

# REVIEW OF BAND A CLASSIFICATION AND REMUNERATION

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## SUBMISSION FROM THE JOINT PRINCIPAL AND PRESCHOOL DIRECTORS ASSOCIATIONS

September 2022



## EXECUTIVE SUMMARY

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1. There is a strong body of research evidence that Principals are instrumental in creating the conditions for effective teaching, learning, and leading education improvement. Principals are “critical actors” in building and sustaining a high quality public education system. It naturally follows that how these roles are classified and remunerated is a matter of strategic importance.
2. The core argument presented by the Joint Associations is that the classification and remuneration structures of Band A leaders must reflect the high value of their work and the scarcity of quality candidates relative to high demand in South Australia and across the nation.
3. The Joint Associations position is that a new classification architecture should be constructed around three core design principles:
  - Entry level remuneration that recognises the base work value of Band A roles.
  - A defined career structure that has a reduced number of classification levels and which provides incentives for career development.
  - Recognising the work value of Principals in our large high enrolment schools.
4. The Joint Associations support the Band A Classification Review initiated by the Department and the engagement of Mercer to conduct a review of the classification methodology. In our view, proposals for change in the classification methodology should be evaluated against four criteria:
  - A robust and transparent methodology that is context sensitive to the work undertaken by Band A Leaders.
  - Provides a common classification evaluation mechanism for Principals and Preschool Directors.
  - Is a demonstrable improvement on the current SSACR model.
  - Enables the positive reform of the classification structure to meet current and future challenges and opportunities.
5. The scope of the Department Review includes important policy decisions relating to potential alignment to the South Australian Executive Service (SAES) and the flexibility to recognise and incentivise individual performance. In relation to remuneration policy:
  - The Joint Associations recognise and support the need for individual remuneration based attraction and retention allowances. We welcome the opportunity to contribute to the development of policy on how incentives can be positively used to support the interests of public education in conditions of market scarcity.
  - The Joint Associations do not support the introduction of Executive Principals based on a point-to-point comparison with the SAES Executive Structure. We welcome the opportunity to explore possibilities for the introduction of Executive Principals based on a clearly defined policy rationale.

- The Joint Associations do not support the introduction of a performance pay scheme. We welcome the opportunity to explore the use of progression within classification bands to recognise growth, development, and performance in a role.

6. Any future changes to the Band A structure may require modification to the Band B structure. Two specific areas requiring review are:

- The potential need for a new classification level to cater for the needs of large high enrolment schools.
- The realignment of relativities if changes are made to Band A classification levels.

## INTRODUCTION

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This submission has been prepared jointly by the five Principal Associations and the Preschool Directors Association (PDA), together with the South Australian State School Leaders Association (SASSLA).

The submission represents the collective interests and aspirations of the seven Associations on the improvements to Band A Principal and Preschool Director classification and remuneration structure.

The submission directly responds to the commitment contained in the exchange of letters between the Department and the AEU under the terms of the 2020 Enterprise Agreement for the review of the classification of Band A Principals and Preschool Directors over the life of the Agreement<sup>1</sup>.

The submission discusses matters within the scope of the Department's Band A Classification Review Scoping Paper dated May 2022. It is our intention that through this submission we can provide a clear perspective of our shared views and interests that will support the work of the Review.

### **The Department's Band A Classification Review Project Scope**

- Develop a Leadership classification framework that is underpinned by a robust and defensible work value methodology.
- Ensure that the framework effectively recognises differences in work value of individual roles whilst allowing for roles of a similar size to be clustered in meaningful levels of complexity and accountability.
- Allow for the effective differentiation of site Leader roles and consider where roles are equivalent in work value to the South Australian Executive Service.
- Provide for the flexibility to recognise and incentivise individual performance.

This submission is organised under five key headings:

1. The case for reform of the Band A Structure:
  - Changes in work value across the class of Band A positions
  - Changing market conditions
2. A future orientated classification and remuneration architecture.
3. Redesigning the work value-based classification criteria.
4. Interaction of the classification and remuneration systems:
  - Attraction and retention
  - Executive Principals
  - Performance based remuneration

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<sup>1</sup> Refer to letter from the Chief Executive of DfE to the Branch President of the AEU dated 30 April 2020 "Band A Leader classifications" that provides a commitment to review during the life of the new enterprise agreement Band A Leader classification.

5. Interaction of the Band A classification structure with the Band B classification structure.

**Attachments:**

- A. Changing composition of the principal workforce 2007-2022.
- B. Cross jurisdictional comparison of remuneration for school Principals.



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## 1. THE CASE FOR REFORM OF THE BAND A CLASSIFICATION STRUCTURE

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Band A Leaders have advanced capabilities in education theory and practice and managerial and interpersonal capabilities that are commensurate with the most complex and critical human services leadership roles.

There is a strong body of research evidence that Principals are instrumental in creating the conditions for effective teaching and learning and leading education improvement<sup>2</sup>. This body of evidence clearly identifies School Principals as “critical actors” in building and sustaining a high quality public education system. It naturally follows that how these roles are classified and remunerated is a matter of strategic importance.

The core argument presented by the Joint Associations is that the classification and remuneration structures of Band A Leaders must reflect the high value of their work and the scarcity of quality candidates for vacancies in the current and forecasted future labour market.

### 1.1 Changes in Work Value

Work value, as measured through the indices of accountability, scope, complexity, and impact have increased significantly across the class of Band A Leadership since the South Australian Industrial Relations Commission decision on salaries and wages in 2010<sup>3</sup>. A snapshot of the key changes in work value are:

- New models of schooling, leading to fewer and substantially larger schools, has been a major feature of the public education system in the 2000s. The maximum size of schools has increased from around 1200 enrolments in 2010 to 2000 plus enrolments in 2022. Since 2007 the number of School Principals has reduced from 602 to 507. The consolidation of schools through initiatives such as Education Works, amalgamation of junior primary into primary schools, growth in school based preschools and movement of Year 7 to Secondary School has led to fewer schools with higher enrolment and more diverse service offerings. These changes have increased the work value of Principal roles and delivered significant productivity benefits to the Department. The level of overall productivity saving made is estimated at \$8-10 million per annum in 2022 values (refer analysis in Attachment A).
- Departmental school and preschool improvement models are built around the critical role of Principals and Preschool Directors in leading change at a site level. The models demand high levels of professional knowledge and capabilities to achieve continuous improvement in quality teaching and learning across a school or preschool. Research evidence indicates that there are virtually no documented cases of turning around underperforming schools without strong

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<sup>2</sup>Through Growth to Achievement- report of the Review to achieve educational excellence in Australian schools, Commonwealth of Australia, 2018.

<sup>3</sup> The South Australian Industrial Relations Commission Wages, Salaries, Classifications for DECS and DFEEST (TAFE) Employees Decision No. 1 handed down in February 2010.

leadership at the site level<sup>4</sup>. The scarcity of Band A leaders represents a significant risk to public education, particularly in disadvantaged schools.

