

Appendix A: Terms of Settlement

This section sets out the offer for the renewal of the *Primary Principals' (PPCBU) Collective Agreement (2025 - 2027)* and is to be read in conjunction with the letter of offer and the tracked change collective agreement.

This offer is made by Te Kawa Maataho | Public Service Commission to the Primary Principals' Collective Bargaining Union (PPCBU). It will be subject to ratification by PPCBU members pursuant to section 51 of the Employment Relations Act 2000.

The terms outlined in this document are valid for ratification by the PPCBU provided ratification is confirmed and the new collective agreement is signed no later than 5pm on 21 October 2025.

The terms outlined in this document will be published by the Ministry of Education on 28 October 2025.

1. Term of agreement

The *Primary Principals' (PPCBU) Collective Agreement (2025 - 2027)* is effective from the date of ratification until 26 months from the date of ratification, except as provided for in section 53 of the Employment Relations Act 2000.

2. Remuneration for principals

School roll-based salary component

The parties agree that the school roll-based salary (U-grade) component of principals' remuneration will increase by 2.5% on the date of ratification, and 2.1% 12 months following ratification.

Amendments set out below.

- 5.2.2. The principal's salary will be determined in accordance with the grade of the school (i.e. U1-U16):

School roll-based salary component

U Grade	Rates effective 2 December 2024	Rate effective upon ratification	Rate effective 12 months post ratification
U1	\$118,003	\$120,953	\$123,493
U2	\$118,003	\$120,953	\$123,493
U3	\$118,003	\$120,953	\$123,493
U4	\$127,249	\$130,430	\$133,169
U5	\$136,495	\$139,907	\$142,845
U6	\$141,781	\$145,326	\$148,377
U7	\$147,284	\$150,966	\$154,136
U8	\$152,789	\$156,609	\$159,898
U9	\$156,531	\$160,444	\$163,814
U10	\$160,273	\$164,280	\$167,730
U11	\$165,733	\$169,876	\$173,444
U12	\$171,195	\$175,475	\$179,160
U13	\$176,300	\$180,708	\$184,502
U14	\$181,407	\$185,942	\$189,847
U15	\$185,876	\$190,523	\$194,524
U16	\$190,347	\$195,106	\$199,203

Leadership in Literacy and Numeracy component

The parties agree the base rate for leadership in literacy and numeracy will increase to \$10,000 from 28 January 2026. In addition, amendments will be made to clause 5.2.5 c) to recognise the important role of leading curriculum change.

Amendments set out below:

5.2.5 Leadership in Literacy and Numeracy

- a) *A principal covered by this Agreement will be entitled to a base payment and a further payment (based on entitlement teachers only, as determined in the annual provisional staffing notice). The base payment will be:*

From 28 January 2025	From 28 January 2026
\$8,000 per annum	\$10,000 per annum

- b) *The further entitlement teacher payment per annum, is as follows:*
- (i) U1 – U5 school - \$100 per entitlement teacher
 - (ii) U6 school - \$80 per entitlement teacher

(iii) U7 school and above - \$60 per entitlement teacher.

c) These payments are in recognition of the work that principals do to lead, develop and implement curriculum programmes to increase literacy and numeracy outcomes for learners. Principals have a key role in leading the delivery of the NZ Curriculum and/or Te Marautanga o Aotearoa, of which literacy and numeracy are core components.

d) For clarity:

- (i) 'entitlement teachers only' shall mean the school's total staffing entitlement minus one. It shall not include attached or additional staffing.
- (ii) This payment will be paid fortnightly with the principal's salary.

Primary Principals' Career Structure component

The parties agree that the career structure criteria and rates will be amended. The changes to the career structure criteria will be detailed in the tracked change collective agreement.

Amendments to rates are set out below:

4.4.1 g)

Criteria	Beginning Principal	Developing Principal (acquiring/ acquired)	Experienced Principal (applying)	Leading Principal (sharing)
Rates	NIL	\$3,641	\$6,763	\$9,884
Rates effective from date of ratification	NIL	\$3,700	\$6,900	\$10,200

Unified Pay System

The parties agree to renew the Unified Pay System for the term of the agreement to provide a mechanism to maintain a unified pay system for principals in the state and state integrated compulsory education sector.

