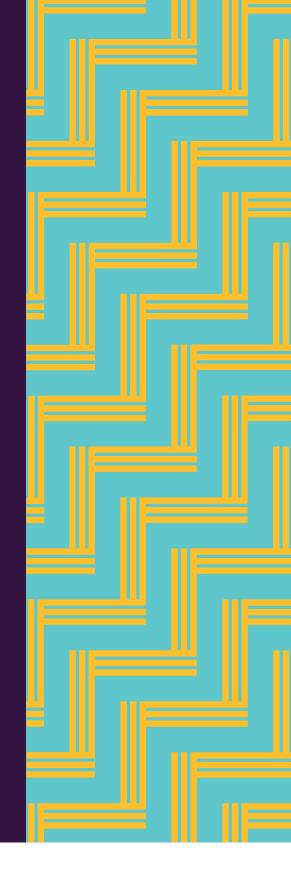
Fees and levy: more information and Q&As

5 March 2025





Matatū. Tū Mataora. Stand tall. Shape the future.

Fees and levy: more information and Q&As

We are consulting with you on our proposed new fees and levy charges

Our legislation requires us to consult teachers when we set the fees and levy we have to charge to cover the cost of our various functions. Consultation allows us to take your feedback into consideration to help with our planning and decision-making. It also informs you - the profession - about what is happening and provides an opportunity for us to test our assumptions and proposals with you.

Your professional fees and levy pay us to serve you

We are set up under legislation to be the independent professional body for teachers and to carry out a variety of roles on your behalf.¹

Our overarching statutory purpose is to ensure safe and high-quality teaching and learning across early learning, primary and secondary schooling in English, Māori and other language settings.²

But what does this all really mean for our relationship with you? Through sector engagement we have defined our vision as: "Strengthening the mana of teaching, so teachers can change lives". This vision is at the heart of the way we work for and with the profession as set out in our <u>Strategic Plan</u>.

Like other professional bodies, we are funded by members of the profession for services provided to them and on their behalf. For example, we work with the profession to define the qualifications needed for teaching, set the requirements for initial teacher education, and approve and monitor those programmes. We set the requirements for certificating and registering teachers. We develop and uphold high standards of conduct and competency through teacher-led processes.

Together with the profession we set and maintain the professional standards that ensure teachers are competent and fit to practice and continue to maintain their knowledge and skills throughout their teaching careers. We also oversee disciplinary and competence processes to support or censure the very small proportion of teachers whose practice or conduct does not meet expectations.

We are part of the wider education eco-system with a unique role to set and uphold the expectations, standards and systems that underpin a high-quality profession that the public has confidence in.

What changes to the fees and levy are proposed for the next three years?

We are proposing an increase to the combined fee and levy to apply for or renew a practising certificate from \$464.37 to \$501.74 for the next three years. This is around 8.0% more than the fee and levy set in 2022 and reflects inflation (using Reserve bank of New Zealand forecasts) in the three years to June 2028, as well as changes in the volume of applications and the cost of functions we are required to provide.

In addition, we are also proposing to:

- increase the application fee and levy for a Limited Authority to Teach (LAT) to reflect actual costs
- increase the fee and levy 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, and the amount of work required
- introduce a new fee for applicants who do not meet the criteria for registration or certification to have their applications reviewed by a panel such as the Discretionary Pathway or Registration

 $^{^{\}rm 1}$ For the full list of our legislated responsibilities see Appendix 1.

² See section 479 of the Education and Training Act 2020

panels to shift this to a 'user-pays' approach following a material increase in the number of such applications.

Breakdown of charges by certificate or application type	Current fee & levy (incl. GST)	Proposed fee & levy (incl. GST)	% increase for three-year period
To renew a practising certificate	\$464.37	\$501.74	8.0%
To issue a practising certificate	\$464.37	\$501.74	8.0%
To move from provisional to full certification ³	\$512.37	\$553.58	8.0%
For registration only i.e., a practising certificate is not issued	\$128.96	\$126.44	(2.0%)
For a three-year Limited Authority to Teach	\$353.87	\$393.63	11.2%
Overseas teacher application for a new practising certificate (with no government subsidy)	\$564.37	\$846.74	50.0%
Late fee (no change)	\$50.00	\$50.00	0%
Apply for a review of a decision by Registration or Discretionary Pathway panel (new fee)	\$0.00	\$540.00	New fee

In determining the proposed fees and levy, the Governing Council considered the 'do nothing' option of keeping our fees and levy at the level set in 2022.

