



15 December 2022

Bella.Pardoe@nzei.org.nz
Attention: Bella Pardoe

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Attention: Fran Renton

Tēnā koe Bella and Fran

The Secretary for Education's offer for the settlement of the Area School Principals' Collective Agreement under the Public Sector Pay Adjustment process

I am pleased to present the Secretary for Education's offer to settle the Area School Principals' Collective Agreement.

Public Sector Pay Adjustment (PSPA)

As you know, Government and the CTU have continued discussions about the PSPA process in recent weeks to work towards an agreeable framework that allows for revised offers.

The central aim of the PSPA process has been to work towards an aligned increase to remuneration across Public Sector collective agreements. Discussions have intentionally focused on increasing remuneration as a priority, to recognise the uncertain economic times we are in, where many working in the public sector have been impacted by high rates of inflation.

In making this offer, I note the recent significant Government investments in a number of initiatives that contribute towards a highly trained and continuously supported workforce.

For example, the additional one-off funding to first time principals with less than three-years' experience, to support them through the impact of COVID-19; and the development of principals' eligibility criteria to help ensure people have the necessary skills and expertise to be successful within these critical roles.

Work is also still being done on the design and functions of Te Mahau and Te Poutāhū, and support provided to the sector will evolve over time with your input.

A Well-Paid Career

Remuneration is a central component to our revised offer under the PSPA. We are proposing to provide an increase of at least \$7,000 over a twenty-four-month term for all principals, with an increase of \$4,000 from 1 December 2022 and a further 3% increase from 1 December 2023.

This translates to rates that include a 7.2% increase for principals employed in U1 and U2 grade schools equating to a base salary of \$105,092 in year 2; a 6.0% increase for those employed in U8 grade schools (\$145,712 in year 2); and a 5.4% increase for principals employed at the very top of the scale (\$180,518 in year 2).

It means that on the implementation of the initial \$4000 increase, the minimum base salary for an area school principal – excluding allowances and lump sum payments – will be more than \$100,000 for the first time.

The proposal put forward today builds on previous settlements, where we have seen the base salary scale for area school principals increase by between 20.2% and 11.5% between 2017 and 2021, a period when the CPI increased by 8.2%.

The offer I am making will go towards assisting with the increase in cost-of-living pressures all New Zealanders including principals are currently facing, while acknowledging the critical leadership role principals play in their schools and communities.

Base salary changes are set out in the table below and provided in further detail in Appendix A:

| U-Grade | Roll size | Current Rates | Rates in Year 2 | \$ | % |
|---------|-----------|---------------|-----------------|---------------------|---------------------|
| | | | | Change (cumulative) | Change (cumulative) |
| U1 & U2 | 1-100 | \$98,031 | \$105,092 | \$7,061 | 7.2% |
| U3 | 101-150 | \$106,170 | \$113,475 | \$7,305 | 6.9% |
| U4 | 151-300 | \$114,489 | \$122,044 | \$7,555 | 6.6% |
| U5 | 301-500 | \$122,808 | \$130,612 | \$7,804 | 6.4% |
| U6 | 501-675 | \$127,564 | \$135,511 | \$7,947 | 6.2% |
| U7 | 676-850 | \$132,515 | \$140,610 | \$8,095 | 6.1% |
| U8 | 851-1025 | \$137,468 | \$145,712 | \$8,244 | 6.0% |
| U9 | 1026-1200 | \$140,835 | \$149,180 | \$8,345 | 5.9% |
| U10 | 1201-1400 | \$144,201 | \$152,647 | \$8,446 | 5.9% |
| U11 | 1401-1600 | \$149,114 | \$157,707 | \$8,593 | 5.8% |
| U12 | 1601-1800 | \$154,028 | \$162,769 | \$8,741 | 5.7% |
| U13 | 1801-2000 | \$158,621 | \$167,500 | \$8,879 | 5.6% |
| U14 | 2001-2200 | \$163,216 | \$172,232 | \$9,016 | 5.5% |
| U15 | 2201-2400 | \$167,237 | \$176,374 | \$9,137 | 5.5% |
| U16 | 2401+ | \$171,260 | \$180,518 | \$9,258 | 5.4% |

Additional payments

NZEI and PPTA Members

To acknowledge the benefits of a collective agreement and the benefits arising from our relationships, a one-off gross payment of \$750 will be made to NZEI and PPTA members bound by this agreement and employed as at 1 December 2022. This will be pro-rated for part-time principals.

