Principal Classification Structure
Frequently Asked Questions (FAQs)

These FAQ pages will be updated as new questions arise. If your question isn’t answered here, send it in an email to principalclassification@det.nsw.edu.au

Q1 Why has there been a delay in releasing the principal classification outcomes?
Some stakeholders raised concerns that required further negotiations with the NSW Teachers Federation. This has resulted in an update to the thresholds, additional implementation provisions and a change to the release date of individual reports to principals.

Q2 What are the new thresholds?
The new thresholds are provided in the Salary Scale Principal Classification Structure Table.

Q3 What are the additional implementation provisions that form part of the new principal classification structure?
The additional provisions include:

- As the opt-in period has been delayed, a new opt-in period will apply that extends to the end of Term 1, 2016 (8th April).
- 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 current principal level for that school, and the appointee will have the choice to opt-in to the new classification structure unless they have already made the opt-in choice.

Q4 When will principals get the chance to make the decision on whether they opt-in to the new structure?
During November 2015 principals will be provided with detailed information about their classification, the corresponding remuneration and the school budget that determined that classification.

Based on this information principals may choose to stay on the old salary structure or move to the new salary structure. Principals will have until 8 April 2016 to make this decision. Principals who do not opt-in will remain on the old salary structure for as long as they remain at their current school.

Q5 What funding is included for the purposes of classification?
The school classification budget comprises of the funding streams for the purposes of classification as indicated on the Principal Classification Table.

Q6 Is the Principal Classification Report different to the Ram Report?
Yes. These two (2) reports have different purposes.

Substantive principals will receive the Principal Classification Report in November 2015. This provides every principal with information about the components of their 2015 allocations that will be used to determine their classification and what they will be paid as a principal in 2016. The allocations count those items that reflect student need and school operations.

The new principal classification structure description factsheet 2 along with a detailed list of funding allocations provides more detail regarding the methodology used to determine principal classifications.

Principals received their 2016 RAM Report in October 2015. This provides every principal with information about the annual funding they will receive in 2016.
Q7 What is included in determining the school classification budget upon which Principals classification is calculated?

The school classification budget takes into account a range of factors that determine student need and school operations and allocates funding accordingly. Detailed, school specific information that informs the classification of schools and the corresponding Principal remuneration will be provided to all principals during November 2015.

Q8 How will this affect principals’ pay?

New principals appointed from the beginning of 2016, or those who opt-in from 2016 will be paid in accordance with the thresholds for the classification level. After the opt-in date, where the school classification budget for that school results in a lower principal salary outcome, the principal while they remain at that school will receive salary maintenance for a period of three years. The first time that changes will occur after the opt-in date would be in 2017.

Principals who do not opt-in continue to be remunerated and classified under the current arrangements while they remain at their current school.

Q9 If the school classification budget increases 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 threshold they will be paid according to the higher classification at the beginning of the following year.

Q10 If the school classification budget decreases will the principal’s salary 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 classification.

Q11 What happens to the principals of small schools?

Some larger current PP5 schools with a teaching principal will get 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.

Q12 Does the school classification budget include preschools in schools?

Yes. The principal classification outcome is determined by a number of factors including student enrolment profile, size and school type.

Q13 Do principals in Central schools get a minimum P2 salary under the new structure like other secondary schools or is it dependent on the school classification budget?

No. The outcome for Central Schools under the new principal classification structure is dependent on the school classification budget.

Q14 How will my principal classification and salary be determined for 2016 if I have lodged a nominated transfer application?

In November 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. If you choose to opt-in you will be paid in accordance with the principal classification thresholds for the classification level of the school and your Nominated Transfer will become obsolete.

If you choose not to opt-in your nominated transfer will continue to apply and you will be placed at another school at your current salary level and you will remain on the old salary structure for as long as your remain at that school.

Q15 Are the Funding Thresholds for the new principal classification level linked to the total net recurrent income of the school finances published on the Myschool website?

No, the Funding Thresholds for the new principal classification level are not related to the total net recurrent income of the school finances published on the Myschool website.

Q16 If the school classification budget is on the edge of two thresholds and the principal decides not to opt-in and then the school moves up a classification the next year what happens?

Principals who choose not to opt-in by 8 April 2016 will not have any further chance to move onto the new structure unless they change positions.

Principals who choose not to opt-in will be subject to the current classification and review process.

Q17 Are Environmental Education Centres and hospital schools included in the new structure?

Yes. Those that have a principal position will have a school classification budget and this will result in a principal classification under the new structure.
Q18 If you do not opt-in and the school changes its classification on the old system, what happens to the principal salary?
Principals who do not opt-in will still be subject to the existing review process. This means that salaries can still change in accordance with that process.

Q19 If I plan to separate on 26/1/2016 do I get the option to opt-in? What would be my exit salary?
The new principal classification structure commences Day 1 Term 1 2016. Principals who separate prior to this date will not get the opt-in choice as they no longer hold a substantive position. The exit salary would be the salary applicable under the old classification structure increased by the 2.5 per cent (%) increase from the first pay period after 1 January 2016.

Q20 Do I get access to the opt-in provisions if I relinquish my position in 2015 pending retirement after 1 January 2016?
No. Only principals who hold substantive positions as at Day 1 Term 1 2016 whose schools are classified as P1-P5 will have the opportunity to opt-in.