We believe that keeping the fees and levy unchanged would result in a financial deficit of around \$1.5m per annum (based on around 40,000 applications a year). To address this level of deficit we would need to significantly reduce Teaching Council staffing levels, which would have a direct impact on our service delivery and ability to meet our legislated role, for example conduct cases would take longer to resolve, processing of applications to get or renew a practising certificate would slow down, potentially resulting in teachers' certificates expiring before their applications were approved, and enquiries to our contact centre going unanswered.

How do our fees and levy compare with other professional bodies?

The Teaching Council has looked at the fees set by other similar professional bodies as a point of reference. Though the range of functions and size of other workforces differ, comparing the average annual cost of certification is useful as a general comparison. This comparison shows that Teaching Council fees and levy are at the lower end of the range, as set out below.

Table 2: Comparison of fees for other professional bodies in New Zealand

Professional body	Equivalent annual cost to renew a practising certificate ⁴
Nursing Council	\$130

³ 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.

Teaching Council	\$167 ⁵ (proposed)
Physiotherapy Board	\$455
Social Workers' Registration Board	\$540
Psychologists' Board	\$547
Occupational Therapy Board	\$558°
Midwifery Council	\$730
Pharmacy Council	\$925

Similarly, we have looked at typical fees set by Australian teacher registration bodies. There are some key differences between the States and us around how the fees are set and what they cover, for example, some states fund ITE or early childhood education separately, but the table below shows broadly how our fees and levy compare to fees in Australia.

Table 3: Comparison of fees with Australian teacher registration bodies⁴

	Victoria	NSW	QLD	WA	SA	TAS	NZ
Number of authorised teachers	153,298	173,005	117,167	59,978	36,032	11,713	114,003
Annual fee	A\$124.12	A\$100	A\$100.7	A\$95	A\$134	A\$115.75	A\$ 151.81 (NZ\$167.24 proposed)

What do we charge for and how do we calculate the amount?

Fees can be charged for registration, issuing practicing certificates of different kinds, or LATs. They can also be charged for the costs associated with our other legislated functions, including arranging police vets of potential teachers and managing the formal disciplinary and competence processes.⁵

The fees and levy we charge must reflect the actual and reasonable costs of our functions. That is, we do not expect to collect surplus income. We must also consult with the profession when we set the fees and levy and consider the feedback with an open mind. The legislation that governs the way in which we set fees and levy can be found here: <u>Teaching Council fees</u>, levies and costs.

We set the fees and levy for a three-year period. We last changed our fees and levy in July 2022, which is why we are now consulting again with you on new fees and levy. Any changes to them will commence from 1 July 2025 with no further planned changes until 2028. To set the fees and levy for a three-year period, we have to estimate the costs of delivering our functions and the volume of applications over this period. We have committed to reviewing our financial position towards the end of the three years to determine whether we will under- or over-recover. Any under- or over-recovery will then be factored into the calculation of new fees and levy.

To comply with the requirement to only charge for 'actual and reasonable' costs, we seek an independent review of our proposed fees and levy. That review looks at our assumptions e.g., forecast costs and application volumes, and compares them with our actual costs and those of similar organisations.

⁴ The range of functions varies across different states so the figures are indicative rather than directly comparable. Information sourced from each agency's website.

⁵ The registration/certification and disciplinary/competence processes together reflect around 80% of the Teaching Council's functions and costs.

We start with our most recent actual financial data and the approved budget for the current year – in this case that is the audited actual result for the 2023/24 financial year and the budget for 2024/25. From there we build a forecast for the next three years.

That forecast incorporates what has changed since we last set the fees and levy. This will primarily relate to the impact of inflation on the Teaching Council's costs; however, there are other factors that are taken into account. An example is the Governing Council's decision in September 2023 to reduce the levy paid by teacher moving from provisional to full certification for the time remaining on their Tōmua | Provisional Practising Certificate. This reduces the cost of their first Tūturu | Full (Category One) Practising Certificate. The change is fair for the individual concerned; however, the reduction in the income received from this application type means that we need to receive more income from other application types.

Why the Teaching Council doesn't use the money it has in the bank instead of increasing the fees and levy

Like all prudent organisations, we hold financial/cash reserves to allow for unforeseen costs and events. The Teaching Council has a Reserves Policy, which is reviewed every three years or sooner if required. The policy determines what level of reserves is appropriate. If our reserves were to be higher than the level set in the policy, our Governing Council would consider options for addressing the situation.

