

# Attraction and Retention Incentives Protocol



Effective Date: 06/08/2019  
Last Reviewed: 06/08/2019

CHB/2019/4940  
Version 1.00

## 1. Purpose

To provide direction on the provision of attraction and retention incentives provided by the Department of Natural Resources, Mines and Energy (DNRME).

The incentives provided under this protocol are not intended as an employee entitlement and are in accordance with the Commission Chief Executive Directive: [Attraction and Retention Incentives 07/14 \(Directive\)](#). Incentives will be offered at the discretion of management and the delegate for the purpose of attracting and retaining critical skills across any location, including rural and remote communities. The flexibility to offer one or more of the incentive options is also at the discretion of the delegate.

## 2. Scope

This protocol applies to all employees as follows:

### 2.1 Individual Incentives

An incentive may be payable to an individual to assist in ensuring the attraction and retention of an employee to a critical role and/or with critical skills. An incentive can be offered and paid through an individual employment contract or through a letter of offer in consultation with Human Resources, Business and Corporate Partnership.

### 2.2 Group Incentive Schemes

Incentive schemes can be established to support the attraction and retention of a group of employees to critical roles and/or critical skills.

Group incentive schemes may be required to support:

- The attraction of a cohort of employees to critical roles and/or with critical skills, e.g. a program to attract people to a number of professional roles that have proved very difficult to attract or retain employees.
- The retention of a critical cohort of employees where there is an identified business risk.

Group incentive schemes require consultation with Human Resources, Business and Corporate Partnership and approval from the Public Service Commission.

### 2.3 Rural and Remote Area Incentive Scheme

The department has a Rural and Remote Area Incentive Scheme that operates independently from the Attraction and Retention Protocol and incorporates 4 incentives:

- Residential accommodation assistance
- Pre-start familiarisation visit
- Three year transfer at level priority
- Designated Rural and Remote Community Bonus.

For further details refer to the [DNRME Rural and Remote Area Incentive Scheme HR Protocol \(RRAIS\)](#).

### 2.4 Subsidised Accommodation

As an attraction and retention incentive the department may provide an employee with a subsidised accommodation incentive. All subsidised accommodation incentives are required to be reviewed annually and are offered for the purposes of attracting and retaining critical skills across any location.

### 2.5 Transitional Arrangements

All employees who are currently receiving incentives for the purposes of attraction and retention under a previous agreement, excluding the [Attraction and Retention Directive 07/14](#), may require their current agreements to be reviewed within 6 months from the introduction of this protocol.

Subsequent arrangements will then transition as specified within this document and will be reviewed as per the process outlined within.

### 3. Procedure

#### 3.1 Step 1

##### Application

All individual incentives and/or schemes, being offered as an attraction and retention method must:

- clearly have direct linkages between the payment of attraction and retention incentives and the achievement of the agency's service delivery goals.
- be offered on a temporary basis, for a predetermined period, and are not for the purpose of providing performance-based rewards.
- be provided directly to the employee; unless there are compelling reasons, agencies are not to enter into third-party contracts or arrangements on behalf of an employee.
- be considered as part of an employee's ordinary time earnings for the purposes of calculating superannuation.
- must be reviewed at least annually, in line with the agency's strategic workforce planning cycle, to ensure that the conditions under which the initial incentive was offered continue to exist.
- be reported in accordance with the requirements of the [Financial Accountability Act 2009](#).

Approvals and documentation relating to the attraction and retention incentive are to be provided to Queensland Shared Services (QSS) payroll for formal record purposes.

#### 3.2 Step 2

##### Approval

A business case supporting the request to offer an incentive and/or incentive scheme, must be developed for all applications and submitted to the delegate following consultation with the Executive Director, Human Resources, Business and Corporate Partnership. The business case must:

- outline the rationale for offering the incentive/s or incentive scheme, including detailing the way(s) in which the role/s has/have a clear and significant impact on government priorities and/or critical service delivery
- provide evidence outlining why the role/s is/are considered very difficult to attract or retain employees to, including (as appropriate) labour market assessment, supply issues, vacancy history, previous strategies undertaken to fill the role/s and associated outcomes
- provide evidence of the evaluated classification of the role/s
- detail the total cost of the proposed incentive/s or incentive scheme and the rationale for same
- indicate the period of the incentive/s or incentive scheme, the necessary processes for payment and proposed schedule of review of the incentive/s or incentive scheme, and
- identify whether other incentives are to be offered (including, where relevant, under a rural and remote incentive scheme).

Significant incentives (with a total value greater than ten percent of the superannuable salary) and all group incentive schemes must be approved by the Commission Chief Executive (CCE), Public Service Commission (PSC) prior to offering a significant incentive to an employee or establishing a group incentive scheme.

The delegate is required to present their business case to Human Resources, Business and Corporate Partnership to navigate PSC approval.

**Example 1:** You need to recruit an employee with a specific skillset for a difficult to fill vacancy in the Brisbane CBD. You have had little success attracting applicants so a decision has been made to advertise the opportunity at 10% above the scheduled salary rate.

To progress the recruitment process, you need to complete a business case as above. On this occasion it would be considered that you are offering an incentive, however it is not significant and does not require permission from the PSC.

