

12 May 2022

Re-consultation - applying additional savings to fees and the levy

During the Teaching Council's recent [Consultation on Proposed Fees and Levy 18 February 2022](#) many of you told us we should explore ways we could further reduce our costs. We have identified further savings and are now asking you a follow-up question of how we should allocate that. We invite you to share your views via a short survey.

We are seeking your feedback on applying the savings

The Council has decided to re-consult with you over the next two weeks on:

- (a) Whether holders of a Limited Authority to Teach (LAT)¹ should pay the same levy as teachers or a lower levy; and
- (b) How the savings that the Council have now identified should be allocated.

The two options we propose are:

1. To **reduce the levy imposed on holders of a LAT issued for three years by \$118.34²** and use some of the additional savings identified to fund this reduction. Under this option, **the levy charged to teachers would reduce by \$7.84.**

or

2. To **charge the same levy to teachers and holders of LATs** sharing the additional savings between the two groups. The levy charged to teachers and to holders of LATs under this option would be **reduced by \$9.20.**

We also welcome any other suggestions you may have about allocating the savings.

Option 1 – Share a larger portion of the savings with holders of a LAT, and a smaller portion with certificated teachers so holders of a LAT pay a lower levy

Many submitters told us that holders of a LAT should not pay the same levy as certificated teachers. One of the considerations raised was that holders of a LAT do not receive the same benefits of being part of a profession that teachers do.

After receiving this feedback, the Council reviewed how its mandatory functions are applied in the context of LATs. Although holders of a LAT have always paid less than a teacher, we identified

¹ Tūranga Whakaako Whai-herenga | Limited Authority to Teach is not a type of practising certificate and it is not for registered teachers nor for permanent employment. It enables people without teaching qualifications to teach in positions where there is a need for specialist skills or skills in short supply. Currently LATs are not issued for teaching positions in the Early Childhood sector, as unlike schools, it is possible to employ non-registered teachers in teaching positions

² From \$343.25 originally proposed to \$224.91

several areas where they potentially do not benefit to the same degree that certificated teachers do. For example, while holders of a LAT are expected to comply with the requirements of the Code | Ngā Tikanga Matatika and may be subject to disciplinary processes, their practice is not assessed against the requirements of the Standards | Ngā Paerewa or subject to competence processes.

The consideration raised by submitters therefore seems reasonable and provides the rationale for this option: *that the levy for holders of LAT should be less than for teachers. To reduce the financial impact of this change on teachers, some of the savings we have identified could go towards reducing the levy on holders of a LAT.*

This option is different from Proposal 2 in the [Consultation on Proposed Fees and Levy 18 February 2022](#) which was to “Charge the same levy for teachers and for holders of LATs”.

The effect of this option would be to reduce the total cost (fee + levy) of issuing a LAT valid for three years from \$472.21 to \$353.87³, and to reduce the cost to certificated teachers of a new or renewed practising certificate from \$472.21 to \$464.37.

Option 2 – Share the savings equally across holders of a LAT and certificated teachers so they pay the same levy

Option 2 proposes no changes to Proposal 2 in the [Consultation on Proposed Fees and Levy 18 February 2022](#) to charge the same levy for teachers and for holders of LAT, with the savings identified being shared across the profession. The rationale for this option is: *there is an argument that both holders of a LAT and teachers equally benefit from being part of a professional organisation and should share the costs of that evenly.*

The effect of this option would be to reduce the combined cost of issuing a LAT valid for three years from \$472.21 to \$463.01⁴, and to reduce the cost to certificated teachers of a new or renewed practising certificate from \$472.21 to \$463.01.

Full financial implications can be seen in Table 1 below.

More about the additional cost savings

The first consultation document included savings of approximately \$1.25 million which were included in the proposed fees and levies. After hearing feedback from the teaching profession and stakeholders, we did further analysis of our work programme and have identified some areas in relation to the levy⁵ where additional savings can be made, by anticipating and planning to reduce costs in these areas⁶.

The additional anticipated cost savings identified are as follows:

- Forecasted staff vacancies (where there is a time lag between conclusion of employment and a new appointment)
- Reduced projects budget
- Reduced travel costs in several areas

³ With proportional reductions for LATs issued for 2 years or 1 year.

