

MARKET LOADING ALLOWANCE PROCEDURES

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1 PURPOSE

The Market Loading Allowance Procedures should be read in conjunction with Clause 33.9 of the [Central Queensland University Enterprise Agreement 2012](#).

Market loading allowances may be considered to either attract employees to new or existing vacancies or to retain the services of particular employees where:

- a there are clearly demonstrable difficulties in attracting and retaining suitably qualified employees to particular professional and/or specialist positions within the prevailing market conditions; and/or
- b there is a high turnover of employees and where higher salaries being paid elsewhere have been documented as a significant contributing factor.

2 SCOPE

Approval for a Market Loading Allowance is at the discretion of the Vice-Chancellor following a recommendation from the Director, People and Culture or nominee and the relevant Deputy Vice Chancellor.

3 EFFECTIVE DATE 11 January 2016

4 LEGISLATIVE AUTHORITY

Vice-Chancellor and President

5 PARENT POLICY

There no Parent Policy.

6 PROCEDURE

Determining the Allocation of a Market Loading Allowance

- 6.1 The relevant Senior Manager requesting the approval of a Market Loading Allowance will liaise with the Director, People and Culture or nominee, to review evidence of:
 - recruitment experience in the area;
 - documentation of other relevant market factors, e.g. turnover of employees, data from relevant external markets and/or comparable Universities;
 - in the case of retention, the implications of the loss of the employee/s;
 - how the Division has demonstrated efforts to train and/or develop existing employees to overcome the shortage in the area, or an outline of intended actions;
 - identification of the specific position/s to which the Market Loading Allowance is to apply; and
 - the recommended level of the loading and proposed source of funds (i.e. the cost centre's capacity to pay the allowance).
- 6.2 The Director, People and Culture, or nominee, as part of the application, will identify any possible implications for other work areas should a Market Loading Allowance be approved.

Independent Assessment of Market Loading Amount

- 6.3 In some circumstances, it may be appropriate to engage an independent evaluation of the market to determine an appropriate Market Loading Allowance amount. The determination of the appropriateness of this action will be the responsibility of the Senior Manager and the Director People and Culture. The cost of such an evaluation will be the responsibility of the section requesting the Market Loading Allowance.

Funding of Market Loading Allowance

- 6.4 Where an allowance is approved, all costs of the allowance are to be met from the cost centre budget. No additional funding will be provided to the cost centre within a budget year. The ongoing cost of Market Loading Allowances will need to be factored into subsequent budget submissions

Market Loading Allowance Conditions

- 6.5 Any Market Loading Allowances granted will be for a specified set of duties and responsibilities associated with a position/s. Staff members who change positions or have a significant reduction in relevant responsibilities will not automatically continue to receive a Market Loading Allowance. Significant reductions in a staff member's relevant tasks or responsibilities will require a fresh application for a market loading.
- 6.6 Any Market Loading Allowances granted will be determined on the basis of the level at which salaries for a designated area are being sustained in a comparable market place, bearing in mind particular qualification and specialisation requirements, and the availability of funds within the budget.
- 6.7 Other than in exceptional circumstances, market loadings will not exceed 20% of the current salary (applicable level/step) of the occupant, or the base level of the position for vacant positions.
- 6.8 The period of application of the Market Loading Allowance will be determined on the basis of an assessment of the labour market and in any event will normally be offered for no more than two years.
- 6.9 Continuation of a Market Loading Allowance will be subject to the continued operation of market forces and the continuing availability of funds. Three months prior to completion of the term of application, the situation will be re-assessed to determine whether the quantum of the Market Loading Allowance should remain static, be adjusted upwards or downwards, or cease. This assessment is to be conducted by the Senior Manager in consultation with the Director, People and Culture, or nominee.
- 6.10 A Market Loading Allowance will continue to be paid at its existing level until such time as it is formally adjusted or terminated by written instruction to the People and Culture Directorate by the Senior Manager.
- 6.11 Should a review result in an increase in the quantum of the Market Loading Allowance, the increase will be back-dated to the annual date of effect. Where the review results in a decrease to the quantum of the Market Loading Allowance, the decrease will take effect from the first pay period following the receipt of the review outcome. In these circumstances, the University will not seek a refund of any overpayments.
- 6.12 The allowance shall be expressed as an annual payment and is additional to base salary. The allowance will be paid pro-rata on a fortnightly basis and be applied to overtime and penalty rate calculations.
- 6.13 The salary plus loading will count as "salary" for all periods of paid leave. However, the loading will not be subject to automatic Enterprise Agreement indexation, or count as "salary" for superannuation purposes.

Market Loading Allowance and Higher Duties

- 6.14 The effect of a Market Loading Allowance on higher duties allowances will be assessed on a case-by-case basis but the intention would be that an employee/s who is receiving a Market Loading Allowance and is asked to perform higher level duties on a Higher Duties Allowance, will receive a salary of no less than the first salary point of the higher level position (plus Market Loading Allowance if applicable) or their present level of salary plus Market Loading Allowance, whichever is the higher.

7 RESPONSIBILITIES

Compliance, Monitoring and Review

7.1 The Director, People and Culture will ensure compliance with this policy.

Reporting

7.2 There is no mandatory reporting requirements.

Records Management

7.3 All records relevant to this document are to be maintained in a recognised University recordkeeping system.

8 DEFINITIONS

Market Loading Allowance: an allowance which is paid as an addition to base salary and will be applied where it has been approved by the University in accordance with this policy and procedures.

Salary: the nominal salary paid to the employee, including any allowance or loading which is counted as salary for superannuation purposes.

Refer to the University [glossary](#) for the definition of terms used in this policy and procedure.

9 RELATED LEGISLATION AND DOCUMENTS

Related Legislation and Supporting Documents

[Central Queensland University Enterprise Agreement 2009](#)

Approval and Review	Details
Approval Authority	Vice-Chancellor and President
Advisory Committee to Approval Authority	Vice chancellor's Advisory Committee
Administrator	Director, People and Culture
Next Review Date	17/06/2018

Approval and Amendment History	Details
Original Approval Authority and Date	Vice-Chancellor and President 14/11/2007
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