

20 August 2014



Attention: AWU and CPSU

Classification and salary structure review

Forestry Tasmania is seeking to negotiate an Enterprise Agreement that is good for both staff and the business as a whole by assisting in the delivery of the following broad objectives:

- Maintaining a safe and healthy working environment for all our people in accordance with Forestry Tasmania's policies and relevant legislation;
- Promoting a positive and constructive culture that supports Forestry Tasmania's people and the achievement of our business objectives;
- Ensuring that Forestry Tasmania has the right structure, systems and skilled people to efficiently and effectively deliver our products, services and new ventures;
- Supporting our people in developing and maintaining the skills they need to do the job; and
- Ensuring that everyone takes responsibility for their contribution to achieving Forestry Tasmania's business outcomes.

FT recognises that its future classification and salary structure is a key issue in the negotiations and that getting it right is very important for our people and our business. The outcome will provide the mechanism for setting performance standards, developing career progression structures, identifying and supporting individual development opportunities, and creating a clear and transparent remuneration policy that is equitable and sustainable.

The key principles that need to be taken into account in developing an appropriate classification and remuneration structure include:

- Reviewing and evaluating individual job design to identify the skills and expertise required in each position to deliver our business objectives;
- Ensuring that the classification and remuneration structure appropriately reflect the requirements of these individual positions;
- Providing a system that delivers equity and sustainability for our people and the business as a whole for the short term and long term;
- Ensuring that FT remuneration is adequate to attract and retain the required people and skills;
- Providing a system that provides for appropriate salary progression and/or reward to support and recognise high performance.



With these principles in mind, Forestry Tasmania met with representatives from Department of Premier and Cabinet (DPAC) to achieve a better understanding of the Tasmanian State Service Act structure. Discussions included an overview of the methodology used by DPAC to develop the structure, how it approached the review of job design, how it took into account remuneration in equivalent job markets, and how to best link salary progression and rewards to performance. These discussions confirmed that while the TSSA covers a large range of employees, some professionals with particular job and skills requirements have remained on separate industrial arrangements (eg fire services, police and nurses) due to the specific nature of these occupations. DPAC representatives also noted that the introduction of the TSSA structure had included removal of many allowances and benefits.

FT is in the process of considering the systems, roles and skills that the organisation will need in the future to meet its objectives. This process will inform the detailed job design for individual positions. FT's preference is to undertake this careful and comprehensive review of all of FT's positions, classifications and competencies before we commit to a particular classification and salary structure.

This preference is driven by our desire to make an informed decision on the approach that would best meet the needs of our people and the business. While one outcome of this review could be a decision to adopt the State Service Structure, or parts of it, another possible outcome is that all parties agree that a more customised approach would suit FT and its people better.

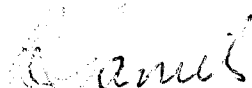
To demonstrate our commitment to this process, FT is prepared to include a clause in the proposed Enterprise Agreement to formally commit to undertaking and completing this review within the proposed 18 month period to be covered by this agreement. FT will also commit that this review will specifically include detailed consideration of the State Service Structure.

FT believes the process of considering our future classification and remuneration structure should include consultation with employees on a variety of matters including job design, competency requirements, and a review of remuneration options.

I hope that this letter provides further clarification of the principles guiding FT's approach to these negotiations and to our consideration of any options. Following the completion of this process, FT proposes that the revised structure be included in the next agreement negotiations so that it can be voted on by employees when all parties understand the full implications of the proposal.

FT confirms that we would support an interim salary increase while this review process is underway.

Regards



Sharyn Daniels

Human Resource Manager