All principals

In year two of the collective agreement, a one-off gross payment of \$500 is made to all area school principals employed as at 1 December 2023. This will be pro-rated for part-time principals.

Support for Wellbeing

Beyond core remuneration, the Ministry has heard that support for principal wellbeing is a critical component to any settlement for your members to alleviate wellbeing and hauora pressures for your school leaders.

The offer provides an entitlement to a maximum of \$5,000 per annum for each principal to access professional coaching and support from appropriately qualified and approved providers for the term of this agreement.

I propose a joint working group to develop, over Term 1, 2023, a programme of providers and support, including details of how principals will be able to access a professional supervisor or coach.

Sabbaticals

This offer provides five additional sabbaticals which will be available to all area school principals from 2024.

I am also offering to work with you to streamline the application form for principals accessing sabbaticals, specifically the requirements around the programme outline, time commitments and reporting intentions. Additionally, the offer wishes to explore changes to the way the sabbatical report operates, to reduce and simplify its requirements.

Sick leave

I have proposed changes to sick leave to ensure compliance with the Holidays Act while providing increased sick leave benefits go over and above the Act so those working in schools can access sick leave when it is most needed.

Māori Immersion Teaching Allowance (MITA)

In recognition of te reo Māori as a taonga to be actively protected under Te Tiriti o Waitangi, and the special and valued skills kaiako or tumuaki must have to teach the curriculum in te reo Māori I offer to increase the Māori Immersion Teaching Allowance (MITA) for teaching principals undertaking at least 6 hours per week of teaching in a Māori immersion setting.

Secondments

I support ensuring principals can take up opportunities to be seconded to Te Mahau, Te Tāhuhu o te Mātauranga and other agencies as part of their service to education. I propose that enabling provisions are added to the *Area School Principals' Collective Agreement* that apply when a principal is seconded in these circumstances.

Removal of mandatory performance agreements and appraisal

I agree that Part Four should be updated to reflect the new Professional Growth Cycle for principals, tumuaki and ECE professional leaders (PGC). I propose replacing mandatory performance agreements and annual appraisal with an expectation principals participate in an annual PGC.

Equity Index payment

I propose that each principal whose school falls within the top 40% of the equity index receive a payment based on the equity index number of their school multiplied by nine which would be calculated annually. This payment will replace the payment currently made to principals in deciles 1 – 4 schools.

Unexpected event leave

We agree to introduce a new leave entitlement, unexpected event leave for Principals to clarify that leave may be granted to a Principal who is:

- a. required or directed not to attend school under Part 3A of the Health Act 1956 or because of a Public Health Order and is not eligible for disregarded sick leave and cannot work remotely; or
- b. unable to attend school because of a natural disaster and cannot work remotely.

The Ministry remains open to discussions to re-shaping this offer.

Nāku noa, nā

Bronwyn Heenan
Lead Advocate
Te Tāhuhu o te Mātauranga

Appendix A: Terms of Settlement

This section sets out the components of the settlement of the *Area School Principals' Collective Agreement (ASPCA) 2022 – 2024*.

This agreement has been settled between the Secretary for Education, the New Zealand Post Primary Teachers' Association (PPTA) and the New Zealand Educational Institute Te Riu Roa (NZEI). It shall be subject to ratification by NZEI and PPTA members pursuant to section 52 of the Employment Relations Act 2000.

The terms outlined in this document are valid for ratification by PPTA and NZEI provided ratification is confirmed and the new collective agreement is signed no later than 6 March 2023.

1. Term of agreement

The Area School Principals' Collective Agreement (PPCA) 2022 – 2024 shall be effective for 24 months from 1 December 2022, provided this agreement is signed by 6 March 2023.

