

Employment Conditions Procedure - Personal Allowances

Section 1 - Purpose

(1) This procedure supports the Employment Conditions Policy by providing further information and processes for eligibility and approval of personal allowances.

Scope

(2) This procedure applies to continuing or fixed-term employees of Charles Sturt University (the University).

Section 2 - Policy

(3) See the Employment Conditions Policy [in development].

Section 3 - Procedures

Personal allowances - principles and conditions

(4) The University may offer employees the following personal allowances:

- a. Market loading – offered at the time of recruitment to attract a person from an industry where salary rates are significantly higher than those paid by the University.
- b. Responsibility allowance - paid to an employee who has agreed to accept responsibilities beyond those expected at their current level of appointment. This can include allowances for additional responsibilities.
- c. Retention allowance – paid to an employee or a cohort of employees whose skills are critical and/or in short supply, as an incentive to remain in the employ of the University.

(5) Personal allowances should not be used as compensation for on-call or out-of-hours work.

(6) Use of personal allowances will be transparent and consistent, to ensure the integrity of the University's salary grading structures and that equity is maintained across the University's staffing profile.

(7) When determining whether a personal allowance is appropriate, organisational units must ensure that:

- a. precedents and relativities within the unit have been considered before recommending a personal allowance
- b. the allowance can be supported from within the salary budget of the organisational unit, as no additional funding is provided from central funds
- c. employees/prospective employees are eligible and appropriately qualified and experienced for their level of appointment (e.g. meeting the minimum standards for academic levels or the position descriptors for professional/general employees)
- d. any continuation of the personal allowance is subject to satisfactory performance as determined through

Performance Planning, Development and Review processes

- e. personal allowances are not used if the situation can be addressed through an academic promotion (including an extraordinary academic promotion, see the [Academic Promotions Policy](#)) or position reclassification (see the [Division of People and Culture website](#)).

Personal allowance types and conditions

(8) The following table sets out the types of personal allowance and conditions for their use.

Personal allowance type		Conditions/criteria	Duration	Parameters
Market loading	Advertised	Loading may be used where an organisational unit has experienced difficulty in filling a position. Recruitment requisitions must include the proposed allowance, evidence of previous unsuccessful recruitment, a comparison of market rates for the position, and an analysis against the requirements stated at clause 7. Market data will be validated by the Division of People and Culture. Allowance must be approved (see clauses 9-10) in advance of advertising.	Up to 5 years, subject to annual review	Allowances calculated at a fixed amount will not be indexed. May be a lump sum subject to the employee still holding the position at a specified future date or an annual figure paid in fortnightly instalments. No extension but may be converted to a retention allowance.
	Negotiated	Loading may be negotiated by a preferred candidate during recruitment processes if the University's salary rates are significantly lower than their current salary or in the event of a rival offer from another organisation. The candidate must provide evidence of their current salary and/or rival offer. Market data will be validated by the Division of People and Culture. Allowance must be approved (see clauses 9-10) in advance of any discussions with the prospective employee.		
Responsibility allowance	Advertised	Allowance is attached to a fixed term appointment/responsibilities that will be held concurrently with a substantive appointment. For example, an academic position with concurrent course director responsibilities. Position descriptions must be provided for both the substantive position and the additional appointment/responsibilities. Allowance may be advertised as being subject to performance of the concurrent positions' duties.	Up to 5 years, subject to annual review	Allowances calculated at a fixed amount will not be indexed. Annual figure paid in fortnightly instalments. Allowance is not payable for periods of leave above four weeks per annum. May be extended.
	Negotiated	Allowance is normally negotiated with an employee who undertakes additional responsibilities beyond their current level of appointment (e.g. leadership of a new international venture). Allowance request (stating what assessment criteria was applied) must be approved (see clauses 9-10) in advance of any confirmation to the prospective employee.	Duration of the additional responsibilities, normally not exceeding 12 months	

Personal allowance type		Conditions/criteria	Duration	Parameters
Retention allowance	Negotiated (cohort)	A cohort of staff whose skills are in short supply may be paid a retention allowance as an incentive to remain in the employ of the University. Allowance must be approved (see clauses 9-10) in advance of any discussion with employees.	Up to 2 years, subject to annual review	Allowances calculated at a fixed amount will not be indexed. May be a lump sum subject to the employee still holding the position on a specified future date or an annual figure paid in fortnightly instalments. May be renewed following review. Where a vacancy occurs within a cohort that receives an allowance, the position may be advertised with market loading. This may then be converted to a retention allowance to ensure consistency with the cohort.
	Negotiated (individual)	An individual employee, whose skills are considered to be critical to the University and who has received a rival offer from another organisation or can provide evidence of equivalent positions (eg scope of responsibilities, location etc) remunerated at higher rates (including superannuation and benefits), may request payment of a retention allowance. Market data will be validated by the Division of People and Culture. Normally, other University processes will be preferred (e.g. extraordinary academic promotion or if appropriate, position reclassification). Allowance must be approved (see clauses 9-10) in advance of any discussion with the employee.		

Recommendations and assessments

(9) Recommendations for a personal allowance must be endorsed by the relevant [Band 7 authority](#) and must include the following:

- The proposed amount and duration of the allowance (consistent with the allowed parameters) and whether the allowance should be paid as a lump sum or in fortnightly instalments.
- For current employees, confirmation that they have satisfactorily completed and met the requirements of the Performance Planning, Development and Review process.
- The employee/preferred candidate's current curriculum vitae and confirmation that they hold the appropriate formal qualifications for the level of appointment.
- An analysis of how the proposed allowance meets the requirements stated at clause 7.
- For retention allowances for individual employees, an analysis of:
 - the market availability of the employee's skills and experience, and the challenges that the organisational unit would face if required to replace the employee
 - any consequence that may arise from payment of a retention allowance.
- Confirmation that the operational unit is willing and able to pay an above-enterprise agreement salary from the operating budget.
- Any other information required to demonstrate consistency with the personal allowance principles and conditions set out in this procedure.

(10) Requests and recommendations for a personal allowance will be forwarded to the delegated officer for approval (see [Delegation Schedule B - People and Culture](#)).

Salary and leave administration

(11) Personal allowances are not included in calculating overtime, penalty rates or leave loading.

(12) Unless otherwise stated, allowances will continue to be paid when an employee is on leave.

(13) Superannuation is payable for personal allowances that form part of ordinary times earnings (OTE). This will be at the superannuation guarantee contribution rate or the current University employer contribution rate, subject to the [Enterprise Agreement](#), employment contract and/or individual employee arrangements.

(14) If the position held by the recipient of an allowance is reclassified (in the case of professional/general staff) or the recipient is promoted (in the case of academic staff), then the allowance will be absorbed into the new level of remuneration.

(15) Employees who are appointed to another position within the University, including secondments, do not normally retain their personal allowances.

Section 4 - Guidelines

(16) Nil.

Section 5 - Glossary

(17) For the purpose of this procedure:

- a. Concurrent appointment - means an additional University appointment held by an employee at the same time as their substantive position.
- b. Rival offer - means an offer of employment from outside the University.
- c. Personal allowance - means an allowance that is attached to an employee and not to a substantive position.
- d. Substantive position - means the primary position in which a person is employed at the University.

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