⁴ With proportional reductions for LATs issued for 2 years or 1 year.

⁵ A ‘fee’ is usually a charge for a service to an individual – for example the payment teachers make to have their practising certificate issued or renewed. A ‘levy’ is a charge for services that are provided across the profession rather than to individual teachers – for example our work in developing the Code and Standards.

⁶ As with the initial consultation paper, the fees and levies in this document are based on the actual and reasonable costs of delivering the Council’s mandatory functions.

- Additional recoveries for costs of ITE programme approvals from ITE providers

These savings will enable us to reduce the amount of the levy previously consulted on in February 2022.

Overall, we have estimated additional savings of about \$1.5 million over the three-year period that will not compromise service delivery.

Changes to earlier proposed savings

Anticipated savings already built into the costings in the first consultation document have been reduced by \$100,000 following changes to proposed legislation that have impacted on our original cost assumptions for disciplinary processes.

Other information

During our further analysis we also identified that the cost for moving from a Tōmua | Provisional or Pūmau | Full (Category Two) to a Tūturu | Full (Category One) practising certificate is less than was estimated in the consultation document. An in-principle decision has been made to amend the additional fee to reflect this new estimate of actual and reasonable costs.

This in-principle decision has been included here to ensure you have a full picture of how additional savings and changes in our cost assumptions impact on the proposed fees and levy. Final decisions will not be made until the feedback from this re-consultation has been received and considered. An announcement on all final decisions will be made in mid-June.

Table 1: Impact of proposed changes on fees/levy – certificated teachers and holders of a LAT (all numbers include GST).

For	As proposed in consultation document			New proposal for consultation: Option 1 – LAT holders pay a lower levy than teachers			New proposal for consultation: Option 2 – LAT holders pay the same levy as teachers		
	Fee payable	Levy payable	Total payable	New proposed fees payable	New proposed levy payable	New proposed total payable	New proposed fees payable	New proposed levy payable	New proposed total payable
LAT valid for 3 Years*	\$128.96	\$343.25	\$472.21	\$128.96	\$224.91	\$353.87	\$128.96	\$334.05	\$463.01
Renewal of a practising certificate valid for 3 years	\$128.96	\$343.25	\$472.21	\$128.96	\$335.41	\$464.37	\$128.96	\$334.05	\$463.01
Registration and Provisional practising certificate for graduates from an approved New Zealand Initial Teacher Education programme	\$128.96	\$343.25	\$472.21	\$128.96	\$335.41	\$464.37	\$128.96	\$334.05	\$463.01

Registration and Provisional practising certificate for overseas-trained teachers	\$228.96	\$343.25	\$572.21	\$228.96	\$335.41	\$564.37	\$228.96	\$334.05	\$563.01
A teacher holding a Provisional or Full (Category 2) practising certificate applying for a Full (Category 1) practising certificate valid for 3 years ⁺⁺	\$228.96	\$343.25	\$572.21	\$176.96	\$335.41	\$512.37	\$176.96	\$334.05	\$511.01

⁺⁺Note: This change reflects the in-principle decision to amend the additional fee charged for a move from Tōmua | Provisional or Pūmau | Full (Category Two) to Tūturu | Full (Category One)

*Note: LAT valid for 2 years or 1 year would be 2/3 or 1/3 of the proposed fee for 3-years

How to provide feedback

Your feedback is important to us and will inform our decisions. You can provide feedback by completing a short survey via this [link](#). Feedback is due by **5pm on Wednesday 25 May 2022**.

The Council will receive and analyse your feedback with an open mind and give it due consideration before any decisions are made. Once the Council has made decisions, these will be communicated to the profession and the new rates for fees and the levy will be gazetted, likely by mid-July. The Council will also upload a summary of the themes raised during consultation on its website.

Please note that your feedback is considered official information, so may be subject to a request under the Official Information Act 1982.

Finally, many submitters commented on the Council's calculation of the impact of inflation in our original consultation document. We have provided a statement aiming to clarify issues around this on our website. You can find that statement [here](#).