2. Remuneration for principals

The parties agree that the school roll-based salary (U-grade) component of principals' remuneration will provide two annual increases: (\$4,000 in year 1 and 3% in year 2) to each grade of the scale as shown below:

School roll-based salary component

| U-Grade | Roll size | Current Rates | Rates effective from 1 December 2022 (+\$4,000) | Rates from 1 December 2023 (+3%) | \$ | % |
|---------|-----------|---------------|---|----------------------------------|---------------------|---------------------|
| | | | | | Change (cumulative) | Change (cumulative) |
| U1 & U2 | 1-100 | \$98,031 | \$102,031 | \$105,092 | \$7,061 | 7.2% |
| U3 | 101-150 | \$106,170 | \$110,170 | \$113,475 | \$7,305 | 6.9% |
| U4 | 151-300 | \$114,489 | \$118,489 | \$122,044 | \$7,555 | 6.6% |
| U5 | 301-500 | \$122,808 | \$126,808 | \$130,612 | \$7,804 | 6.4% |
| U6 | 501-675 | \$127,564 | \$131,564 | \$135,511 | \$7,947 | 6.2% |
| U7 | 676-850 | \$132,515 | \$136,515 | \$140,610 | \$8,095 | 6.1% |
| U8 | 851-1025 | \$137,468 | \$141,468 | \$145,712 | \$8,244 | 6.0% |
| U9 | 1026-1200 | \$140,835 | \$144,835 | \$149,180 | \$8,345 | 5.9% |
| U10 | 1201-1400 | \$144,201 | \$148,201 | \$152,647 | \$8,446 | 5.9% |
| U11 | 1401-1600 | \$149,114 | \$153,114 | \$157,707 | \$8,593 | 5.8% |
| U12 | 1601-1800 | \$154,028 | \$158,028 | \$162,769 | \$8,741 | 5.7% |
| U13 | 1801-2000 | \$158,621 | \$162,621 | \$167,500 | \$8,879 | 5.6% |
| U14 | 2001-2200 | \$163,216 | \$167,216 | \$172,232 | \$9,016 | 5.5% |
| U15 | 2201-2400 | \$167,237 | \$171,237 | \$176,374 | \$9,137 | 5.5% |
| U16 | 2401+ | \$171,260 | \$175,260 | \$180,518 | \$9,258 | 5.4% |

3. Additional payments

The Ministry reserves the right to correct any errors.

Partnership with NZEI and PPTA - \$750 Lump sum to members employed as at 3 March 2023

The parties recognise the value in their ongoing and productive relationship, including their joint efforts to build an environment in which the teaching profession is highly regarded, sustainable, and is fit for now and the future of learning, and that collective bargaining is a key part of those joint efforts.

In recognition of the benefits arising out of the parties' relationship, including NZEI and PPTA's role in negotiating terms and conditions for area school principals, and the contribution of the NZEI and PPTA and their members to the ongoing COVID-19 pandemic response, the parties agree that all full-time principals who are members of NZEI Te Riu Roa or PPTA Te Wehengarua as at 3 March 2023 and are bound by the ASPCA are entitled to receive a one-off gross payment of \$750. The payment will be pro-rated for part-time principals based on their full-time teacher equivalent (FTTE) as at 3 March 2023.

Members of NZEI Te Riu Roa and PPTA Te Wehengarua who are bound by the ASPCA as at 3 March 2023 and on that day were on approved leave under Part 5 of this collective agreement are entitled, upon application, to receive the one-off gross payment of \$750 on their return providing that they return to their position on or before Term 2, 2023, or on or before the end of Term 4, 2023 for those on parental leave.

The minimum payment for any eligible principal, regardless of FTTE, will be \$75, and no principal shall receive more than gross \$750 in total.

Clause wording is included in the track-changes version of the collective agreement.

Clause wording will be removed in subsequent collective agreements.

\$500 Lump sum for principals employed as at 1 December 2023

The parties agree that an additional one-off gross lump sum of \$500 will be paid to all area school principals employed as at 1 December 2023. This will be pro-rated according to FTTE for part-time principals.

The minimum payment for any eligible principal, regardless of FTTE, will be \$50, and no principal shall receive more than gross \$500 in total.

Clause wording will be removed in subsequent collective agreements.

