

Proposed changes to fees & levy for 2025-2028 for consultation

5 March 2025



**Teaching
Council of
Aotearoa
New Zealand**

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Proposed changes to fees & levy for 2025-2028 for consultation

We set and collect fees and a levy to pay for the functions we must carry out for the teaching profession. We are proposing some changes, including an increase to the renewal of a practising certificate fees and levy for the 2025-2028 period from \$464.37 to \$501.74. We are also proposing increases to the cost of an overseas teacher application, and for the cost of applying for a review of a decision where the applicant did not meet the criteria for registration or certification. See Table 1 below for more information.

Introduction

Strengthening the mana of the teaching profession is crucial to ensuring teachers can and do continue to change lives and positively impact our society. This is at the centre of everything that we do as set out in our current [Strategic Plan](#). Teaching is one of the most influential professions, shaping the minds and futures of generations to come. At the heart of every thriving community lies a strong teaching profession, built on the dedication, expertise, and passion of teachers who inspire and empower their learners.

In carrying out our role, we support the teaching profession to uphold high standards of quality and safety and provide a range of essential services for teachers, including a Contact Centre.

This consultation seeks your feedback on proposed fees and a levy for the next three years from 1 July 2025. The adjustments are aimed at ensuring we have sufficient funding to meet the actual and reasonable costs, as required in law, of delivering our functions:

- Following cost increases due to inflation
- Responding to changes we have experienced over the last three years in the volume of applications and costs of the functions we are required to provide.

We value your voice in this process. Your feedback is critical in ensuring that we hear and can consider your views and any concerns when we come to make decisions about the practising certificate fees and levy (and other charges) for the 2025-2028 period.

The Governing Council will consider your feedback, alongside the requirement for them to set fees and a levy for the next three-year period, that ensure the Council can continue to meet its legislative requirements.

While we acknowledge other professions allow the employer to pay their practising certificate or membership fee, that is not the case in education. The Collective Agreements determine the benefits allowed to be paid, and at this time, fees and levy are not included. However, we are not consulting on 'who should pay the fees and levy', but rather, have we considered everything we need to, in relation to the proposed changes.

We are seeking your views in relation to these proposals

We must consult the profession, receive and take your views into account before deciding what fees and levy we charge. The proposal is based on financial forecasts, informed by our experience of actual costs required to fulfil all our statutory functions, as well as forecasted future impacts such as inflation (using Reserve Bank forecasts). We believe the proposed increase to the practising certificate fees and levy to apply from 1 July 2025 – 30 June 2028 is in line with forecast inflation and other cost adjustments, and we have tried to mitigate the impact of the changes by allocating \$0.5m of surplus reserves to partially offset these inflationary increases.

The Governing Council invites your feedback to understand your perspectives to help with its decision-making. Some of the proposals are inter-related, for example if a user-pays approach to panel fees is not supported then we would have to recover costs from the whole profession, which would change the fee structure slightly. We have used a sliding scale to make it easier for you to indicate the strength of your views, but this is optional and you are welcome to provide detailed feedback as well as (or instead of) using the scale if you prefer.

Proposed increases in fees and levy for the next three years linked to inflation

We are proposing an increase to the combined fees and levy to apply for or renew a practising certificate from \$464.37 to \$501.74 for the next three years. This is around 8% more than the fee and levy set in 2022 and reflects the impact of inflation (using Reserve bank of New Zealand forecasts) in the three years to June 2028, as well as changes in the Teaching Council's operations, and increased costs e.g., legal costs related to conduct matters.

In addition, we are also proposing to:

- increase the application fee of a Limited Authority to Teach (LAT) to reflect actual processing costs
- increase the fee charged to overseas applicants to reflect the actual cost incurred in processing these applications in a timely manner following a material increase in the number of such applications
- introduce a new fee for applicants wishing to have the Council decision to not award registration or certification, reviewed by a panel such as the Discretionary Pathways or Registration Panels to shift this to a 'user pays' approach following a material increase in the number of such applications.

The Governing Council has decided to release a portion of our financial reserves to partially offset the increases resulting from inflation in recognition of the current financial pressures faced by many teachers. Table 1 below shows the current and proposed new charges for the next three years.