- The governance of schools and preschools has significantly changed. As a result, higher levels of devolution of educational and business functions have increased the scope and critical nature of managerial decision making at site level. A contemporary Band A Leader requires high level professional capabilities in instructional leadership and advanced general leadership. Areas of change include risk management, child protection, staffing, work health and safety, complaint processes, suspensions and exclusions, and special needs education. The current *Department for Education Strategic Plan - Towards 2028*, highlights the scope and pace of change that directly impacts on the work of Band A Leader roles. These changes have occurred in the context of more defined and structured accountability systems<sup>5</sup>. The experience of the COVID-19 pandemic has vividly illustrated the complexities and demands being experienced by Band A Leaders under the current governance model.
- Schools and preschools are on the frontline of social, economic, and technological changes. Technological change has provided real time access outside of the school day, new learning delivery platforms have been implemented and social media has had profound effects on school operations. Social changes including increased awareness and responses to mental health have increased demands on the schooling system. The Band A leader role in 2022 is responding to more complex social, economic, and technological changes than was the experience when the current School Size and Complexity Rating System (SSACR) classification was designed in the late 1990s.

The system for classifying and remunerating school Principals, under the School Size and Complexity Rating (SSACR), and Preschool Directors, under Leadership Positions Preschools in Schedule 3 of the Enterprise Agreement, have been in place for more than 20 years. The underlying assumptions and design of the systems require review to meet the identified contemporary and future needs of leadership.

## 1.2 Changes in Market Conditions

Departmental data shows that fields for most leadership positions are thinning. Stories abound across the public education system about the difficulty of finding quality applicants. In a generation, the Department has moved from a lengthy waiting list for available leadership positions to a problem of very soft supply<sup>6</sup>.

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<sup>4</sup> Kenneth Leithwood, Karen Seashore Louis, Stephan Anderson, and Kyla Wahstrom *Review of Research – How leadership influences student learning*, University of Minnesota, University of Toronto, Commissioned by the Wallace Foundation, 2004.

<sup>5</sup> Accountability structures take many forms, including defined statutory and policy requirements, data and measurement systems, and review and intervention systems.

<sup>6</sup> This is reported by Associations in all jurisdictions in Australia. There is limited public reporting by employing agencies which tends to veil the extent and risk of the current realities.

Departmental data suggests that the problem of attracting and retaining high quality Band A Leaders will continue in the foreseeable future. This is supported by an analysis of both the demand and supply characteristics of the labour market for Band A Leaders:

- Forecast demand is expected to increase because of increased exit of Band A Leaders. The Department's workforce profile June 2021 shows that 26.8% of School Principals and 16.8% of Preschool Directors are 60 years or older. Feedback from Association members is that pressures felt during the COVID-19 Pandemic may influence some Leaders bringing forward retirement decisions or not seeking new contracts.
- Forecast supply problems evident in current low application numbers and high re-advertisement rates for Band A roles. Further softening is forecast to occur because of the changing demographics of the teacher labour market including rising levels of part-time employment and less mobility, creating further supply uncertainty. Areas most affected by these changes are the traditionally hard to staff areas including rural and remote schools<sup>7</sup>.

Current trends suggest continuing shortages which could lead to a more open labour market with increased inter-sectorial and inter-jurisdictional movement of staff. The Victorian Government's policy of offering attractive sign on benefits for Principals and teachers in hard to staff schools and preschools is a harbinger of the emergent reality of jurisdictional and sectoral competition for scarce resources.

The current problem of thin fields tells us much about the perception of Band A Leadership roles and the adequacy of existing policy and incentive structures to attract people to these essential roles. At its heart, it requires a different way of thinking about the value of Band A roles and how we work to attract, develop, and retain the best Leaders. Well defined career structures, supported by market competitive remuneration, are important strategic tools.

Scarcity of quality candidates must frame labour market policy options in the foreseeable future. The review of classification and remuneration provides an important opportunity to assess what career structures and incentives are needed in a scarce market. It is also an opportunity to recognise the symbolic and representational value of how Band A roles are viewed by current and future employees and the wider community through the remunerative value attached to the role.

Market scarcity brings into scope the interaction of the classification system and the non-industrially regulated remuneration system, including the use of attraction and retention allowances. This key discussion is included in Part 4 of this submission.

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<sup>7</sup> DfE data shows that in 2017, 215 Principal positions were advertised and of these 30 were not filled in the first advertisement. A snapshot of positions advertised on 16 September 2021 shows that of the 18 Band A positions advertised, eight positions were listed as readvertisements indicating they were not filled on the first call.



## 2. A FUTURE ORIENTATED CLASSIFICATION AND REMUNERATION SYSTEM

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The Joint Associations' position is that a new classification architecture should be constructed around three core design principles:

- Entry level remuneration that recognises the base work value of Band A roles.
- A defined career structure that has a reduced number of classification levels and provides incentives for career development.
- Recognising the work value of Principals in our large and most complex schools.

### 2.1 Entry Level Remuneration

All Band A Principals and Preschool Directors have standardised position descriptions that describe duties consistent with relevant legislation and professional standards. Specific duties of Principals and Preschool Directors are defined under the *Education and Children's Services Regulation 72*.

The duties as defined under *Regulation 72*, together with directions of the Department, expressed through policy instruments and managerial directions, provide a common definition of the work of a Band A Leader, whether it be in a site of 10 students or 2000 students<sup>8</sup>. Setting a baseline work value at the entry level is therefore important.

An analysis of the regulatory and policy framework clearly shows that the "buck stops" with the Band A Leader for managing the provision of education services at a site. The level of accountability must be seen in the context of significant devolution for education and administrative functions that have occurred. These new accountabilities bring with them demand for higher capabilities in professional and technical knowledge and the organisational skills necessary for the enlarged scope of these roles. In small sites, the Band A roles will be diverse and complex because they require high levels of professional and technical competence in many functions, with limited capacity to delegate responsibilities.

The current remuneration for a Band A1 Leader is \$125,233. The entry level of Principal remuneration should reasonably compensate for the additional work value compared to an AST-2 Teacher<sup>9</sup> (current differential \$12,778) and entry level Band B1 position (current differential \$7,553). Two primary tests are relevant:

- Does the entry level remuneration for a Band A Leadership role represent a reasonable evaluation of the work value differential between a top step teacher and an entry level Band A position?

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<sup>8</sup> Refer *Education and Children's Services Regulation 72-An officer of the teaching service is required to comply with any policies or instructions developed, adopted or given by the Chief Executive under the Act*.

<sup>9</sup> AST-2 is the defined industrial fallback level at the end of a Leadership Tenure and is therefore the most relevant comparison.

- Does it provide a positive incentive to undertake the role?

In our view the current classification and remuneration system fails on both tests.

**Analysis of interstate entry level classifications relative to the remuneration of a Band A1 Leader:**

- Victoria entry level remuneration \$147,274 - \$159,831
- ACT \$175,964
- NSW/ACT Catholic System NSW \$147,244 - \$154,994
- NSW P1 \$127,759
- WA \$125,850- \$137,715

## 2.2 An Improved Career Structure

The DfE system was originally designed around eight classification levels. An additional level 9 was created following the IRCSA's Wages, Salaries, Classifications for DECS and DFEEST (TAFE) Employees Decision No. 1 2010. A new level 9+ was administratively applied to 12 schools at the beginning of 2022 to support the Year 7 to High School implementation. The effective number of classification levels is now ten.

The problem with the current ten classification levels is twofold:

- The ten levels provide for only small gradations in remuneration from one level to the next which gives limited incentive for mobility.
- The established business rules that support the application of boundary points are designed to keep the shape of the system and this tends to lock in a high percentage of positions in the lower paid A1 to A4 Bands. Current 2022 data shows that 56% of Principals are classified in the A1-A4 Bands; 88% of PSDs are classified at A-1. This indicates that most Band A Principals are remunerated at a level less than that available to an entry level Victorian Principal<sup>10</sup>. It also indicates that most PSDs are paid at a lesser rate than equivalent small school Principal roles<sup>11</sup>.

