

# Stakeholder Hui

Next steps for consultation on fees and levies

Disclaimer: Any costs included in this document are estimates of actual and reasonable costs and are subject to final confirmation. Such costs relate to the operating costs of delivering the Teaching Council's mandatory functions, not what government grants, recoveries, and teacher fees and/or levies currently pay for.



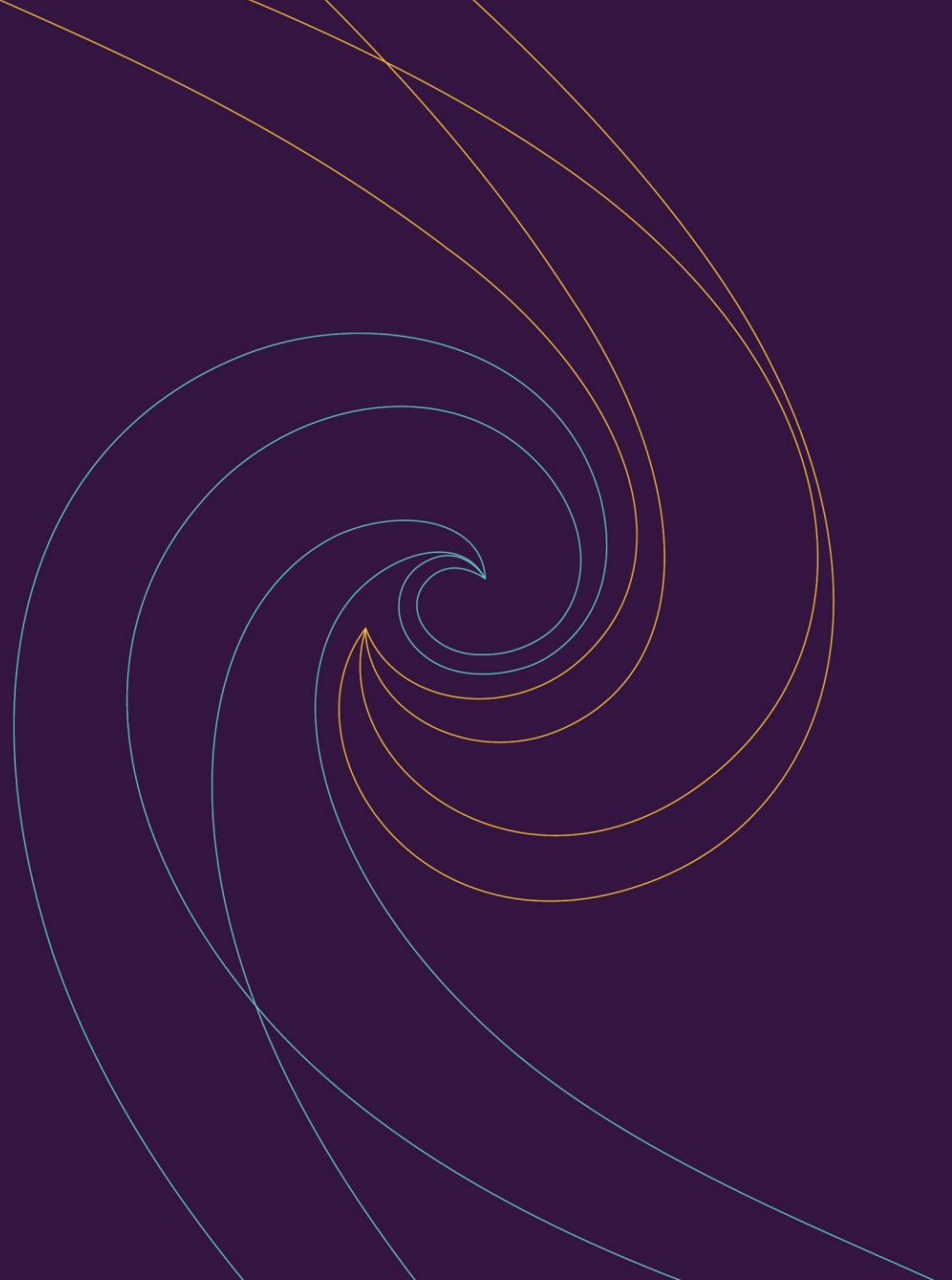
**Teaching  
Council of  
Aotearoa  
New Zealand**

