



Salaries for **School Principals**

New principal classification structure for 2016

The Department of Education insisted on including a new principal classification structure for salaries in the Terms of Settlement for the current Salaries and Conditions Award (2014-2016).

The Department's rationale was outlined in the Deputy Director-General's Memorandum to Principals on November 12, 2013:

"Principals have been seeking a classification and salary structure based on school complexity for over five years. This initiative was announced as part of the Department's Local Schools, Local Decisions reform."

While some principals may initially have sought this approach, many Federation members in principal positions have expressed concerns about the negative impacts of this change.

Federation opposes *Local Schools, Local Decisions* because it is a structural change designed by the NSW Treasury to reduce the number of support personnel employed across the Department. Its purpose is to force the Department of Education to meet the destructive 'efficiency' targets imposed each year by Treasury and the Department of Finance.

However, while the administrative and support positions are being reduced each year to meet these annual targets, the work of these public servants remains. *Local Schools, Local Decisions* is the marketing term used to hide the fact that principals and school staff at the local level will be forced to pick up the administrative workload, which will only increase over time.

Public schools in NSW are confronted with some of the greatest challenges educators have ever faced, with high expectations to deliver, but at a time in our history when the Department of Education has the lowest level of non-school based staffing to support schools. This is the deceit behind *Local Schools, Local Decisions*.

Federation opposes a principal classification structure based on school budgets because principals are educational leaders and their role extends beyond financial management. Federation argued that the complexity of schools would be better addressed by providing additional executive release as well as more teaching and support staff. The Department rejected the Federation's arguments and insisted on including a budget-based principal classification structure in the Award.

The Terms of Settlement (see extract on pages 3-5) for the Award outline how the new principal classification structure is to be implemented. A number of important safeguards were negotiated by the Federation, including salary maintenance for three years for principals in schools where RAM funding falls below the threshold.

Federation believes the relativities between the Indicative School Funding Thresholds that were agreed in the Terms of Settlement and included in the table in Section 5.3, should be maintained in calculating new thresholds that account for increased school budgets for 2016. These relativities show the measure of complexity as agreed for the current Award. This position has been put to the Department. Negotiations are continuing on the matter. Outcomes from these negotiations will be reported to Federation members as soon as possible.

In negotiating the next Award, Federation's claim will include a return to a principal classification structure based on student enrolments, with school complexity to be addressed via other means including additional resources.

Protection of small school principal positions

The Department's initial proposal for a new principal classification structure would have changed principals of PP6 and PP5 schools to Lead Teacher 1 or 2, cut administrative release time and linked all such schools to a larger school.

This structure was also unacceptable because while some principals would have benefited from higher salaries, hundreds of others would have suffered a salary cut and potential loss of superannuation.

In response to Federation's opposition to these changes, the Department conceded that all principals of PP6 and PP5 schools will remain as principals, not Lead Teachers. While they are classified as Teaching Principals in the wording of the Award, there is no change in responsibility, leadership or authority. They are and will be called principals.

Federation negotiated to ensure that the new position of Associate Principal, which the Department insisted on including in the new Award, cannot be imposed on a school. Where a Teaching Principal position becomes vacant, a school community consultation process must be conducted to determine if an Associate Principal position is to be established and the school linked to a larger nearby school. The NSW Minister for Education, Adrian Piccoli, confirmed this in a letter to John Kaye, Member of the NSW Legislative Council, on 18 May, 2014:

"Any future decisions for small schools to retain a Teaching Principal or explore further opportunities available by choosing an Associate Principal, where the school will be able to network more closely with other schools, will only be made after consultation and agreement with those respective communities."

At the time of writing, the Department has been unable to clarify the details of which principal administrative duties will be reassigned to a larger school, and how this is to be achieved. Federation is pursuing these matters with the Department.

The Department has confirmed that Associate Principals, like principals in secondary collegiate structures, will remain the workplace principal. Current PP6 and PP5 principals who are classified as Teaching Principals may choose to become Associate Principals, but they cannot be forced to do so.

Staffing implications of the new principal classification structure

The Department's original proposal in Award negotiations was that principals would not be able to have nominated transfers. This is not the case. Federation successfully negotiated for principals to have nominated transfer status if their budget drops below base level for P1. Crucially, this means permanency is maintained for principals, as well as other protections achieved.