Guidance on the additional payments is included in Annexe 1 to these Terms of Settlement.

4. Support for wellbeing

The parties agree to introduce an entitlement of \$5,000 per annum for each principal to access professional coaching and support from the beginning of Term 2, 2023 for the term of the collective agreement.

This fund will be held by the School Board and be accessed by the principal for the purposes of accessing professional coaching and support in their leadership role. Guidelines, including criteria, the details of how the programme will operate, and criteria for providers, will be developed by the parties prior to it coming into effect.

5. Secondments

The parties agree to include provisions that ensure the process of principals temporarily working in sector roles outside of their schools is easier, more accessible, and does not disadvantage those undertaking such work. The agreed clause wording is included in the tracked-changes version of the collective agreement.

6. Sick Leave

The parties agree to change the sick leave provisions to ensure compliance with the Holidays Act while providing increased sick leave benefits over and above the Act. The agreed clause wording is included in the tracked-changes version of the collective agreement.

7. Māori Immersion Teaching Allowance

The parties agree that the Māori Immersion Teaching Allowance (MITA) will be paid to teaching principals, who undertake at least 6 hours per week of teaching in a Māori immersion setting. The agreed wording is included in the tracked-changes version of the collective agreement.

8. Removal of mandatory performance agreements and appraisal

The parties agree that Part Four should be updated to reflect the new Professional Growth Cycle for principals, tumuaki and ECE professional (PGC). Mandatory performance agreements and annual appraisal will be replaced with an expectation principals participate in an annual PGC.

The clause in Part Four relating to a principal's working relationship with the board will be moved to Part Two of the collective agreement.

Finally, the parties agree to insert additional, non-prescriptive clauses to Part Two that affirm the board's right to raise and discuss performance with the principal where warranted. This is intended to clarify the existing situation rather than to replace mandatory performance agreements and appraisal with any new processes in the collective. The parties envisage any new performance related processes would be tailored to local contexts and informed by optional guidance and templates outside of the collective agreement.

The agreed wording is included in the tracked-changes version of the collective agreement.

9. Sabbaticals

The parties agree to streamline the application form for principals accessing sabbaticals, specifically the requirements around programme outline, time commitments and reporting intentions. The parties will also explore changes to the way the sabbatical report operates to reduce and simplify reporting requirements.

This work will be completed by the end of Term 1 2023 in order to be implemented before the subsequent round of applications open.

10. Unexpected event leave

We agree to introduce a new leave entitlement, unexpected event leave for Principals to clarify that leave may be granted to a Principal who is:

- a. required or directed not to attend school by a Medical Officer of Health under Part 3A of the Health Act or a Public Health Order and is not eligible for disregarded sick leave and cannot work remotely; or
- b. unable to attend school because of a natural disaster and cannot work remotely.

Clause wording is included in the tracked-changes version of the collective agreement.

11. Replacement of decile based payments with an Equity Index based payment

Principals in a school that falls within the top 40% of the equity index when it is calculated each year shall receive a payment based on the equity index number of the school multiplied by nine. This payment will replace the decile based component of each principals remuneration. Transitional arrangements for this change are set out the tracked-changes version of the collective agreement.

12. Related matters

We note that this settlement will be implemented by the Education Payroll by 31 May 2023 providing it is signed by 6 March 2023.

The parties agree that the terms and conditions in the collective agreement, with the exception of the \$750 lump sum, will be passed on to non-union employees.

13. Technical changes

The parties agree to make any technical changes that are mutually agreed prior to the agreement going out for ratification.

The parties on signing this document acknowledge, subject to any subsequent agreed editorial and technical changes, that this reflects the agreements reached in the settlement of the *Area School Principals' Collective Agreement 2022-2024*.