**Attachment 2** provides a cross jurisdictional analysis of equivalent remuneration outcomes across the South Australian, Victorian and NSW Public Education systems and the NSW and ACT Catholic Systemic Schools. The review highlights that the highest disparity for SA Principals is in the A-2 to A-5 bands.

<sup>10</sup> The current pay rates for an A4 Principal in SA is \$149,911 (EA increase 1 May 2022) the Victorian entry level Range 2 is \$147,274 - \$159,830 (EA increase 1 July 2022). An entry level Victorian Principal who proceeds to the top band of Range 2 is paid at the equivalent remuneration to a Band A5 in SA.

<sup>11</sup> 2022 data shows that only four Principal positions are paid at Band A1.

#### **Interstate comparison:**

- NSW: The gradation range from the entry level of TP-1 to TP-2 is \$20,784. The gradation between P-2 and P-3 is \$17,327.
- Victoria: The gradation from Range 2 (entry Principal level) to Range3 is \$16,073. The gradation from Range 3 to Range 4 is \$14,391 (bottom increment comparison).
- WA: In WA a four level classification structure is in place. The gradation from 3.1 (entry Principal level) to 4.1 is \$15,794. The gradation from 4.1 to 5.1 is \$12,319. The gradation from 5.1 to 6.1 is \$18,102 (bottom increment comparisons)<sup>12</sup>.

### **2.3 Catering for Large High Enrolment Schools**

Large high enrolment schools are now a feature of the South Australian Public Education landscape. Principal roles in these schools require highly developed capabilities in educational leadership and the advanced capabilities needed to lead a school with budgets up to \$20m plus and more than 150 staff. There are significant organisational challenges associated with scale and complexity in these schools.

These schools often have diverse service offering such as R-12, multi campus, specialist program areas, and high number of feeder schools. They have a high visibility and are seen as community assets that showcase the value of public education.

The policy to invest in larger and more diverse schools first took root with the Education Works initiative introduced around 2008 and more recently has been a feature of the Government's Year 7 to High School initiative. There are two important decisions in relation to classification and remuneration of large schools:

- The *South Australian Industrial Relations Commission Wages, Salaries, Classifications for DECS and DFEEST (TAFE) Employees Decision No. 1 2010*, made the PCO-9 (now A9) classification available to schools developed under Stage 1 of the Education Works Program. The IRCSA was persuaded by the evidence that a new level would be needed and directed the development of a cohesive approach to the determination of classifications and a modification of boundary values under SSACR or include a specific definition of an Education Work School.
- As an interim measure, the Department initiated A9+ in December 2021 to support significant enrolment increases to secondary schools flowing from the Year 7 to High School. The new level was applied to secondary schools with more than 1600 enrolments and combined schools having more than 1300 enrolments.

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<sup>12</sup> School Education Act Employees (Teachers and Administrators General Agreement) 2022 Rates.

The development of Classification A9 and A9+ highlights three important issues:

- The IRCSA decision of 2010 and the Department's initiative to introduce A9+ could reasonably be described as a reactive response to a presenting set of circumstances. The fact is there have been no comprehensive evaluations of the work value of large and complex schools since SSACR was established<sup>13</sup>.
- The marginal increase in remuneration tapers significantly with high enrolments. This is exemplified by:
  - A R-12 school with 950 enrolments is automatically classified at A9 whereas an R-12 school with 1800 enrolments is classified at A9+.
  - A year 6-12 school with 1200 enrolment is classified at A9 whereas a school with 2000 plus enrolments is classified at A9+

The additional \$8000 increase from A9 to A9+ is a very small marginal increase for increased enrolment of 800 to 1000 additional students<sup>14</sup>.

- In relation to the wider marketplace, the remuneration available in the private sector for large and complex schools can range from \$300,000 - \$600,000. This indicates the value placed on highly capable candidates if the open labour market is high and this should inform thinking on remuneration available in our large and most complex schools<sup>15</sup>.

The issues above highlight the need for critical evaluation of the classification and remuneration of Band A Leaders in our large high enrolment schools

#### **Interstate and cross sectoral comparisons:**

- Range 6 Victorian EA \$211,875 - \$224,844.
- P-7 NSW Award \$196,684<sup>16</sup>.
- Executive Principal Classifications are available in NSW and Victoria under defined policy conditions and such arrangements enable negotiated salaries above those defined in industrial instruments.
- Private Sector Market –the best available public information suggests competition for high quality candidates is strong and remuneration is negotiable. Such arrangements would be contract based and not industrially regulated. Salary packages are in the range \$300,000 - \$600,000.

<sup>13</sup> The IRCSA decision indicates there was no evidence to support the approach of reclassifying all existing PCO-8 classifications as PCO-9 s which was the effect of the AEU proposal. The decision to create a PCO-9 relied on a general conclusion that there would be some work value changes flowing from the creation of large schools under the Education Works initiative and that the parties to the agreement should set appropriate boundary values.

<sup>14</sup> This analysis is applicable to schools such as Reynella East College and Glenunga International High school.

<sup>15</sup> Refer article in The Educator online which makes a comparison between top private schools and public schools. The TVRP paid in 2016 in five top Queensland private schools ranged from \$414,000 to \$489,000. There is consistent anecdotal evidence that TRVP at private schools could range from \$400,000 to \$600,000.

<sup>16</sup> Includes 3% adjustment refer Appendix B.

### 3. REDESIGNING THE WORK VALUE BASED CLASSIFICATION CRITERIA

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The role of classification criteria is to assess and rank the relative work value on a continuum from low to high. Along the continuum key boundary points are identified that define specific classification levels and associated levels of remuneration. The current Department classification system is regulated under the 2020 Enterprise Agreement (EA).

#### 3.1 The Current SSACR System of Classification

The Band A structure has 9 classification levels A1 to A9. The EA Schedule 4 – School Size and Complexity Rating (SSACR) defines the system for classifying school based Band A positions. The key features of the SSACR are:

- The design of SSACR is based on job dimensions (budget and enrolment) with some weighting for complexity associated with the index of disadvantage and country zones.
- The underlying logic is that a measurement of dimensional and complexity values associated with SES status and location provide a stable and fair base for ranking schools and assigning a classification level across a defined number of levels.
- The model is designed around the principles of cost neutrality where schools can increase or decrease in classification depending on their ranking score<sup>17</sup>.

The NSW and Victorian systems Principal Classification system are based on similar design principles to SSACR. The major differences are not a floating scale designed to achieve cost neutrality, they do not apply complexity rankings to the budget base or use enrolment thresholds as an alternative method of valuation. Other systems rely on enrolment such as NSW and ACT Systemic Schools. The model used by Catholic Education SA is a base plus model (see notes in **Attachment B**).

**Attachment A** provides an overview of the changes to the classification profile from 2007 to 2022. It shows there has been positive upward movement in classification levels with the mean average Principal level increasing from 3.5 in 2007 (on a classification scale 1-8) to 4.5 in 2022 (on a classification scale of 1-9). The analysis does show that progressive changes to business rules have kept the system relevant over time.

