

# Market Loading Allowance Policy

## Section 1 - Overview

(1) The University recognises the importance of the ability to attract and retain the expertise needed to deliver on its strategic priorities. In order to attract and retain staff in an increasingly competitive market, the University may pay market based salary loadings or allowances to:

- a. Provide a Head of Cost Centre with an ability to attract and retain staff where current market conditions result in the University being unable to compete for key staff; and
- b. Assist a Head of Cost Centre to have the flexibility to award an allowance to attract and/or retain staff where the impact of taking no action will adversely impact on the achievement of key strategic outcomes.

(2) Types of Market Loading allowances include:

- a. Market-based Salary Allowance;
- b. Recruitment Allowance; and
- c. Retention Allowance.

## Section 2 - Scope

This Policy applies to all staff employed by the University, with the exception of casual staff.

## Section 3 - Policy

(3) A market loading allowance may be paid:

- a. to meet market forces where there is a demonstrated and sustained difficulty in attracting or retaining staff; or
- b. where loss of a particular staff member at that particular time would cause considerable hardship to the University; or
- c. in other special circumstances approved by the Vice-Chancellor and Chief Executive Officer.

(4) The maximum of any market loading allowance will be limited to 20% of salary.

(5) Approval of a proposed market loading allowance is required prior to an offer of an allowance being made.

(6) The payment of a market loading allowance must be supported by a recommendation from the Head of Cost Centre.

(7) A recommendation for payment of a market loading allowance must be supported by a business case which demonstrates internal and external equity considerations and must be consistent with the Cost Centre's budget and operational plan.

(8) The Director People and Culture must be consulted and the business case for the market loading allowance must

contain a statement as to whether the Director People and Culture supports or does not support the proposed market loading, and any reasons given.

(9) The payment of a market loading allowance should be considered in the wider context of other alternative financial/non-financial benefits designed to attract and retain staff.

(10) The decision whether to approve the market loading allowance will be made by panel (Market Loading Panel) in accordance with the following:

- a. The panel will be convened by the Director People and Culture (or delegate) and will comprise:
  - i. The Deputy Vice-Chancellor or the Deputy Vice-Chancellor Research; and
  - ii. Two other members of the Senior Executive.

(11) Provided however that, with the exception of the Vice-Chancellor and Chief Executive Officer, the panel must not include a Deputy/Pro Vice-Chancellor or Senior Executive with line management responsibility for the role to which the proposed market loading relates.

- a. The panel has authority to investigate and consider the business case and any other matters the panel considers relevant.
- b. The panel may meet in person or through the use of technology, may consider proposals without meeting and may make resolutions at a meeting or via a circulating resolution.
- c. The panel must resolve (by majority) whether to award the proposed market loading or a different market loading, as the panel sees fit having regard to the relevant Cost Centre's budget and operational plan.
- d. The Director People and Culture (or delegate) will provide administrative support to the panel to discharge its functions.

(12) Staff shall not receive more than one (1) type of market loading allowance.

(13) An approved market loading allowance applies to the relevant individual employee, and not to the position.

(14) Staff in receipt of a market loading allowance must enter into an individual performance related agreement with respect to the allowance. Any continuation of the allowance will be subject to review outcomes.

(15) The objectives in the performance agreement may relate to one or more of the following:

- a. The achievement of goals as indicated by specified measures;
- b. Contribution to and success of key strategic projects;
- c. Significant leadership responsibility.

(16) The amount of an attraction and retention allowance will not be indexed to general salary movements, i.e the dollar amount initially approved will be maintained for the period of the allowance.

(17) Since market forces change with time, periodic review is necessary to determine if the case for allowance, and for the amount of the allowance, has changed. Market loading allowances will therefore be paid for a limited period, no longer than the end of either the current calendar year or the following year, but not to exceed two (2) years.

(18) Unless a case for extension is granted, payment of the allowance will lapse when the initial term expires.