The Teaching Council is also required by law to "ensure that it operates in a financially responsible manner and, for this purpose, that it prudently manages its assets and liabilities" (Education and Training Act 2020, Schedule 19 Clause 9)3)). The Governing Council is satisfied that we currently have reserves in excess of the level determined in the policy and, in considering the options to address this, has decided to use some of these to smooth the impact of anticipated inflation-related increases over the next three-year period 2025-2028.

How do we calculate the cost of Teaching Council functions?

Once we have estimated the cost of providing all our functions for the three years, we allocate our costs to our Pou (the statutory functions we are required to provide). The average cost (total cost for the three years divided by 3) is allocated to each statutory function using an appropriate cost driver. Costs can be directly allocated to a function (for example, mandatory reporting, investigations and legal costs are considered to be 100% related to the conduct function), or indirectly allocated to a function (for example, a small percentage of the Finance team costs is allocated to conduct, to capture the work of cost recovery from conduct matters), or they will be treated as an overhead and allocated on a pro-rata basis according to directly and indirectly allocated costs. Our methodology and calculations have been independently reviewed by Deloitte - a recognised specialist in accounting practice.

Analysis of cost by function

Table three below shows how we have allocated the costs against our key functions. The two largest cost drivers are managing conduct processes (46%) and the policy and delivery of registration and certification (30%).⁶

Table 4: Teaching Council costs by function

Teaching Council roles (as set out in legislation)	Estimated net annual cost (\$m) 2025-2028	% of total
The future direction of teaching (Pou Aro Whakamua)	\$0.985	5.2

⁶ Legal fees are significant cost drivers around conduct processes. Staff time and technology systems are large parts of the registration/certification costs.

Registration and certification (Pou Whai Rehitanga)	\$5.781	30.2
The Code and Standards (Pou Tikanga Matatika, Ngā Paerewa)	\$0.437	2.3
Establishing and maintaining standards for Initial Teacher Education (ITE) and undertaking ITE programme approvals (Pou Here Tōmua) ⁷	\$2.131	11.1
Conduct (Pou Matatika)	\$8.937	46.7
Competence (Pou Mataara)	\$0.851	4.5
Total	\$19.122	100.0

Technical information on calculations

The Treasury guidelines on setting public sector charges say, "**cost recovery** occurs when an agency seeks to recover some or all of the costs of service provision from the users of that service, over a reasonable period".⁸ Cost recovery applies to services that the government has a statutory authority to deliver. According to The Treasury, the two main mechanisms for recovering costs are fees and levies:

- Cost recovery **fees** are for a good, service or regulation directly provided to (or directly benefiting) an individual or organisation (in the Teaching Council's case for example, certification ensures each individual teacher has relevant and up-to-date skills and knowledge).
- Cost recovery **levies** are imposed on a group of individuals or organisations (for example, a profession) as a proxy for the individuals or individual organisations who directly receive or benefit from the good, service or regulation (similarly, for the Teaching Council for example, conduct and competence investigations are funded by all teacher to uphold the collective integrity of the profession).

In practice, our fees and levy might not fit completely tidily into discrete categories so are better thought of as being on a spectrum. The most important consideration for this consultation is that any fees and levy must recover only the actual and reasonable costs incurred by the Teaching Council in carrying out its roles as required under legislation.

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

We last set the fees and levy in July 2022 for a three-year period after the government contribution - covering around 60% of our costs – ceased (that was why the previous increase in fees was so large). We committed to the profession that we would undertake a wash-up of the last three-years i.e., if we collected more money from teachers than we needed to meet our actual and reasonable costs, we would take this into account when we next reviewed our practising certificate fees and levy. We also obtained independent verification (by Deloitte) that our costs and proposed fees and levy met the legislated requirement to be actual and reasonable. ⁹

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 teacher (we do not have full final figures yet as there are still a few months to go before the end of the financial year).

⁷ This is net of recoveries from ITE institutions, which has been estimated at \$0.275m per annum.

⁸ See The Treasury <u>Guidelines for Setting Charges in the Public Sector</u>.

⁹ Deloitte review documents available on the consultation webpage.

Table 5 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 Tōmua | Provisional Practising Certificate, and the two-week delay in implementing the previous new fees and levy in 2022.¹⁰ The deficit is a forecast only as the third year (2024-2025) does not finish until June 2025.