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# Mihi / Karakia

**Nicola Ngarewa, Chair of Council**



# Today's agenda

**Lesley Hoskin, Chief Executive**

- Mihi / Karakia
- Recap of April's hui
- Next steps for consultation on fee's:
  - where things stand for the Council
  - update on the Amendment Bill
  - financial overview
  - next steps: Council's proposed approach to consultation on fees and levies / consultation on 2022-2027 strategic plan
  - seeking your feedback on the way forward.
- Quick Update
  - 2022 Council elections
- Aiming to finish around 3.30pm

# Recap of April's Hui

- Conduct and competence processes
- Adding value
- ECE equity
- New Zealand Education Strategy
- Relevant communications
- Initial Teacher Education
- Coaching / mentoring
- Professional development

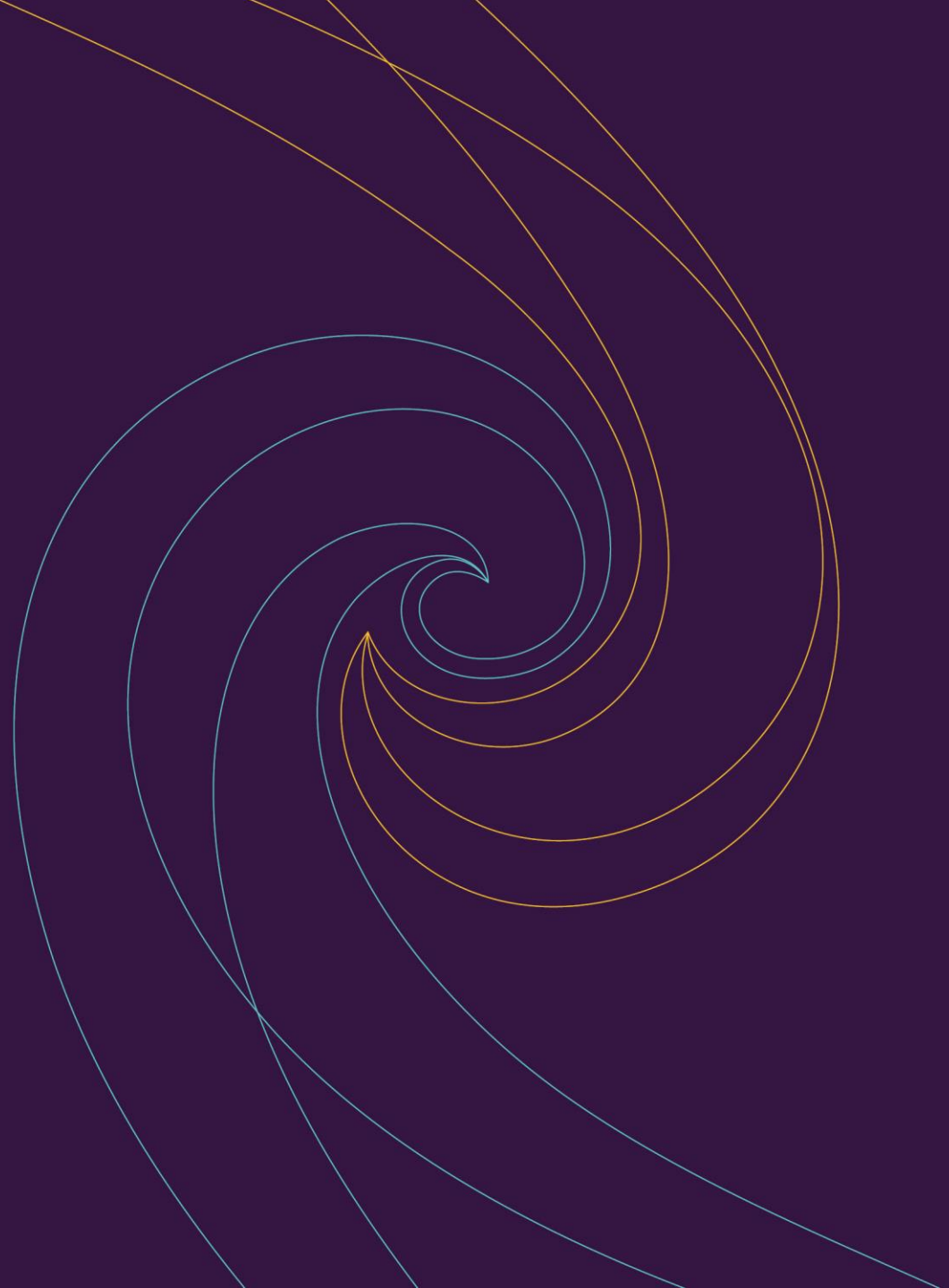
**Patrick Walsh, Deputy Chair**





# Where things stand for the Teaching Council

**Lesley Hoskin, Chief Executive**



# Where things stand for the Teaching Council

- Currently a Bill is in the house, however the government has indicated that costs related to Council's first three functions for leaders would not be funded through fees or levies to teachers
- We have a approx. 54% shortfall in revenue, and are using our reserves to cover this at present
- The Governing Council must ensure the organisation remains solvent and able to continue to deliver all of its statutory functions
- We've been advised that government won't provide further funding for the core functions of the Teaching Council, and that the Minister expects teacher fees / levies to cover these
- Fees were not meeting costs prior to when we consulted in 2017
- If 2010 (current) fees were inflation indexed, they would be at least 33% higher in 2021
- Fees and levies should be adjusted more frequently going forward so that savings or cost increases can be manageably passed on to teachers
- We have sufficient reserves to continue operating as we are until May / June 2022

# **Update on the Education and Training Act (Teaching Council fees and costs) Amendment Bill**

**Patrick Walsh, Deputy Chair  
Pauline Barnes, Deputy Chief Executive Professional  
Services**



# Why is the law being changed?

## Inability to charge a fee for all functions

- Since 2002 there has been a misalignment in the Act between the statutory functions that the Council must perform and the powers that enable the Council to charge fees for those functions
- Note that the misalignment isn't just recently added "professional" functions but also includes some long standing "regulatory" functions
