

Benchmarking Operating Costs  
Teaching Council of Aotearoa New Zealand



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4 March 2025

Dear Ian,

## Benchmarking Report


Deloitte has been asked to benchmark The Teaching Council of Aotearoa New Zealand's (**you**, the **Client**, or **the Council**) operational costs with publicly available information for a small number of similar organisations. You requested this report (the **Report**) as part of your preparations for consultation on proposed fees and levies under Section 479(1) of the Education and Training Act 2020.

This report follows our work with the Council in 2022, which included benchmarking with the same comparator organisations. Note all organisations in this report have different sets of responsibilities and functions, and this provides importance context and limitations for interpreting benchmarking.

We have relied on publicly available data throughout, and information for the 2023 financial year is the most recent that was commonly available.

Overall, the benchmarking shows very similar results to 2022 benchmarks, with the Council maintaining close comparability with Australian counterparts (refer page 9) in particular. We note the Council's growth in costs between 2018 and 2023 financial years has been the lowest of the organisations in this report (refer page 10). The Council's legal costs continue to be an outlier (refer page 12).

Yours sincerely



**Jane Fraser-Jones**

Partner

for Deloitte Limited (as trustee for the Deloitte Trading Trust)



# Introduction

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# Introduction | Background

The purpose of this benchmarking report is to compare the Council's operating costs with a range of analogous organisations.

## Background

- The Council is the professional body for teachers. The Council works with and for registered and certificated teachers in New Zealand, in early childhood, primary and secondary schooling and in English and Māori-medium settings.
- The purpose of the Council is set out under section 478 of the Education and Training Act 2020 (ETA), which is to ensure safe and high-quality leadership, teaching and learning for children and young people, by ensuring teachers are competent, fit to practice and accountable for the way in which they teach.
- As per section 479 of the ETA, the Council is responsible for:
  - Registering and certificating New Zealand teachers
  - Keeping a register of all teachers
  - Protecting the reputation of the teaching profession
  - Setting standards for teaching practice and behaviour
  - Promoting continuous learning for teachers so their skills are up to date
  - Enhancing leadership for all teachers
  - Managing concerns about conduct or competence
  - Making sure teacher students and new teachers get the right training (by approving and monitoring (Initial Teacher Education).
- The purpose of this report is to benchmark with a range of analogous organisations to provide quantitative comparisons. Such comparisons may highlight issues or opportunities with the Council's cost base, though it is not in the scope of this report to explore such issues or opportunities.
- The benchmarking includes a comparison of legal costs as a specific category, because this area has continued to be a focus for management attention.

## Teaching Council of Aotearoa New Zealand

Registration and Certification

Keeps register of all teachers

Protects reputation of teaching profession

Standards for teaching practice and behaviour

Continuous learning for teachers

Enhanced leadership for teachers

Concerns about conduct or competence

Monitors teacher training

Responsibilities as per section 479 of ETA



# Introduction | Our Approach

We have benchmarked the Council's operating costs with publicly available information from the same set of comparator organisations as the 2022 report.

## Our Approach

- We have benchmarked the Council's organisational costs with publicly available information from other relevant professional bodies and organisations. This has included specific comparisons with various Australian teaching professional bodies. The set of comparator organisations is the same as the 2022 report.
- We identified these organisations (refer table on the right) as appropriate comparable benchmarks in consultation with the Council.
- We have used comparative information obtained from the relevant organisations' annual reports in FY21, FY22 and FY23, averaged over the three-year period. FY23 information was the most recent financial year commonly available.
- Comparison information for Council comes from its annual reports and specific information provided in relation to average salaries for some types of role. Cost comparisons made include total costs per member, total costs per full-time employee (**FTE**), average personnel costs (salary), and external legal fees.
- We highlight that the selected organisations do not have identical sets of responsibilities and functions, and this provides important context for benchmarking. Each organisation is unique, and we therefore do not expect exact matches from benchmarking results, but rather an indication of whether there may be unusual costs or features.
- The purpose of this approach was to highlight consistencies or significant discrepancies between the Council's costs and those of other organisations. All currency values are expressed in New Zealand Dollars (NZD), and where appropriate an exchange rate of 1.10 NZD/AUD has been applied.
- Note the table to the right also provides the abbreviations used for comparator organisations in the remainder of this report.

