

# Remuneration - Counter Offer and Salary Loadings Procedure

## Section 1 - Summary

(1) This Procedure establishes a framework for the recommendation, approval and payment of counter offers and salary loadings.

## Section 2 - Scope

(2) This Procedure applies to all fixed term and continuing University staff.

## Section 3 - Definitions

(3) Nil.

## Section 4 - Policy/Regulation

(4) See [Remuneration Policy](#).

## Section 5 - Procedures

### Part A - Roles and Responsibilities

Role	Responsibilities
Manager	Provide required documentation for authorising officer approval, such as a genuine offer of employment external to the University or evidence and justification for recommending a loading.
Delegated authorising Officer	Consider the application, and approve or reject, subject to considerations detailed in this Procedure.
People & Culture	Provide advice regarding the proposed remuneration and conditions of employment. Prepare contract of employment, or variation to existing employment contract, on receipt of approved documentation.
Vice-Chancellor	Delegated Officer for approval of Counter Offers for academic staff.

### Part B - Counter Offers

(5) A counter offer is the means by which the University may choose to retain a high performing/high potential employee in a critical role who has been approached by another organisation with an offer of employment.

(6) The supervisor/manager's request for a counter offer should be recommended via a memo outlining the reasons

for making a counter offer and include the following documentation:

- a. evidence of the employee's external offer of employment;
- b. a copy of the employee's current curriculum vitae;
- c. a copy of the current Position Description;
- d. details of how any costs associated with the counter offer are to be funded.

(7) The delegated authority to approve a counter offer is detailed in the [Delegations and Authorisations Policy](#). In determining whether a counter offer may be made, the delegated officer needs to consider the following factors:

- a. the qualifications, performance and competency of the employee;
- b. whether the employee possesses rare, unique or highly specialised skills, knowledge or expertise;
- c. whether the employee is highly critical to the achievement of business outcomes;
- d. whether loss of the employee would significantly disadvantage the organisation in the medium to long term;
- e. whether the employee is from an identifiable equity target group or is otherwise critical to the achievement of the University's equity and diversity commitments.

(8) A counter offer will be made through the provision of a formal offer of employment, and acceptance thereof, issued in accordance with the [Delegations and Authorisations Policy](#).

## **Part C - Salary Loadings**

### **Step 1: Review Criteria of a Salary Loading**

(9) A salary loading is a regular taxable payment that is paid for a fixed period of time, or on an ongoing basis, over and above base salary.

(10) Salary loadings are subject to salary increases and superannuation contributions provided for under the applicable industrial instrument, unless otherwise negotiated and stated in the contract of employment.

(11) Loadings are:

- a. specific to a particular position and are not retained if the employee is appointed to another position within the University;
- b. paid whilst on approved paid leave;
- c. paid on a pro-rata basis for fractional staff.

### **Step 2: Determining the type and Term of the Salary Loading**

(12) A salary loading must always be considered in consultation with P&C Business Partners, in the context of the labour market, and may be recommended in the following situations:

- a. **Attraction Loading** – May be used to attract an applicant with key skills and experience, in circumstances where uncompetitive remuneration may otherwise mean the best applicant declines an offer. This may be negotiated as a fixed term or ongoing loading.
- b. **Retention Loading** – May be used to retain a key staff member where the loss of that staff member, due to uncompetitive remuneration, would negatively impact the achievement of strategic outcomes of the local area and/or the University. A retention loading is normally used in situations where a counter offer is made to ensure the University retains an employee who has been offered employment outside the University. This may be negotiated as a fixed term or ongoing loading.
- c. **Responsibility Loading** — May be used to appropriately reward an employee who is required to take on

additional responsibility to their normal role on a temporary basis. This is different to a Higher Duties (HDA) arrangement.

- d. Market Loading - May be used in recognition of current market supply/demand conditions where specific positions or occupational groups are in high demand and subject to superior remuneration packages in the labour market. Market loadings are paid for a limited period, no greater than three years, and must be reviewed at the end of that period.
- e. Position Loading — May be used to appropriately reward an Academic employee who has taken on an Academic Leadership role. This is different to a Higher Duties (HDA) arrangement.

(13) Salary loadings will be no greater than 20% of base salary other than in exceptional circumstances.

(14) Where a Market loading of 20% or greater is sought, substantial evidence including a detailed business case will need to be supplied to the delegated authorising officer for approval.

## **Section 6 - Guidelines**

(15) Nil.

## Status and Details

<b>Status</b>	Current
<b>Effective Date</b>	30th July 2019
<b>Review Date</b>	30th July 2022
<b>Approval Authority</b>	Vice-Chancellor
<b>Approval Date</b>	29th July 2019
<b>Expiry Date</b>	Not Applicable
<b>Accountable Officer</b>	Lisa Line Deputy Vice-Chancellor Enterprise and Digital Lisa.Line@vu.edu.au
<b>Responsible Officer</b>	Simone Wright Chief Human Resources Officer 9919 5447
<b>Enquiries Contact</b>	Carol Corzo Director, Capability, Culture and Talent 9919 5100 <hr/> People Experience and Services