POLICY

Policy Title: Remuneration – Application of Market Related Salary Loadings

Descriptors: 1) Remuneration  2) Application  3) Market  4) Salary  5) Loadings

Category: Human Resources

1. Title
   Remuneration – Application of Market Related Salary Loadings

2. Purpose
   To ensure that the University is competitive in acquiring and retaining the expertise needed to meet
   the organisation’s desired business outcomes.

3. Organisational Scope

4. Policy Statement
   The University is committed to developing flexible reward strategies to attract and retain high calibre
   staff, who possess skills and abilities that are in high demand in the labour market.
   Edith Cowan University wishes to be considered an employer of choice and the application of flexible
   remuneration and reward strategies is an important part of this consideration.

5. Definitions

6. Principles

7. Policy Content
   1. The University will consider the application of market related salary loadings in circumstances
      where it is demonstrated that market supply and demand for a specific job or skill set is affecting
      the University’s capacity to attract and retain expertise. The results of this will be evident in
      unacceptable rates of employee turnover, inability to undertake specific projects/work plans,
      excessive use of contract labour and/or an inability to secure required expertise.
2. The application of market related salary loadings will not influence or affect the classification of a specific position, but will provide a recognition of current market supply/demand conditions.

3. The application of market related salary loadings will be for a set period. In the instance of retaining existing expertise the market loading will be for a period up to 12 months and will be subject to review at the conclusion of the set period. Alternatively, in the instance of recruitment, the market loading will be for a period up to 3 years and will be reviewed at the end of the set period. It may also be reviewed annually throughout the contract of employment, where it is deemed the labour market conditions may continue to change significantly.

4. To consider the application of a market related salary loading the assessment must be based upon evidence / information from:
   - Market data (remuneration surveys, recruitment consultant information);
   - Organisation data (job specification, project specification, employee turnover, recruitment process feedback); and
   - Any other relevant information.

5. A market loading will be paid to an employee who occupies and is undertaking a position that has been determined as “at risk” for the business and where the employee possesses the requisite experience and competencies commensurate with the market related data.

**ADMINISTRATIVE PROCEDURES**

1. The Manager of an organisation unit will identify specific positions or occupational groups that are ‘at risk’ by the existence of high demand, and more competitive remuneration packages in the labour market.

   At risk positions are those where:
   a) there are difficulties in attracting experienced staff;
   b) there is a high turnover of experienced staff and higher external salaries have been documented as being a significant contributing factor; and
   c) there is documented evidence of higher salaries in the market that may affect the ability of the University to retain staff or attract staff in the near future.

   The Manager will acquire relevant information, line management endorsement and submit a proposal to the Dean/Director for consideration of the request.

2. The Dean/Director will refer the request to the HR Account Manager to investigate/research the request to apply salary market loadings to ‘at risk’ positions.

3. In conjunction with the Line Manager, the HR Account Manager will assist in determining the methods/options to attract or retain incumbents in ‘at risk’ positions, including:
   a) Market Loadings
   b) Job Redesign
   c) Reward options

   The HR Account Manager will prepare a recommendation to be endorsed/approved in accordance with the HR Delegations.

4. In accordance with the current HR Delegations, the authorised Line Executive will approve/not approve the payment of the allowance, and formally advise the Line Manager of the outcome, who will ensure the appropriate action is taken.
5. Apply reward option/market loading in accordance with policy, standards and any conditions explicitly documented as part of the approval.

6. The Line Manager will review the application of the allowance prior to the agreed expiry of payment and re-assess the requirement for the allowance and consider any changes affecting the form or amount of allowance.

8. References

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<tr>
<td>Policy Owner:</td>
<td>Director, Human Resources</td>
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<td>Approved by:</td>
<td>Vice-Chancellor</td>
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<td>Date Approved:</td>
<td>2 October 2000</td>
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<td>Revision Date:</td>
<td>24 July 2010</td>
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<td>Amendments:</td>
<td>24 July 2007, 29.11.05 (HEWRRs Compliance)</td>
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<tr>
<td>Related Policies/Documents:</td>
<td>General Staff Management for Performance System, Academic Staff Management for Performance System, Remuneration Policy (HR122)</td>
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9. Contact Information

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Standards
1. A salary market loading, in the form of fortnightly salary or annual bonus, will not normally exceed 20% of the salary specified by the position classification.

2. The base salary plus the loading will count as "salary" for all purposes.

Guidelines
1. The Director/Dean is responsible for the implementation of this Policy.
2. Human Resource Services is responsible for the maintenance of this Policy.
3. Human Resource Services in conjunction with customers has the authority for initiating alterations to the Guidelines and Administrative Procedures of this Policy.
4. This Policy will come into effect when endorsed by the Vice-Chancellor.
5. Human Resource Services will review this Policy on a biennial basis.