Table 5: Comparison of forecast and actual income and costs 2022-2025

	Forecast revenue & expenditure for 2022-2025 \$m	Actual/forecast 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)

Cost recovery principles and objectives

The Teaching Council has adopted the key considerations from the Treasury guidelines¹¹ for setting charges in the public sector and the Office of the Auditor General's (OAG) Good Practice Guide¹² for setting and administering fees and levies. Further information about how we worked to meet these considerations and follow the requirements to prepare a statement of Cost Recovery and Income Statement (CRIS) are outlined in Appendix 2 but in summary the criteria we aim to meet are:

Criteria	Description
Equity	Administering and managing fees and levies fairly and equitably.
Efficiency	Provide services to the desired level of quality, given the quantity of resources.
Justifiability	Recovery of costs reasonably relate to the service being charged for.
Transparency	Clear processes for setting and managing fees and levies.

How robust is our process and analysis?

¹⁰ The new fees were implemented on 11 July 2022 rather than 1July which had a minor effect on our income.

¹¹ The Treasury. (2017, April). *Guidelines for Setting Charges in the Public Sector.* Retrieved from https://www.treasury.govt.nz/sites/default/files/2017-04/settingcharges-apr17.pdf

¹² Office of the Auditor General. (2021, August). Setting and administering fees and levies for cost recovery: Good practice guide. Retrieved from https://oag.parliament.nz/2021/fees-and-levies/docs/fees-and-levies.pdf

We commissioned an independent review from Deloitte in 2022 of our methodology for calculating our expected costs and income requirement to set the proposed fees and levy¹³. It carried out a benchmarking exercise comparing us with other similar organisations, interviewed Teaching Council staff and analysed management practices and reviewed our operating cost forecasts and the assumptions and calculations behind them. Their conclusion was:

"Our assessment... provides us with confidence the [Teaching] Council has good management disciplines in place, and is continuing to seek to strengthen how it manages and operates its business."

Deloitte completed another review in February/March 2025, which again confirms its assessment that our financial modelling is robust, and our calculations are sound. The review assessed the robustness of our modelling and benchmarked the Council against other professional bodies.

What do we do for the profession?

Some of the most visible activities of the Teaching Council funded from the fees and levy each year typically include:

- processing over 40,000 registration, certification applications and renewals (we now have just under 115,000 registered teachers with a current practicing certificate and LAT holders)
- responding to over 109,000 phone calls or email queries (with priority calls for principals and professional leaders)
- processing around 600 complaints and mandatory reports about teacher conduct (including managing some of these through the formal Complaints Assessment Committee and Disciplinary Tribunal)
- supporting 30 competence reviews
- reviewing/approving around 26 Initial Teacher Education (ITE) providers and 95 programmes (over a three-year period)¹⁴
- responding to over 120 Official Information Act requests
- 73 engagements across the sector including consultation on professional boundaries and inclusive education, and workshops and presentations on the Professional Growth Cycle, conduct and competency, the role and function of the Teaching Council, and Ngā Tikanga Matatika | Code of Professional Responsibility and Ngā Paerewa mō te Umanga Whakaakoranga | Standards for the Teaching Profession
- Rauhuia: Terenga Huihuinga | Symposia Series which has focused on Generative AI: Navigating the professional realm of generative artificial intelligence for teachers
- We have met with principal, and deputy principal groups, with Early Childhood Education (ECE) professional leaders and ECE services including kindergarten associations, not-for-profit organisations and private providers. We have engaged with the Ministry of Education, including Early Learning Pacific services, Initial Teacher Education (ITE) providers and have regular hui with the Early Childhood Advisory group
- The Executive and Senior Leadership team have spoken at, or attended 31 conferences or events across the motu, across all sectors, with unions and a range of organisations.

As part of the work noted above, we have also improved the processes and timeliness of key functions around registration/certification and conduct and competence matters so that they are more streamlined and, therefore, faster.

In addition, the Teaching Council meets regularly with key teaching stakeholder organisations, to collaborate publishing and responding to media requests, and making submissions on proposed policy or legislation.

¹³ You can read the full report on our website or in this link: Deloitte Report

¹⁴ Some funding for ITE comes directly from ITE providers, such as the specific costs related to panel approval and review assessments but all other costs are met by Teaching Council.