## Comparator Organisations

| Organisation  | Avg Members<br>(2021-2023) | Avg FTEs<br>(2021-2023) | Head Office    |
|---|----------------------------|-------------------------|----------------|
| Teaching Council of Aotearoa NZ                                 | 110,282                    | 102.5                   | Wellington, NZ |
| Queensland College of Teachers (QCT)                            | 114,903                    | 69.9                    | Brisbane, QLD  |
| Victoria Institute of Teaching (VIT)                            | 142,088                    | 94.1                    | Melbourne, VIC |
| Teachers Registration Board of South Australia (TRBSA)          | 35,911                     | N/A                     | Adelaide, SA   |
| NSW Education Standards Authority (NESA)                        | 169,333                    | N/A                     | Sydney, NSW    |
| Australian Institute for Teaching and School Leadership (AITSL) | 515,000                    | 69.0                    | Melbourne, VIC |
| Nursing Council (NCNZ)  | 65,948                     | N/A                     | Wellington, NZ |
| Chartered Accounts Australia and New Zealand (CAANZ)            | 134,274                    | 480.0                   | Sydney, NSW    |
| NZ Registered Architects Board (NZRAB)                          | 2,204                      | 5.4                     | Wellington, NZ |
| Social Workers Registration Board (SWRB)                        | 11,193                     | 34.0                    | Wellington, NZ |
| Midwifery Council (MCNZ)  | 3,430                      | 8.0                     | Wellington, NZ |
| Pharmacy Council (PCNZ)   | 4,197                      | 12.3                    | Wellington, NZ |

Source: Annual Reports, Deloitte Analysis



# Benchmarking

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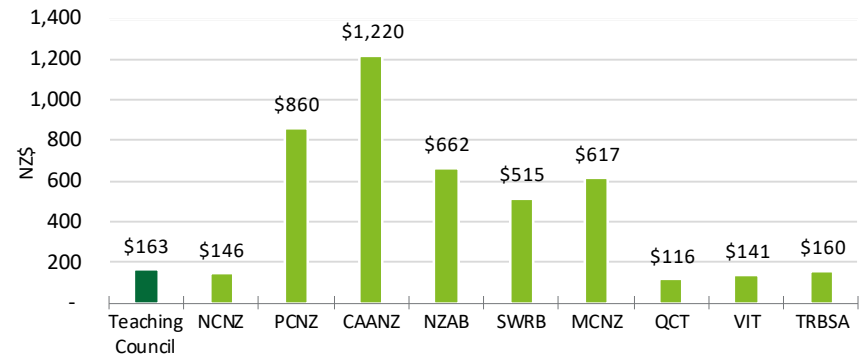
# Benchmarking | Total Costs

The Council is part of a group of organisations with total operating costs per member below \$200, and there are other organisations with costs several multiples higher.