Amendments set out below:

5.1 Unified Pay System

5.1.1 The purpose of this clause is to maintain a Unified Pay System for principals in the state and state integrated compulsory education sector. The Unified Pay System applies to the roll-based, Equity Index, Leadership in Literacy and Numeracy (where applicable) and staffing components of principals' remuneration.

5.1.2 Mechanism

(a) The Secretary will, within one month of ratification of any collective agreement (or relevant variation thereof) applicable to principals of schools in the state and integrated school sector, notify the PPCBU Head of Union of any changes to the roll-based, staffing-based, primary principals' Leadership in Literacy and Numeracy payment, or Equity Index payment components of principals' remuneration and offer such changes to principals covered by the PPCA – PPCBU. Any such offer may include an increase to the term of this collective agreement if that is relevant to the terms of offer being extended.

(b) PPCBU Head of Union will, within one month of receipt of the offer described in clause 5.1.2(a), advise the Secretary whether PPCBU Head of Union wishes to accept such offer. The parties agree that upon receipt of PPCBU's acceptance of the offer the PPCA - PPCBU will be deemed to be varied pursuant to clause 1.6 in the terms outlined in the offer as advised by the Secretary.

5.1.3 Clause 5.1 will apply from [date of ratification] to [end of term] (not extended by s 53 of the Employment Relations Act 2000). Thereafter this clause will cease to apply and will have no effect.

3. Principal Mentor Allowance

The parties agree that principals selected to be a mentor in the Aspiring and Beginning Principals' Programme will be provided with an allowance of **\$5,000** per annum.

New clause as set out below:

6.2.13 Principal mentor allowance

- a) Where an Employer is advised by the Ministry of Education that the principal has been selected to act as a mentor in a national mentoring programme approved by the Ministry of Education, the principal will be entitled to a Principal Mentor Allowance in accordance with clauses 6.2.13 b)- d).*
- b) The mentoring allowance is \$5,000 per annum.*
- c) The mentoring allowance will be paid fortnightly with the principal's salary, including during periods of paid leave.*
- d) The principal's participation as a mentor will be managed in accordance with the programme and is conditional on the continued consent of the Employer. The Employer will be advised through this programme when to provide written notice to the principal of when the mentoring role will start and end.*

4. Professional Development for Principal Leadership

The parties agree to a provision for principals to access a payment of \$6,000 in 2026 and 2027, paid to school boards, to be used for professional learning and development activities in accordance with specific criteria. The criteria will be developed by the Ministry of Education in consultation with the PPCBU, and will be finalised prior to the first payment being made in Term 1 2026.

New clause as set out below will replace the previous expired clause 4.8.

4.8 Professional Development for Principal Leadership

- 4.8.1 In each of 2026 and 2027, principals can access up to \$6,000 for professional learning and development activities in accordance with Ministry of Education criteria. The criteria will set out approved uses for the payment which are aligned with professional and sustainable leadership.*
- 4.8.2 The fund will be provided to the Employer, who may only approve the use of the funding in accordance with the criteria. If a principal leaves their position, the allowance for the current year will remain with the school and will be available to the incoming principal if it has not been exhausted.*
- 4.8.3 Accessing this provision does not prevent a principal and employer agreeing that the principal can access additional professional development in excess of \$6,000.*
- 4.8.4 This allowance will be used in the school year that it falls due unless otherwise agreed in writing between the principal and their employer.*
- 4.8.5 Principals will ensure that the approved application for the allowance is available for auditing purposes, with appropriate evidence of the expenditure.*

5. Specialist School Principals' Allowance

The parties agree to increase allowances for specialist school principals.

Amendments to sub-clauses a) and b) set out below:

6.2.10. Specialist School Principals' Allowance

- a) A principal in one of the specialist residential schools listed below will receive additional salary of \$10,000 per annum for as long as that school retains its residential function.*
 - *Halswell*
 - *BLENNZ*
 - *Salisbury*
 - *Westbridge*
 - *Ko Taku Reo*
- b) A principal in a specialist school not listed in clause 6.2. 10 (a) will receive additional salary of \$5,000 per annum.*

6. Guidance on cell phone expenditure for principals

The Ministry of Education agrees to commission guidance from the New Zealand School Boards Association (NZSBA) to provide advice to school boards regarding cell phone expenses incurred in the duties of a principal, and that this advice will be distributed to school boards and school leaders.

