



APPENDIX A

Terms of Settlement

This section sets out the offer for the renewal of the *Area School Principals' Collective Agreement (2025 - 2028)* and is to be read in conjunction with the letter of offer and the tracked change collective agreement.

This offer is made by the Public Service Commissioner to the Post Primary Teachers' Association Te Wehengarua (PPTA) and NZEI Te Rua Roa (NZEI). It is subject to ratification by PPTA and NZEI members pursuant to section 51 of the Employment Relations Act 2000, and will be deemed to have lapsed if it is not ratified by 5pm on 18 December 2025 and the new collective agreement signed no later than 5pm on 18 December 2025.

1. Term of agreement

The *Area School Principals' Collective Agreement (2025 - 2028)* is effective for a period of 30 months starting on 18 December 2025, 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% from 18 December 2025, and 2.1% 18 December 2026, as follows:

<i>U Grade</i>	<i>Current Rate</i>	<i><u>Rate effective from 18 December 2025</u></i>	<i><u>Rate effective from 18 December 2026</u></i>	<i>Total overall change to rates (cumulative)</i>	<i>Overall percentage increase</i>
<i>U1</i>	\$118,003	<i><u>\$120,953</u></i>	<i><u>\$123,493</u></i>	\$5,490	4.65%
<i>U2</i>	\$118,003	<i><u>\$120,953</u></i>	<i><u>\$123,493</u></i>	\$5,490	4.65%
<i>U3</i>	\$118,003	<i><u>\$120,953</u></i>	<i><u>\$123,493</u></i>	\$5,490	4.65%
<i>U4</i>	\$127,249	<i><u>\$130,430</u></i>	<i><u>\$133,169</u></i>	\$5,920	4.65%
<i>U5</i>	\$136,495	<i><u>\$139,907</u></i>	<i><u>\$142,845</u></i>	\$6,350	4.65%

U6	\$141,781	<u>\$145,326</u>	<u>\$148,377</u>	\$6,596	4.65%
U7	\$147,284	<u>\$150,966</u>	<u>\$154,136</u>	\$6,852	4.65%
U8	\$152,789	<u>\$156,609</u>	<u>\$159,898</u>	\$7,109	4.65%
U9	\$156,531	<u>\$160,444</u>	<u>\$163,814</u>	\$7,283	4.65%
U10	\$160,273	<u>\$164,280</u>	<u>\$167,730</u>	\$7,457	4.65%
U11	\$165,733	<u>\$169,876</u>	<u>\$173,444</u>	\$7,711	4.65%
U12	\$171,195	<u>\$175,475</u>	<u>\$179,160</u>	\$7,965	4.65%
U13	\$176,300	<u>\$180,708</u>	<u>\$184,502</u>	\$8,202	4.65%
U14	\$181,407	<u>\$185,942</u>	<u>\$189,847</u>	\$8,440	4.65%
U15	\$185,876	<u>\$190,523</u>	<u>\$194,524</u>	\$8,648	4.65%
U16	\$190,347	<u>\$195,106</u>	<u>\$199,203</u>	\$8,856	4.65%

Extension of U-grade rates

The parties agree to amend the U-grade salary scale. Additional U-grade rates will be introduced to ensure that remuneration continues to fairly recognise the leadership scope, scale, and responsibilities of principals leading larger and more complex schools.

These new U-grade rates will come into effect from 18 December 2025 as follows:

Current U-Grade and roll	Current Rate	New U-Grade and roll	Rate effective from 18 December 2025	Rate effective from 18 December 2026
U16 2401+	\$190,347	U16 2401-2600	\$195,106	\$199,203
		U17 2601 – 2800	\$200,106	\$204,203



		<i>U18</i> <i>2801 to 3000</i>	<i>\$205,106</i>	<i>\$209,203</i>
		<i>U19</i> <i>3001+</i>	<i>\$210,106</i>	<i>\$214,203</i>

3. NCEA Change Implementation allowance

The parties agree to introduce a payment to recognise the significant additional leadership and coordination responsibilities associated with implementing NCEA. This allowance acknowledges the temporary increase in workload required to lead staff, manage systems, and ensure the successful delivery of reform of the national secondary schooling qualification at the school level.