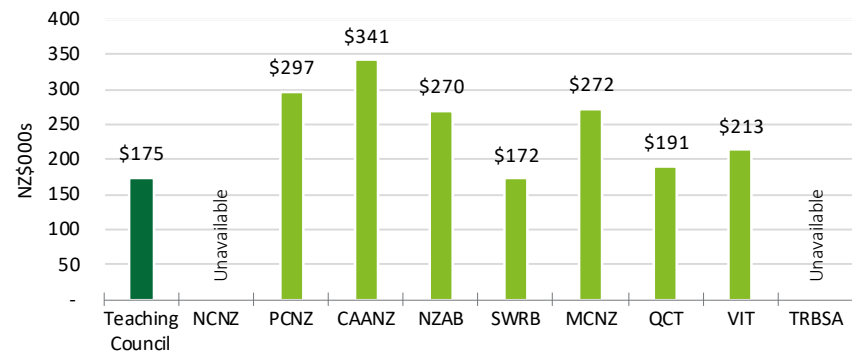
## Summary

- Figure 1 opposite (top) presents the average total operating costs per member for the Council and comparator organisations from FY21 to FY23. The Council's costs per member are significantly lower than many other professional bodies such as CAANZ and PCNZ, and more comparable to NCNZ in New Zealand.
- The costs per member are higher than for QCT, VIT and TRBSA in Australia, and this may reflect the Council's greater scope of role as a nationwide organisation. Page 9 provides specific consideration of this point.
- As illustrated in Figure 2 opposite (bottom), the Council's average total cost per FTE is very similar to SWRB and QCT and noticeably lower than CAANZ, PCNZ, NZAB and MCNZ. We note that the Council's total number of FTEs has remained relatively flat at c. 103 over the period.
- We highlight that these results largely align with our benchmarking in 2022, where we took the average total cost per member from 2018 to 2020. Just like in 2022, the Council's total costs per member were significantly below PCNZ, CAANZ, NZRAB, SWRB, and MCNZ.
- The Council's average cost per FTE from 2018 to 2020 was also below PCNZ, CAANZ, and NZRAB.
- We note that FTE data was unavailable for NCNZ and TRBSA from FY21 to FY23.

**Figure 1: Total Costs/Member 3yr Avg (FY21-FY23)**



**Figure 2: Total Cost/FTE 3yr Avg**





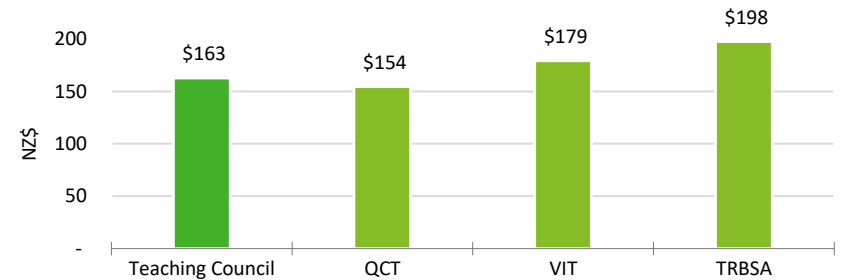
## Benchmarking | Total Costs

Total cost comparisons with some of the Australian counterparts can be enhanced by allocating a portion of AITSL costs.

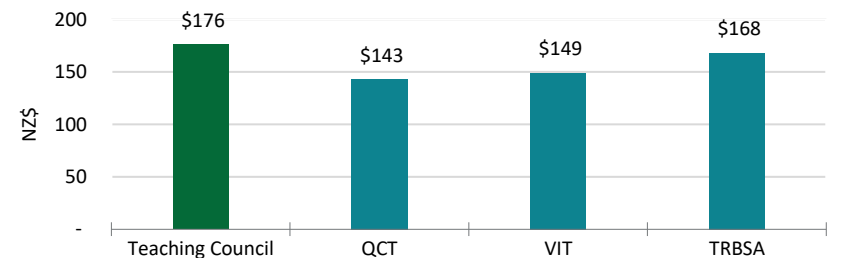
### Summary

- The Council, QCT, VIT and TRBSA are members of ATRA (the collective of Australasian Teacher Regulatory Authorities).
- To assess the relatively higher costs of the Council compared to QCT, VIT and TRBSA, we recognised that these State organisations do not carry out the full role as the Council does here in New Zealand.
- Therefore, we carried out an additional comparison for the Australian State-based organisations, with an allocation of AITSL costs to each, to approximate a better like-for-like comparison.
- As shown in Figure 3 opposite (top), making an additional allowance for AITSL costs in the comparison results in more similar total costs per member across the Council and the three Australian organisations.
- Figure 4 opposite (bottom) shows these results for the FY18-FY20 period from the 2022 report. Over that earlier period, the Council's cost per member was somewhat higher than the Australian organisations, whereas in this more recent period its costs are the second lowest.
- Unlike the three Australian organisations, the Council's average cost per member has slightly reduced between FY18-FY20 and FY21-FY23.