The SSACR system could be developed to deliver the future orientated classification system for Principal positions outlined in Part 2 of this submission. This could be achieved by reviewing complexity indices, enrolment thresholds, redesigning the classification bands to reflect higher entry remuneration, reducing the number of classification levels, and increasing remuneration between levels. The critical policy question is whether a new system developed through the work currently being undertaken by Mercer provides an improved system of measuring work value relative to the SSACR model.

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<sup>17</sup> See Schedule 4 of the 2020 EA Determining Classifications which specifically states that the initial boundary values are chosen to preserve the overall distribution of classifications and that work value relativities will be retained.

### 3.2 Preschool Directors

Preschools Directors were integrated into the Band A structure in 2012. The classification criteria are incorporated in Schedule 3 of the EA and is based on complexity factors of average attendance, additional non-core programs, whether a preschool is a defined Children's Centre, has a long day care program, or is an integrated site. The classification criterion was not amended in any substantial way in the 2012 integration into the Band A structure other than to cater for the new service delivery model of Children's Centres<sup>18</sup>.

Clear evidence was presented to the Department in the joint 2020 submission of the PDA and SASLA on the conditions of employment for Standalone Preschools. This report, and the later evaluation report undertaken in 2021, clearly demonstrates that the specified duties of a PSD are equivalent to a Principal role<sup>19</sup>.

The classification criteria for PSD positions needs to be reviewed and amended to give it equivalence to the criteria that applies to Principal roles. This disparity is most apparent in high enrolment preschools and preschools with specialist programs classified at Band A1<sup>20</sup>.

### 3.3 Current Departmental Review of the Classification System

The Department has engaged the consulting firm Mercer to undertake a review of a new classification framework. Association members are actively engaged in this work through the established consultation process.

The Mercer job evaluation system was born in the 1960s as a robust and universal job evaluation system. It has been incrementally developed to adopt to changing market situations. The Mercer system is used for determining South Australian SAES Executive Level positions for some 20 years. Mercer has recently completed work in public education in the Northern Territory and Queensland.

In Mercer's Australian model, eight key determinants of relative job worth were identified as common features of all jobs. The model is described as:

- Required inputs – defined in terms of skills, knowledge and experience required to do the Job (referred to as **expertise**).
- Process components – defined in terms of the work complexity and the requirement for solving problems (referred to as **judgement**).

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<sup>18</sup> All Children's Centres regardless of size or other complexity factors are classified at A3.

<sup>19</sup> See Joint PDA/SASLA Reports: Conditions of Employment for Stand-Alone Preschools Flowing from the Government Enterprise bargaining Offer (2020) and Preschool Workload Evaluation (2021).

<sup>20</sup> An Example is Valley View Kindergarten (classified at A1) which has a capacity of 88 and current enrolment of 81. The December 2021 RES was \$692,507. In 2022 IESP funding for individual students will increase. In addition to the preschool program, this Preschool has a speech and language program supported by a specialist teacher and speech pathologist attached to the site which is funded externally and not included in the RES. The Speech and Language Program is incorporated in the daily structure of the preschool and is operationally managed by the Preschool Director. A point of comparison in the schooling sector is Blanchetown Primary in the inter jurisdictional comparison in Attachment 2.

- Outputs defined in terms of the scope and impact of making decisions (referred to as **accountability**).

Mercer has recently developed a classification framework for the Northern Territory Public Education System. The framework includes:

- Seven levels of work.
- Narrative descriptions of:
  - Typical schools
  - General characteristics
  - School resourcing
  - Schools that fall within the classification Band
- Identifies that Executive level classifications are available at levels 5 to 7.

Mercer has provided additional material to the Department Working Group in relation to the work of the Review. In the first phase of the review, 110 Principals and 40 Preschool Directors have been benchmarked using the Mercer work value methodology.

The work of the Review will continue over 2022 and regular meetings with the consultative group are planned to discuss and provide feedback on findings and to provide critical input into the design of a potential new Band A classification framework.

The Joint Associations will not be able to form a view on the future proposals that flow from the application of the Mercer system until a complete picture is available later in the year. In relation to a future evaluation of proposals for change, our thinking will be guided by the following evaluation criteria:

- A robust and transparent methodology that is context sensitive to the work undertaken by Band A Leaders.
- Provides a common classification evaluation mechanism for Principals and Preschool Directors.
- It is a demonstrable improvement on the current SSACR model.
- It enables the positive reform of the classification system to meet current and future challenges and opportunities.

## 4. INTERACTIONS OF THE CLASSIFICATION AND REMUNERATION SYSTEMS

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When the SSACR system was implemented over 20 years ago, remuneration of Principals was exclusively determined through an industrially regulated Enterprise Agreement with a classification structure incorporating defined remuneration for each classification level. This reality has changed in recent years because of the widespread use of attraction and retention allowances using managerial authorities that are not subject to industrial regulation. In conditions of market scarcity, the role of flexible remuneration strategies has become, and will continue to be, important.

The *Education and Children's Services Act 2019* (the Act) gives the Chief Executive express powers to make individual remuneration decisions for the purpose of attracting or retaining officers of the teaching service, or for any other purpose<sup>21</sup>. The establishment of the interim remuneration level for Principal roles identified as A9+ is an example of how this authority has been applied. The new reality is that remuneration of Band A Leaders will be informed by the interaction of industrially regulated classification systems and the use of managerial authorities in determining remuneration levels.

Two of the areas identified in the Department's Project Scope bring new policy options for remuneration into the foreground:

- Allow for the effective differentiation of site leader roles and consider where roles are of equivalent work value to the South Australian Executive Service.
- Provide for the flexibility to recognise and incentivise individual performance.

These potential reform options represent significant change to the underlying structures for remuneration of Band A Leaders. The Joint Associations have a vital interest in the underlying policy positions that support new remuneration strategies. We discuss our perspectives and views under three headings:

- Attraction and Retention Allowances
- Executive Principals
- Flexibility to recognise and incentivise individual performance

### 4.1 Attraction and Retention Allowances.

In a tightening labour market, the relationship and interaction between the industrial system and the exercise of administrative decision making is brought into

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<sup>21</sup> CI 100—Special remuneration for attraction and retention of officers of the teaching service (1) The Chief Executive may, in accordance with any requirements set out in administrative guidelines or the regulations, offer special remuneration to officers of the teaching service for the purposes of attracting and retaining officers of a high standard (and, for that purpose, may enter an arrangement with an officer of the teaching service) 1.7.2021 - Education and Children's Services Act 2019 The Teaching Service - Part 9 Appointment to the Teaching Service - Division 2 Published under the Legislation Revision and Publication Act 2002 67 (2). However, nothing in subsection (1) limits the actions that the Chief Executive may take for the purpose of attracting or retaining officers of the teaching service, or for any other purpose.



sharper focus. This is particularly the case where the use of attraction and retention incentives become more widespread.