Our current Strategic Plan describes the priorities and nature of the work we do in addition to the main activities of registration/certification and conduct and competence. For more information see this link: <u>Strategic Plan 2024-2029</u>

Our approach to consultation

We look to our legislation and best practice guidelines from the Treasury and Office of the Auditor-General to inform our consultation approach in the following ways:

- Our legislation says we must consult with teachers on any proposed fees or levy and receive your views with an open mind and give them due consideration.¹⁵
- Consultation helps us to gain information to assist with policy development and to inform stakeholders about what is happening.
- Stakeholder engagement improves the design and implementation of the proposals.¹⁶

We held pre-consultation meetings with key stakeholders to provide a heads-up of our proposals and to hear initial comments and responses. These sessions helped us to refine our proposals and messaging.

How will your feedback and information be used?

The Teaching Council will receive and analyse your feedback with an open mind and give it due consideration before decisions are made on the fees and levy.

Once all feedback has been analysed, the Teaching Council's Governing Council (its governing board) will discuss options and make final decisions on the level of fees and levy, and any other proposals provided through the consultation. If, for reasons of fairness, a further period of consultation is required to seek feedback on new proposals that arise out of this process, the Teaching Council will advise teacher of the timing for this and provide the necessary information.

Final decisions will be communicated to the teaching profession and the new rates for fees and levy will be published in the New Zealand Gazette. New fee and levy amounts will apply from 1 July for new applications for registration, certification and LATs, or from the date renewals are due.

How we will share feedback

Once decisions are made, the Teaching Council will upload a document on our website that highlights the themes of the feedback we received, and a summary of anonymised submissions. No personal information will be published. If you do not wish for your anonymised submission to be published, please let us know.

To comply with the Official Information Act (OIA), the Teaching Council must consider any request to release the submissions of this consultation under the OIA. While the Teaching Council must make the final decision on what should be released you can let us know if there are specific reasons why you would like your feedback to remain confidential, and we will consider those reasons before making a decision on any request.

¹⁵See <u>s479(4) a+b</u>

¹⁶ For more information on advice for formal consultations from the Treasury and the Office of the Auditor-General see: <u>https://www.treasury.govt.nz/sites/default/files/2019-12/guidance-note-effective-consultation-impact-analysis.pdf</u> <u>https://www.treasury.govt.nz/sites/default/files/2017-04/settingcharges-apr17.pdf</u> <u>https://oag.parliament.nz/2021/fees-and-levies</u>



Q: Why do I have to keep renewing my practising certificate every three years and paying the fees and levy for this? I'm an experienced teacher.

The Education and Training Act 2020 requires that a practising certificate is renewed at least every three years, and that the person has had a satisfactory police vet within the last three years.¹⁷

Having a regular cycle of renewal also includes assurance that every teacher is meeting *Ngā Paerewa m* \bar{o} te *Umanga Whakaakoranga* | *Standards for the Teaching Profession* in an ongoing way. These requirements also help build the confidence of the public in the quality of teachers and teaching.

Q: Why can't the government or employers pay the fee?

Prior to the 2023 election, a commitment was made by the National party that they would pay registration/certification costs. In 2023, collective agreements (negotiated by Kindergarten, PPTA and NZEI) included a one-off payment of \$710 (via the Ministry of Education) to contribute to the costs of your next practicing certificate renewal. As we are not a party to collective negotiations or government funding decisions, we cannot comment on whether such payments will be made in future.

We understand some ECE providers may pay teacher registration and certification costs for staff not covered by a collective agreement. That is of course up to them, as they are private businesses. Schools do not have this option.

However, it is important to note that many professions are self-funded which ensures, and is the price of, their independence. This allows professions a strong independent voice and self-governance. Self-governance for the teaching profession includes critical functions such as developing our profession-led code and standards and sitting on decision making panels and our Governing Council.

Q: Inflation is only 4%, how can you justify an 8% increase?

You are right. Inflation has only been running at around 4% over the last three years. But keep in mind that our fees and levy are only adjusted every three-years. The proposed change reflects the effect of three years' worth of inflation-driven cost increases, as well as some changes in the volume and type of services we provide.

Q: Why can't there be a sliding scale based on income for the fees and levy?

Our legislation does not give us the power to set fees and levies that differentiate between teachers based only on income. It costs the Teaching Council the same to process the applications (and perform other functions) irrespective of an individual's income. We are aware Union fees are structured differently.

Q: Can we pay one year at a time to reduce the big payment needed?