Q21 If a principal is currently in another position during and past the opt-in period will they get to make a decision based on their substantive position?
All substantive principals will be provided with information regarding their position and new classification outcome in November and will get to make an opt-in choice irrespective of whether they are currently in the position. Those principals relieving in positions will not get any choice as they are not the substantive position holder.

Q22 If a principal decides not to opt-in to the new classification is their salary indexed for inflation, or subject to the same percentage increases in salary (through salary negotiations) as their colleagues?
All principals (including those that opt-in and those that choose not to opt-in) will be subject to the same salary percentage increases that are determined through future salary negotiations.

Q23 If I am a current PP5 or PP6 principal do I get the opt-in choice?
Current PP6 and PP5 principals who are classified at either TP1 or TP2 under the new structure do not get the opt-in choice. This group of principals will move automatically to the new structure from Term 1, 2016 at their existing salary level and will be subject to a name change from Principal to Teaching Principal.

Current PP6 and PP5 principals who are classified as P1-P5 under the new structure will get the opt-in choice.

Q24 Do I suffer a salary detriment if I am a PP5 principal who receives a TP1 salary outcome?
No. Principals in this scenario will move automatically to the new structure from Term 1, 2016 at their existing salary level. So while the school may be classified as TP1 the principal will receive salary maintenance to the equivalent of their old PP5 rate. This salary level will remain (indexed with future salary increases) for as long as the principal remains at the existing school.

Q25 What happens if I am not currently a PP5 or PP6 principal but I end up with a TP1 or TP2 salary outcome?
Principals in this scenario will get the opt-in choice.

Q26 If a Principal opts-in to the new principal classification structure, will that then affect the naming classification of the school? Will we then have schools classified under each of the two systems?
All schools will be classified according to the new principal classification structure from Day 1 Term 1 2016, however the old classification will remain against the school during the transition phase. Principal salaries may be against the old salary structure for principals who do not opt-in or against the new salary structure for principals who opt-in.

Q27 When does the new principal classification structure begin? Is it from the time a principal opts in or at the commencement of 2016?
Principals who make the opt-in choice prior to day 1 term 1 2016 will be paid from day 1 term 1 2016. Principals who make the opt-in choice on or after day 1 term 1 but on or before 8 April 2016 will be paid from the first available pay period after the opt-in choice date.

Q28 How do Schools for Specific Purposes fit into the new structure?
Schools for Specific Purposes have been included in the new structure. Part of the negotiation with the NSW TF and the subsequent terms of settlement was that regardless of the salary outcomes of Schools for Specific Purposes their principals would remain non-teaching.
Q29 If the additional Gonski (NERA) money does flow through, there will be a significant increase in school budgets. What would happen in this instance?

Funding and thresholds will be reviewed annually to account for such fluctuations. A transparent methodology will ensure that thresholds change in line with funding increases so that the principal classification outcomes continue to be moderated.

Q30 Is the new P1 level always non-teaching, even if it is currently at teaching PP5?

Yes. However if the principal chooses not to opt-in they will be bound by the conditions of the current structure and if enrolments fall below 160 then the principal will be teaching.

Q31 Can you move from a TP2 to a P1 because of changes in funding?

Yes.

Q32 What consultation process occurred to inform the principal classification structure?

Consultation occurred with the professional organisations representing principals, the LSLD working party and other internal stakeholders.

As the industrial parties to the Award, the NSW Teachers Federation and the NSW Department of Education negotiated the final version of the principal classification structure and implementation provisions for 2016.

Q33 Why has this change come about?

One of the key findings in Local Schools, Local Decisions was that the current way we pay principals didn’t recognise the fact that some schools have a more diverse range of student needs in terms of factors like socio-economic background, English language proficiency and Aboriginal background.

To address this from 2016 a new classification structure will be implemented that links principal remuneration to both the scale of school operations and the additional educational needs of students.

All principals will be advised of their new salary in November 2015, with an opt-in period commencing from this time.

Q34 When will these reforms commence?

The new principal classification structure will commence from Day 1, Term 1, 2016 for all new principals.

Q35 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.

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 other current principals will have the option to remain on the current structure for as long as they remain at their current school or opt-in to the new structure from 2016.

Schools for Specific Purposes principals will be included in the new structure but will remain non-teaching 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 new principal classification structure. 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.

Q36 Are allowances still payable under the new principal classification structure?

Allowances continue to be payable in accordance with the terms of the Teachers Award and the Teachers Handbook. This includes the Principal Expense Allowance.

Q37 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. 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.

Q38 What happens to the salaries of school executives?

School executives have their own salary structure and this is not changing with the implementation of the new principal classification structure.
Q39 What salary will a Principal Education Officer receive?

Principal Education Officer salaries will not change as a result of these initiatives. Non School Based Teaching Service salary structures remain unchanged in this award.

Q40 What impact will the new remuneration structure have on incentive transfers? How will this work?

The remuneration structure will not impact on incentive transfers, and incentive transfer applicants will not be disadvantaged.

Q41 Will nominated transfers still apply to the new classification structure?

Nominated transfers are no longer 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.