Federation believes that principals entitled to a priority transfer, such as an incentive transfer from a remote rural school, should not be disadvantaged in the transition to a new principal classification structure. Federation has proposed to the Department that all priority transfers for principals should be honoured for 2016 and in subsequent years when the service requirement for transfer is met. Principals undertook their appointments under the employment conditions that applied at the time; they should not be disadvantaged because the methodology of school classification is changed from one based on student enrolments to one based on the school budget.

Federation will pursue this entitlement for principals in negotiations for a new Staffing Agreement due to commence early in Term 4 this year.

Terms of Settlement (extract)

5.3 Principal classification structure

School budgets range from approximately \$200,000 up to \$20 million per annum.

New classification level	Indicative school funding thresholds per annum minimum- maximum (in 2014\$)*		Base Principal Salary + complexity loading	Applicable salary in 2016**	
				Original (2.15%)	New (2.5%)
Teaching Principal 1 (TP1) or Associate Principal 1	–	<\$415K	–	\$109,203	\$109,867
Teaching Principal 2 (TP2) or Associate Principal 2	>\$415K	<\$1.04M	–	\$127,501	\$128,277
Principal 1 (P1)	>\$1.04M	<\$2.9M	Base Level	\$131,000	\$131,797
Principal 2 (P2)	>\$2.9M	<\$5.4M	+\$10,000	\$141,000	\$141,858
Principal 3 (P3)	>\$5.4M	<\$8.3M	+\$25,256	\$156,256	\$157,206
Principal 4 (P4)	>\$8.3M	<\$13.5M	+\$32,087	\$163,087	\$164,079
Principal 5 (P5)	>\$13.5M	–	+\$37,087	\$168,087	\$169,109

*The model is directly linked to the RAM being available for all schools. Funding thresholds will be adjusted to reflect increasing system allocations through the RAM.

** These salaries were increased after a change to government policy on superannuation. Instead of a 2.15% increase, salaries are to be increased by 2.5%.

Transition and Policy Provisions

- a) The new principal classification structure would be effective Day 1 Term 1 2016. Existing principals who are classified as P1-P5, who remain at the same school in 2016 will have the option to remain on the current classification structure until 2021 or Opt In to the new classification structure.

Opt In Provisions (P1-P5)

- b) Existing principals as at 31 December 2015 will be given the opportunity to Opt In to the new classification structure up until 29 February 2016.
- c) There will be no further Opt In opportunity and those who remain on the current structure will automatically move across to the new structure on and from Day 1, Term 1, 2021, based on the funding thresholds applicable at that time.
- d) If a school's RAM funding falls below the threshold level after the Opt In date, the principal would maintain their loading for a period of 3 years, after which time the loading would revert to the appropriate level.

Other Provisions

- e) Principals appointed to a new school for the commencement of 2016 and thereafter will be appointed under the new classification structure unless they were an existing principal appointed by transfer.
- f) Nominated transfers would no longer be available to P1-P5 principals except where their school falls below P1 or ceases to operate. This means that a non-teaching principal cannot revert to a teaching principal or associate principal level unless they elect to remain at the school and accept a lower salary level.
- g) Current PP5 and PP6 principals classified below the P1 level e.g: TP1 or TP2 will receive a salary outcome equal to that of the current structure but will be subject to a name change from Principal to Teaching Principal.
- h) Current release time arrangements will continue to apply to Teaching Principals.
- i) On vacancy, the Deputy Director-General, Public Schools NSW, will determine whether a school with a Teaching Principal 1 (TP1) or Teaching Principal 2 (TP2) will be linked to a larger school in reasonable proximity to reduce the administrative workload. Where this occurs, the TP1 or TP2 position will be classified as an Associate Principal 1 or 2. Furthermore, a TP1 or TP2 may apply to the Department for the school to be linked to a larger school in reasonable proximity to reduce the administrative workload and be classified as an Associate Principal 1 or 2 accordingly. In both cases, this will facilitate an increase in face to face teaching time for the Associate Principal, to support student learning and account for the reduction in administrative duties.
- j) All current PS5 schools will remain non-teaching irrespective of the salary outcome.
- k) All high schools will receive a salary outcome of P2 or above.

Application of Principal Classification Structure – For P1 and P5 Principals