**Figure 3: Total Costs/Member 3 yr Avg (FY21-FY23) - with Australian State-based organisations (ATRA) including an allocation of AITSL costs**



**Figure 4: Total Costs/Member 3 yr Avg (FY18-FY20) - with Australian State-based organisations (ATRA) including an allocation of AITSL costs**





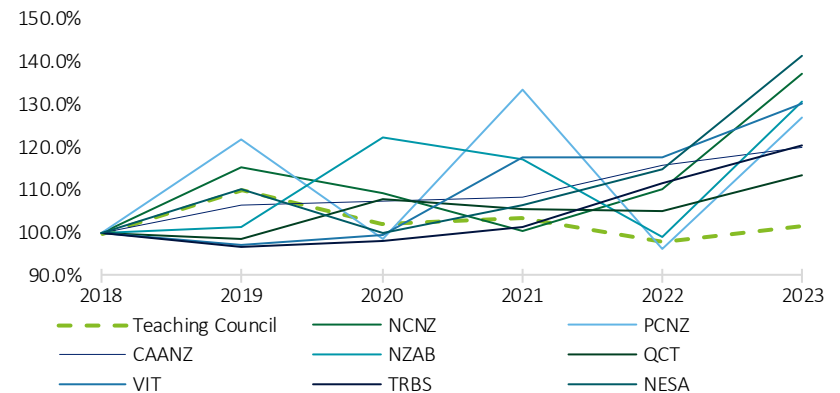
## Benchmarking | Total Costs

The Council's total operating costs increased by 1.6% from FY18 to FY23. This relatively flat escalation contrasts with the comparator organisations, which have all increased by a greater percentage, in both absolute and per member terms.

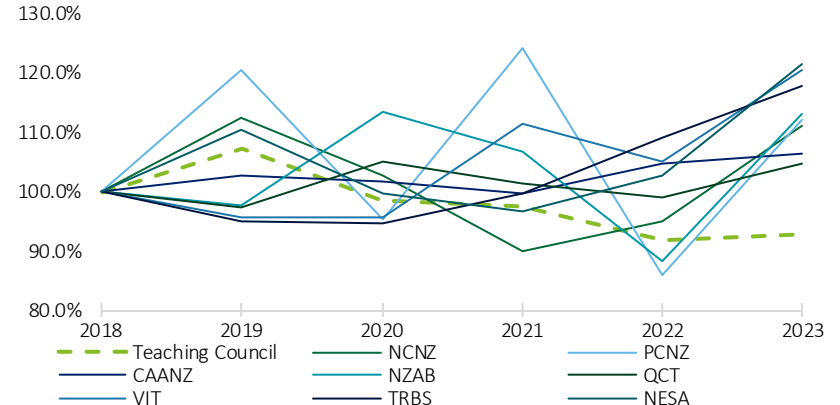
### Summary

- Figure 5 opposite (top) presents the cumulative percentage total cost growth for the Council and comparator organisations from FY18 to FY23.
- We highlight that the Council's total costs have increased 1.6% from FY18 to FY23. This relatively flat escalation contrasts with the comparator organisations, which have all steadily increased over the historical period.
- Figure 6 opposite (bottom) presents the cumulative percentage total cost growth per member for the Council and comparator organisations from FY18 to FY23.
- Unlike the comparator organisations, the Council's total costs per member have decreased over the historical period. Given that total costs increased slightly, this is due to those costs being spread across an increased number of members.

**Figure 5: Total Costs Cumulative Growth**



**Figure 6: Total Costs/Member Cumulative Growth**





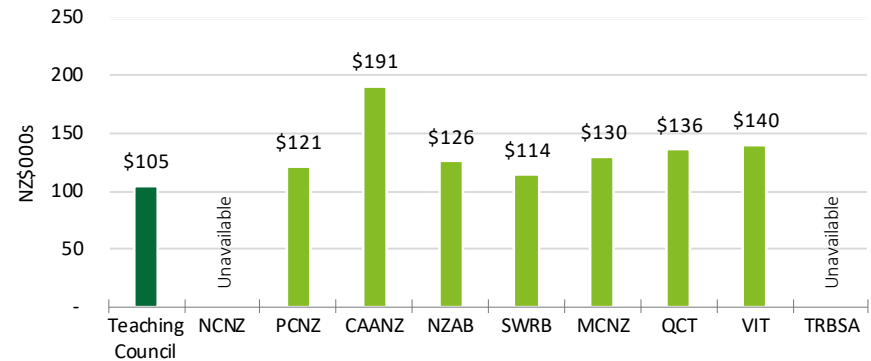
# Benchmarking | Personnel Costs

Average personnel costs per FTE incurred by the Council are somewhat lower than most comparisons.