The Joint Association's views on the use of attraction and retention are summarised below:

- The labour market in public education has never been a level playing field and preferred schools and locations have greater market power. This trend appears to be becoming more embedded due to demographic, economic and cultural changes. Remuneration incentives should act as a counterbalance to pre-existing market power and not exacerbate it. A significant risk associated with the introduction of a more open and accessible scheme of attraction and retention allowances is that some schools will be able to compete more successfully for scarce resources than others and these schools may not be the schools of greatest need.
- A critical test which needs to be applied to all applications for remuneration incentives is a "public interest" style of test. A test of this type would assess the broader interests of the public education system and will be crucial in how resources are managed to support the overall interests of public education. Such a test would need to draw on a clear base of evidence on the functioning of the current labour market by identifying where scarcity of high quality teachers and Leaders is creating risks for public education and how incentives can be used to address this imbalance. This implies the system must be managed and funded at the corporate level.
- There is a need to maintain a clear separation between the classification system which is based on a standardised measure of work value and remuneration which is based on market conditions, or other characteristics as defined. What appears to be happening in the current system is that Principal classification levels are being regularly adjusted to respond to market conditions, or specific recruitment needs, and this is distorting classification relativities. The potential outcome is the classification system will become increasingly based on individual negotiations and the classification system becomes less relevant over time. This presents as a major risk to the stability of public education and its capacity to achieve equitable outcomes (refer to analysis in **Attachment A**).

The conditions of scarcity crucially inform how policies of attraction and retention are applied. A poorly designed system of attraction and retention based remuneration incentives can create perverse incentives that will damage the operating capability and effectiveness of public education<sup>22</sup>.

An area where the Joint Associations would welcome discussions with the Department is the use of retention allowances. We believe that highly experienced and capable Band A Leaders are currently playing significant roles in maintaining system performance and stability and providing incentives to retain place based

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<sup>22</sup> This can be by placing internal competition for the most capable employees that leads to a breakdown of the classification system and an increased market power of employees. Traditionally hard to staff schools are most likely to be disadvantaged further in this scenario.

expertise will become increasingly important. This would have most value in hard to staff regional and low SES schools.

#### **4.2 Executive Principals**

The need for some flexibility in catering to changing market conditions and specific site needs was recognised in the 2016 EA where the Principal Special Class was established to provide an industrial avenue for alternative remuneration outside the parameters established in the EA. The clause identifies two conditions under which individual arrangements can be implemented:

- Where a role has duties above and beyond that defined in the standard Principal Position Description.
- For the purposes of attraction and retention to designated sites.

The clause preserves the industrial right of fallback to a prescribed level at the end of an agreed period. This was seen as consistent with the fact that appointment to Principal roles was through a career based internal labour market (>95% of appointments come from within the organisation).

The best information available suggests there has been limited (if any) use of the EA clause. Administrative authorities appear to have been exclusively used for attraction and retention. There is no publicly known examples of the use of the EA clause to vary the Principal role from the standard role description.

Executive Principals now exist in Victoria, Queensland, New South Wales, and the Northern Territory. Each state appears to have adopted a model specific to its own context and strategic intent. The use and experience of Executive Principals in Victoria and NSW is briefly summarised below:

- In Victoria the policy rationale for the establishment of Executive Principals under the School-Based Executive Class Principals Initiative (SBECPI) was to support the best leaders to take on the most challenging, complex, and specialised leadership roles in Victorian Government schools. The current number of Executive Principals is 48 and up to 40 new appointments are planned<sup>23</sup>. Executive Principals are also used to support other Principals including supporting interventions in schools that are struggling. Information obtained from the Australian Principals Federation (Victorian Branch) is that the original criteria has become more relaxed and Executive Principals are used in different circumstances and conditions, including conditions of market scarcity. Conditions of employment for Executive Principals are governed by contract and remuneration is in line with public sector standards for the Victorian Executive Service (equivalent to the South Australian Executive Service SAES). An evaluation of Victorian Executive Principals is underway but no public information has been released at this time
- In NSW a key initiative under the Connected Communities Strategy has been the creation of Executive Principal positions. The Executive Principal roles are classified

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<sup>23</sup> Information provided by Australian Principals Federation Victoria Branch.

at a higher level than other Principals due to the high level of leadership required, particularly in relation to family and community engagement, and the broader expectation to work more strategically with external organisations. Schools identified for the initiative based on variables including sustained low levels of academic achievement, poor attendance, poor secondary retention, HSC outcomes, and inadequate parent and community engagement and participation. Executive Principals are appointed on three-year contracts, with the possibility of extension to five years subject to satisfactory performance. Permanency is maintained. An evaluation of the Connected Communities Strategy is available on the NSW Government web site.

The Joint Associations believe that potential use of Executive Principals is a policy question that is not just confined to a work value assessment of Principal roles relative to the SAES Executive Structure. Areas of interest to the Joint Associations in relation to the potential development of an Executive Principal model and role design are:

- How the roles can be designed and supported to maintain equitable distribution of leadership capability across public education.
- How such roles can support school improvement strategies and positively support interventions in struggling schools.
- To incentivise leaders to take up roles in our very large and most complex schools

We welcome the opportunity to begin an exploratory discussion with the Department on the potential value of Executive Principals. We also believe this discussion can provide an entry point to a wider discussion on the role and functions of school principals.

#### **4.3 Flexibility to Recognise and Incentivise Individual Performance**

The use of remuneration-based incentives for recognising and rewarding results-based performance (performance pay) is not a feature of the current classification and remuneration system.

Performance based pay has been a topical area in education in recent years and to date there appears to have been limited uptake of performance-based remuneration schemes more commonly associated with private sector organisations. The general reluctance is attributable to the published research summarised below.

- Efficiency in the school system is extremely difficult to evaluate because the problems of disentangling the different inputs from another and from the external environment<sup>24</sup>.

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<sup>24</sup> Journal of Industrial Relations - Still Searching for the Evidence? Evidence-based Policy, Performance Pay and Teachers (2017).

- Performance assessment in the public sector requires a high level of management judgement – the notion of performance itself is complex owing to the difficulty of finding suitable quantitative indicators and because performance objectives often change with government policy. Many studies have concluded that the impact of performance pay on outcomes is limited and can be negative. Criteria such as a satisfying job, promotion possibilities and flexibility in work can be far ahead of performance pay in motivating staff<sup>25</sup>.
- Evidence on the impact of performance pay on motivation is ambivalent. Base pay is important because it relates to the wider management at large<sup>26</sup>.
- Destructive effect on intrinsic motivation, teamwork, and creativity<sup>27</sup>.

The Joint Associations do not support a system of performance-based remuneration.

The Joint Associations are open to the use of systems that enable progression in a classification band. Such systems are widely applied in other Australian jurisdictions including the public sector in Victoria, WA, NT, NSW, and ACT Catholic Systemic Schools. A well-designed system of salary progression can be based on a balanced set of indicators that reflect strategic priorities. They potentially have a high strategic value in conditions of scarcity because of the need to incentivise capacity building across the system.

Salary increments are used widely in paid rates awards to recognise progression in a role over the period of employment. In Australia, they are included in enterprise agreements which means they are part of an industrially regulated pay scale. Two cited examples are:

- In Victorian 2022 EA clause 13(3) (a)-(f) stipulates that salary progression is not automatic – all employees are assessed annually based on demonstrated achievement against school priorities and Departmental criteria appropriate to each classification level<sup>28</sup>.
- In the NSW and ACT Catholic System there are two levels within each classification Band - Foundational and Accomplished Band. Under 13.2 of the Agreement, a Principal will progress to Accomplished level of the relevant enrolment band once the Principal has completed three years' service and subject to satisfactory performance in accordance with the employers policies and procedures.

Both systems are designed to reward satisfactory performance (as defined by the employer) and provide an incentive to meet reasonable performance expectations.

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<sup>25</sup> OECD- Performance related Pay Policies for Government Employees (2005).

<sup>26</sup> OECD- Performance related Pay Policies for Government Employees (2005).

