Market Loading Allowance Policy and Procedure

Section 1 - Preamble

(1) Charles Darwin University ('the University', 'CDU') is committed to attracting and retaining exceptional employees and acknowledge that market loading allowance may be necessary to assist the University to compete for highly qualified and sought after employees in a global market.

Section 2 - Purpose

(2) The purpose of this policy is to outline how the University will utilise the market loading allowance, including the assessment and approval process.

Section 3 - Scope

(3) This policy applies to current and prospective employees covered by the Charles Darwin University and Union Enterprise Agreement 2025.

(4) This policy does not apply to employees on a Senior Contract.

Section 4 - Policy

Principles

(5) The University will consider discretionary market loading allowances where there is a clear need to enhance its competitive position in response to market forces and trends.

(6) Instances where market loading allowances would benefit the strategic outcome and directions of CDU could be:

a. Where repeated attempts to recruit into a specialist role have failed to attract a suitable candidate.
b. Where there is a need to enable access into niche research areas as part of the University's strategic direction.
c. Where the University is in direct competition with other institutions for key employees.
d. Where there is evidence of a clear threat to retaining exemplary employees, including counter offers from other employers; or
e. Where there is clear evidence relating to remuneration benchmarks from external markets and comparable universities that reveals salary disparity.

(7) The use of market loading allowance will generally be associated with:

a. Senior appointments;
b. Emerging or current disciplines in high demand;
c. Professional employees in specialist high demand areas – generally at Professional Level 8 and above; and
d. Roles that have been historically difficult to fill either due to disciplines or locality.

Value and funding

(8) The market loading allowance that can be applied is between 5% and 20% of the determined salary for that position and is usually applied in increments of 5%. The maximum of any market loading allowance will be capped at 20% of salary. The amount is not indexed to general salary movements (i.e. the dollar amount initially approved will be maintained for the period of the allowance).

(9) Market loading allowances are funded from the operating budget of the employing unit. No additional funding will be provided to the employing unit and the ongoing costs of the allowance will need to be factored into future budget submissions from the employing unit.

Term and review

(10) The term during which a market loading allowance is to be awarded must be specified in writing. It may vary from a relatively short period (e.g. for the duration of a special project) or while the incumbent remains in the current position.

(11) Market loading allowances are temporary and subject to review every twelve (12) months. This is a standalone process and does not negate the need for annual performance review processes.

(12) Criteria to be assessed during review shall be:

a. The employee is consistently demonstrating exceptional performance as assessed against clearly defined performance measures; and
b. Market forces, data and trends that initiated the loading continue to exist.

Section 5 - Procedure

Conditions

(13) Any proposed market loading allowance must be approved before an offer is made to the employee.

(14) If a current employee is applying for market loading allowance they are required to provide evidence to substantiate the application.

(15) The market loading allowance is in addition to the base salary. The allowance will be paid on a fortnightly basis and applies to overtime and penalty rate calculations.

(16) The salary plus loading will count as ‘salary’ for all periods of paid leave.

(17) Market loading allowance will be paid on leave taken within service, and on leave paid out upon cessation of employment with the University.

(18) Where an employee with market loading allowance is promoted, transferred, seconded etc, the allowance will cease. Where appropriate, the Vice-Chancellor may approve a recommendation for a new allowance in accordance with this policy.

(19) Part-time employees in receipt of a market loading allowance will be paid the allowance on a pro-rata basis.

(20) An annual summary report on all market loading allowances across the University will be provided by the Director People and Culture for review by the Vice-Chancellor.

Application and approval

(21) To seek approval to offer a prospective or current employee market loading allowance, the relevant Manager must complete the Market Loading Allowance business case template, to provide evidence of:

a. Previous recruitment experience in the area (e.g. lack of suitable, high quality applicants etc);
b. Documentation of other relevant market factors (e.g. turnover of employees, data from relevant external markets and/or comparable universities);
c. In the case of retention, the implications of the loss of employee/s;
d. How the work unit has demonstrated efforts to train and/or develop existing employees to overcome the shortage in the area, or an outline of intended actions;
e. Identification of the specific position/s or employee/s to which the market loading allowance will apply; and
f. The recommended level of the loading (taking into consideration Clause 7 of this policy) and acknowledgement of the work unit's funding capacity.

(22) The relevant Senior Executive Team member must submit the business case to the Director People and Culture for assessment prior to submission to the Vice-Chancellor for final decision.

Review and termination of allowance

(23) In accordance with the Agreement, this allowance is subject to review every 12 months. If through review the recommendation is for termination of the allowance, the manager must:

a. notify the Director People and Culture of this recommendation;
b. in conjunction with People and Culture, provide a detailed summary of the review and reasons leading to this decision to the employee;
c. allow the employee 10 working days to respond and/or provide evidence as to why this allowance should not be terminated; and
d. after this 10 day period, provide all related documentation from People and Culture to the Vice-Chancellor for review and final decision.

(24) The employee is to be notified of the Vice-Chancellor's decision in writing within 24 hours of the decision being made.

(25) A copy of this decision is to be kept on file and salaries must be notified (if final decision is to terminate) to avoid overpayment.

Section 6 - Non-Compliance

(26) Non-compliance with Governance Documents is considered a breach of the Code of Conduct - Employees or the Code of Conduct – Students, as applicable, and is treated seriously by the University. Reports of concerns about non-compliance will be managed in accordance with the applicable disciplinary procedures outlined in the Charles Darwin University and Union Enterprise Agreement 2025 and the Code of Conduct – Students.

(27) Complaints may be raised in accordance with the Complaints and Grievance Policy and Procedure - Employees and the Complaints Policy - Students.

(28) All staff members have an individual responsibility to raise any suspicion, allegation or report of fraud or corruption in accordance with the Fraud and Corruption Control Policy and Whistleblower Reporting (Improper Conduct) Procedure.

Status and Details

Status	Current
Effective Date	8th May 2024
Review Date	8th May 2027
Approval Authority	Vice-Chancellor
Approval Date	8th May 2024
Expiry Date	Not Applicable
Responsible Executive	Peta Preo Director People and Culture
Implementation Officer	Peta Preo Director People and Culture
Enquiries Contact	Peta Preo Director People and Culture People and Culture