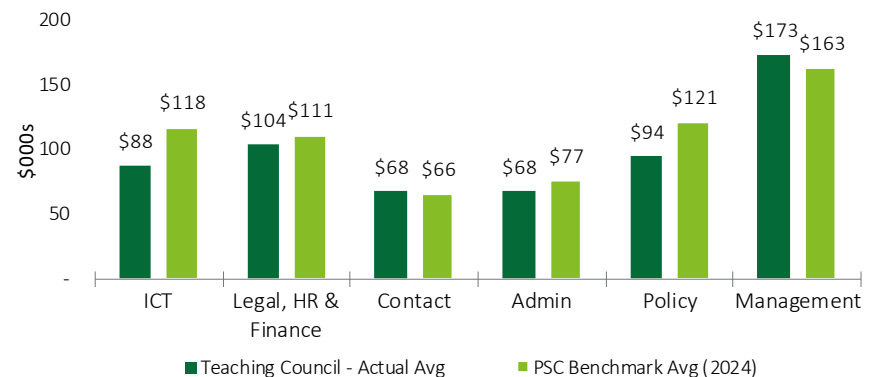
## Summary

- Figure 7 opposite (top) presents the average personnel costs per FTE from FY21 to FY23. Average personnel costs per FTE incurred by the Council are slightly below other New Zealand-based organisations and Australian organisations
- Council salaries are relatively comparable to other agencies within the public sector (per Public Sector Commission 2024 data) across six occupation types (Figure 8).
- The Council’s average salaries for Management are somewhat higher than the public sector average, which is consistent with our benchmarking observations in 2022. We understand the public sector average for Management includes all staff who have staff reporting to them – i.e. would include managers and team leaders at Tier 5 and even Tier 6 in large public sector organisations. The Council figures reflect a smaller organisation with fewer reporting Tiers.
- The average salaries for ICT and Policy roles at the Council are more than 20% lower than the public sector average, while the other roles (Legal, HR & Finance; Contact Centre) are much more similar to the public sector averages.
- We note in the 2022 report the average salaries were closer to the public sector averages, with less than a \$10,000 difference across all occupation types with the exception of Management (which was a \$21,000 difference at the time).

**Figure 7: Personnel Cost/FTE 3yr Avg (FY21-FY23)**



**Figure 8: Teaching Council’s salary compared to other public sector entities for occupation types**



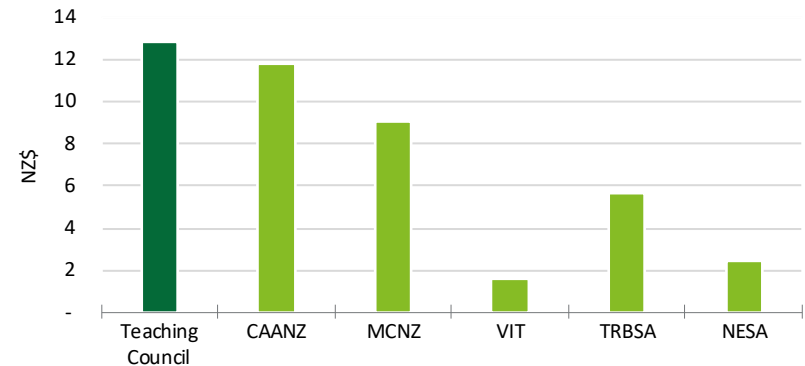
# Benchmarking | Legal Fees

Benchmarking the Council's external legal fees incurred per member, and as a percentage of total costs, suggests the Council's legal costs are relatively high.