<sup>27</sup> Journal of Industrial Relations - Still Searching for the Evidence? Evidence-Based Policy, Performance Pay and Teachers (2017).

<sup>28</sup> The Victorian APF have advised that most Principals achieve progression requirements.

AITSL has also extended its thinking around the concept of extending a standard based approach to Principal performance by developing Highly Accomplished and Lead Principals. This opens another potential avenue for building capability and performance related incentives into the system.

The Joint Associations welcome the opportunity to explore the use of progression within classification bands to recognise growth, development, and performance in a role.

## 5. INTERACTION OF BAND A AND BAND B STRUCTURES

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The Band B structure was reviewed in 2012 and updated classification criteria were implemented. The new approach was an important strategic initiative to facilitate the development of local defined leadership structures beyond the rigidities in the Staffing Allocation Document (SAD) that was discontinued in 2011 following the implementation of the Education Arbitrated Award implemented by the IRCSA. In the current model, schools determine their own Band B leadership consistent with their defined needs, established industrial boundaries, and available resourcing.

Two important considerations that directly flow on from future changes to the Band A structure are:

- The potential for a new level of defined class of position at very large schools consistent with the need for shared leadership at these sites.
- A recalibration of relativities between Band A levels and maximum Band B levels depending on changes to classification levels flowing from the Review.

## ATTACHMENT 1 – DEVELOPMENT OF THE CLASSIFICATION UNDER SSACR 2007 - 2022

Classification Level	2007 n=602 <sup>29</sup> Students 170,643 106,407 Primary 64,236 Secondary	2022 n=507 <sup>30</sup> Students 174,244 111,079 Primary 63,165 Secondary
1	16.9%	<1%
2	8.3%	7.1%
3	31.4%	32.1%
4	16.1%	17.4%
5	14.5%	16.6%
6	5.6%	11.2%
7	4.0%	6.5%
8	3.2%	3.7%
9		4.5% <sup>31</sup>
Mean classification level	3.5 in Classification Range 1-8	4.5 in Classification Range 1-9
Staffing <sup>32</sup> 2013-2021	Teachers 13,777 SSOs 6,769	Teachers 14,255 SSOs 8,660

### DEVELOPMENT OF THE SCHOOL SIZE AND COMPLEXITY RATING (SSACR) 2007 - 2022

#### 2010 Arbitrated Award

- Introduction of PCO-9 resulting from the decision of the IRSCA in the arbitration of 2008/09.

#### 2012 Enterprise Agreement

- Integration of Principals and Preschool Directors in a single Band A Structure including translation arrangements for Preschool Directors PSD1-4 into the new structure.
- Establishment of enrolment thresholds to provide a floor for maximum enrolments at A-1 and allow for more equitable treatment of primary schools with high enrolment characteristics in Schedule School Size and Complexity Rating.
- Principal Classification Review panel included in Schedule 4 – School Size and Complexity Rating.

<sup>29</sup> Data derived from Affidavit of Gino De Gennaro presented to the South Australian Industrial Relations Commission (SAIRC) referenced in SAIRC Wages, Salaries, Classifications for DECS and DFEEST (TAFE) Employees Decision No. 1 (2010) SAIR Comm3 (10 February 2010) p 29. Enrolment data for 2007 and 2022 taken from ACARA National Report on schooling in Australia.

<sup>30</sup> Data provided by the Department to SASSLA May 2022. Only includes actual principal role and does not include employees who retain the classification of principal and roles who are not in a school.

<sup>31</sup> Includes 12 schools classified at Band A9+

<sup>32</sup> The earliest Departmental information publicly available is 2013. This data refers to persons in the role. The FTE data for 2021 is Teachers 11,682; SSOs 6,038.

### **2016 Enterprise Agreement**

- Separate enrolment schedule for enrolment thresholds introduced Area, R-12 and Aboriginal R-12 schools.
- Principal Special Class included in Schedule 3 – Classifications.

### **2020 Enterprise Agreement**

- Additional differential pay rise given Band A Leaders with overall pay increases of 3.35% over 3 years May 2020-2023.

### **2021 Policy Adjustment**

- Establishment of Band 9+ for secondary schools having more than 1600 enrolments and combined schools having more than 1300 enrolments.

### **ANALYSIS OF CHANGES TO THE CLASSIFICATION PROFILE**

- The very significant reduction in level A1 positions can be substantially explained by school closures and the impact of the lower threshold of 20 enrolments introduced in the 2012 Enterprise Agreement.
- The reduction in A2 schools could be substantially explained by the amalgamation of Primary and Junior Primary Schools after 2007.
- The movement in the levels A4 to A8 would have been influenced by the effect of enrolment threshold in Primary Schools predominantly in the IoED 6-7 range. It is anticipated that there will be a consequential reduction in Primary School Classifications in IoED 6-7 schools following the implementation of the Year7 to High School initiative. This effect will occur over several years because incumbents will maintain their pre-existing classification level for the duration of established contracts.
- The movement in the higher classification bands has been influenced by continuous consolidation of existing schools and the creation of large new schools from 2010 onwards.
- Anecdotal information suggests that classification levels for some schools have been changed outside of the annual classification review as a de facto attraction or retention initiative. The extent that this has changed the classification distribution cannot easily be quantified but it has consistently been raised in consultation processes in the development of this submission.
- There has been significant productivity savings due to the increased size of schools and a reduced number of Principal positions. The savings of \$8-\$10m cited in the body of the report is derived through a simple arithmetical method viz - reduction of 95 positions at average cost \$150,000 = \$14.250m (reflecting most savings are at A1 - A2 bands). Additional average cost of \$10,000 per position (reflecting the general upward movement of one classification level plus oncosts); 507 positions x 10,000 = \$5.07m per annum additional cost flowing from higher classifications. Calculation \$14.250m - \$5.07m = \$9.180m



## ATTACHMENT 2

Comparison of remuneration (not including superannuation, non-remunerative benefits, or industrial allowances) of the Department for Education SA with Victorian, SA Catholic Diocesan Schools, and NSW Public Schools.

These points of comparison are used because the classification criteria are budget or enrolment based which enables a direct comparison to be made with the relative remuneration across sectors for schools with similar characteristics. The information is derived from:

- **SA Government:** South Australian School and Preschool Education Staff Enterprise Agreement 2020. Salary awarded 1 May 2022 for Band A Leaders. This is the final salary increase in the current agreement. Budget is derived from the Resource Entitlement Statement and enrolment information provided by DfE schools. The classification system is based on a modified RES (for complexity and locality factors) and enrolment thresholds.
- **Victoria:** Victorian Government Schools Agreement 2022. Specific Reference *Clause 15 (1) (b): Principal Class school budget parameters for determining classification and Schedule 1: Salary Rates*. The salary rate used for comparison purposes is the salary rate awarded on 1 July 2022.
- **NSW:** Pay rates as published on the NSW Education website. The last awarded pay rise of 2.28% was awarded on 1 January 2021. The remuneration rates used for comparison purposes have been inflated by 3% in line with NSW Government policy for public sector wage increases. This has been done to enable a relative comparison.
- **NSW and ACT Catholic Systemic Schools;** NSW and ACT Catholic Systemic Schools Principals Enterprise Agreement 2020. *Table 1 Principal's Salaries*. The last awarded pay rise of 2.28% was awarded on 1 January 2021. This salary award follows the NSW Government Award for teacher salaries in terms of quantum and timing of salary increases. The figure used for comparison purposes has been inflated by 3% consistent with a flow on from the NSW Government Wages Policy.