The Teaching Council has investigated options for allowing teacher to pay for their applications in instalments. To implement such a system, the Teaching Council would need to be able to manage the impact that such an option would have on our cash flow, which is not possible at this time. In 2022 we sought the profession's view on using a 'Buy Now Pay Later' system e.g., Afterpay; however, there was little interest in this. We will revisit the option of a 'Buy Now Pay Later' again. Most 'Buy Now Pay Later' schemes only allow payments to be spread over a very short period and default fees are significant.

¹⁷ See Education and Training Act 2020 <u>Schedule 3 Section 10(2)</u>

Q: What would happen if you just left fees and levy the same as they are now?

There would be no immediate effect, but over the next three years our reserves would reduce, jeopardising our financial position and breaching our duty to ensure good financial management and enact our legislative functions.

We considered the 'do nothing' option of keeping our fees and levy at the level set in 2022 and calculated that keeping the fees and levy unchanged would result in a financial deficit of around \$1.5m per annum.

This would have a direct impact on our service delivery – conduct cases would take longer to resolve, processing of applications to get or renew a practising certificate would slow down resulting in teachers' practising certificates expiring before their applications were approved, and enquiries to our contact centre going unanswered.

Q: Teachers can't afford to have their fees and levy increased – why can't you reduce the activities you do and save money that way?

Our legislation sets out the things we must do - we can't not do them.

We believe that the proposed fees and levy meet the requirement to only recover the 'actual and reasonable' costs of delivering our functions whilst maintaining an acceptable level of service delivery (such as improving the speed of our call centre responses and processing time for certification and renewals). We have also incorporated savings of \$0.280m per annum from reduced staff costs, as well as targetting a further \$0.750m of efficiency savings over the next three-year period.

Q: How are you supporting teachers to manage the impact of a fees increase?

We know that times are tough, and that it feels like the price of everything is increasing. Like all prudent organisations the Teaching Council holds reserves (held as cash or short-term investments) so that we can respond to unexpected expenses, downturns in revenue, or other challenges. This feels like one of those challenges, so the Governing Council has made the decision to release \$0.5m over the next three years from our reserves to reduce the impact of increased costs on teachers. This has allowed us to reduce the proposed increase in fees and levy for a teacher renewing a practising certificate.

Our proposals to shift to a 'user-pays' model for some costs (for example, for processing applications from overseas-trained teachers, and for requests that an application go to a panel for consideration) will also help to keep costs down for most teachers.

We have found savings in our business and continue to look for efficiencies.

Q: If you have built up a surplus of reserves does this mean you have been charging us too much?

We are required by law to ensure that we operate in a financially responsible manner and, for this purpose, that we prudently manage our assets and liabilities¹⁸. When we set the fees and levy, we have to forecast our costs over a three-year horizon and estimate the number of applications that we will receive - so there is always some uncertainty around our costs and income. We also get some income from other sources such as interest. In this cycle, there was some increased revenue, that can primarily from high cash interest rates, and high staff vacancies. We do not keep any additional funding collected over and above what is needed for responsible financial management. Our Governing Council has proposed that the reserves that have built up over these minimum requirements can be returned to the profession thereby slightly reducing the level of increase needed in the fees and levy.

¹⁸ Education and Training Act 2020, Schedule 19, clause 9(3)

Q: Why do I have to pay for some of the costs associated with Initial Teacher Education? It's been years since I trained as a teacher!

It is important to note that costs related to the approval and monitoring of individual ITE programmes are paid for directly by ITE providers, rather than teachers.

All teachers have an interest in ensuring that the requirements for selecting and educating the next generation of teachers are met, as this is one of the ways that you and the public know the profession continues to be high-quality, trusted, and effective.

Q: Why should I pay for conduct and competency costs when I have never had any problems raised about my practice or behaviour?

All teachers have an interest in maintaining high standards of conduct and competence across the profession, to ensure all learners have high-quality learning experiences, and to safeguard the reputation of the profession. To have a highly trusted profession, we must ensure that teachers who are no longer fit to teach, are exited from the profession and support all those we can, to maintain competence and ensure behaviours meet the high expectations set by you.

Q: What will happen if all the feedback is that teachers don't agree with the new charges?

The consultation process is not a 'vote' on whether or not to accept the proposed changes but an opportunity to share our rationale and to hear the views of the profession and key stakeholders on what is proposed. The Governing Council will take the feedback into consideration and determine whether any changes to our proposals need to be made.

