framework
- iii. Consider all 10 factors when designing and evaluating positions, instead of focusing on education and experience
- iv. Jobs are evaluated on the basis of the job, not the person occupying the job

- v. The pay grid is designed in accordance with the Job Classification Standards framework, used to place all jobs in the appropriate band and grades.
- vi. Jobs that have similar job evaluation scores are grouped under the same band with standard specifications or factor descriptors.
- vii. Job holders may move from jobs in the support or operation career pathways to jobs in the technical or leadership pathways on condition that they upgrade to meet the prescribed JCS factor descriptors.
- viii. The maximum and minimum pay for each job class/career pathway job level reflect the pay ranges in the Vanuatu job market, based on the 2023 market survey
- ix. The grades system is designed in way that allow pay-for-performance policies and application of pay philosophy
- x. Grades are designed with extended range spread in order to allow 'headroom' to reward high performers
- xi. Increments are administered every two (2) years for all job positions; increment applied below the mid-point are administered by the Head of agency while increment applied above the mid-point require Commission's or Board's formal approval, denoting performance excellence.
- xii. Increments are administered only to job holders who consistently demonstrate highest level performance during two (2) consecutive years in the same position.
- xiii. Increments will vary in size using a percentage formula rather than an absolute amount and the rate may vary depending on whether it is applied to grades above or below a midpoint.
- xiv. Reward and monitor staff performance by having a higher incremental growth formula for higher level staff than for lower levels.
- xv. All employing bodies are obliged to apply GRT established Job Classification Standards and associated guidelines when carrying out HRM design practices (e.g., JD reformulation, Training, Performance Appraisal, Recruitment & Selection) and organizational design (restructure).
- xvi. Inappropriate job design or job grading practice and arbitrary decisions relating to appointments of people by employing bodies, contrary to established JCS undermine and bridges GRT principles of pay relativities, internal and external alignments, and criteria of consistency and uniformity.



6 2024 DETERMINATION PROCESS

To determine the appropriate pay for each job, several factors were taken into account including:

1. Market relativities (2023 survey analysis)
2. Minimum wage rate
3. Consumer Price Index
4. Affordability and sustainability of potential pay increases
5. Government pay policy

Following consultations with the employing bodies, jobs were linked to pay grades on the pay grid. The final stage, was to apply standard percentage increases, where applicable, to the pay for each job. This process achieves fairness, internal relativity and alignment. Working with the Department of Finance, the Team compared the existing costs for each employing body with the costs if the proposed new rates were applied.

6.1 Pay Adjustments rates and assumptions

The SP10 and related survey findings have provided for a new salary structure according to all four career pathways with an average increase of 8% from one grade to the next. The new salary structure for the bottom level jobs, S1 and O1, was automatically adjusted at 4% increase to follow the market starting salary in accordance with the new minimum wage. The new adjustment parameter is consistent with the Bred Bank 2016 survey findings. This 2016 survey revealed that employers in private sector usually increase salaries of their staff by paying between 2% to 10% range on top of base salary in response to CPI change. Assuming that this private sector range remained applicable against present CPI, GRT ensures the 2024 new GRT Determination decisions keeps the Government policy in sync with the private sector parameter.

However, in most cases, pay adjustments for jobs in this instance were determined considering the status of the current annual pay, position, and career pathway, and relative to other jobs in the organization. For jobs that were reset to new base pay in the new pay structure, it is anticipated that the employing bodies will incrementally raise the pay to higher grade based on good performance. Similarly, the challenge of adjusting pay increases also took into account other factors, the most common of which are endogenous discrepancies and GRT governing principles, including fairness, internal relativities, consistency, acceptability, resource and discipline. Ultimately, market-derived parameters are applied in salary adjustments decisions in order to minimize variance; and also, adjustments are made in such a manner to maintain homogeneity and interdependency between jobs, and career pathways, organizations as a whole.

6.2 Proposed new guidelines/rules for applying the pay structure and implementing GRT determinations

The GRT submits to employing bodies the following recommendations for new rules for applying the pay structure and implementing GRT determinations. These guidelines should be applied in order to maintain consistency and uniformity and also uphold fairness and equity in practice.

1. Maintain collaboration with GRT Office by consulting and seeking guidance when designing new jobs (JDs) and Job Specifications, even restructuring.
2. Develop and implement Performance Management System (PMS) and other relevant HRM practices in line with 4 Career Pathways and related Job Classification Standards
3. Always make appointment of people to positions on merit and in accordance with the principle of “Right Person in the Right Position” at all times taking into account the GRT pay framework.
4. Ensure job and organizational designs or job-related reforms are undertaken with expert input from or by competent or technical personnel in order to maintain best practice and integrity of the institutional processes.
5. Consider revision of Job Description and templates to incorporate features that bring JD into alignment with Job Classification Standards and Pay Structure
6. Maintain that incremental pay increases from one pay grade to the next is based on reliable PMS process and objective criteria.
7. Establish a committee of competent individuals to review, adapt, and monitor the implementation of the organization’s structures and Job Descriptions with related templates.
8. Realign organizational change processes, procedure, and adapt existing human resource management practices to the new GRT methodology and technology.