The information provided should be used for indicative purposes only due to the limited sample size and data limitations. Footnotes relevant to the data sources are provided.

Reference is also made to SA Catholic Diocesan Schools Policy for Conditions of Employment for Principals and Deputy Principals. This system was used in an earlier comparison undertaken by SASSLA in 2019 but current rates are not publicly available. The system is a base plus model that is not industrially regulated. The remuneration base is determined by school enrolment with additional remuneration determined by budget size, locality, and specific allowances for OHSC, Boarders, Standalone Middle School, Standalone Special School, Standalone Technical College. A wellbeing allowance is also included in the remuneration package. Based on the prior use of this system, general comments are in the Notes section of the comparison table.

SA Government School <sup>33</sup>	SA Classification level and Remuneration <sup>34</sup>	Equivalent Victorian Government <sup>35</sup>	Equivalent NSW Government <sup>36</sup>	Equivalent NSW and ACT Catholic Systemic Schools <sup>37</sup>	Notes
<b>Blanchetown</b> <sup>38</sup> <ul style="list-style-type: none"> <li>• R-6</li> <li>• IoED 4</li> <li>• Country Zone 2</li> <li>• Preschool Playcentre</li> <li>• RES \$743m</li> <li>• Enrolment 28</li> </ul>	Level A-2 133,457	Level-2 \$147,274 - \$159 831	TP-2 \$149,167	Band 1 \$151,661 - \$159,643	Relativity to interstate comparisons: L = \$13,817 (10.4% increase) H = \$26,374 (19.8% increase)
<b>Newbury Park Primary</b> <sup>39</sup> <ul style="list-style-type: none"> <li>• R-7 (2021)</li> <li>• IoED 2</li> <li>• Country Zone 3</li> <li>• RES \$1.92m</li> <li>• Enrolment 97</li> </ul>	Level A-3 \$141 686	Salary Range 3 \$163,347 - \$173,912	Level P-1 \$153,260	Band 1 \$151,661 - \$159,643	An additional four students would increase classification to Band 2 in NSW and ACT Catholic Systemic Classification System to \$164,366 - \$173,102

<sup>33</sup> Includes RES and enrolments (as reported by school).

<sup>34</sup> Current salary increase awarded under South Australian School and Preschool Education Staff Enterprise Agreement 2020. Salary awarded 1 May 2022 for Band A Leaders. This is the final salary increase in the current agreement.

<sup>35</sup> Salary figures for school current as of 1 July 2022. The Victorian agreement includes a schedule of salary increases through to 1 July 2025. Does not include other benefits with a remunerative value.

<sup>36</sup> NSW Principal Classification Structure 2022 based on salaries awarded January 2021. Salary levels have been inflated by 3% consistent with NSW Government Wages Policy to enable relative comparison with SA and Victoria.

<sup>37</sup> NSW and ACT Catholic Systemic Schools Principals Enterprise Agreement 2020. Last pay increase awarded in January 2021. Pay increases in 2020/21 aligned with NSW Government schools and for the purposes of comparison have been inflated by 3%.

<sup>38</sup> RES Statement June 2022.

<sup>39</sup> RES Statement December 2021.

					Relativity to interstate comparisons: L = \$9,975 (7% increase) H = \$32,226 (22.7% increase)
<b>North Ingle Primary<sup>40</sup></b> <ul style="list-style-type: none"> <li>• Preschool-7 (2021)</li> <li>• IoEd 3</li> <li>• RES \$2,413m</li> <li>• Enrolment 146</li> <li>• School Based preschool enrolment. 28</li> <li>• OSHC (outsourced)</li> </ul>	Level A3 \$141,686	Salary Range 3 \$163,347 - \$173,912	Level P-1 \$153,260	Band 2 \$164,366 - \$173,102	Relativity to interstate comparisons L = \$11,574 (8.2% increase) H = \$32,226 (22.7% increase)
<b>Booleroo Centre<sup>41</sup></b> <ul style="list-style-type: none"> <li>• R-12</li> <li>• IoED 6</li> <li>• Enrolment 165</li> <li>• RES \$2.983m</li> <li>• Country Zone 2</li> <li>• School Bus Service</li> </ul>	Level A4 \$149,911	Level 3 \$163,347 - \$173,912	P-2 \$164,959	\$164,366 - \$167,973	Primary students = 60 Secondary students = 105, Secondary Program supports VET, Open Access and inhouse SACE subjects.  Provides administration support to local part time preschool  Under the SA Catholic Diocesan

<sup>40</sup> RES Statement December 2021

<sup>41</sup> RES Statement June 2022

					Remuneration Policy the remuneration is estimated to be in the range \$170,000 - \$180,000 due to the impact of complexity weightings. Relativity to interstate comparisons L = \$13,436 (9% increase) H = \$24,001 (16% increase)
<b>Errington Special School</b> <sup>42</sup> <ul style="list-style-type: none"> <li>RES \$5.255m</li> <li>Enrolment 107</li> </ul>	Level A5 \$158,144	Level 4 \$177,738 - \$189,729	Level P-3 \$182,105	n/a	Relativity to interstate comparisons  L = \$19,594 (12.4% increase) H = \$31,585 (20% increase)
<b>Forbes Primary School</b> <sup>43</sup> <ul style="list-style-type: none"> <li>R-7</li> <li>IoED 4</li> <li>Enrolment 386</li> <li>RES \$4.636m</li> <li>OSHC (outsourced)</li> </ul>	Level A5 = \$158,144	Range 4 \$177,738 - \$189,729	Level P-2 \$164,959	Band 3 \$169,363 - \$178,276	On cusp of moving to P-3 in NSW Government System Budget which would increase comparison salary to \$182,105  Relativity to interstate comparisons

<sup>42</sup> RES Statement May 2022

<sup>43</sup> RES Statement December 2021

					L = \$6,815 (4.3% increase) H = \$31,585 (20% increase)
<b>Valley View High School</b> <sup>44</sup> <ul style="list-style-type: none"> <li>• 7-12</li> <li>• IoED 3</li> <li>• RES \$7.454m</li> <li>• 475 enrolments</li> <li>• 2 Special Classes</li> </ul>	Level A6 \$166,337	Range 4 \$177,738 - \$189,729	Level P-3 \$182,105	Band-4 \$174,365 - \$183,541	Relativity to interstate comparisons L = \$8,028 (4.8% increase) H = \$23,392 (14% increase)
<b>Elizabeth Park Primary</b> <sup>45</sup> <ul style="list-style-type: none"> <li>• Preschool-7 (2021)</li> <li>• IoED 2</li> <li>• RES \$6.898m</li> <li>• Enrolment (340)</li> <li>• Preschool (12)</li> <li>• 1 Special Class</li> </ul>	Level A6 \$166,367	Salary Range 4 \$177,738 - \$189,729	Level P-3 \$182,105	Band-3 \$169,363 - \$178,276	Relativity to interstate comparisons L = \$2,996 (1.8% increase) H = \$23,362 (14% increase)
<b>Burnside Primary</b> <sup>46</sup> <ul style="list-style-type: none"> <li>• R-7</li> <li>• IoED 7</li> <li>• Enrolment 794</li> <li>• RES \$7.575m</li> <li>• OSHC (outsourced)</li> </ul>	A7 \$174,594	Level 4 \$177,738 - \$189,729	P-3 \$182,105	Band-5 \$178,591 - \$187,991	Relativity to interstate comparisons  L = \$3,144 (1.8% increase) H = \$15,135 (8.7% increase) The 2021 classification level based on