Signed in Wellington on ____ 2022 by:

Bella Pardoe
Advocate for NZEI Te Riu Roa

Fran Renton
Advocate for PPTA

Bronwyn Heenan
Advocate for the Secretary for Education

Witnessed:
Kate Lethbridge / Carla Palmer
for NZ School Trustees Association

Annexe 1: Guidance on Additional Payments

| Employment Category | NZEI or PPTA Member-only Lump Sum Entitlement (March 2023) | All Principal's Lump Sum Entitlement (December 2023) |
|----------------------------|---|---|
| Full-time principals | Principals who are a member of NZEI or PPTA as at 3 March 2023 and currently employed as a principal on that date, will receive the one-off gross payment of \$750. | Principals currently employed as at 1 December 2023, will receive the one-off gross payment of \$500. |
| Part-time principals | The payment will be pro-rated for part-time principals based on their full-time teacher equivalent (FTTE) as at 3 March 2023. Minimum payment of \$75. | The payment will be pro-rated for part-time principals based on their full-time teacher equivalent (FTTE) as at 1 December 2023. Minimum payment of \$50. |

| Scenarios | NZEI or PPTA Member-only Lump Sum Entitlement (March 2023) | All Principals' Lump Sum Entitlement (December 2023) |
|--|---|---|
| Paid Leave | Principals who are a member of NZEI or PPTA and on approved paid leave as at 3 March 2023, will receive the one-off gross payment of \$750 on their return to their position providing that they return on or before the end of Term 2, 2023. | Principals who are on approved paid leave as at 1 December 2023, will receive the one-off gross payment of \$500 on their return to their position providing that they return on or before the end of Term 2, 2024. |
| Parental Leave | Principals who are a member of NZEI or PPTA and on parental leave as at 3 March 2023, will receive the one-off gross payment of \$750 on their return to their position providing that they return on or before 30 November 2024. | Principals who are on parental leave as at 1 December 2023, will receive the one-off gross payment of \$500 on their return to their position providing that they return on or before 30 November 2024. |
| Retired/resigned from role | A principal who resigned or retired from their position after 3 March 2023 but who was a member of NZEI or PPTA and employed on the 3 March 2023 will receive the one-off gross payment of \$750. | A principal who resigned or retired from their position after 1 December 2023, but who was employed on 1 December 2023 will receive the one-off gross payment of \$500. |
| Unpaid leave (other than parental leave) | Principals who are a member of NZEI or PPTA and on approved unpaid leave as at 3 March 2023, will receive the one-off gross payment of \$750 on their return to their position providing that they return on or before the end of Term 2, 2023. | Principals who are on approved unpaid leave as at 1 December 2023, will receive the one-off gross payment of \$500 on their return to their position providing that they return on or before the end of Term 2, 2024. |

Annexe 2: Technical Changes

| No. | Reference/heading | Clause number | Current reference | Updated reference |
|-----|--|------------------------------------|--|--|
| 1 | Parties to the agreement | 1.2 and throughout | State Services Commissioner | Public Service Commissioner |
| 2 | 1.2 | 1.2 and throughout | Section 23 of the State Sector Act 1988 | Clause 6 of Schedule 3 of the Public Service Act 2020 |
| 3 | Parties to the agreement | 1.2 | Section 74(5) of the State Sector Act 1988 | Section 586 (5) of the Education and Training Act 2020 |
| 4 | Throughout the document | Throughout the document | Board of Trustees | School board |
| 5 | Declaration Pursuant to the State Sector Act | 1.9 | 75 of the State Sector Act | s595 of the ETA |
| 6 | Variations Clause | 1.6 | Section 74 of the State Sector Act | Section 586 of the Education and Training Act 2020 |
| 7 | Variations Clause | 1.6 | Section 74(6) of the State Sector Act 1988 | Section 586(6) of the Education and Training Act 2022 |
| 8 | Good Employer/Equal Employment Opportunities | 2.3 | Part 7A of the State Sector Act | Section 597-607 of the Education and Training Act 2022 |
| 9 | Education Act 1989 and 1964 | 1.8(c) and Throughout the document | Throughout the document | Education and Training Act 2020 |
| 10 | References to “Ministry of Education” | Throughout the document | Ministry of Education” | Ministry of Education Te Tāhuhu o te Mātauranga” |
| 11 | References to “his/hers” “him/her he/she” | Throughout the document | his/hers, he/she | Replace with “they” “them” “their” where appropriate |
| 12 | Definitions | 1.8.1(f) | n/a | “Area School” means a composite school that offers education to students in years 1 to 13. |