The following clause wording is provided below:

4.5 NCEA Change Implementation allowance

4.5.1 In recognition of the additional leadership, coordination, and implementation responsibilities arising from the introduction of the revised NCEA and associated changes during the term of the agreement, an NCEA Change Implementation allowance as set out in clause 4.5.2 shall be payable to the principal.

4.5.2 The NCEA Change Implementation allowance is \$6,000 per annum, payable fortnightly from the period from 18 December 2025 to 17 June 2028 inclusive.

4.5.3 A principal is not entitled to payment of the relevant allowance under clause 4.5.2 while on leave without pay.

4. Career payment adjustment

The parties agree to strengthen and clarify the Career Structure provisions to reflect the importance of developing leadership talent within and across schools. The parties also agree to increase the Career Structure payment by \$1,500 for Beginning, Experienced, and Leading principals from 28 January 2026.

The following clause wording is provided below (noting that additional technical changes and changes to recognise Charter School service as a transferred employee are in the tracked change collective):

4.3 Area School Principals' Career Structure

(a) This clause outlines a career progression for Area School Principals who meet the professional criteria as affirmed by their board and the service criteria. Payments made under this clause are to encourage and recognise individual professional growth, leadership and contribution of an area school principal.

(b) Provided that the principal has completed a Professional Growth Cycle and been provided with an annual statement as in clause 4.1 within the last 12 months, principals covered by this collective agreement will be entitled to a career allowance based on clauses 4.3(c)–(j) and the following service and professional criteria:

Stage	Service criteria	Professional criteria
1- <u>initial Beginning</u> principalship	<ul style="list-style-type: none"> Minimum of 3 years continuous service as a principal in a New Zealand State or State Integrated Area School or as a transferred employee, including any periods of Secondment to a Specified Education Sector Agency 	<ul style="list-style-type: none"> Completion of the First Time Beginning Principals' Programme (or similar) Participation in a professional learning and development plan which may involve (but is not limited to) mentoring, professional supervision, study or a professional learning and development project identified in a Professional Growth Cycle.
2 – Experienced principal	<ul style="list-style-type: none"> Minimum of 6 years continuous service as a principal in a New Zealand State or State Integrated Area School or as a transferred employee, including any periods of Secondment to Specified Education Sector Agency 	<ul style="list-style-type: none"> Completing Professional Growth Cycles and providing summary statements (as in clause 4.1). Participation in a professional learning and development plan that demonstrates professional growth, including pedagogical leadership. This could be through further tertiary study/qualifications, a sabbatical project or professional learning project in own school context. <u>Grow and distribute leadership within their school.</u> <u>Engage in active collaboration with colleagues across learning communities.</u> <u>Plays an ongoing role in developing leadership talent in their school</u>
3 – Leading principal	<ul style="list-style-type: none"> Minimum of 9 years continuous service as a principal in a New Zealand State or State Integrated Area School or as a transferred employee, including any periods of Secondment to 	<ul style="list-style-type: none"> Meeting the requirements of the experienced principal (as above) Contribution to or leadership of a learning or professional community

	Specified Education Sector Agency.	<p>that contributes to the wider education sector.</p> <ul style="list-style-type: none"> • <u>Grow and distribute leadership within their school.</u> • <u>Engage in active collaboration with colleagues across learning communities.</u> • <u>Plays an ongoing role in developing leadership talent in their school.</u>
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(c) The school board is responsible for verifying that the principal meets the professional criteria (for example check that the Professional Growth Cycle has been successfully completed and check that the annual statement has been provided), after which one of the following career allowances will be made and paid fortnightly. A principal can only receive one payment under 4.3(d) at any one time.