- The current fee setting powers do not allow for a bundled fee to be charged
- So, the Council is caught in the untenable position of being required to deliver functions without any ability to fund those functions

# Why is the law being changed?

**All fees since 2002 have effectively been illegal**

- The J Churchman judgment quashed the \$157 per annum fee that was effective 1 February 2021 which effectively meant that the previous fee of \$220.80 for three years was reinstated
- However, the Council's fee has not been set within its legal powers since 2002
- So, the Bill is seeking to retrospectively validate those past fees so that the Council is not exposed to the risk of further legal challenge
- The retrospective part of the Bill is NOT validating the \$157 that the court quashed

# Why is the law being changed?

## Enabling simplified transition

- The Bill allows the \$157 paid for by some teachers between 1 February 2021 and July 2021 to be validated as part payment of the reinstated \$220 for three years
- This means the Council doesn't have to refund \$157 and then collect \$220. We're still working through how to collect or refund this
- In preparation for the future possibility of establishing payment by instalments, the Bill adds the ability for the Council to collect any unpaid fees as a debt, and also to cancel a PC for unpaid fees

# Select Committee Report

## Recommended changes:

- The Select Committee has recommended changes to the Bill
- Suggests a levy setting power, recognising that a fee is for a good or service, but a levy is more appropriate for a service that is provided to a community as a whole, e.g. Council disciplinary functions
- Ensuring the Council doesn't set unreasonable fees or levies by limiting fees and levies to "actual and reasonable" costs
- Explicitly requiring consultation before setting fees and levies, considering views presented with an open mind and giving those views due consideration

# Next steps

- The Minister intends to also lodge a Supplementary Order Paper (SOP) that will propose further amendments to the Bill related to leadership
- The SOP will make explicit in the legislation that costs related to Council's leadership functions would not be funded through fees or levies to teachers, but instead by Government through agreement with the Minister
- This change is in response to the misunderstanding that appears to be widespread, that teacher fees are currently paying for leadership
- The Bill is expected to progress through the House in late October 2021



