



Salaries for **School Principals**

New principal classification structure for 2016

On 16 September, 2015 the Federation issued an Industrial Bulletin to all principal members headed "Salaries for School Principals" which addressed the new principal classification structure for 2016 provided under the Crown Employees (Teachers in Schools and Related Employees) Salaries and Conditions Award (the Award).

As stated in the earlier bulletin, Federation opposes a principal classification structure based on school budgets. Federation continues to advocate that school complexity is better addressed by providing additional executive release time, more teaching and support staff and other improved resource provision for schools.

Furthermore, it is apparent that there are significant difficulties in developing a methodology for a new budget-based principal classification structure that is demonstrably objective, explicable and transparent. Rather than reflect inherent objective criteria, the new structure is determined by adjusting classification thresholds and then setting them to generate a particular distribution of salaries. The end result is determined more by the pool of additional funding available than by an objective measure of school complexity. This provides further grounds for Federation to pursue a return to a student enrolment based methodology for determining principal salaries in the next Award.

Whilst acknowledging the above concerns with the methodology, Federation has continued to negotiate with the Department to ameliorate potential adverse consequences of the new principal classification structure for individual principals. The Department has issued information to principals that reflect the outcomes of these negotiations.

Implementation documents

There are two supporting documents related to the new Principal Classification Structure that have been negotiated and finalised recently. They are headed "*Threshold determination methodology*" and "*Additional Treatments*".

These show the changes that have been made to mitigate the adverse impacts of the thresholds the Department originally proposed.

In addition to varying the threshold determination methodology, these documents clarify the

process negotiated for reviewing the thresholds. There is also confirmation that the remuneration is superable.

Principal classification structure — Threshold determination methodology

1. The new Principal Classification Structure is established under the Crown Employees (Teachers in Schools and Related Employees) Salaries and Conditions Award 2014 (sub clauses 3B.21–3B.24 of Clause 3B Salaries — Commencing in 2016).
2. Principal Classification Structure funding thresholds (October 2015)

Funding threshold	Principal level
\$0	TP1
\$432,000	TP2
\$1,055,000	P1
\$2,150,000	P2
\$3,450,000	P3
\$7,070,000	P4
\$13,800,000	P5

3. The negotiated funding thresholds (October 2015) form the basis for determining principals' salaries under the new Principal Classification Structure.
4. Principal salaries for levels P2–P5 are augmented by a complexity loading, which forms part of the superable remuneration for principals.
5. Determination of the thresholds is based on funding data from the previous year (ie 2016 thresholds are based on 2015 data).
6. Each year the Department of Education and the NSW Teachers Federation will participate in a joint process of review prior to finalising the new thresholds.
7. The thresholds will be reviewed annually and varied in accordance with the percentage increase in funding to schools.

A document headed "Additional Treatments" provides information of further protections negotiated between the Federation and the Department. These include extension of the opt-in period and assurance for principals and their schools (communities) who choose not to opt-in to the new principal classification.

Additional Treatments

To further mitigate concerns the following treatments are added:

- As the opt-in period has been delayed, a new opt-in period will apply that extends beyond 29 February 2016 to the end of Term 1, 2016.
- If a principal does not opt-in they can stay on the old salary scale for as long as they remain as principal of that school.
- If a principal who does not opt-in resigns or retires before 2021, recruitment for their replacement

will still be at the enrolment based principal level for that school and the appointee will have the option to opt-in to the new classification structure.

These treatments extend the provisions of sub clauses 3B.27.2 and 3B.31 of the Crown Employees (Teachers in Schools and Related Employees) Salaries and Conditions Award 2014, and sub sections 5.3 (a), (b) and (c) of the Terms of Settlement.