7. Administration of sabbaticals

The Ministry of Education agrees to consult with the PPCBU on the administrative processes for principal sabbaticals with a view to ensuring that the assessment of candidates is fair and fit for purpose.

8. Mileage reimbursement

The parties agree to increase the mileage reimbursement rate from 83c to 95c per km.

Amendments set out below:

6.1.5 Expense Incurred in Use of Private Vehicles

From [ratification date] principals required to use their own vehicles for official business will be reimbursed with a motor vehicle allowance at a rate of 95 cents per km, or equivalent public transport fares.

9. Disregarded sick leave

The parties agree to amend clause 7.4 by removing sub-clause (b) and adding a new sub-clause (e) to clarify the scope of the provision.

New sub-clause set out below:

7.4.1(e) Disregarded sick leave will not be granted:

- (i) Where circumstances leading to a complaint against the employer or a personal grievance have contributed to the sickness.*
- (ii) Where the employee being subject to a disciplinary or performance management process has contributed to the sickness.*
- (iii) Where the employer has agreed to support an application for disregarded sick leave as part of settlement of an employment relationship problem or a negotiated exit from employment.*
- (iv) Where payment has been made by the Accident Compensation Corporation.*

10. Rental Subsidy (Removal Expenses)

The parties agree to amend clause wording regarding rent subsidy under the transfer grant specified in Appendix 2: Removal Expenses.

The current clause 7.5(b) in Appendix 2 will be deleted and replaced with:

7.5 (b) rent subsidy will be granted only in respect of a short-term tenancy where rental accommodation is leased for a duration of six months or less. The amount of the subsidy is the excess of the rental over one-quarter of the principal's gross salary. The duration of the subsidy is limited to three months.

11. Recognition of service for employees transferred to converted (charter) schools who return to state and state-integrated schools

The parties agree to recognise previous service in a Converted School for employees who were transferred to a charter school under clause 119 of Schedule 1 of the Education and Training Act 2020, provided the employee's service is continuous.

1.4.12 A "Converted School" has the same meaning as in cl. 114 of Schedule 1 of the Education and Training Act 2020.

1.4.13 "Transferred Employee" means any employee who was transferred from employment in a state or state integrated school to employment in a charter school under clause 119 of Schedule 1 of the Education and Training Act 2020.

Complete wording is available in the tracked change collective agreement.

Terms of settlement only

12. Discussion group on consolidating allowances

The parties agree to meet within six months following ratification (or sooner if other parties ratify), to discuss how the current hard-to-staff allowances available to principals and teachers could be improved, by consolidating them into fewer, more meaningful, better targeted, and more purposeful allowances that are more effective in supporting recruitment and retention in hard to staff schools. For principals this includes the Isolation Allowance and the Staffing Incentive Allowance. Any agreed changes will be incorporated by means of a variation. Any agreed changes will be incorporated by means of a variation.

13. Review of the structure of primary principal remuneration

The parties agree to undertake a Review of the structure of principal remuneration, during the term of the agreement, to assess whether the structure of principal remuneration is fit for purpose to

support the achievement of Government and sector priorities. A Terms of Reference will be agreed between the parties.

14. Technical and Readability

The parties agree to technical changes intended to provide clarification and readability. **A tracked change version of the PPCA-PPCBU will be provided for ratification.** The key technical changes are highlighted below:

- Inclusion of 20-week sabbaticals in the collective agreement clause
- Updates to clause 8.2 Ngā Kōrero me ngā Tikanga
- Updating for legislation
- Removing defunct provisions and lapsed dates.

15. Related Matters

If this offer is ratified by 21 October 2025, Education Payroll Limited (EPL) will implement the pay rates by 23 December 2025.

The parties note that following ratification the Secretary for Education will promulgate an individual employment agreement for non-union employees based on the terms and conditions in the collective agreement.

Signed in Wellington on _____ 2025 by:



Head of Union for PPCBU



Advocate for the Public Service Commissioner



Witnessed:



For Te Whakarōputanga Kaitiaki Kura o Aotearoa