# Financial overview

**Michael Rondel, Chair of Risk, Audit, and  
Finance Committee**

**Clive Jones, Deputy Chief Executive Operational  
Services**

# Financial overview

FY2021-22 Budget	\$ (approx.)	%
Costs proposed to be paid by teachers*	\$17m	100%
Revenue from teacher fees	\$8m	47%
Operating deficit	(\$9m)	53%

\* After recoveries, costs awards, and ongoing Government grants

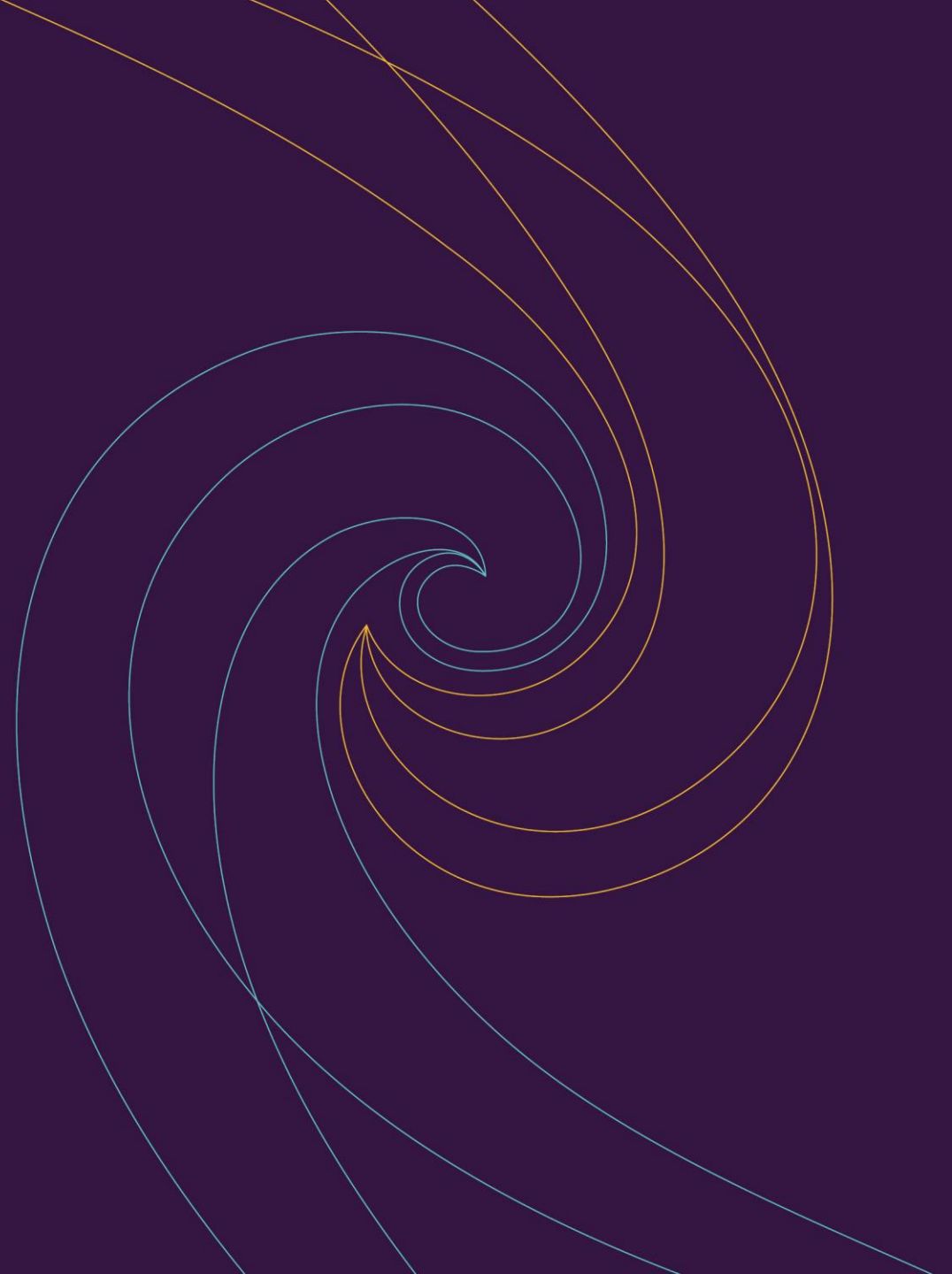
Net Costs by function	\$ (approx.)	%
Conduct	\$7.3m	43%
Competence	\$1.5m	9%
Registration	\$4.7m	28%
ITE	\$1.8m	11%
Code & Standards	\$0.8m	6%
Leadership Centre	\$0.0m	0%
Other	\$0.5m	3%
<b>Total</b>	<b>\$17m</b>	<b>100%</b>