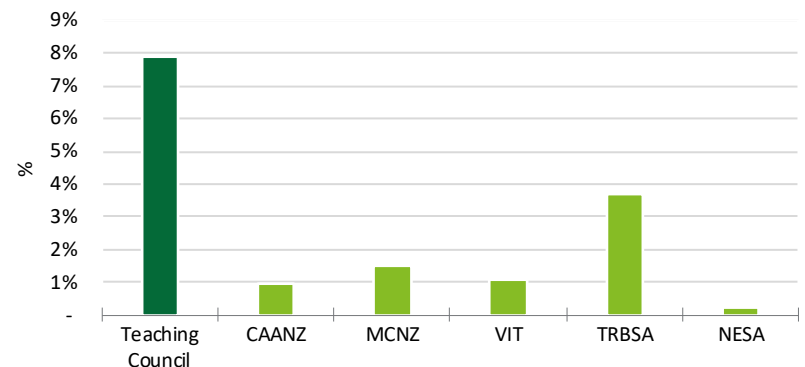
## Summary

- We selected legal fees as a cost category for benchmarking, given this is a significant area of expenditure for the Council's Professional Responsibility area in particular.
- Figure 9 opposite (top) presents the average legal fees per member from FY21 to FY23. Figure 10 (opposite) bottom presents average legal fees as a percentage of total costs over the same period.
- We note that benchmarking the Council's external legal fees incurred per member, and as a percentage of total costs, suggests the Council's costs are relatively high.
- This observations aligns with our 2022 benchmarking. However, legal fees from FY18-F20 only made up 5.25% of total costs compared to 7.59% from FY21-FY23.
- We understand Council has engaged an independent party to review its Professional Responsibility function, and is seeking to implement changes to reduce legal fees in the medium term.

**Figure 9: Legal Fees/Member 3yr Avg (FY21-FY23)**



**Figure 10: Legal Fees as a % of Total Costs 3yr Avg (FY21-FY23)**





# Appendices

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# Appendices | A1: Disclaimer and Limitations

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# Appendices | A2: Comparator Organisations

## List of Comparator Organisations

### Comparator Organisations

- **Queensland College of Teachers (QCT)** has responsibilities for registration, certification and professional conduct in Queensland, Australia.
- **Victoria Institute of Teaching (VIT)** provides registration, certification and professional conduct services to teachers in Victoria, Australia.
- **Teachers Registration Board of South Australia (TRBSA)** provides registration, certification and professional conduct services to teachers in South Australia.
- **NSW Education Standards Authority (NESA)** is responsible for monitoring the quality of teaching, assessment and schools in New South Wales, Australia. Additionally, NESA is tasked with the provision of the curriculum for school children from kindergarten to year 12 in the state.
- **Australian Institute for Teaching and School Leadership (AITSL)** provides professional development and standards functions to the Australian teaching body. The combined functions of AITSL and state bodies are similar to those of the New Zealand Teaching Council.
- **Nursing Council (NCNZ)** provides registration, competence, certification and conduct functions to the Nursing profession in New Zealand.
- **Chartered Accounts Australia and New Zealand (CAANZ)** provides registration, certification, conduct, professional development and professional standards functions to the Accounting profession in Australia and New Zealand.
- **NZ Registered Architects Board (NZRAB)** provides registration and conduct functions to the Architecture profession in New Zealand.
- **Social Workers Registration Board (SWRB)** provides registration, certification, professional development and conduct functions to Social Workers in New Zealand.

### Comparator Organisations (continued).

- **Midwifery Council (MCNZ)** provides registration, accreditation, competence, conduct and professional development functions to the Midwifery profession in New Zealand.
- **Pharmacy Council (PCNZ)** provides registration, competence and professional development functions to the Pharmacy profession in New Zealand.



# Appendices | A3: Glossary

## Glossary of terms

|                    |  |
|--------------------|--|
| <b>AITSL</b>       | Australian Institute for Teaching and School Leadership                              |
| <b>CAANZ</b>       | Benchmarking Administrative and Support Services                                     |
| <b>ETA</b>         | Chartered Accountants Australia and New Zealand                                      |
| <b>FY</b>          | Education and Training Act 2020  |
| <b>MCNZ</b>        | Midwifery Council  |
| <b>NCNZ</b>        | Nursing Council of New Zealand   |
| <b>NESA</b>        | NSW Education Standards Authority  |
| <b>NZRAB</b>       | New Zealand Registered Architects Board  |
| <b>PCNZ</b>        | Pharmacy Council of New Zealand  |
| <b>QCT</b>         | Queensland College of Teachers   |
| <b>SWRB</b>        | Social Workers Registration Board  |
| <b>The Bill</b>    | The Education and Training (Teaching Council Fees, Levies, and Costs) Amendment Bill |
| <b>The Council</b> | Teaching Council of Aotearoa New Zealand   |
| <b>TRBSA</b>       | Teachers Registration Board of South Australia                                       |
| <b>VIT</b>         | Victoria Institute of Teaching   |



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