Why has this change come about?
Some schools are more complex than others. It makes sense to have a classification structure that reflects school complexity rather than just student numbers. The Resource Allocation Model (RAM) takes into account a range of factors that determine student need and school complexity and allocates funding accordingly. We have negotiated a pay scale that transparently links principal pay to the complexity of their school.

When will these reforms commence?
Under the Crown Employees (Teachers in Schools and Related Employees) Salaries and Conditions Award 2014 the new principal classification structure will commence from Day 1, Term 1, 2016 for all new principals and for those principals who ‘Opt in’.

How will this affect current principals?
The new structure consists of two levels of teaching principals (TP1 and TP2) and five levels of principal P1-P5. Salaries for P1-P5 consist of a base level salary plus a loading reflecting complexity.

Current PP5 and PP6 principals classified below the new P1 level, that is as TP1 or TP2, will be subject to a name change from Principal to Teaching Principal. They will be paid at their existing salary level (adjusted for any salary increases) while they remain at the current school.

Some PP5 principals may move into the P1-P5 grouping based on their school’s RAM allocation. These principals as well as all other current principals will have the option to remain on the current structure until the end of the 2020 school year or ‘Opt in’ to the new structure from 2016.

SSP principals will be included in the new structure but will remain non-teaching and be called SSP principals, even if they are classified at the TP1 or TP2 level.

Executive principals in Connected Communities schools and Senior Colleges do not form part of the current system. They have separate remuneration arrangements which continue.

Secondary college principals will receive a salary outcome that equates to a P5 on the new classification structure. The salary is not determined by the principal classification thresholds.

How will this affect principals’ pay?
New principals or those who ‘Opt In’ from 2016 will be paid in accordance with the principal classification thresholds for the classification level. After the opt-in date, where the application of the principal classification thresholds to that school results in a lower principal remuneration outcome, the principal will receive salary maintenance for a period of three years while they remain at that school. The first time that changes to the RAM allocation will occur after the ‘Opt-in’ date would be in 2017.

Existing principals who choose to remain on the current classification structure will continue to receive salary outcomes based on that structure until the end of the 2020 school year, after which the new classification structure will apply.

When will the principal get the chance to make the decision on whether to ‘Opt In” to the new structure?
During September 2015 we will provide you with detailed information about the classification of your school and the corresponding remuneration. Based on this information you may choose to stay on the old salary structure or move to the new classification structure. You will have until 29 February 2016 to make your decision. If you do not ‘Opt In’ you will remain on the old salary structure until the end of 2020 unless you apply for a new principal role.
How much will principals be paid under the new structure?

<table>
<thead>
<tr>
<th>New classification Level</th>
<th>Indicative school funding thresholds per annum minimum – maximum in 2014#</th>
<th>Salary</th>
<th>Complexity loading</th>
<th>Remuneration outcome(in 2016)*</th>
<th>Total remuneration package*</th>
</tr>
</thead>
<tbody>
<tr>
<td>TP1 or AP1</td>
<td>–</td>
<td>&lt;$415 K</td>
<td>$109,867</td>
<td>–</td>
<td>$109,867</td>
</tr>
<tr>
<td>TP2 or AP2</td>
<td>&gt;$415 K</td>
<td>&lt;$1.04 M</td>
<td>$128,277</td>
<td>–</td>
<td>$128,277</td>
</tr>
<tr>
<td>P1</td>
<td>&gt;$1.04 M</td>
<td>&lt;$2.9 M</td>
<td>$131,797 (base)</td>
<td>–</td>
<td>$131,797</td>
</tr>
<tr>
<td>P2</td>
<td>&gt;$2.9 M</td>
<td>&lt;$5.4 M</td>
<td>$131,797</td>
<td>$10,061</td>
<td>$141,858</td>
</tr>
<tr>
<td>P3</td>
<td>&gt;$5.4 M</td>
<td>&lt;$8.3 M</td>
<td>$131,797</td>
<td>$25,409</td>
<td>$157,206</td>
</tr>
<tr>
<td>P4</td>
<td>&gt;$8.3 M</td>
<td>&lt;$13.5 M</td>
<td>$131,797</td>
<td>$32,282</td>
<td>$164,079</td>
</tr>
<tr>
<td>P5</td>
<td>&gt;$13.5 M</td>
<td>–</td>
<td>$131,797</td>
<td>$37,312</td>
<td>$169,109</td>
</tr>
</tbody>
</table>

# Funding thresholds will be adjusted to reflect updated funding allocations to be used to determine 2016 salaries
* Includes leave loading and employer’s contribution to superannuation

If a school becomes more complex based on the principal classification thresholds will the principal be paid more?

Yes. Principal remuneration above P1 will comprise a base and a complexity loading. When a principal moves into the next complexity threshold they will be paid according to the higher classification. Principal remuneration will be reviewed on an annual basis, with any changes becoming effective from January of the following year.

If a school becomes less complex based on the principal classification thresholds will the principal’s remuneration be reduced?

Principals in this situation will receive salary maintenance for three years. After that time the principal will be paid according to the new level.

How will the funding thresholds be adjusted?

Each year school funding will be reviewed to take account of issues like salary increases, new programs, government initiatives and other developments. Thresholds will be adjusted to maintain relativities in terms of the overall amount of funding in the system.

Is the complexity loading included for superannuation purposes?

Yes.

What happens to the principals of small schools?

Some larger current PP5 schools with a teaching principal will become P1-P5 schools with a non teaching principal. Most current PP6 and PP5 principals will be classified as Teaching Principal 1 or Teaching Principal 2 under the new structure. Their salary and release time will not change.

What is an Associate Principal?

When a Teaching Principal position becomes vacant the school community will be consulted about whether to appoint a Teaching Principal or an Associate Principal. A current Teaching Principal, following consultation with the school community, may also elect to become an Associate Principal at any time.

An Associate Principal would operate in a school where some of the administrative activities have been located in a larger school within reasonable proximity. The complexity of individual sites will determine the funding allocated to each school. Ongoing consultations will look at the role of an Associate Principal regarding the budget allocation, local curriculum delivery, quality teaching, student welfare needs and engaging in parent and community partnerships. An Associate Principal would be able to spend more time engaged in face-to-face teaching, providing consistency and continuity for students, and less time out of the classroom undertaking administrative work.

What happens to principals’ allowances?

There is no change to allowances under the Award.

Does this change affect the salaries of school executives?

No. School executives have their own salary structure and this is not changing with the implementation of the 2014 Award initiatives.

Further information

For more information please go to:
or send an enquiry to:
principalclassification@det.nsw.edu.au, or to
teacherssalaries@det.nsw.edu.au.