**Example 2:** You are having difficulty attracting an employee with specific skills to a remote location. To attract a suitable applicant, you have decided to offer a monetary incentive above the scheduled salary rate for the position, plus you want to include some other incentives under the RRAIS. When you calculated the total remuneration being offered for the role, it was greater than 10% and therefore would be classified as a significant incentive.

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To progress the recruitment process, you must complete a business case as above. The business case will then be forwarded to the PSC by Human Resources, Business and Corporate Partnership for approval. The PSC will review the case and advise their decision. Once this has been confirmed the recruitment process can continue.

### 3.3 Step 3

#### Payment

Employees must be made aware of the temporary nature of the payment of incentives, and that incentives are only provided to meet circumstances which are subject to change.

The payment strategy of an incentive may depend on the specific circumstances under which the incentive is required, for example:

- to support the retention of a critical employee, payments may be weighted towards the end of a predetermined period
- to provide initial attraction and ongoing retention, payment of half of the agreed annual incentive at the commencement of the engagement, and payment of the remaining incentive half-way into the engagement, following a review to determine if agreed milestones have been met.

**NOTE:** Employees are responsible for seeking their own financial reportable advice regarding the effects that an incentive may have on their tax liabilities etc. in particular FBT.

Managers should liaise as soon as practicable with payroll regarding the payment plan of incentives, and the application of the correct tax treatment (including fringe benefits tax) to all incentive items provided.

Managers may incorporate a repayment provision into an agreement to pay an incentive.

- This may be particularly appropriate where an incentive has been offered to attract an employee to a role, and the employee leaves the role prior to its nominal end date.
- The terms of repayment would need to be based on the specific circumstances of the agreement, including length of engagement, frequency of payments etc. as outlined in the 'letter of offer'.

### 3.4 Step 4

#### Review

All incentives and incentive schemes must be reviewed on the basis of whether the payment of an incentive is contributing to the achievement of the stated objectives, prior to further payments being provided.

Reviews must occur at least annually, but may be reviewed more often dependent on the terms and length of the arrangement.

Reviews must consider the following issues:

- is the role still considered critical, and therefore the payment of an incentive still warranted, or have the agency's priorities changed?
- do the original conditions regarding the difficulty of attracting/retaining employees, as identified in the business case, continue to apply?
- the incentive was to support retention, has this been effective or does the approach need to be reconsidered?

If, through a review process, it is determined that an incentive is no longer warranted, an employee must be provided with reasonable notice prior to the withdrawal of the incentive.

## 4. Delegations

Delegations are to be exercised in accordance with the department's [Human Resource Management Delegations and Authorisation](#). Please refer to the departmental intranet site for current versions. Delegation Schedules are reviewed on a regular basis to ensure they remain current and relevant to the operational needs of the department. It is recommended that delegate authority levels are confirmed prior to exercising any powers in relation to determination.

## 5. Responsibilities

### 5.1 Employees

- Should consider seeking independent financial advice regarding the effects of an incentive payment on your tax liabilities etc.
- Advise your manager if your circumstances surrounding the incentive being provided to you change.

## 5.2 Managers

- Recommend to the delegate in a business case for an incentive to be provided in line with the directive and how the critical role and/or skills aligns to the department's strategic objectives and business risk.
- Liaise with payroll regarding the payment plan of incentives, and apply the correct tax treatment (including fringe benefits tax) to all incentive items provided.
- Review and document incentives offered to staff on an annual basis in line with the HR Delegations.
- Maintain adequate records regarding the payment of all incentives.

## 5.3 Delegates

- Determine whether a role requires critical skills which have proven difficult to attract and retain.
- Approve attraction and retention incentives in line with the requirements of the directive and this protocol.
- Refer all incentives to Human Resources, Business and Corporate Partnership – email recruitment [recruitmentHR@dnrme.qld.gov.au](mailto:recruitmentHR@dnrme.qld.gov.au) for approval, noting those greater than 10% of the employee's salary, will be forwarded to the Public Service Commission for final approval.

## 6. Definitions and glossary of terms

Refer to the [HR Dictionary](#) for definitions of terms contained within. Other specific definitions include:

**Incentive** – a cash payment/s that has a total value less than ten per cent of the superannuable salary of the evaluated role classification.

**Significant incentive** – a cash payment/s that has a total value greater than ten per cent of the superannuable salary of the evaluated role classification.

**Critical roles** – roles that are very difficult to attract or retain employees to, e.g. multiple, traditional recruitment strategies will not yield a quality pool of candidates, **and** have a significant and immediate impact on government service delivery to the community, if left unfilled.

## 7. Related Documents

- [Public Service Act 2008](#)
- [Attraction and Retention Incentives Directive 07/14](#)
- [Financial Accountability Act 2009](#)
- [HR Delegations](#)
- [Rural and Remote Incentive Scheme HR Protocol](#)
- DNRME Employee Housing Procedure – Pending

## 8. Further information

For further information on the protocol please contact Human Resources, Business and Corporate Partnership.

Signed:



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Department of Natural Resources, Mines and Energy.

Date: 6 August 2019

## 9. Version history

Date	Version	Action	Description / comments
6 August 2019	1.00	Approved by the Executive Director Human Resources	New document

## 10. Keywords

Attraction; retention; incentives; critical skills and roles; significant; schemes