(19) A market loading allowance will not be routinely renewed but a proposed renewal will be considered on the basis of a recommendation from the Head of Cost Centre supported by comprehensive current documentation.

(20) Where a market loading allowance is approved, all costs associated with the allowance are met by the Cost

Centre.

(21) A market-based salary allowance is normally superannuable.

(22) Where an Academic staff member with a market loading allowance is promoted, the allowance will continue until the promotion takes effect. Where appropriate, the Head of Cost Centre may submit a recommendation for a new allowance in accordance with this Policy.

(23) Where a Professional staff member with a market loading allowance is reclassified, the loading will stop on the date the reclassification takes effect. Where appropriate, the Head of Cost Centre may submit a recommendation for a new allowance in accordance with this policy.

(24) Where a staff member with a market loading allowance is successful in gaining a new position, including secondments and higher duties, the allowance will lapse immediately the new position is taken up. Where appropriate, the Head of Cost Centre may submit a recommendation for a new allowance in accordance with this policy.

(25) Market loading allowances will be identified as such and recorded separate to base salary on official records.

(26) Part-time staff in receipt of a market loading allowance will be paid that loading on a pro-rata basis.

(27) A market-based salary allowance will be paid to staff whilst they are on approved paid leave and therefore is included in the payment of leave entitlements upon termination.

(28) The Director People and Culture is authorised to administer this policy and to make procedures to apply under this policy. The procedures must be consistent with this policy.

(29) This is a Vice-Chancellor and Chief Executive Officer's policy and vested authority is granted for decisions made under this policy to the nominated parties. The Vice-Chancellor and Chief Executive Officer retains discretion over decisions made under this Policy.

## Section 4 - Definitions

(30) Cost Centre means the relevant School, Directorate or other business unit

(31) Enterprise Agreements means the [UNE Academic and English Language Teaching Staff Enterprise Agreement 2020-2022](#), the [UNE Professional Staff Enterprise Agreement 2019-2022](#), each as extended or varied from time to time, and is taken to include any agreement that replaces or varies one or more of these documents.

(32) Head of Cost Centre normally means the Head of School or Director (as the case may be) of the relevant School or Directorate. Where it is not appropriate for the Head of School or Director to act, or where the circumstances relate to a position reporting directly to a Senior Executive, the Head of Cost Centre will be taken to mean the relevant Senior Executive. Where the matter relates to a Senior Executive, the Head of Cost Centre will be the Vice- Chancellor.

(33) Market-Based Salary Allowance means a regular taxable payment that is paid for a fixed period of time over and above base salary. A market-based salary allowance is paid in addition to the rate of pay prescribed in the current Enterprise Agreements.

(34) Market Loading Allowance includes market-based salary allowance; recruitment allowance and retention allowance.

(35) Recruitment Allowance means a lump sum paid in addition to the total remuneration package The lump sum is paid at the end of a specified period, e.g., a lump sum which accrues over a term and is payable if the staff member remains with the University for that term or is otherwise forfeited.

(36) Retention Allowance means a: lump sum periodic payment. The Retention Allowance will apply on and from the date of approval and will accrue on an annual basis or part thereof. The total amount will be payable upon the completion of the term of appointment or approved allowance term.

(37) Senior Executive means the Vice-Chancellor and their direct reports, excluding persons Director level and below.

(38) Superannuable loading means a salary loading where 17% employer superannuation contribution is payable on this allowance. As this loading forms part of the staff member's conditions of employment, the loading is payable while on leave and on termination.

(39) Supervisor means the role to whom a position reports to.

(40) Normally – Where the word 'normally' is used, it means that it is the default position that must be followed unless exceptional circumstances exist that require a departure from the default position, as determined by the Policy Administrator acting reasonably.

## Status and Details

<b>Status</b>	Current
<b>Effective Date</b>	27th July 2015
<b>Review Date</b>	15th August 2020
<b>Approval Authority</b>	Vice-Chancellor and Chief Executive Officer
<b>Approval Date</b>	30th April 2014
<b>Expiry Date</b>	To Be Advised
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