(d) The annual career payments for each stage are as follows:

Stage	<u>Current</u> Rate	<u>Rates effective from 28 January 2026</u>
1 – initial <u>Beginning</u> principalship	\$3,714	<u>\$5,214</u>
2 – Experienced principal	\$7,428	<u>\$8,928</u>
3 – Leading principal	\$11,143	<u>\$12,643</u>

5. Area School Principal Payment

The parties agreed to increase the payments provided in clause 3.8 as an acknowledgement of the complex role of the Area School Principal as an educational and professional leader across all years of the curriculum:

U-grade	<u>Current</u> Base Rate	<u>Rates effective from 28 January 2026</u>	<u>Rates effective from 28 January 2027</u>
U1	\$8,500	<u>\$9,500</u>	<u>\$10,000</u>
U2, U3, U4, U5, U6	\$11,500	<u>\$12,500</u>	<u>\$13,000</u>
U7, U8, U9	\$13,500	<u>\$14,500</u>	<u>\$15,000</u>

U10, U11, U12, U13	\$15,000	<u>\$16,000</u>	<u>\$16,500</u>
U14, U15, U16, <u>U17</u> , <u>U18, U19</u>	\$16,000	<u>\$17,000</u>	<u>\$17,500</u>

6. 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. This allowance acknowledges the important role of experienced principals in supporting, guiding, and developing new school leaders, thereby strengthening the leadership pipeline and overall system capability.

The following clause wording is provided below:

3.13 *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 while they are acting as a mentor, in accordance with clauses 3.13 (b) - (e).*
- 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.*
- e) *The Employer or the principal may end the principal's participation as a mentor with one term's written notice.*

7. Disregarded sick leave

The parties agree to amend clause 5.2.6 as follows to clarify the scope of the provision.

5.2.6 *Disregarded sick leave*

- (a) Subject to (e) below, *disregarded sick leave not exceeding an overall aggregate of two years will ~~shall~~ be granted by the Secretary for Education where in the opinion of the Secretary one of the following conditions has been met:*
 - (i) *The sickness can be traced directly to the conditions or circumstances under which the principal is working; or*
 - (ii) *The injury occurred in the discharge of the principal's duties through no fault of the principal and where no payment has been made by the Accident Compensation Corporation; or*

[REDACTED]

(iii) The principal has contracted a notifiable disease listed in Part 1 of Schedule 1 of the Health Act 1956, and the principal is either:

- Complying with a written request or direction from a Medical Officer of Health under the Health Act 1956 to refrain from attending school for a specified period, or
- Is otherwise required by a relevant Public Health Order to refrain from attending school for a specified period.

(iv) The principal has contracted hepatitis or tuberculosis, where the period of disregarded sick leave is the time that the principal's treating registered medical practitioner decides is necessary for the principal to remain away from school; or

(v) The absence was due to war injury or service.

(b) Where sick leave has been deducted for any period granted as disregarded sick leave under clause 5.2.6(a)(i) to 5.2.6(a)(v) above, the sick leave will be reinstated.

(c) Disregarded sick leave is additional to any period of absence on account of sickness or injury to which the principal is entitled with full salary in accordance with the scale set out in clause 5.2(a) ~~and clause 5.2(b)~~ above.

(d) Fixed term or relieving principals ~~will~~ shall only be granted disregarded sick leave, as provided for in clause 5.2.6(a) above, where they have been in continuous employment before the date of application.

(e) Disregarded sick leave will not be granted by the Secretary for Education:

- (i) Where the raising of a personal grievance/complaint against the employer has substantially caused a stress-related or non-physical illness
- (ii) Where the employee being subject to a disciplinary or performance management process has substantially caused 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.

(f) For the avoidance of doubt:

- (i) Where an employee qualifies for disregarded sick leave, that qualification is not lost by subsequent raising or pursuit of a personal grievance/complaint, nor by the employer's subsequent initiation of a performance management process.
- (ii) If a personal grievance/complaint is raised as the result of the employer's handling of an employee's request for disregarded sick leave, this does not disqualify the employee from being granted disregarded sick leave.
- (iii) illnesses (including those that are stress-related) that are not barred by (e) above can confer eligibility for disregarded sick leave.

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

[REDACTED]

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. The new clause wording is in the tracked change collective, but includes the following definitions to be added to clause 1.8.1:

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

"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.

Note, additional changes to recognise Charter School service as a transferred employee, such as for the career structure payment is provided in the tracked changed collective.

Terms of settlement only

9. Coverage clause

The parties note that there have been differences in the interpretation of the coverage clause of the Area School Principals' Collective Agreement.

Nothing in the 2025-2028 Area School Principals' Collective Agreement or in these Terms of Settlement shall be interpreted as either party having accepted a particular position on the coverage of employees under an area school principal collective agreement that preceded the 2025-2028 ASPCA.

