

MARKET LOADING ALLOWANCE PROCEDURE



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1 PURPOSE

- 1.1 This procedure outlines the process for administering the Market Loading Allowance at CQUniversity.
- 1.2 The Market Loading Allowance Procedures should be read in conjunction with section 33.9 of the [Central Queensland University Enterprise Agreement 2017](#).

2 SCOPE

- 2.1 This procedure applies to current and prospective University employees.

3 PROCEDURE

Allocation

- 3.1 Market loading allowances may be considered to either attract employees to new or existing vacancies or to retain the services of particular employees where:
 - there are clearly demonstrable difficulties in attracting and retaining suitably qualified employees to particular professional and/or specialist positions within the prevailing market condition, and/or
 - there is a high turnover of employees and where higher salaries being paid elsewhere have been documented as a significant contributing factor.
- 3.2 Market loadings may be paid to certain groupings of University employees, as determined by the University. Approval for a market loading allowance will be at the discretion of the Vice-Chancellor and President following a recommendation from the Director, People and Culture or nominee and the relevant Deputy Vice Chancellor.

- 3.3 The relevant area Senior Manager proposing 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 will apply, and
 - the recommended level of the loading and proposed source of funds (i.e. the cost centre's capacity to pay the allowance).
- 3.4 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

- 3.5 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 relevant organisational areas' senior manager and the Director, People and Culture.
- 3.6 The cost of such an evaluation will be the responsibility of the organisational area requesting the market loading allowance.

Funding

- 3.7 Where a market loading allowance is approved, all costs of the allowance will 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

Conditions

- 3.8 Market loading allowances granted will be for a specified set of duties and responsibilities associated with a position/s. Employees who change positions or have a significant reduction in relevant responsibilities will not automatically continue to receive a market loading allowance. Significant reductions in an employee's relevant tasks or responsibilities will require a fresh application.
- 3.9 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 marketplace, bearing in mind particular qualification and specialisation requirements, and the availability of funds within the budget.
- 3.10 The period of application of the market loading allowance will be determined on the basis of an assessment of the labour market and will be offered for no more than two years.
- 3.11 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 will be conducted by the relevant organisational area senior manager in consultation with the Director, People and Culture, or nominee. It is the responsibility of the senior manager to advise an employee of any changes to the market loading allowance.
- 3.12 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.

- 3.13 Should a review result in an increase in the quantum of the market loading allowance, the increase will be backdated 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.
- 3.14 The market loading allowance will be expressed as an annual payment and is in addition to the base salary. The allowance will be paid pro-rata on a fortnightly basis and applied to overtime and penalty rate calculations.
- 3.15 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.

Higher duties

- 3.16 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.

4 RESPONSIBILITIES

Compliance, monitoring and review

- 4.1 The Director, People and Culture is responsible for implementing, monitoring, reviewing and ensuring compliance with this procedure.

Reporting

- 4.2 No additional reporting is required.

Records management

- 4.3 Employees must manage records in accordance with the [Records Management Policy and Procedure](#). This includes retaining these records in a recognised University recordkeeping information system.
- 4.4 University records must be retained for the minimum periods specified in the University Sector Retention and Disposal Schedule on the [Queensland State Archives website](#). Before disposing of any records, approval must be sought through the Records Management Office (records@cqu.edu.au).

5 DEFINITIONS

- 5.1 Terms not defined in this document may be in the University [glossary](#).

Terms and definitions

Market loading allowance: an allowance which is paid as an addition to the 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.

6 RELATED LEGISLATION AND DOCUMENTS

[Central Queensland University Enterprise Agreement 2017](#)

7 FEEDBACK

- 7.1 Feedback about this document can be emailed to policy@cqu.edu.au.

8 APPROVAL AND REVIEW DETAILS

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Advisory Committee to Approval Authority	Vice-Chancellor's Advisory Committee
Administrator	Director, People and Culture
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