Table 1: Current and proposed new charges for the next three years

Breakdown of charges by certificate or application type	Current fee (incl. GST)	Proposed fee (incl. GST)	% increase for the next three-year period	Current levy (incl. GST)	Proposed levy (incl. GST)	% increase for the next three-year period	Current fee & levy (incl. GST)	Proposed fee & levy (incl. GST)	% increase for the next three-year period
To renew a practising certificate	\$128.96	\$126.44	(-2.0%)	\$335.41	\$375.30	11.9%	\$464.37	\$501.74	8.0%
To issue a new practising certificate	\$128.96	\$126.44	(-2.0%)	\$335.41	\$375.30	11.9%	\$464.37	\$501.74	8.0%
To move from provisional to full certification ¹	\$176.96	\$178.28	1.0%	\$335.41	\$375.30	11.9%	\$512.37	\$553.58	8.0%
For registration only i.e., a practising certificate is not issued	\$128.96	\$126.44	(-2.0%)	-	-	-	\$128.96	\$126.44	(-2.0%)
For a three-year Limited Authority to Teach ²	\$128.96	\$126.44	(-2.0%)	\$224.91	\$267.19	18.8%	\$353.87	\$393.63	11.2%
Overseas teacher application for a new practising certificate (with no government subsidy)	\$228.96	\$471.44	105.9%	\$335.41	\$375.30	11.9%	\$564.37	\$846.74	50.0%
Late fee (no change)	\$50.00	\$50.00	-	-	-	-	\$50.00	\$50.00	0%
Apply for a review of a decision by Registration or Discretionary Pathway Panel (new fee)	-	\$540.00	New fee	-	-	-	\$0.00	\$540.00	New fee

Note that the Teaching Council estimates the actual and reasonable costs to deliver its statutory functions. These costs are allocated to the different functions either directly or indirectly. Changes in the allocations between 2022 and 2025 have resulted in the fee (covering the cost of the registration function) reducing slightly and the levy (covering the cost of all other functions) increasing:

¹ If a teacher moving from provisional to full certification does so before their provisional certificate expires, the levy that they pay on their first full practising certificate is reduced. This will vary from application to application. The fee & levy listed above assumes that there is no reduction in the levy.

² The fees for a 1 or 2 year LAT are one-third or two-thirds respectively of the 3-year LAT fee.

What is the difference between a fee and a levy?

- A **fee** is a charge for a good or service provided directly to someone. An example of a fee is the charge associated with processing an individual teacher's application for a new practising certificate.
- A **levy** is a charge imposed on a group, often for services that are a general cost for the whole group. An example is the levy that we charge for the costs of conduct and competence responsibilities. Think of this as a bit like insurance – everyone pays a little bit, even though only some will ever need to access the services provided. Making this a general cost to the whole profession recognises that it is in the profession's interests to retain collective responsibility for managing conduct and competence processes.

How do we calculate the proposed practising certificate fees and levy?

Using the forecasted Teaching Council expenditure for the next three financial years 2025 to 2028, and the expected number of applications that we will process over this period, we calculate the fee and levy that we will need to charge each teacher to recover those costs. We must base our forecasted expenditure on what is 'actual and reasonable', and we do not set the practising certificate fee and levy with the intention of making a surplus. We also commit to reviewing the income and expenditure at the end of a fee and levy setting period to test the assumptions we made when forecasting our expenditure. The fee and levy are not reviewed again for three years. Further information on this process is available in a companion document, together with Q&As.

What's changed since 2022?

There are several factors that we have considered in calculating the proposed changes, including:

- Inflation between 2022 – 2025 was higher than we expected when setting the fees and levy in July 2022. We also need to factor projected inflation between July 2025 and June 2028.³ We recognise the financial pressures across the board because of inflation and have tried to offset some of the impact of inflation in the 2025-2028 fees and levy period using \$0.5m of surplus reserves (more information below).
- There have been some changes to our expenses (mostly increases, but there were also some decreases). We therefore need to adjust the fees and levy to reflect these changes and ensure that they reflect our actual and reasonable costs. One significant increase relates to our legal costs associated to conduct matters. This is a combination of increases in the rates charged by external legal providers and savings following the law change in 2023 not occurring as quickly as we expected.⁴ Our modelling for legal expenses incorporates a reduction in legal costs from 2026/2027.
- The volume of applications⁵. We are forecasting an increase in the number of applications compared with the last fee and levy setting period in line with the increasing number of teachers. Economies of scale should mean that the predicted increase in volume results in a small decrease in the average cost of processing each application, and we have factored this into our estimates.
- The decision by the Teaching Council in September 2023 that teachers moving from provisional to full certification would not pay the levy related to the remaining period of their provisional certificate. Receiving less levy income from this application type means more levy income is required from other applications.
- Overseas teachers paying the full cost of their application processing⁶.