To move forward, the parties have agreed the following:

From the date of ratification until 27 January 2026, the ASPCA will apply to a list of schools that is appended to the Area School Principals' Collective Agreement as Appendix 1.

From 28 January 2026, a new definition of "area school" will apply. This is outlined below.

The parties agree that for the term of the Agreement inclusive of any time added as the result of the operation of s 53 of the Employment Relations Act 2000, any principal who has a reduction in overall remuneration as the result of the new ASPCA coverage clause will have this addressed through an allowance representing the difference in overall remuneration.

The parties to the ASPCA agree in good faith to work together during the term of the agreement to review the coverage clauses of the collective agreements applicable to teachers and principals they are a party to in order to determine whether the existing collective agreement coverage of composite school teachers and principals meets the needs of the covered employees and their employers and to as far as practicable, reduce the number of schools where more than one collective agreement may apply. The parties will agree a terms of reference for this review by the end of term 1, 2026.

[REDACTED]

NZEI Te Riu Roa and the Secretary for Education acting on behalf of the Public Service Commissioner agree to vary the Primary Principals' Collective Agreement (NZEI) before 28 January 2026 to ensure that there is no dual coverage between the ASPCA and PPCA (NZEI).

The following changes will be made to the Area School Principals' Collective Agreement:

Amend 1.8.1 definition of "Area School" as follows-

(b) (i) Until 27 January 2026, "Area School" means a composite school listed in Appendix 1 of this agreement.

(ii) From 28 January 2026, "Area School" means a composite school as defined in the Education and Training Act 2020 other than-

- (i) specialist schools, including specialist residential schools and regional health schools,*
- (ii) year 7 to 10 schools,*
- (iii) year 7-13 schools, and*
- (iv) Te Aho o Te Kura Pounamu.*

Note: Without limiting the operation of subclause (b) above, the parties note that from 28 January 2026, coverage of this Agreement will be extended to composite schools listed in Appendix 2. To avoid doubt, this note does not indicate either party having accepted a particular view as to the coverage of Appendix 1 or Appendix 2 schools prior to [date of ratification].

10. Discussion group on consolidating allowances

The parties agree to meet within six months following ratification of the last of the STCA, PTCA, ASTCA, PPCA (NZEI), and SPCA, 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. This includes the High Priority Teacher and Principals' Allowances, the Isolation Allowances and the Staffing Incentive Allowances provided under the various collective agreements. Any agreed changes will be incorporated by means of a variation.

11. Termination of employment of employee whose annual remuneration meets or exceeds specified threshold

As at the date this Terms of Settlement is signed, the Employment Relations Amendment Bill is before Parliament. If enacted, one of the effects of the legislation will be to introduce a remuneration threshold above which:

- a personal grievance for unjustified dismissal cannot be pursued,
- good faith requirements in section 4(1A)(c) do not need to be complied with, and
- employers do not need to provide a statement in writing of the reasons for the dismissal.

The parties intend that principals' current entitlements in relation to dismissal are maintained for the term of this collective agreement. Therefore, if legislation is enacted during the term of this

[REDACTED]

collective agreement that limits principals' current entitlements in relation to dismissal, the Secretary will, within 14 days of those limits coming into force, offer a variation to the ASPCA that provides that for the term of this collective agreement those limits do not apply. The parties agree that upon receipt of the unions' acceptance of the offer, the ASPCA shall be deemed to be varied pursuant to clause 1.6 in the terms outlined in the offer.

12. Technical and Readability

The parties agree to technical changes intended to provide clarification and readability. **A tracked change version of the ASPCA will be provided for ratification.**

13. Related Matters

If this offer is ratified by 18 December 2025, Education Payroll Limited (EPL) will implement the pay rates by 14 April 2026.

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 _____ by:

[REDACTED]
[REDACTED]

Advocate PPTA Te Wehengarua

[REDACTED]
[REDACTED]

Advocate on behalf of the Public Service
Commissioner

[REDACTED]
[REDACTED]

Advocate for NZEI Te Riu Roa

[REDACTED]

Witnessed:

[REDACTED]

For Te Whakarōpūtanga Kaitiaki Kura o Aotearoa