Q: Why the Teaching Council doesn't use the money it has in the bank instead of increasing the fees and levy?

Like all prudent organisations, we hold financial/cash reserves to allow for unforeseen costs and events. The Teaching Council has a Reserves Policy, which is reviewed every three years or sooner if required. The policy determines what level of reserves is appropriate. If our reserves were to be higher than the level set in the policy, our Governing Council would consider options for addressing the situation.

The Teaching Council is also required by law to "ensure that it operates in a financially responsible manner and, for this purpose, that it prudently manages its assets and liabilities" (Education and Training Act 2020, Schedule 19 Clause 9)3)). The Governing Council is satisfied that we currently have reserves in excess of the level determined in the policy and, in considering the options to address this, has decided to use some of these to smooth the impact of anticipated inflation-related increases over the next three-year period 2025-2028.

Q: What impact does the Governing Council decision to use some reserves to smooth the impact of inflation have on the proposed fees and levy?

The table below shows the fees and levy required to meet our forecast actual and reasonable expenditure and the fees and levy after the use of \$0.5m of reserves.

Breakdown of charges by certificate or application type	Fee & levy (incl. GST) before reserves applied	Proposed fee & levy (incl. GST)
To renew a practising certificate	\$506.35	\$501.74
To issue a practising certificate	\$506.35	\$501.74

To move from provisional to full certification ¹	\$558.72	\$553.58
For registration only i.e., a practising certificate is not issued	\$127.78	\$126.44
For a three-year Limited Authority to Teach	\$397.27	\$393.63
Overseas teacher application for a new practising certificate (with no government subsidy)	\$851.35	\$846.74
Late fee (no change)	\$50.00	\$50.00
Apply for a review of a decision by Registration or Discretionary Pathway panel (new fee)	\$540.00	\$540.00

Q: Does the proposed increase of 8% cover the cost of processing of overseas teacher applications?

No. Overseas teachers applying for a New Zealand practising certificate currently pay \$564.37, which includes a \$100.00 overseas application fee (a New Zealand trained applicant currently pays \$464.37). To improve the timeliness of processing overseas applications, which are more complex than for a New Zealand ITE trained applicant, the Teaching Council has been receiving funding from the government to employ additional registration officers. That funding agreement ends on 30 June 2025.

To ensure that we can continue to process overseas applications in a timely manner, we have proposed an increase to the overseas teacher application fee paid by the overseas teacher from \$100.00 to \$345.00. When combined with an 8% increase to the standard fee and levy, we are proposing that an overseas teacher applicant will pay \$846.74.

New Zealand based teachers are not being asked to pay for the increased costs of processing overseas teacher applications.

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, 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 and levy 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 actual cost of processing 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 actual 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:

Do you support 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?

Appendix 1

Legislated functions of the Teaching Council

The Education and Training Act 2020 sets out our responsibilities to:

- provide direction for teacher
- enhance the status of teacher
- identify and disseminate best practice in teaching and foster the teaching profession's continued development in light of research and evidence of changes in society and technology
- carry out the functions relating to teacher registration
- establish and maintain any criteria for teacher registration that the Teaching Council considers necessary or desirable and to review, vary, or delete the criteria for teacher registration
- establish and maintain standards for qualifications that lead to teacher registration and to review, vary, or delete the standards for qualifications
- conduct, in conjunction with quality assurance agencies, approvals of teacher education programmes
- establish and maintain:
 - o standards for ongoing practice
 - o criteria for practising certificates of different kinds
- establish and maintain a code of conduct for teacher
- monitor and enforce the requirements relating to mandatory reporting
- perform the disciplinary functions relating to teacher misconduct and reports of teacher convictions
- set the criteria for reporting serious misconduct and for reporting on competence issues
- perform the functions relating to teacher competence
- co-ordinate a system providing for the vetting by the police of all teacher
- perform any other functions conferred on it by this Act or any other enactment.

With the written approval of and funding from the Minister of Education our functions may also include:

- providing leadership to the education profession
- enhancing the status of education leaders
- identifying and disseminating best practice in education leadership.

The exact wording of our functions is set out in section 479 of the Education and Training Act shown in this link: <u>Functions and powers of Teaching Council</u>



Visit: Level 11, 7 Waterloo Quay, Pipitea, Wellington 6011, NZ Post: PO Box 5326, Wellington 6140, NZ Phone: +64 4 471 0852 Email: enquiries@teachingcouncil.nz