7 TOTAL COST OF 2024 DETERMINATIONS

Constitutional Bodies		187	39,652,802
OPSC	PMO	110	30,978,020
	MOIA	293	74,626,999
	MFEM	360	79,491,037
	MOET	211	40,585,837
	MOCC	188	47,887,060
	MALFFB	354	76,751,001
	MOFAET	79	16,446,584
	MOH	1407	211,811,147
	MIPU	290	54,163,249
	MOJCS	193	40,991,800
	MOL	128	25,985,663
	MOT	122	25,471,006
	MOYS	59	15,267,316
TOTAL		3981	780,109,521

Appendix 8A. GRT Determination 2 of 2024 – The Determination on the Office Designation Structure, the Job Classification Standards, the Salary Structure, and The Allowances for the positions of Directors General, the Heads of the Constitutional Bodies, and the Heads of the Statutory Entities.

Appendix 8B. GRT Determination 4 of 2024 – The Determination on the Salary Related Allowances

Appendix 8C. GRT Determination 7 of 2024 – The Determination on the Job Classification Standards and the Salary Structure for the positions of Directors, and Deputy Directors appointed by the Public Service Commission.

Appendix 8D. GRT Determination 8 of 2024 – The Determination on the Job Classification Standards and the Salary Structure for the positions of the Public Servants employed by the Public Service Commission and other public sector employing bodies.

Appendix 8E. GRT Determination 9 of 2024 – The Determination on the Job Classification Standards and the Salary Structure for the positions of Medical Officers employed by the Public Service Commission.

Appendix 8F. GRT Determination 10 of 2024 – The Determination on the Job Classification Standards and the Salary Structure for the positions of Dental Officers employed by the Public Service Commission.

Appendix 8G. GRT Determination 11 of 2024 – The Determination of the Job Classification Standards and the Salary Structure for the positions of Allied Health Officers employed by the Public Service Commission.

Appendix 8H. GRT Determination 12 of 2024 – The Determination on the Job Classification Standards and the Salary Structure for the positions of Nurses employed by the Public Service Commission.

Appendix 8I. GRT Determination 13 of 2024 – The Determination on the Job Classification Standards and the Salary Structure for the positions of Ancillary Care and Support of Government Clinical Sector employed by the Public Service Commission

Appendix 8J. GRT Determination 25 of 2024 – The Determination on the Job Classification Standards and the Salary Structure for the positions of Specialist Technical Advisor employed on contract by Government or Public Sector Employing bodies.

Appendix 8K. GRT Determination 31 of 2024 – The Determination on the Job Classification Standards and the Salary Structure for the positions of Chief Executive Officers of Statutory bodies, Statutory corporation, and State-owned enterprises.

Appendix 8A

GRT Determination 2 of 2024 – The Determination on the Office Designation Structure, the Job Classification Standards, the Salary Structure, and The Allowances for the positions of Directors General, the Heads of the Constitutional Bodies, and the Heads of the Statutory Entities.

Appendix 8B

GRT Determination 4 of 2024 – The Determination on the Salary Related Allowances

Appendix 8C

GRT Determination 7 of 2024 – The Determination on the Job Classification Standards and the Salary Structure for the positions of Directors, and Deputy Directors appointed by the Public Service Commission.

Appendix 8D

GRT Determination 8 of 2024 – The Determination on the Job Classification Standards and the Salary Structure for the positions of the Public Servants employed by the Public Service Commission and other public sector employing bodies.

Appendix 8E

GRT Determination 9 of 2024 – The Determination on the Job Classification Standards and the Salary Structure for the positions of Medical Officers employed by the Public Service Commission.

Appendix 8F

GRT Determination 10 of 2024 – The Determination on the Job Classification Standards and the Salary Structure for the positions of Dental Officers employed by the Public Service Commission.

Appendix 8G

GRT Determination 11 of 2024 – The Determination of the Job Classification Standards and the Salary Structure for the positions of Allied Health Officers employed by the Public Service Commission.

Appendix 8H

GRT Determination 12 of 2024 – The Determination on the Job Classification Standards and the Salary Structure for the positions of Nurses employed by the Public Service Commission.

Appendix 8I

GRT Determination 13 of 2024 – The Determination on the Job Classification Standards and the Salary Structure for the positions of Ancillary Care and Support of Government Clinical Sector employed by the Public Service Commission

Appendix 8J

GRT Determination 25 of 2024 – The Determination on the Job Classification Standards and the Salary Structure for the positions of Specialist Technical Advisor employed on contract by Government or Public Sector Employing bodies.

Appendix 8K

GRT Determination 31 of 2024 – The Determination on the Job Classification Standards and the Salary Structure for the positions of Chief Executive Officers of Statutory bodies, Statutory corporation, and State-owned enterprises.