³ Inflation calculations are based on Reserve Bank of New Zealand forecasts.

⁴ Only matters that are likely to have a decision of cancellation or suspension of registration or certification are now required to go to the Disciplinary Tribunal. The Complaints Assessment Committee can now make decisions on serious misconduct matters. However, there is a 'tail' of cases which are still working through the system under the previous rules.

⁵ As noted in the section 'how do we calculate the proposed practising certificate fees and levy?' the volume of applications is a key input into calculating the individual practising certificate fee and levy.

⁶ The government is currently funding additional staff to improve processing times for overseas applications. However, this funding is only assured until 30 June 2025. This proposed increase maintains faster processing without government funding.

- The introduction of a new fee for reviewing applications by our Registration Panels for teachers who choose to have their application reviewed.⁷

Did we get the practising certificate fees and levy set in 2022 right?

The practising certificate fees and levy set in 2022 for the 2022-2025 period was based on the estimated costs to deliver our functions and the estimated volume of applications. We have reviewed these estimates and are confident that the fees and levy we set in 2022 will not result in us collecting more revenue than needed from teachers.

The table below compares the income and expenditure used to set the 2022-2025 practising certificate fees and levy with our forecast income and expenditure for the same period (using actual income and expenditure for 2022-23 and 2023-24 plus a forecast for 2024-25).

This shows that although the Teaching Council received more revenue than forecast from sources other than the fees and levy, primarily interest income, our expenditure was also higher than anticipated when we set the fees and levy resulting in a forecast deficit of \$1.355m. Inflation during this period was significantly higher than forecast by the Teaching Council, which increased our expenditure. This was slightly offset by an increase in the number of applications received (which has the effect of lowering the average processing cost).

The forecast deficit is mostly due to the decision to return overlapping levies paid by teachers moving from provisional to full certification prior to the expiry of their provisional certificate, and the two-week delay in implementing the previous new fees and levy in 2022⁸. The deficit is a forecast only as the third year (2024-2025) does not finish until June 2025.

Table 2: Comparison of forecast and actual income and costs 2022-2025

	Forecast revenue & expenditure for 2022-2025 \$m	Actual/budget revenue & expenditure for 2022-2025 \$m	Over / under \$m
Practising certificate revenue	\$49.859	\$48.556	(\$1.303)
Other income	\$5.615	\$8.313	\$2.698
Total income	\$55.474	\$56.869	\$1.395
Expenditure	\$55.473	\$58.223	\$2.750
Surplus/(deficit)	\$0.001	(\$1.354)	(\$1.355)

Use of surplus reserves

Like all financially prudent organisations, the Teaching Council hold reserves (held as cash or short-term investments) so that we can respond to unexpected expenses, any downturns in revenue, or other challenges and opportunities. The Governing Council regularly reviews its Reserves Policy, and the level of reserves held. Following changes to its Reserves Policy the Governing Council has proposed to release \$0.5m of reserves to reduce the impact of the increased costs noted above, which would otherwise be slightly higher. The Council wishes to receive and consider the feedback given in this consultation before making any final decision as to the allocation of these surplus reserves.

Proposed changes to charges for some teachers

Limited Authority to Teach (LAT)

We are proposing to increase the application fee and levy of a three-year Limited Authority to Teach (LAT) from \$353.87 to \$393.63. This reflects a slight decrease in the fee element, but an 18.8% increase in the levy component to better reflect the actual costs to the Council. A large part of the latter

⁷ These charges reflect the costs related to setting up a one-off panel assessment.

⁸ The new fees were implemented on 11 July 2022 rather than 1 July which had a minor effect on our income.

comes from an increase in the cost of conduct functions. Overall, the proposal represents an 11.2% increase to the fees and levy that LAT holders pay over three years, as compared to the 8.0% increase over the next three years that certificated teachers face. One- and two-year LATs are proposed to increase in proportion with the three-year LAT.