<sup>44</sup> RES draft budget updated 23 May 2022

<sup>45</sup> Dec 2021 RES

<sup>46</sup> Dec 2021 RES

					enrolment threshold >750 students. Potential for this school for reclassification to A6 on vacancy due to year 7 students transferring to high school.
<b>Ceduna Area School<sup>47</sup></b> <ul style="list-style-type: none"> <li>• R-12</li> <li>• IOED 2</li> <li>• Country Zone 4</li> <li>• RES \$7.664m</li> <li>• Enrolment 416</li> <li>• R-12</li> <li>• Aboriginal Sports Academy</li> <li>• Aquaculture Trade Training Centre</li> <li>• 2 Special Classes</li> <li>• Buses</li> </ul>	Level A7 \$174,594	Level 4 \$177,738 - \$189,729	Level P-3 \$182,105	Band 3 \$169,363 - \$178,276	Relativity to interstate comparisons <b>L = \$5231 (97% -3% decrease)</b> H = \$15135 (8.7% increase)  Principal in this school in receipt of a remuneration allowance.  Under the SA Catholic Diocesan Remuneration Policy the remuneration is estimated to be in the range \$220,000 - \$240,000 due to the impact of base plus complexity weightings.

<sup>47</sup> RES Statement 2022

<p><b>Aberfoyle Park High School<sup>48</sup></b></p> <ul style="list-style-type: none"> <li>• 7-12</li> <li>• IoED 6</li> <li>• RES \$13.009m</li> <li>• Enrolment 1050</li> <li>• International Baccalaureate School with international enrolments</li> <li>• Trade Training Centre Doorways to Construction</li> </ul>	Level A8 \$182,821	Level 5 \$195,740 - \$207,720	P4 \$190,799	Band 6 \$188,834 - \$198,772	<p>Relativity to interstate comparisons  L = \$6,013 (3.3% increase)  H = \$24,999 (13.6% increase)</p>
<p><b>Eastern Fleurieu<sup>49</sup></b></p> <ul style="list-style-type: none"> <li>• R-12</li> <li>• Five Campuses (Four R-6 and One 7-12)</li> <li>• IoED 6</li> <li>• RES \$20.326m</li> <li>• Enrolment 1550</li> <li>• Two special classes</li> <li>• Bus service</li> <li>• OSHC (outsourced)</li> </ul>	Level A9 = \$190,198 plus allowance of \$8,000 for Band A9+interim classification = \$198,198	Level 6 \$211,875-\$224,844	P-5 \$196,648	Band 8 \$204,914-\$215,699	<p>Relativity to interstate comparisons based on A9+ interim classification</p> <p>L = \$1550 (99.2 .08 decrease)  H = \$26,646 (13.4% increase)</p> <p>Under the SA Catholic Diocesan Remuneration Policy the remuneration is estimated to be in the range \$240,000 -</p>

<sup>48</sup> RES Statement May 2022

<sup>49</sup> RES Statement December 2021

					<p>\$260,000 due to the impact of base plus complexity weightings.</p> <p>In Victoria and NSW potential to offer Executive Principal contract under policy conditions in place.</p>
<p><b>Reynella East College</b> 50</p> <ul style="list-style-type: none"> <li>• B-12 school</li> <li>• IoED 5</li> <li>• Three school campuses (Preschool, Primary, Secondary)</li> <li>• RES \$20,513m</li> <li>• Enrolment school 1841; preschool 44</li> <li>• Two Secondary Special Option classes</li> <li>• International Enrolment: Varies between 40 and 70 students</li> <li>• OHSC: outsourced</li> </ul>	<p>Level A9 \$190,198 plus allowance of \$8,198 for Band A-9 classification</p>	<p>Level P-5 \$196,648</p>	<p>Range 6 \$211, 875 - \$224,844</p>	<p>Band 8 \$204,914 - \$215,699</p>	<p>Relativity to interstate comparisons based on A-9+ interim classification</p> <p>L =\$ 1550 (99.2% 0.8% decrease) H = \$26,646 (13.4%)</p> <p>Under the SA Catholic Diocesan Remuneration Policy the remuneration is estimated to be in the range \$240,000 - \$260,000 due to the impact of complexity weightings.</p> <p>In Victoria and NSW potential to offer Executive Principal</p>

<sup>50</sup> RES Statement 2022



<p>Other:</p> <ul style="list-style-type: none"> <li>• Trade training facility (Auto, Construction, Hospitality)</li> <li>• Management of DfE, Instrumental Music Services (IMS) staff</li> </ul>					<p>Contract under policy conditions in place.</p>
<p><b>Glenunga International<sup>51</sup></b></p> <ul style="list-style-type: none"> <li>• 7-12 school</li> <li>• IoED-7</li> <li>• RES \$23,949m</li> <li>• Enrolment 2166; International 46</li> <li>• International Baccalaureate School</li> <li>• Ignite Program school</li> </ul>	<p>Level A9 \$190,198 plus allowance of \$8,198 for Band A9 classification</p>	<p>Level P-5 \$196,648</p>	<p>Level P-5 \$196,648</p>	<p>Band 8 \$204,914 - \$215,699</p>	<p>Relativity to interstate comparisons based on A9+ interim classification</p> <p>L = \$ 1,550 (99.2% 0.8% decrease) H = \$26,646 (13.4%)</p> <p>In Victoria and NSW potential to offer Executive Principal contract under policy conditions in place.</p>

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<sup>51</sup> RES Statement 2022

## ANALYSIS

- The greatest difference in relative salary comparisons occurs at the low and middle level range of classifications A2 to A5 (L = 4.3% - H = 22.7% above SA levels). This is an outcome of the current policy of preserving initial boundary values and the high number of classification levels each with a small remuneration increase.
- The comparison does highlight the positive effect of low SES complexity/locality weightings and enrolment thresholds in schools such as Elizabeth Park, Ceduna and Burnside where minimum remuneration correlates more closely with interstate salaries.
- The impact of progression based increments in classification structures in Victorian Government Schools and NSW and ACT Catholic Systemic Schools is significant. Principals in Victoria at the top level are receiving remuneration up to 22.7% higher than in an equivalent South Australian School.
- NSW and ACT Catholic Systemic Schools which is an enrolment based on eight bands of work system gradations in enrolment levels are in units of 100 (Band-1 to Band-2); 150 (Band 3 to Band 4); 300 (Band 5 to Band 8). This is contrasted to very high marginal increases between A9 and A9+ of up to 1,000 plus students. NSW and ACT Catholic Systemic Schools enrolment thresholds extend to 1500 students. SA enrolments now extend up to 2200 students.
- In NSW the current funding threshold for the top classification level P-7 is > \$18,780. In Victoria the current funding threshold for the top classification level Range 6 is \$14,630. Three SA classified at A9+ in this study have budgets more than \$20m. The difference between the entry level range 6 position in Victoria and the budget for Glenunga High School is \$9.32m.
- In the Victorian and NSW Government systems Principals are employed to a substantive Principal level under the conditions of permanency. South Australian Principals are appointed under a contract with underlying permanency at a teacher level (AST-2). Appointment as a substantive principal has a high notional value estimated at around 3-5% of base salary. The inclusion of this notional value increases the disparities in relative remuneration noted above.