# Examples of recent cost reduction / efficiency initiatives

Initiative	Benefits for teachers	Benefits for Council
Online Services Project (Hapori Matatū)	<ul style="list-style-type: none"><li>• online applications for registration / certification</li><li>• reduced waiting time for processing (20 working days -&gt; 5 working days)</li></ul>	<ul style="list-style-type: none"><li>• 5.0 FTE reduction in headcount</li><li>• less paper handling / rework</li></ul>
Management review	<ul style="list-style-type: none"><li>• more efficient use of fees</li></ul>	<ul style="list-style-type: none"><li>• 2.0 FTE reduction in management personnel</li></ul>
Access to all of Government purchasing arrangements	<ul style="list-style-type: none"><li>• more efficient use of fees</li></ul>	<ul style="list-style-type: none"><li>• lower costs for travel, legal advice for CAC/DT etc.</li></ul>
Space rationalisation	<ul style="list-style-type: none"><li>• more efficient use of fees</li></ul>	<ul style="list-style-type: none"><li>• office space used by staff reduced by 30%</li><li>• reduced earthquake risk</li></ul>
Review of conduct and competence processes (ongoing)	<ul style="list-style-type: none"><li>• more efficient use of fees</li><li>• improving fairness, justness and equity of processes</li></ul>	<ul style="list-style-type: none"><li>• less complaints and mandatory reports referred to DT</li><li>• better upfront evaluation</li></ul>

# **Next steps: Council's proposed approach to consultation on fees and levies**

**Tamahau Rowe, Tātai Heke Māori**



# Principles

## Principles for consultation

- The Teaching Council will undertake consultation on fees consistent with our values of manaakitanga, pono, whakamana and whanaungatanga
- The scope of the consultation will be limited to matters within the direct control of the Council
- Fees and levies should reflect actual and reasonable costs
- Consultation will include seeking feedback on appropriate service levels and options for ‘user-pays’ approaches



# Fees and levies consultation plan



- We're thinking about a two-step consultation process:
  - Step one: share | listen | shape
    - extensively engage with stakeholders, peak bodies, and community groups to share information, get feedback, and shape proposals for consultation with all teachers
    - give teachers the opportunity to have a say on the level of services to be provided
  - Step two: ask | respond
    - undertake a formal consultation process with all teachers based on the outcomes of step one

# Key dates

- Early October 2021: Inform teachers of the next steps and process
- October & November 2021: Engage with stakeholders, peak bodies, and community groups to develop proposals for fees and levies
- 28 October 2021: Third reading of the bill in Parliament
- November 2021: Inform teachers on draft proposals for fees and levies
- November 2021 to early April: period for feedback on proposals
- Late April 2022: Consider feedback and make decisions on fees and levies
- May 2022: Any changes to fees and levies implemented

# Consultation on 2022-2027 strategic plan

- By June 2022, following consultation with teachers, the Government, and the public, the Teaching Council must publish a report setting out its strategic direction for the next 5 years
- We're interested in hearing your thoughts on how this process could best fit alongside any consultation on future fees
- We're also interested in hearing your thoughts on how to make this a useful process in the context of the Council's mandatory and potentially optional functions

# **In breakout rooms**

## **We want your thoughts on:**

- 1. the proposed approach to consultation**
- 2. the best ways to consult with teachers on fees and levies**
- 3. how best to support teachers through the process**

**A Teaching Council Manager will help facilitate and take notes, please nominate someone to report back at the end of the session**





# 2022 Elections

# 2022 Elections

- Elections for Council's 7 elected members are about to occur
- Notice of elections / call for nominations on 1 November 2021
- Voting opens 8 February 2022
- Voting closes / results announced 28 February 2022
- Elected members begin their 3-year term of office on 1 July 2022

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