Overseas-trained teachers

We are proposing that the fee and levy for teachers from another country who are seeking to work in New Zealand will increase from \$564.37 to \$846.74. This reflects an increase of 50% from the fees and levy set in 2022. The reason for this increase is that processing these applications is more complex and time-consuming than processing an application from a New Zealand ITE programme graduate. We have seen a material increase in the number of applications from overseas-trained teachers, and we do not feel it is fair the associated cost should be spread across the profession.⁹

Applications considered by a panel

We propose to introduce a new fee of \$540 for applicants wishing to have our decision to not award registration and certification reviewed by a panel such as the Discretionary Pathway or Registration Panels. These are mostly teachers applying from overseas, whose qualifications do not meet our requirements. Currently all teachers collectively pay this cost through the standard fee and levy that they pay. This proposal will shift the cost of requesting a panel review to the teacher making that request. Again, we have noticed a material increase in the number of such applications and do not feel it is fair the associated cost should be spread across the profession.¹⁰

Want more information?

More background and technical information on how we calculate our costs and set the fees is provided in the document: Fees and Levy Changes - Further information and Q&As.

Short set of survey questions

The questions we are asking are to highlight the areas where we would find it particularly helpful to have your input, but these questions don't limit what you can say by way of feedback, and we have included a general question to remind you that all feedback is welcome and valued.

As with previous consultations we expect there to be a range of views represented in feedback. We are guided by The Treasury's guidelines on 'Setting Charges in the Public Sector' which note that consultation assists with the decision-making process but is not a negotiation or undertaking to reach an agreement.

Submissions close **5pm on 2 April 2025**. The Governing Council will consider all feedback before deciding on the fees and levy to be charged for the next three-year period. Once the Teaching Council has made its decision, the fees and levy for the 2025-2028 period will become effective from 1 July 2025, published by a notice in the New Zealand Gazette.

Consultation questions

Q1: Practising certificate fee increases (approximately equivalent to a 3% increase per year over 3 years, resulting in a total increase of 8.0%)

Context:

The Teaching Council has provided for inflation adjustments in each of the three years of approximately 3% per annum. When combined with other proposed changes,

⁹ Overseas applications are much more labour-intensive to process, for example ensuring qualifications and teaching experience from a range of different organisations are comparable and credible, verifying identity, conducting good character and police checks in many different countries, and ensuring documentation is formally certified as true copies of originals.

¹⁰ Similarly, Discretionary Pathway panels involve collation of a variety of information to demonstrate equivalent or sufficient proof of qualifications, teaching experience, appraisal material and professional development and review by an appropriately qualified panes of assessors.

such as cost savings and specific cost increases e.g., legal expenses we are proposing an overall increase for the three years of 8.0%. This would raise fees from \$464.37 to \$501.74 for new or renewing teachers, and from \$512.37 to \$553.58 for those moving from provisional to full certification.

Questions:

1. What is your response to the proposed increase for new or renewing practising certificates of approximately 3% per year each year for 3 years (to a total of 8.0%)?
2. What is your response to the proposed increase for those moving from provisional to full certification of approximately 3% per year each year for 3 years (to a total of 8.0%)?

Q2: Limited Authority to Teach (LAT) (11.2% increase)

Context:

The Teaching Council proposes increasing the fee and levy for a three-year LAT from \$353.87 to \$393.63 (11.2% increase). This reflects the forecast cost of LAT applications.

Question:

What is your response to the proposed 11.2% increase to fees and levy for a LAT?

Q3: Overseas teacher applications (50% Increase)

Context:

Processing overseas applications requires additional verification steps and higher overall costs. The proposal is to increase the fees and levy for overseas-trained teachers from \$564.37 to \$846.74, reflecting a 50% increase.

Question:

What is your response to this proposed increase to better reflect the forecast cost of overseas applications?

Q4: Panel review fee (\$540 user-pays new charge)

Context:

Growing numbers of teachers are requesting Discretionary Pathway or Registration Panel reviews. The Teaching Council proposes introducing a \$540 fee for these reviews so that only those who use this service pay for it.

Question:

What is your response to introducing a \$540 user-pays fee for panel reviews instead of distributing these costs across the entire profession?

Q5: Is there anything else you would like to tell us about the proposed fee and levy changes?



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